Monthly Policy Review

May 2021

Highlights of this Issue

GDP estimated to contract by 7.3% in 2020-21, growth of 1.6% in Q4 (p. 8)
GDP growth (at constant prices) in the Q4 of 2020-21 is estimated to be lower than the growth of 3% in Q4 of 2019-20. Mining sector is estimated to register negative growth in Q4, decelerating further from Q3.

Timeline for administration of vaccine doses revised (p. 2)
Vaccination of persons recovered from COVID-19 should be deferred by three months after recovery. The gap between two doses of Covishield has been increased to 12-16 weeks.

RBI announces measures to mitigate the impact of second wave of COVID-19 (p. 2)
Key measures include: (i) liquidity support for COVID-19 related healthcare infrastructure and services, and lending to small businesses, and (ii) a framework for restructuring of loans to individuals and small businesses.

Guidelines for creating near to home COVID-19 vaccination centres issued (p. 3)
The guidelines seek to ensure vaccine accessibility for: (i) people over the age of 60 years, (ii) people with disabilities, and (iii) people with limited locational mobility.

Advisory on containment of COVID-19 issued to state government (p. 2)
The advisory states that any relaxation in restrictions on travel and movement must be gradual and based on assessment of local situations. Guidelines issued on COVID-19 management in April continue to be in force.

CGA released the provisional data on central government accounts for 2020-21 (p. 9)
The centre's expenditure increased by 31% in 2020-21. While the centre's gross tax revenue increased by 1% in 2020-21, devolution to states declined by 9%. Fiscal deficit expanded to 9.2% of GDP.

Government provides tax exemptions on import of COVID-19 medical supplies (p. 4)
The exemption from integrated GST on imports will only be applicable to the relief material donated for free distribution to the central government or any state government, or any relief agency, entity, or statutory body.

Indian Council for Medical Research issued advisory on testing for COVID-19 (p. 3)
RT-PCR tests should not be required for those: (i) tested positive once, (ii) discharged from hospital post recovery, and (iii) travelling between states. Testing kit to conduct rapid antigen tests at home approved.

Social security relief for workers passing away due to COVID-19 announced (p. 4)
Dependents of those insured under the ESIC and EPFO will be provided benefits in case of death due to COVID-19. EPFO has allowed members to withdraw money from EPF account twice for COVID.

Financial aid and insurance for certain individuals announced (p. 5)
The central government: (i) extended an insurance scheme for healthcare workers till October 2021, (ii) extended welfare fund for seafarers till June 2021, and (iii) announced an allowance for transgender persons.

The Homoeopathy Central Council (Amendment) Ordinance, 2021 promulgated (p. 8)
The Ordinance extends the time period for reconstituting a Central Council of Homoeopathy from three to four years. The Council was established to regulate homoeopathic education and practice.

Comments invited on draft Rules on recognition of trade unions (p. 12)
The draft Rules provide that trade unions may negotiate with the employer on matters such as wages of the workers and promotion and transfer policy. They also provide for facilities to be provided to trade unions.

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COVID-19

As of May 31, 2020, there were 2,80,47,534 confirmed cases of COVID-19 in India.[1] Of these, 2,56,92,342 (91%) had been cured/discharged and 3,29,100 (1%) persons had died.[1] As of May 31, 2021, 16,86,13,371 people have received the first dose of a vaccine, and 4,45,40,758 people have received the second dose.[2] For details on the number of daily cases in the country and across states, please see here.

With the spread of COVID-19, the central government has announced several policy decisions to contain the spread, and financial measures to support citizens and businesses who would get affected. For details on the major notifications released by centre and the states, please see here. Key announcements made in this regard in May 2021 are as follows.

Advisory issued to state governments to contain the spread of COVID-19

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The Ministry of Home Affairs issued an advisory to states and union territories to contain the spread of the COVID-19 pandemic.[3] The Ministry had last issued such guidelines in April 2021.[4] The April guidelines had proposed: (i) evidence-based framework to establish containment zones, (ii) planning for health infrastructure requirement, (iii) online display of vacant hospital beds, and (iv) analysis of deaths and death audits.

The latest advisory states that containment measures may continue to be implemented strictly. Any relaxations in restrictions may be notified in a graded manner after assessing local situations and requirements for relief measures. Further, the containment measures announced by the Ministry of Health and Family Welfare in April 2021 continue to be implemented by state and union territories.[4]

Timeline for administration of vaccine doses revised

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The Ministry of Health and Family Welfare revised the timeline for the administration of vaccine doses.[5,6] Key aspects of the revised timeline are as follows:

- **Vaccination of people recovered from COVID-19 and other illness:** Earlier, individuals who had recovered from COVID-19 had to wait for 14 days for vaccination after resolution of symptoms.[7] This timeline has been extended to three months. The revised timeline is based on the recommendations of the National Expert Group on Vaccine Administration for COVID-19. The revised timeline also applies to persons who were infected by COVID-19 post first dose of the vaccine.[5]
- For patients treated with monoclonal anti-bodies (laboratory made proteins to enhance immune system) or convalescent plasma (transfusion of plasma from a COVID-19 recovered person to a patient), the vaccination should be deferred by three months from the date of discharge from the hospital. All other patients with serious general illness (illness with risk of mortality) requiring hospitalisation should defer their vaccination by four to eight weeks.[5]
- **Extension of gap between two doses of Covishield:** Based on the recommendations from the COVID working group (Chair: Dr. N. K. Arora), the Ministry increased the gap between two doses of Covishield from 4-8 weeks to 12-16 weeks.[6,8]

RBI announces various measures to mitigate the impact of COVID-19

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The Reserve Bank of India (RBI) announced the following key measures to mitigate the impact of the second wave of COVID-19:

- **Liquidity support for COVID-19-related healthcare infrastructure and services**: On-tap liquidity window of Rs 50,000 crore has been made available to banks.[9,10] Under the scheme, banks can borrow money for a period of up to three years at the repo rate. Banks will use these funds for providing fresh lending support to various entities involved in ramping up COVID-19-related healthcare infrastructure and services. These include: (i) vaccine manufacturers, (ii) importers of vaccine and COVID-19 related drugs, (iii) suppliers of oxygen and ventilators, and (iv) logistics firms. Banks may also use these funds to provide loans to patients for treatment. The scheme will be available till March 2022.
- **Support to small finance banks**: RBI will extend liquidity support of Rs 10,000 crore to small finance banks to provide further support to small business units, micro and small industries, and other unorganised sector entities adversely affected during the current wave of the pandemic.[11] Under the scheme, banks can borrow money for three

years at the repo rate. Banks will deploy these funds for fresh lending of up to Rs 10 lakh per borrower. The scheme will be available till October 2021.

