Monthly Policy Review
November 2021

Highlights of this Issue

Winter Session 2021 begins: 31 bills listed for passing (p. 2)
The Winter Session 2021 began on November 29, 2021, and is scheduled to have 19 sittings. Bills listed for passing include the Farm Laws Repeal Bill, 2021, and the Surrogacy (Regulation) Bill, 2019.

Parliamentary Standing Committees identify subjects for examination in 2021-22 (p. 2)
Some of the subjects for this year include CryptoFinance: Opportunities and Challenges, Strengthening the Justice Delivery process, and Functioning of Nuclear Power Plants.

GDP grows 8.4% in second quarter of 2021-22 on low base of last year (p. 3)
Gross Domestic Product (GDP) (at constant 2011-12 prices) grew at 8.4% during the second quarter (July-September) of 2021-22 (year-on-year). GDP had contracted by 7.4% in second quarter of 2020-21.

Parliament passes Bill to repeal farm laws (p. 4)
The Farm Laws Repeal Bill, 2021 was passed by the Parliament. The Bill repeals the three farm laws passed by Parliament in September 2020.

Ordinances promulgated to extend the tenures of the Director of CBI and ED (p. 4)
The Delhi Special Police Establishment (Amendment) and the Central Vigilance Commission (Amendment) Ordinances were promulgated to extend the tenure of the Director of CBI and Director of Enforcement.

Guidelines for international flights and arrivals released (p. 2)
The Directorate General of Civil Aviation (DGCA) issued a notification to resume commercial scheduled international passenger services from December 15, 2021.

Comments invited on the draft Mediation Bill, 2021 (p. 9)
The draft Bill enables the enforcement of agreements resulting from mediation. It also establishes the Mediation Council of India, which will register mediators and recognise institutions administering mediation proceedings.

Revised guidelines on ownership, corporate structure for private banks released (p. 5)
The Reserve Bank of India has allowed increasing the promoters’ shareholding in private banks, in long run of 15 years from the date of commencement of business, from 15% to 26%.

Model contract for private sector projects in major ports released (p. 10)
The Ministry of Ports, Shipping and Waterways has released the Model Concession Agreement for Public Private Partnership in Major Ports.

TRAI invites comments on auctioning new frequency spectrum for 5G (p. 17)
The Telecom Regulatory Authority of India (TRAI) released a consultation paper on “Auction of spectrum in the frequencies identified for International Mobile Telecommunications (IMT)/ 5G”.

Standing Committee on Railways submits report on Reservation System (p. 13)
The Committee recommended strengthening the capacity of the server and website of IRCTC, along with improving the tatkal system.

Standing Committee on Education submits report on design of school text books (p. 14)
The Committee recommended that while creating content for textbooks, inputs by experts from multiple disciplines should be sought.
Parliament
Shashank Srivastava (shashank@prsindia.org)

Parliament’s Winter Session 2021 commences

The Winter Session 2021 of Parliament commenced on November 29, 2021. It is scheduled to have 19 sittings and conclude on December 23, 2021. 31 Bills are listed for consideration and passing during this session. These include the Assisted Reproductive Technology (Regulation) Bill, 2020, the Surrogacy (Regulation) Bill, 2019, and the Dam Safety Bill, 2019. So far, The Farm Laws Repeal Bill, 2021 has been passed by Parliament.

Of the 31 Bills listed for passing, 26 bills are proposed to be introduced during the session. These include: (i) the Cryptocurrency and Regulation of Official Digital Currency Bill, 2021, and (ii) the Banking Laws (Amendment) Bill, 2021.

For more details on the legislative agenda for the Winter Session 2021, please see here.

Standing Committees identify subjects for examination during 2021-22

13 of the 24 Departmentally Related Standing Committees of Parliament have identified subjects for detailed examination during the year 2021-22 this month. The subjects chosen by these Committees are listed in the Annexure.