- **Resolution framework for stressed assets:** RBI announced a new framework for restructuring of loans to individuals and small businesses, including Micro, Small, And Medium Enterprises (MSMEs).[12,13] The eligibility criteria to avail this framework include: (i) borrower's aggregate exposure should not be more than Rs 25 crore as on March 31, 2021, (ii) borrower should not have availed restructuring under the earlier framework announced in August 2020, and (iii) borrower's account was a standard asset (not classified as a non-performing asset) as on March 31, 2021. Restructuring options under the new framework available till September 2021.
- RBI also announced certain concessions to borrowers who availed restructuring under the August 2020 framework: (i) in case of individuals and small businesses, where the moratorium provided under the resolution plan was less than two years, residual tenure can be extended up to the two-year limit; (ii) in case of small businesses and MSMEs, working capital sanctioned limits which may be reviewed as a one-time measure.[13,14]

Guidelines for creating near to home vaccination centres issued

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The Ministry of Health and Family Welfare issued guidelines for creating Near to Home COVID Vaccination Centres (NHCVCs).[15] This is to ensure better access to vaccination for: (i) all individuals above 60 years of age who have not received either dose of the vaccine, and (ii) all individuals below 60 years of age with disability due to physical or medical conditions. The beneficiaries may register for vaccination at NHCVCs in advance or on-site through the COVID Vaccine Intelligence Network (CoWin) portal. Key guidelines include:

- **Identification of NHCVC site:** The district or urban task force will be responsible for identification of NHCVC site. This will be based on eligible target population and availability of human resources. The site must be chosen in a way to ensure: (i) smooth entry and exit, (ii) adequate seating arrangement, (iii) provision for drinking water, and (iv) toilet facilities, accessible for elderly and differently abled citizens (including those with wheelchairs).[5]
- An existing COVID-19 Vaccination Centre (CVC) will undertake vaccination at the designated NHCVC site. The Nodal Officer in-charge of the CVC will review the proposed NHCVC site and will plan for co-ordination of vaccination at the site.[5]
- **Vaccination management at NHCVC:** The CVC in-charge will be responsible for providing vaccines, logistics and required human resources at the NHCVC. Each NHCVC will have a five-member team, including: (i) a doctor as team leader, (ii) a trained vaccinator, (iii) a vaccination officer for registration or verification of beneficiaries, and (iv) two vaccination officers to observe vaccinated beneficiaries for at session site, ensure crowd management, and provide support to the vaccinator.[5]

Advisories for COVID-19 testing issued

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The Indian Council of Medical Research (ICMR) issued two advisories for COVID-19 testing. These are related to: (i) optimising RT-PCR testing during the second wave of the pandemic, and (ii) home testing using rapid antigen tests.[16,17] The advisories seek to optimise testing and increase the access and availability of testing to all citizens. Key features include:

- **RT-PCR testing:** RT-PCR test must not be repeated for any individual who has tested positive once either by RT-PCR test or by Rapid Antigen Test.[16] Individuals who have recovered from COVID-19 are not required to take the test at the time of hospital discharge. Further, the need for RT-PCR test for people undertaking inter-state travels may be completely removed to lower the burden on testing laboratories.[16]
- **Rapid Antigen Tests:** ICMR recommended ramping up these tests across India. They may be allowed at all government hospitals and healthcare facilities. Other measures to ramp up these tests include: (i) creating 24x7 operational dedicated testing booths at multiple locations (including schools, hospitals, and offices), and (ii) creating drive-through testing facilities.[16]
- Further, ICMR approved CoviSelf (PathoCatch) kit for conducting rapid antigen tests at home. It will use nasal swab as the test sample. All individuals who test positive will be considered as true positives and no retest will be required for them. All symptomatic patients testing negative will be required to take a RT-PCR test.[17]

Guidelines for augmentation of human resources for COVID-19 pandemic issued

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The Ministry of Health and Family Welfare issued guidelines for augmenting human resources to deal with the COVID-19 pandemic.[18] Key guidelines include:

- **Doctors:** Services of doctors eligible for the National Eligibility cum Entrance Test 2021 should be utilised to manage COVID-19 in their respective states. Medical interns may also be deployed under the supervision of their faculty for the management of the COVID-19 pandemic.[18] Services of final year MBBS students may be utilised for providing certain services. These include tele-consultation and monitoring of mild cases under the supervision of faculty.
- **Nursing:** Nurses who have qualified Bachelor of Science or general nursing and midwifery courses may be deployed for full-time nursing services under the supervision of senior doctors and nurses. Further, final year nursing students awaiting final exam may be deployed for full-time nursing duties under the supervision of a senior faculty.[18]

The services of all allied health care professionals may be utilised for assistance in COVID-19 management, based on their training and certification. All professionals working for at least 100 days in COVID-19 management must be given incentives or renumeration by the concerned state governments. Further, they will receive Prime Minister's Distinguished Covid National Service Samman from the central government. All healthcare professionals thus engaged will be covered under the government insurance scheme for health workers fighting against COVID-19.[18]

Government provides tax exemptions on import of some essential medical supplies

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The central government provided certain tax exemptions on the import of various medical supplies essential to combat COVID-19.[19,20,21,22] This includes exemption to the following items from the levy of integrated GST (i.e., IGST that is levied on their imports) till August 31, 2021:

- **Vaccines and oxygen-related equipment:** These items include COVID-19 vaccines, ventilators, medical oxygen, and various oxygen-related equipment. Such equipment include: (i) concentrators, (ii) plants and generators, (iii) non-invasive ventilation masks, (iv) filling systems, (v) cylinders, (vi) storage and transport tanks, and (vii) any part used to manufacture all this equipment. Note that all these items are already exempt from the levy of customs duty and health cess till July 2021, which has been further extended till August 2021.[22]
- **Amphotericin B:** Amphotericin B (an anti-fungal drug being used in the treatment of Mucormycosis) has been exempted from the levy of IGST, customs duty, and health cess.
- **Remdesivir:** Remdesivir injections (a drug being used in the treatment of COVID-19) and the ingredients used in its formulation have been exempted from the levy of IGST.

Note that these IGST exemptions will only apply to the relief material donated for free distribution to: (i) the central government, (ii) any state government, or (iii) any relief agency, entity, or statutory body (with prior authorisation from the concerned state government).

However, specifically for oxygen concentrators, the Delhi High Court extended the exemption from IGST to those individuals as well who are importing the concentrators free of cost for their personal use.[23] The Court struck down the 12% IGST applicable on such concentrators, on the grounds that it violates the Article 14 of the Constitution.[24] It observed that the distinction between persons importing oxygen concentrators free of cost for their personal use and those importing through the specified agencies is artificial and unreasonable. Note that the central government has filed a petition in the Supreme Court challenging the judgement passed by the Delhi High Court.[25]

Exemption from GST: The GST Council constituted a Group of Ministers to examine the need for GST concessions/ exemption for items used as COVID-19 relief material.[26] These items include: (i) vaccines, drugs, and medicines used for COVID-19, (ii) thermometers and oximeters, (iii) testing kits, (iv) N95 and surgical masks, (v) PPE kits, (vi) hand sanitisers, (vii) ventilators, and (viii) medical oxygen and related equipment, such as concentrators. The Group consists of the Ministers from the states of Meghalaya (as the Convenor), Goa, Gujarat, Kerala, Maharashtra, Odisha, Telangana, and Uttar Pradesh. It is required to submit its report by June 8, 2021.

Social security relief for dependents of workers passing away due to COVID-19

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The Ministry of Labour and Employment introduced certain benefits for workers through

Employees' State Insurance Corporation (ESIC) and Employee Provident Fund Organisation (EPFO) schemes.[27] This has been done in view of the increase in incidences of death due to COVID -19 pandemic. These benefits will be available without any additional cost to the employer. The scheme will be effective for the period from March 24, 2020 until March 2022. The new benefits include:

- **ESIC**: Currently, under ESIC, pension equivalent to 90% of the average daily wages of an insured worker is available to their dependents in case of death or disablement due to employment related injury.[28] Dependents include the spouse and widowed mother (life-long benefit) and for children (till they attain the age of 25 years). For the female child, the benefit is available till her marriage.
- Under the revised scheme, these dependents will be eligible for the specified benefits in case of death of an insured worker due to COVID-19, subject to certain conditions. One of the eligibility conditions provides that the worker must have been registered on the ESIC online portal at least three months prior to the diagnosis of COVID-19 resulting in death.
- **EPFO**: Currently, under the Employees' Deposit Linked Insurance Scheme, all surviving dependents of the members under the scheme are eligible for benefits in case of death of the member.[29] These include family pension as per the EPF Act, 1952 and sickness benefit of 70% of wages (for 91 days in a year) in case of a worker falling ill and being unable to attend office. Further, there are no requirements of minimum service for payment of gratuity for benefits in case of death of a worker.
- Amendments to this include: (i) increase in maximum benefit to family members of deceased employee from six lakh rupees to seven lakh rupees, and (ii) provision of minimum compensation of Rs 2.5 lakh retrospectively, from February 15, 2020.

EPFO allows members to withdraw money from EPF account twice

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In March 2020, the Ministry of Labour and Employment had amended the Employees' Provident Funds Scheme, 1952, notified under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.[30] The Act provides for a contribution-based Provident Fund (PF) scheme for employees in establishments with 20 or more employees.[31] The scheme provides for the establishment of PF accounts under the Act for employees working in such establishments.

As per the amended scheme, in areas declared to be affected by an epidemic, the PF Commissioner may permit a member to seek a non-refundable advance from his PF account. The permitted advance must be up to three months' salary or 75% of the amount lying in the member's PF account, whichever is lesser.

The Employee Provident Fund Organisation has now allowed its members to avail a second non-refundable advance to meet their financial needs during COVID-19.[32] The provision and process for withdrawal of second advance will be the same as the first advance.

Financial assistance for transgender persons announced

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The Ministry of Social Justice and Empowerment will provide a subsistence allowance of Rs 1,500 to each transgender person as immediate support in view of the COVID-19 pandemic.[33] This financial assistance is to help the transgender community to meet their basic requirements. Non-government organisations and community-based organisations working for transgender persons have been asked to spread awareness about this measure. The assistance can be obtained by providing basic details, Aadhar, and bank account number on a government portal.[33]

Other measures introduced to reduce the impact of COVID-19 on the transgender community include: (i) requesting states to organise separate mobile vaccination centres or booths for vaccination of transgender persons (taken up in Haryana and Assam), and (ii) free helpline for distressed transgender persons for psychological support and mental health care.[33]

CBDT extends the deadlines for filing income tax returns for FY 2020-21

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The Central Board of Direct Taxes (CBDT) extended the deadlines for filing income tax returns for the assessment year 2021-22, i.e., Financial Year (FY) 2020-21.[34] For individuals, the deadline for filing the income tax return has been extended from July 31, 2021 to September 30, 2021. For persons who are required to get their accounts audited under the Income Tax Act, 1961, or any other law, and for companies, the deadline has been extended from October 31, 2021 to November 30, 2021. The deadline for furnishing the audit report (if required under the Act) for FY 2020-21 has also been extended from September 30, 2021 to October 31, 2021.

Extensions under Foreign Contribution (Regulation) Act, 2010 notified

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The Ministry of Home Affairs notified extensions of deadlines under the Foreign Contribution (Regulation) Act, 2010 (FCRA).[35,36] The Act regulates the acceptance and utilisation of foreign contribution by individuals, associations, and companies.[37] Foreign contribution is the donation or transfer of any currency, security, or article (of beyond a specified value) by foreign sources. The extensions include:

- **Registration Certification:** The Act states that a person may accept foreign contribution if they have obtained a certificate of registration or prior permission from the government.[37] The validity of registration certificates which have expired or will expire between September 29, 2020 and September 30, 2021, have been extended till September 30, 2021.[35]
- **FCRA Account**: A 2021 amendment to the Act states that foreign contribution must be received only in the FCRA account opened in a specified branch of the State Bank of India in New Delhi.[38] Under the revised guidelines, contributions may be made to other specified accounts until June 30, 2021.[36] Further, in case an organisation has been granted a registration certificate or prior permissions, it can receive contributions even if they have opened accounts elsewhere until July 1, 2021.

SOP for management of COVID-19 in peri-urban, rural, and tribal areas issued

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The Ministry of Health and Family Welfare issued Standing Operating Procedure (SOP) for the containment and management of COVID-19 in peri-urban, rural, and tribal areas.[39] Peri-urban areas refer to areas adjacent to urban areas. Key features of the SOP include the following:

- **COVID care centre:** The SOP proposes a 30-bedded COVID care centre in all peri-urban and rural areas. The centre will operate under the supervision of nearest primary or community health centre. It will provide care to asymptomatic and mild cases of COVID-19, if home isolation is not feasible. These centres may be set up in public places (such as schools, and marriage halls).[39]
- The community health officer or a male multipurpose health worker will be the nodal officer for a COVID care centre. The clinical management of COVID-19 cases at these centres will include: (i) management of symptoms, (ii) medicine prescriptions, and (iii) oxygen support to patients.[39]
- **Dedicated COVID Health Centre:** The Primary Health Centre (PHC), Community Health Centre (CHC), or the sub-district hospital in a peri-urban, rural, or tribal area will be the Dedicated COVID Health Centre (DCHC) for the area. The DCHC will be responsible for providing care to moderate COVID-19 cases. A DCHC should have a minimum capacity of 30 beds (including some beds with assured oxygen support). The number of beds should be increased based on the increase in cases. Further, every DCHC should be mapped to one or more dedicated COVID hospitals.[39]
- **Post-COVID management:** The SOP specifies that after discharge, the patients should be counselled for post-COVID-19 management at home (including precautions and respiratory exercises).