COVID-19

As of November 30, 2021, there were 3.5 crore confirmed cases of COVID-19 in India.1 Of these, 3.4 crore (98%) had been cured/discharged and 4.7 lakh (1.3%) persons had died. As of November 30, 2021, 79 crore people have received the first dose of a vaccine, of which 45 crore people have been fully vaccinated.2 For details on the number of daily cases in the country and across states, 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 November 2021 are as follows.

Cabinet approves resumption of MPLAD scheme
Shashank Srivastava (shashank@prsindia.org)

The Union Cabinet approved the resumption of the Member of Parliament Local Area Development Scheme (MPLADS) from this year onwards till 2025-26.3 In April 2020, Cabinet had approved the suspension of the scheme for financial years 2020-21 and 2021-22.4 This was aimed at supplementing resources for management of the COVID-19 pandemic. Under the scheme, each MP may recommend developmental work of up to five crore rupees annually in his constituency. As per the latest decision, the scheme will be made operational for the remaining part of 2021-22. In 2021-22, each MP may recommend works up to two crore rupees. During the years between 2022-23 and 2025-26, each MP may recommend works up to five crore rupees annually. Funds will be released in two instalments of Rs 2.5 crore each. Total outlay on the scheme during 2021-26 is estimated to be Rs 17,417 crore.

Guidelines for international flights and arrivals released
Shashank Srivastava (shashank@prsindia.org)

The Directorate General of Civil Aviation (DGCA) issued a notification to resume commercial scheduled international passenger services from December 15, 2021.5 Due to the prevailing COVID-19 situation across the world, the permitted capacity of operations will be specified on the basis of the categorisation of countries by Ministry of Health and Family Welfare (see Table 1). Note that Ministry of Health and Family Welfare categorises the countries as ‘At risk’ based on the prevailing COVID-19 conditions.6

Table 1: Criteria for resumption of international flights

<table>
<thead>
<tr>
<th>Category of Country</th>
<th>Capacity of operation</th>
</tr>
</thead>
<tbody>
<tr>
<td>At risk and air bubble has been formalised</td>
<td>75% of pre COVID-19 operations</td>
</tr>
<tr>
<td>At risk and no air bubble has been formalised</td>
<td>50% of pre COVID-19 operations</td>
</tr>
<tr>
<td>Countries not categorised as at risk</td>
<td>Full capacity</td>
</tr>
</tbody>
</table>

Source: DGCA; PRS.

In March 2020, due to the onset of COVID-19 pandemic, scheduled international flights were suspended.6 The ban was extended several times since then. In September 2021, DGCA extended

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1 Source: Ministry of Health and Family Welfare
2 Source: Ministry of Health and Family Welfare
3 Cabinet approval notification:
4 Cabinet approval notification:
5 DGCA notification:
6 DGCA notification:
the ban on scheduled international flights till October 30, 2021.7

DGCA also issued revised guidelines for international arrivals owing to declaration of the new variant, Omicron, as a variant of concern by WHO.8 Under these guidelines: (i) the arriving passenger must fill the self-declaration form along with detailed address of the destination, (ii) additional RT-PCR facilities may be set up in airports and a separate area will be demarcated for passengers of ‘at-risk’ countries, who are waiting for their RT-PCR results, and (iii) randomised testing must be done for 5% of the international arrivals. These will come into effect from December 1, 2021.

Guidelines for containment of COVID-19 revised

Payoj Ahiwalia (payoja@prsindia.org)

The order issued by the Ministry of Home Affairs for containment of COVID-19 during the festive season will remain into effect till December 30, 2021.9,10 These guidelines were originally issued in September 2021. Key features of the guidelines include: (i) prohibition on mass gatherings in containment zones and districts with a case positivity rate of more than 5% and (ii) monitoring of case trajectories across all districts on a daily basis to identify any early warning signals.