Advisory issued for the guidance of panchayats to combat COVID-19

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The Ministry of Panchayati Raj issued an advisory for panchayats on combating the COVID-19 pandemic.[40] Key features of the advisory include:

- **Intensive communication:** The advisory recommends campaigning for increasing awareness in rural areas on the nature of COVID-19 infection, preventive and mitigative measures, and doctors and medical institutions. It also suggests dispelling false notions and beliefs. To ensure effective utilisation of infrastructure, it proposes displaying information on availability of testing, vaccination centres, and hospital beds on real-time basis.
- **Volunteers:** Frontline volunteers for the communication campaign may be drawn from the local community. These include elected panchayat representatives, teachers, and ASHA workers.

- **Rehabilitation**: The advisory notes that the pandemic has caused distress and hindered livelihoods. It states that panchayats must leverage various central government and state government welfare schemes to provide relief. Rehabilitation measures include provision of ration, drinking water supply, sanitation, and employment. Panchayats should be directly involved in implementing relief measures, especially to vulnerable sections such as senior citizens, women, and children.
- **Communication with districts**: To ensure timely provision of emergency medical requirements, panchayats must establish inter-linkages with the medical facilities at nearby district and sub-districts. These requirements include ambulances, advanced testing and treatment facilities, and multi-speciality care.

Measures taken to ensure speedy transport of liquid medical oxygen

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The central government took various decisions to ensure speedy and safe transportation of liquid medical oxygen.[41,42] National Highways Authority of India exempted all user fees levied at toll plazas for tankers and containers carrying liquid medical oxygen.[41] It also ordered for such containers to be treated like emergency vehicles such as ambulances to ensure faster movement. This exemption will be in effect until July 2021.

The Ministry of Road Transport and Highways noted that only drivers with a license to carry hazardous cargo can operate vehicles carrying liquid medical oxygen.[42] The Ministry released an advisory for state and union territory governments to create a pool of 500 trained drivers on an immediate basis.

Insurance scheme under the Pradhan Mantri Garib Kalyan Package extended

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The Ministry of Health and Family Welfare had launched the Pradhan Mantri Garib Kalyan Package insurance scheme in March 2020.[43] The scheme provides for insurance cover up to Rs 50 lakh to 22 lakh healthcare workers (including private hospital staff) engaged in the management of the COVID-19 pandemic.[43,44]

Since its launch, the scheme has been extended twice (in September 2020 and in February 2021).[45] The validity of the scheme has been further extended by 180 days (from April 24, 2021 to October 21, 2021).

Welfare fund for seafarers extended

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A welfare scheme announced by the Seafarers Welfare Fund Society was extended till June 31, 2021.[46] The Society is an autonomous body under the Ministry of Shipping. It had announced a welfare scheme for Indian seafarers and their families who may suffer from COVID-19 in May, 2020.[47] The scheme was originally in effect till December 31, 2020. Under the scheme, seafarers and their families are provided with financial support: (i) for in-patient treatment for COVID-19 in notified hospitals, and (ii) in case of death of seafarers. The maximum financial support will be one lakh rupees for medical treatment, and two lakh rupees in case of death (paid to next of kin of the seafarer).[46]

Deadlines for inspection, certification and other requirements extended for ships

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The Directorate General of Shipping extended the deadline for complying with various requirements for safety, sanitation, and audits for ships.[48,49,50,51,52] This was done in view of the second wave of the COVID-19 pandemic. The extensions will be applicable for: (i) statutory surveys of ships, (ii) ship sanitation certificates, (iii) continuous discharge certificates, (iv) recruitment and placement of seafarers, and (v) correction in uploading data on seafarers.

Extension in permissions for community radio stations expiring up to June 2021

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In view of second wave of COVID-19, the Ministry of Information and Broadcasting extended the grant of permission agreements for community radio stations which have expired or will expire by June 30, 2021.[53] The extension has been provided as many organisations could not get their permissions agreements renewed due to the impact of COVID-19. Such agreements will be renewed for an interim period of up to December 31, 2021 on the same terms and conditions as agreed in the last agreement. The interim renewal period will be counted towards any future period of renewal.

Macroeconomic Development

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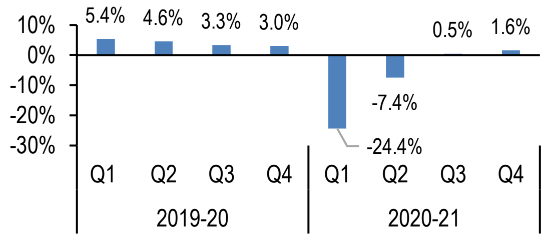
GDP estimated to contract by 7.3% in 2020-21, growth of 1.6% in Q4

As per the provisional estimates of 2020-21, GDP (at 2011-12 prices) is estimated to contract by 7.3% in 2020-21 (year-on-year), as compared to a growth of 4% in 2019-20.[54] In the first and second quarter of 2020-21, GDP is estimated to have contracted by 24.4% and 7.4%, respectively. In the third and fourth quarter, GDP is estimated to have grown at 0.5% and 1.6%, respectively. Figure 1 shows the quarterly trend of GDP growth over the last two years.

GDP growth across economic sectors is measured in terms of Gross Value Added (GVA). During the fourth quarter of 2020-21, except mining sector, all other sectors are estimated to grow (year-on-year). Mining sector is estimated to register negative growth in both the third and the fourth quarter of 2020-21.

Figure 1: Growth in GDP (year-on-year, at 2011-12 prices)



Source: MoSPI; PRS.

The services sector is estimated to contribute to 53% of GVA in the fourth quarter of 2020-21. Within the services sector, trade, hotels, transport, communication, and broadcasting industry is estimated to contract by 2.3% during the fourth quarter of 2020-21. The financial, real estate and professional services industry, and public administration, defence and other services industry are estimated to grow at 5.4% and 2.3%, respectively.

Table 1: Growth in GVA across sectors in Q4 of 2020-21 (year-on-year, at 2011-12 prices)

Sector	Q4 2019-20	Q3 2020-21	Q4 2020-21
Agriculture	6.8%	4.5%	3.1%
Mining	-0.9%	-4.4%	-5.7%
Manufacturing	-4.2%	1.7%	6.9%
Electricity	2.6%	7.3%	9.1%
Construction	0.7%	6.5%	14.5%
Services	6.4%	-1.2%	1.5%
GVA	**3.7%**	**1.0%**	**3.7%**
GDP	**3.0%**	**0.5%**	**1.6%**

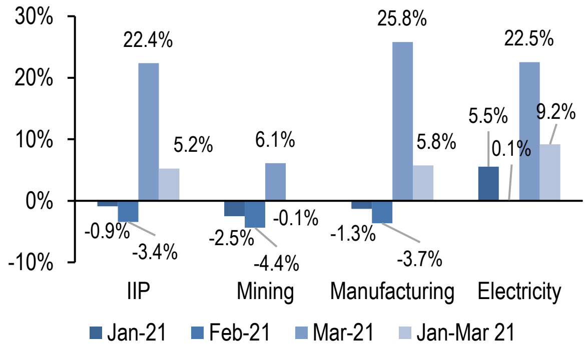
Note: GVA is GDP without taxes and subsidies, at constant prices (2011-12 base year).
Sources: MoSPI; PRS.

Industrial production grew by 5.2% in the fourth quarter of 2020-21 on low base of last year

The Index of Industrial Production (IIP) registered a growth of 5.2% in the fourth quarter (Jan-Mar) of 2020-21, as compared to the same period in 2019-20.[55] Note that this growth rate is on account of a high growth rate registered in the month of March 2021 (22.4% year-on-year). In the months of January and February of 2021, IIP had registered a negative growth.

Such a high growth rate in March 2021 may be due to a low base in the previous year as IIP had registered a significant contraction in the month of March 2020 (-18.7%). In the months of January and February of 2021, while electricity production registered a growth, mining and manufacturing contracted (year-on-year).

Figure 2: Growth in IIP in the fourth quarter of 2020-21 (year-on-year)



Source: MoSPI; PRS.

Finance

CGA released the provisional data on central government accounts for 2020-21

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The Controller General of Accounts (CGA) released the provisional data on the central government's accounts for the financial year 2020-21.[56] Table 2 compares the provisional account figures for 2020-21 with the final accounts for 2019-20. Key highlights include:

- The government spent Rs 35,11,181 crore in 2020-21, 31% higher than that in 2019-20.
- Receipts (other than borrowings) declined by 4% to Rs 16,89,720 crore in 2020-21.
- Fiscal deficit in 2020-21 was 95% higher at Rs 18,21,461 crore. This is equivalent to 9.2% of GDP, of which 80% was in the form of revenue deficit (7.4% of GDP).

Table 2: Provisional accounts of the central government for the year 2020-21 (Rs crore)

Item	Actuals 2019-20	Provisional 2020-21	% change
Total Expenditure	26,86,330	35,11,181	31%
Revenue	23,50,604	30,86,360	31%
Capital outlay	3,11,312	3,14,565	1%
Loans disbursed	24,414	1,10,256	352%
Total Receipts (without borrowings)	17,52,680	16,89,720	-4%
Tax revenue (net)	13,56,902	14,24,035	5%
Non-tax revenue	3,27,157	2,08,059	-36%
Disinvestment	50,304	37,897	-25%
Other receipts	18,316	19,729	8%
Fiscal Deficit	9,33,650	18,21,461	95%
As % of GDP	*4.6%*	*9.2%*	
Revenue Deficit	6,66,545	14,54,266	118%
As % of GDP	*3.3%*	*7.4%*	

Sources: CGA; Union Budget 2021-22; PRS.

Table 3 compares the tax revenue in 2020-21 (as per the provisional accounts) with that in 2019-20. While the gross tax revenue increased by 1% in 2020-21, the central government's net tax revenue increased at a higher rate of 5%. This is due to a 9% decrease in the devolution of central taxes to states, as only 29% of the gross tax revenue was devolved to states in 2020-21.

Table 3: Tax revenue in 2020-21 (Rs crore)

Item	Actuals 2019-20	Provisional 2020-21	% change
Gross tax revenue	20,10,059	20,24,852	1%
GST	5,98,749	5,48,802	-8%
Corporation tax	5,56,876	4,57,180	-18%
Income tax	4,80,279	4,69,226	-2%
Union excise	2,40,615	3,89,662	62%
Customs	1,09,283	1,34,756	23%
Other taxes	24,258	25,226	4%
Tax revenue (net)	13,56,902	14,24,035	5%
Devolution to states	6,50,677	5,94,997	-9%

Note: Income tax figures exclude securities transaction tax.
Sources: CGA; Union Budget 2021-22; PRS.

Cabinet approves strategic disinvestment and transfer of control in IDBI Bank

Suyash Tiwari (suyash@prsindia.org)

The Union Cabinet gave its in-principle approval for strategic disinvestment in the IDBI Bank, along with the transfer of management control.[57] Presently, the central government and Life Insurance Corporation of India (LIC) own 45.48% and 49.24% equity, respectively in IDBI Bank. LIC's Board has also passed a resolution to reduce its share in the Bank and relinquish its management control, taking into consideration price, market outlook, statutory stipulation, and the interest of policy holders. The extent of respective shareholding to be divested by the government and LIC will be decided at the time of structuring of the transaction, in consultation with the Reserve Bank of India.

CBDT notifies thresholds for determining the economic presence of non-residents

Suyash Tiwari (suyash@prsindia.org)

The Central Board of Direct Taxes (CBDT) notified the threshold for determining significant economic presence of non-residents in India.[58] Non-residents include: (i) individuals who are in India for less than 182 days in a year and (ii) foreign companies with their place of effective management outside India. Under the Income Tax Act, 1961, non-residents are required to pay tax on their income accruing through or arising from any business connection, property, asset, or source of income situated in India.[59]

The Act provides that non-residents will be deemed to have a business connection in India if they have a significant economic presence in the country. As per the thresholds notified by CBDT, a non-resident will have a significant economic presence in India if: (i) it receives a total payment of more than two crore rupees in a year from transactions carried out with persons in India (including the provision of download of data or software), or (ii) it engages in interaction with or solicits systematic and continuous business activities from at least three lakh users in India. The notification will come into effect from April 1, 2022.

Changes to regulations on prepaid payment instruments notified

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RBI notified changes to the regulations on Prepaid Payment Instruments (PPIs).[60] PPIs include mobile wallets and prepaid cards such as meal cards. Key changes include:

- **Interoperability**: Interoperability will be mandatory for full-KYC (which requires in-person verification) PPIs. Interoperability will allow transfer of funds between PPIs issued by different issuers. It will be enabled through card networks (for PPIs in the form of cards) and UPI (for PPIs in the form of electronic wallets). UPI or Unified Payments Interface is an instant payment system developed by National Payments

Corporation of India.[61] Interoperability should be enabled by March 2022.