PMGKAY extended till March 2022

Shashank Srivastava (shashank@prsindia.org)

The Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) has been extended till March 2022.11 The scheme was first announced in March 2020 as part of the relief package for the poor in light of the COVID-19 pandemic and the lockdown. The scheme was operational during March-November 2020. In April 2021, the scheme was reintroduced for the May-June 2021 period, and was then further extended till November 2021.12,13

Under the scheme, every month, five kg of wheat or rice and one kg of pulses is provided for free to persons from poor families. The benefits are provided to all beneficiaries under the National Food Security Act, 2013, in addition to their existing food grain entitlements under the Act.

### Table 2: Growth in GVA across sectors in Q2 of 2021-22 (% year-on-year)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Q1 20-21</th>
<th>Q2 20-21</th>
<th>Q1 21-22</th>
<th>Q2 21-22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>3.5</td>
<td>3.0</td>
<td>4.5</td>
<td>4.5</td>
</tr>
<tr>
<td>Mining</td>
<td>-17.2</td>
<td>-6.5</td>
<td>18.6</td>
<td>15.4</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>-36.0</td>
<td>-1.5</td>
<td>48.9</td>
<td>5.5</td>
</tr>
<tr>
<td>Electricity</td>
<td>-9.9</td>
<td>2.3</td>
<td>14.3</td>
<td>8.9</td>
</tr>
<tr>
<td>Construction</td>
<td>-49.5</td>
<td>-7.2</td>
<td>68.3</td>
<td>7.5</td>
</tr>
<tr>
<td>Trade</td>
<td>-48.1</td>
<td>-16.1</td>
<td>34.3</td>
<td>8.2</td>
</tr>
<tr>
<td>Financial services</td>
<td>-5.0</td>
<td>-9.1</td>
<td>3.7</td>
<td>7.8</td>
</tr>
<tr>
<td>Public services</td>
<td>-10.2</td>
<td>-9.2</td>
<td>5.8</td>
<td>17.4</td>
</tr>
<tr>
<td>GVA</td>
<td>-22.4</td>
<td>-7.3</td>
<td>18.8</td>
<td>8.5</td>
</tr>
<tr>
<td>GDP</td>
<td>-24.4</td>
<td>-7.4</td>
<td>20.1</td>
<td>8.4</td>
</tr>
</tbody>
</table>

Note: GVA is measured at base prices (2011-12). Sources: Ministry of Statistics and Programme Implementation; PRS.
Industrial production increased by 8.7% in the second quarter of 2021-22 over low base of previous year

India’s Index of Industrial Production (IIP) registered a growth of 8.7% in the second quarter (July-September) of 2021-22 over the corresponding period in 2020-21. Note that the IIP growth rate in 2021-22 is calculated over a low base value of the previous year. Due to the impact of COVID-19, IIP had contracted 5.7% during July-Sep 2020, resulting in a low base.

Mining, manufacturing, and electricity production registered a growth (year-on-year) in all months of the second quarter of 2021-22.

**Figure 2: Year on year growth in IIP in Q2 (July-September) of 2021-22**

Agriculture

**Parliament passes Bill to repeal farm laws**

_Shashank Srivastava (shashank@prsindia.org)_

The Farm Laws Repeal Bill, 2021 was passed by Parliament. The Bill repeals the three farm laws passed by Parliament in September 2020. These are: (i) the Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020, (ii) the Farmers’ Produce Trade and Commerce (Promotion and Facilitation) Act, 2020, and (iii) the Essential Commodities (Amendment) Act, 2020. Note that, in January 2021, the Supreme Court had stayed the implementation of the three farm laws.

For a PRS summary of the Bill, please see [here](#).

**Nutri-smart village programme launched**

_Payoja Ahluwalia (payoja@prsindia.org)_

The Ministry of Agriculture and Farmers Welfare has launched a programme on Nutrition Smart Village. The initiative aims to: (i) promote nutritional awareness, (ii) inform women farmers of their legal rights, (iii) utilise traditional and local recipes to overcome malnutrition, and (iv) implement nutrition-sensitive agriculture.