- **Balance limit:** The maximum limit on the balance of full-KYC PPIs has been raised from one lakh rupees to two lakh rupees.
- **Cash withdrawal:** Earlier, cash withdrawal was allowed only for full-KYC PPIs issued by banks. Cash withdrawal has now been allowed for full-KYC PPIs of non-bank issuers as well.

Comments invited on the report of the technical group on social stock exchange

Saket Surya (saket@prsindia.org)

In September 2020, the Securities and Exchange Board of India (SEBI) had constituted a technical group (Chair: Dr. Harsh K. Bhanwala, ex-Chairman, NABARD) on the Social Stock Exchange (SSE). Public feedback has been invited on the report of the technical group.[62] SSE will enable social enterprises to list their securities or other financial instruments for fund-raising. The social enterprises may either be for-profit enterprise (FPEs) or not-for-profit organisation (NPOs). The terms of reference of the technical group include: (i) developing a framework for onboarding and regulating entities on the exchange, (ii) prescribing disclosure requirements, and (iii) regulation of social auditors. Key recommendations of the technical group in its report include:

- **Eligibility**: To qualify on the SSE, an enterprise should be able to demonstrate that social intent and impact are its primary goals. Following filters may be used to establish the primacy of the social impact objective: (i) the activities of the social enterprise come under 15 broad eligible scheduled activities based on Schedule VII of the Companies Act, 2013, sustainable development goals and priority areas defined by NITI Aayog, (ii) eligible activities should be targeted at undeserved or less privileged population segments or regions, and (iii) at least 67% of the activities of the enterprise should qualify as eligible activities to the target population.
- Entities not to be permitted on SSE include: (i) corporate foundations, (ii) political or religious organisations, (iii) trade associations, and (iv) infrastructure and housing companies (with the exception of affordable housing).
- **Instruments for fund-raising**: Instruments to be used by social enterprises to raise funds will include: (i) equity, (ii) development impact bonds, (iii) social impact (for NPOs) and social venture funds (for FPEs), and (iv) debt (only for FPEs).
- **Social impact report**: Enterprises on SSE will submit an annual social impact report covering aspects such as strategic intent and planning, approach, and impact scorecard.

Comments are invited until June 20, 2021.

New norms notified for reporting on business responsibility and sustainability by listed entities

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SEBI notified new reporting requirements on the environment, social, and governance (ESG) parameters by listed entities called the Business Responsibility and Sustainability Report (BRSR).[63] It will replace the Business Responsibility Report requirement notified in November 2015.[63] BRSR seeks disclosures from listed entities on their performance against the principles of the National Guidelines on Responsible Business Conduct. The National Guidelines have been articulated as a set of nine principles which provide guidance on various aspects of responsible business conduct.[64] These include ethical governance, protection of the environment, and promotion of inclusive growth. SEBI noted that BRSR is intended towards having quantitative and standardised disclosures on ESG parameters to enable comparability across companies, sectors, and time. From the financial year 2022-23, filing of BRSR will be mandatory for the top 1,000 listed companies by market capitalisation.

SEBI seeks views on the regulatory framework for promoter, promoter group, and group companies

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SEBI released a consultation paper on review of the regulatory framework of the promoter, promoter group, and group companies as per the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.[65] Key issues on which comments have been invited include:

- **Revision of concept of promoter:** Under the 2018 Regulations, promoter is a person who: (i) has been named as such in the offer document or annual return of the issuer, (ii) who has control over the issuer, or (iii) on whose advice, directions, or instructions, the board of directors of the issuer is accustomed to act. SEBI noted that unlike the past, concentration of ownership and controlling rights does not vest completely in the hands of promoter or promoter group. It observed that this could lead to situations where the persons with no controlling rights and minority shareholding continues to be classified as a promoter. Such persons may have influence disproportionate to their economic interest which may not be in the interest of all stakeholders. SEBI sought views whether the existing concept of promoter and promoter group should be replaced with the concept of 'person in control', or 'controlling shareholders', and 'persons acting in concert'.

- **Definition of promoter group:** A promoter group includes promoter and immediate relatives of the promoter. Where the promoter is a body corporate, the definition of promoter group includes such body corporates in which a group of individuals or companies, or their combinations, hold 20% or more of equity share capital and such a group also holds 20% or more of equity share capital of the issuer. SEBI has proposed to exclude this category of body corporates from the definition of the promoter group. It noted that the definition is aimed at capturing holding by a common group of individuals or persons but often results in capturing unrelated companies with common financial investors. It observed that capturing the details of holdings by financial investors may not result in any meaningful information to investors. Hence, excluding this category will rationalise the disclosure burden.

Comments are invited until June 10, 2021.

Health

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The Homoeopathy Central Council (Amendment) Ordinance, 2021 promulgated

The Homoeopathy Central Council (Amendment) Ordinance, 2021 was promulgated on May 16, 2021.[66] The Ordinance amends the Homeopathy Central Council Act, 1973.[67] The 1973 Act provides for a Central Council of Homoeopathy to regulate homoeopathic education and practice.

In 2018, the Homoeopathy Central Council (Amendment) Act, 2018 was passed to supersede the Central Council of Homoeopathy.[68] In addition, the 2018 Act required the Central Council to be reconstituted within a year of the commencement of the 2018 Act. In the interim period, the central government had to constitute a Board of Governors to exercise the powers of the Central Council. Since then, the time-period for reconstituting the Central Council has been increased twice (in 2019 and 2020) from one year to three years.[69,70] The Ordinance increases this time-period from three years to four years.

For a PRS summary of the Ordinance, see here.

Defence

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Ministry of Defence put 108 weapons/ systems in the negative import list

The Ministry of Defence put 108 items such as ammunitions, weapons, and various systems in the negative import list.[71] All items put in the negative import list will be procured from indigenous/ domestic sources. The 108 items put in the negative import list include complex systems, sensors, simulator, weapons, and ammunitions. The items will come under the negative import list as per the deadline specified against the item. For 49 items, the deadline is December 2021. For 21 items, the deadline is December 2022. For the remaining 38 items, the deadline is December 2023 or later (up to 2025).

Note that in May 2020, under the Aatmanirbhar Bharat Abhiyaan, the Finance Minister had announced that a list of weapons and platforms banned for import will be released based on a year-wise timeline.[72] In August 2020, the Ministry put embargo (ban) on import of another 101 items by putting them in the negative import list.[73] The Ministry expects the ban on imports to give a push to self-reliance in the defence sector by boosting the domestic industry.