Under the initiative, 75 villages will be adopted by All India Coordinated Research Project (AICRP) and Indian Council of Agricultural Research - Central Institute for Women in Agriculture (ICAR-CIWA) with an aim to develop 75 malnutrition free villages. AICRP and Network Projects is a scheme of Indian Council of Agricultural Research for development, testing, or identification of technologies through multi-location trials. There are over 55 AICRP centres in India. These AICRP centres will adopt 5 villages each, with the remaining to be adopted by ICAR-CIWA.

**Personnel and Training**

**Ordinance to allow the extension of tenure of the CBI director promulgated**

_Omir Kumar (omir@prsindia.org)_

The Delhi Special Police Establishment (Amendment) Ordinance, 2021 was promulgated to amend the Delhi Special Police Establishment Act, 1946. The Act provides for the constitution of the Delhi Special Police Establishment for investigation of certain
offences. Under the Act, the CBI Director is appointed by the central government, on recommendation of a Committee (chaired by the Prime Minister) for a minimum of two years. The Ordinance amends the Act to allow tenure of the Director to be extended by up to one year at a time, till the completion of five years from the initial date of appointment.

For a PRS summary of the Ordinance, see here.

**Ordinance to allow extension of tenure for Director of Enforcement promulgated**

*Shashank Srivastava (shashank@prsindia.org)*

The Central Vigilance Commission (Amendment) Ordinance, 2021 was promulgated to amend the Central Vigilance Commission Act, 2003. The 2003 Act provides for the constitution of a Central Vigilance Commission to conduct inquiries into offences alleged to have been committed under the Prevention of Corruption Act, 1988. Under the Act, the Director of Enforcement is appointed by the central government, on the recommendation of a Committee (chaired by the Central Vigilance Commissioner) for a minimum of two years.

The Ordinance amends the Act to allow tenure of the Director to be extended by up to one year at a time, till the completion of five years from the initial date of appointment.

For a PRS summary of the Ordinance, see here.

**Finance**

*Tushar Chakrabarty (tushar@prsindia.org)*

**RBI releases revised guidelines on ownership and corporate structure for private banks**

The Reserve Bank of India (RBI) released the revised guidelines on extant ownership and corporate structure for Indian private sector banks. In November 2020, RBI had released a report by an internal working group on the subject. The revised guidelines are from a list of recommendations made by the working group. Key changes include:

- **Promoters’ shareholding:** The limit on promoters’ shareholding in the bank in the long run of 15 years from the date of commencement of business will be raised from 15% to 26%. The promoter can choose to bring his stake to below 26% after an initial lock-in period of five years. There will be no cap on the promoters’ shareholding in the initial five years since the commencement of business.

- **Capital requirements:** The initial net worth required for setting up a new universal bank will be increased from Rs 500 crore to Rs 1,000 crore. For small finance banks (SFBs), this will be raised from Rs 200 crore to Rs 300 crore. For urban co-operative banks transitioning to SFBs, this will be raised from Rs 100 crore to Rs 150 crore which has to be raised to Rs 300 crore in five years. The revised limits will apply to those entities who apply for banking license after the release of these guidelines.

- **Non-operative financial holding company (NOFHC):** NOFHC will continue to be the preferred structure for all new licenses to be issued to universal banks. It will be mandatory in cases where the individual promoters/promoting entities have other group entities. Banks currently under the NOFHC structure will be allowed to exit from the same if they do not have other group entities.

**Integrated ombudsman scheme released by RBI**

Reserve Bank of India (RBI) released the Integrated Ombudsman Scheme, 2021. An ombudsman provides a framework to customers for resolution of service-related complaints. RBI can appoint its officers as the ombudsman and deputy ombudsman. The scheme integrates the Banking Ombudsman Scheme, 2006, Ombudsman Scheme for Non-Banking Financial Companies, 2018, and Ombudsman Scheme for Digital Transactions, 2019. The scheme will also cover non-scheduled primary cooperative banks with deposit size of at least Rs 50 crore. Any customer aggrieved by a deficiency in service delivery of regulated entities (such as banks and non-banking financial companies) can file complaints under the scheme. The ombudsman will have the power to provide a compensation of up to Rs 20 lakh for any loss suffered by the complainant. It may also award additional compensation up to one lakh rupees for loss of time and expenses incurred by the complainant.