Home Affairs

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Rules permitting certain persons to apply for Indian citizenship through certificate of naturalisation notified

The Ministry of Home Affairs notified Rules under the Citizenship Act, 1955 to permit certain people to apply for an Indian citizenship by obtaining a certificate of naturalisation.[74] The

Act regulates the acquisition and determination of citizenship.[75] It provides for citizenship by birth, descent, registration, naturalisation, and by incorporation of territory into India. The Act states that minority communities from Afghanistan, Bangladesh, and Pakistan will be eligible for application of citizenship. These communities include Hindus, Sikhs, Buddhists, Jains, Parsis, and Christians. Key features of the Rules include:

- **Power to register citizens:** The Act empowers the central government to register a person as a citizen and grant a certificate of naturalisation. Under the Rules, the central government has empowered the Collectors in specified districts to register citizens and grant naturalisation certificates. These districts are in the states of: (i) Gujarat, (ii) Chhattisgarh, (iii) Rajasthan, (iv) Haryana, and (v) Punjab. In case of Punjab and Haryana (barring some districts), the Secretary of Department of Home has also been empowered to register citizens and grant naturalisation certificates
- **Procedure:** Applicants must fill an online application for registration as a citizen of India or to obtain a certificate of naturalisation. The Collector or Secretary (as the case may be) will verify the application and conduct inquiries as considered necessary to check the suitability of the applicant. The verification will be conducted at the district and state levels and the application and verification reports will be made accessible simultaneously to the central government on an online portal. Based on the inquiry and verification, the certificate may be granted by the Collector or the Secretary. Details of the person registered or naturalised will be maintained, both online and physically.

Labour and Employment

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Comments invited on the draft rules on recognition of trade unions

The Ministry of Labour and Employment published the draft Industrial Relations (Central) Recognition of Negotiating Union or Negotiating Council and Adjudication of Disputes of Trade Unions Rules, 2021 for public comments.[76] The draft Rules have been published under the Industrial Relations Code, 2020. The Code provides for the registration of trade unions and negotiation unions for negotiating with the employer, resolution of industrial disputes, and conditions for lay-off and retrenchment of workers, among others.[77] Key features of the draft Rules include:[76]

- **Recognition of a single registered trade union**: The draft Rules require an employer to recognise the trade union having not less than 30% of total workers in the industrial establishment as the sole negotiating union.
- **Matters for negotiation with the employer**: Trade unions may negotiate matters pertaining to conditions of service or terms of employment of workers. These include: (i) classification of grades and categories of workers, (ii) wages of the workers, including their wage period, dearness allowance, bonus, and other allowances, (iii) working hours, rest days, working days in a week, and rest intervals, (iv) leave with wages and holidays, and (v) promotion and transfer policy, and disciplinary procedures.
- **Facilities for negotiating unions or councils:** Facilities to be provided by the industrial establishment include: (i) notice board for displaying the information relating to activities of negotiating union or negotiating council, and (ii) venue and necessary facilities for holding discussions by the negotiating union or negotiating council.
- **Trade union disputes:** The draft Rules provide the form and manner of making an application for adjudication of disputes before the Industrial Tribunals. The application should be made within a period of one year from the date of the dispute.

Comments are invited till June 3, 2021.[76]

Electronics and Information Technology

Saket Surya (saket@prsindia.org)

Draft Aadhaar (Authentication and Offline Verification) Regulations, 2021 released

The Unique Identification Authority of India (UIDAI) released the draft Aadhaar (Authentication and Offline Verification) Regulations, 2021 for public feedback.[78,79] The proposed Regulations will replace the Aadhaar (Authentication) Regulations, 2016. The 2016 Regulations provide a framework for various types of entities such as government departments and banks to verify the identity of Aadhaar number holders. Key features include:

- **Offline Verification**: Currently, the identity of the Aadhaar number holder can be verified by submitting: (i) demographic information, (ii) one-time pin, (iii) biometric information such as fingerprint or iris scan, or (iv) a combination of two or other modes, for authentication. The draft Regulations provide for an alternate process for establishing the identity of an Aadhaar number holder called offline verification. Under this process, verification can be done through offline modes without authentication. Offline verification will be enabled through: (i) QR code, (ii) offline paperless e-KYC verification (a downloadable digitally signed document), (iii) e-Aadhaar, and (iv) offline paper-based verification. On each request, the Aadhaar number holder will be notified about the status of offline verification through email or SMS, or paper-based acknowledgement.
- **Withdrawal of consent:** The current Regulations require a requesting entity to obtain the consent of the Aadhaar number holder for authentication. Consent will also be required for offline verification. The draft Regulations add that the requesting entities will provide an Aadhaar number holder with the facility to withdraw consent. If the person withdraws consent, the entity is required to delete their Aadhaar data.
- **Virtual Identity Number:** The draft Regulations provide for an alternate identification number mapped with the Aadhaar number called Virtual Identity Number. The Aadhaar number holder may use this alternate number in place of the Aadhaar number for authentication.

Comments are invited until June 2, 2021.

Communications

Saket Surya (saket@prsindia.org)

TRAI seeks views on incentives for the promotion of fixed-line broadband

The Telecom Regulatory Authority of India (TRAI) issued a consultation paper seeking views on the form and manner of incentives for the promotion of fixed-line broadband services.[80] This consultation is a follow-up to the consultation paper on the roadmap to promote broadband connectivity and enhanced broadband speed issued in August 2020.[81] Communication can be classified among broadband and narrowband based on the bandwidth required for communication. Broadband communication uses a higher bandwidth and provides better speed. In August 2020, TRAI had sought views on matters such as the definition of broadband, ways to improve the subscription rate of fixed broadband services, and addressing slower mobile broadband speed. It had noted that: (i) adoption of fixed-line broadband subscription remains low in the country, (ii) for both fixed-line and mobile broadband, the connection speed is lower than the global average.[81]

Key issues on which TRAI has sought views include: (i) approaches for incentivising the proliferation of fixed-line broadband networks, (ii) whether the exemption of license fees payable by service providers should be considered, and the scope and period of such exemption, and (iii) whether direct benefit transfer to subscribers should be considered, and the form and manner of such transfers.

Comments are invited until June 3, 2021.

Permission granted to conduct 5G trials in different locations across India

The Department of Telecommunications granted permissions to telecom service providers (TSPs) for conducting trials for use and applications of 5G technology.[82] The trials will be conducted on a non-commercial basis. The trial period will be six months. The Department has granted access to experimental spectrum in various spectrum bands to TSPs for trials. TSPs are also allowed to use the existing spectrum owned by them for trials. TSPs are required to also conduct trials in rural and semi-urban settings. TSPs are expected to facilitate the testing of indigenously developed use cases and equipment as part of their trials.

Social Justice & Empowerment

Prachi Kaur (prachi@prsindia.org)

Draft guidelines for conducting examination for persons with certain disabilities issued

The Department of Empowerment of Persons with Disabilities had issued guidelines for conducting written examination for persons with disability of 40% or more in 2018.[83] In February 2021, the Supreme Court directed the Department to formulate guidelines for persons with less than 40% disability or with certain medical conditions, after public consultation.[83]

Following this, the Ministry of Social Justice and Empowerment has released the draft guidelines for conducting written examination for persons with certain disabilities.[83] These include persons with less than 40% disability or persons with a medical condition that may restrict their writing capacity. These medical conditions include arthritic hand, post traumatic deformity and amputations, and sleep disorder.[84]

Key features of the draft guidelines include:[84]

- **Scribe:** The grant of scribe (person who writes dictated answers) and compensatory time should be based on the assessment of the capability of a person to read and write at a normal speed. The candidate should have the discretion of opting for his own scribe, reader, or lab assistant or request the examination body for the same.
- **Medical certificate:** The facility of scribe, reader, or lab assistant should be subject to provision of a certificate from a competent medical authority of a government healthcare institution. Such certificate should state that the concerned person has limitations with reading and writing at a normal speed, and that a scribe is essential to write examination on his/her behalf.
- **Medical Authority:** The medical authority for providing the certificate should include: (i) a chief medical officer, civil surgeon, or chief district medical officer (as Chairperson), (ii) an orthopaedic specialist, and (iii) a clinical psychologist, rehabilitation psychologist, psychiatrist, or special educator.

Agriculture

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Government revises the nutrient-based subsidy rates for P&K fertilisers

The central government approved the revised nutrient-based subsidy rates for Phosphatic and Potassic (P&K) fertilisers for the year 2021-22.[85] Under the Nutrient Based Subsidy scheme, the subsidy is provided to fertiliser manufacturers and importers for the sale of P&K fertilisers based on their nutrient content.

The subsidy rate approved for 2021-22 is higher than the 2020-21 subsidy rate for Phosphate and at the same rate for all the other nutrients (Table 4).[86] The revised subsidy rates will be applicable during the period of May 2021 to October 2021.

Table 4: Nutrient-based subsidy rates for P&K fertilisers for 2021-22 (in Rs per kg)

Nutrient	2020-21*	2021-22	Change (%)
Nitrogen (N)	18.789	18.789	-
Phosphate (P)	14.888	45.323	204%
Potash (K)	10.116	10.116	-
Sulphur (S)	2.374	2.374	-

Note: *Extended up to May 20, 2021 (date of latest revision)
Sources: Ministry of Chemicals and Fertilizers; PRS.

The subsidy rate for phosphate has seen a significant increase (204%) in light of the sharp increase in international prices of raw materials of the Di-ammonium Phosphate (DAP) and other P&K fertilisers.[87] The revised subsidy rates increase the subsidy on a bag of DAP fertiliser from Rs 500 to Rs 1,200 (a 140% increase).

The cost of providing the subsidy for P&K fertilisers is estimated to be Rs 42,275 crore for 2021-22, a 54% increase from the subsidy given in 2020-21 (Rs 27,500 crore). The additional subsidy is expected to be incurred during the Kharif season for the DAP (Rs 9,125 crore) and other P&K fertilisers (Rs 5,650 crore).

Jal Shakti

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Advisory issued to states to conduct water quality monitoring and surveillance

The Ministry of Jal Shakti issued an advisory to states and Union Territories (UTs) to undertake water quality monitoring and surveillance activities.[88] Key features include:

- **Testing:** All drinking water sources should be tested once a year for chemical contamination and twice a year for bacteriological parameters (pre and post monsoon). Funds under the Jal Jeevan Mission should be utilised for setting up laboratories, their upgradation, hiring of human resources, procuring equipment, and providing training on an urgent basis.
- **Tracking:** All water quality testing data such as sample collection and tests results should be uploaded on the Jal Jeevan Mission – Water Quality Management Information System portal. This is to ensure proper tracking and data management.
- **Number of labs:** Every state and UT should have at least one state or UT level laboratory. For bigger states or UTs, region-wise laboratories should be established to ensure that all nearby sources are tested regularly. Similarly, all districts should have a district-level laboratory. All laboratories must also receive accreditation from the National Accreditation Board for Testing and Calibration Laboratories. Further, all laboratories should be opened for public to test

their water samples at a nominal rate.

- **Training:** To empower the local community on water quality surveillance, five people should be identified and trained to conduct water quality tests. These people may include ASHA workers, health workers, teachers, and members from self-help groups.

Mining

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Comments invited on the shortcomings in the calculation of the average sale price of minerals and royalty

In April 2021, the Ministry of Mines constituted a committee (Chair: Mr. S.K. Srivastava, Former Secretary (Coal)) to: (i) examine the double calculation of royalty due to inclusion of royalty in the calculation of average sale price of minerals, and (ii) develop a national mineral index for valuation of minerals.[89] The committee has invited suggestions on the following: (i) measures to address the incidences of double calculation of royalty, if any, and (ii) issues and shortcomings in fixation of the average sale price, and measures to address them till a national mineral index is formulated.

Comments are invited until June 7, 2021.

Road Transport

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Various amendments to the Central Motor Vehicle Rules, 1989 notified

The Ministry of Road Transport and Highways notified amendments to the Central Motor Vehicles Rules, 1989 under the Motor Vehicles Act, 1988.[90,91,92] The Act provides standards for motor vehicles, grant of driving licenses, and penalties for violation of these provisions.[93] Key features of the amendments notified include:

- **Fuel:** The amended Rules propose that the safety requirements for certain vehicles running on anhydrous ethanol or blends of ethanol with gasoline be established in accordance with Automotive Industry Standards (AIS).[90] AIS are established by the Ministry of Road Transport and Highways to ensure standard specifications.
- **Safety:** The amended Rules state that agricultural tractors must conform with requirements specified under AIS.[91] However, these vehicles must also ensure compliance with Indian standards under the Bureau of Indian Standards Act, 2016, whenever these may be notified.
- **Emission:** The amended Rules specify standards for emission by certain vehicles using Compressed Natural Gas (CNG), bio-CNG and Liquified Natural Gas.[92] These vehicles include agriculture tractors, power tillers, construction equipment vehicles, and combine harvesters. Under the Rules, the vehicles must be approved after testing of emissions and engine performance, and obtain a fitness certificate.

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