**RBI revises prompt corrective action framework for banks**

The Reserve Bank of India (RBI) revised the prompt corrective action (PCA) framework for banks issued in April 2017. The PCA framework provides for supervisory intervention to restore the financial health of a bank. Under the earlier framework, RBI made supervisory
intervention when the bank breached certain thresholds related to capital, asset quality, profitability, and leverage (using borrowed funds for investment and growth). Under the revised framework, profitability related parameters have been removed. Certain changes have also been made in risk thresholds for various parameters.

The revised framework will be effective from January 1, 2022.

**Strategic disinvestment of Central Electronics Ltd approved**

The Cabinet empowered group of ministers approved sale of the government’s entire shareholding in Central Electronics Ltd (CEL) to Nandal Finance and Leasing Pvt Ltd for Rs 210 crore. CEL is a central public sector enterprise under the Department of Scientific and Industrial Research. In October 2016, the Union Cabinet had given in-principle approval for the strategic disinvestment of CEL. The transaction is expected to be completed within the financial year 2021-22.

**Expert committee reports on ship acquisition and insurance submitted to the IFSC Authority**

The International Financial Services Centres (IFSC) Authority released reports of the expert committee on: (i) Development of Avenues for Ship Acquisition, Financing, and Leasing, and (ii) Insurance. Key recommendations include the following:

- **Ship acquisition and financing:** Currently, ship lease is not defined as a financial product. The Expert Committee (Chair: Ms. Vandana Aggarwal) recommended that this should be notified as a financial product. Entities owning vessels and intending to carry on the business of vessel lease will be entitled to register as financial institutions. Capital gains from transfer/sale of vessels in an IFSC should be exempt from tax. Dividend income is taxable in the hands of resident and non-resident shareholders. The Committee suggested that dividends paid by a company in IFSC should not be taxed in the hands of non-resident shareholder.

- **Insurance:** The Expert Committee (Chair: Mr. G.N. Bajpai) noted that IFSC has great potential to emerge as a hub for aviation insurance. The Committee recommended that big aviation insurers should be encouraged to migrate aviation insurance businesses into IFSC. Insurance companies based in IFSC should be allowed to issue trade credit insurance to banks based in IFSC. An insurance office in IFSC should be allowed to do business in all special economic zones in India, within IFSC and outside India. Flexibility should be allowed in designing products and there should not be a strict compartmentalisation of life and health insurance.

**SEBI releases consultation paper on initial public offer of shares**

The Securities and Exchange Board of India (SEBI) issued a consultation paper on revising certain aspects of public issue of shares. Key aspects on which SEBI has invited comments are the following:

- **Initial public offering (IPO):** SEBI observed that some issuer companies, mostly new age technology companies, propose to raise funds for inorganic growth initiatives. These include future acquisitions and strategic partnerships. Such companies often do not identify the specific acquisition or investment for which the funds will be used. This leads to uncertainty in the IPO. Under current regulations, issuer companies can earmark up to 25% of the fresh issue size for general corporate purpose (GCP). GCP includes identified purposes for which no specific amount is allocated. The Primary Market Advisory Committee (PMAC) under SEBI has proposed a cap of 35% of the IPO size for objects such as inorganic growth initiatives and GCP. This limit will not apply where the proposed acquisition/investment has been identified.

- **Anchor investors:** According to current regulations, issuer company can allocate 60% of the IPO earmarked for qualified institutional buyers (banks, mutual funds) to anchor investors. Anchor investors commit money upfront to inspire confidence in the public issue. Shares allotted to them are locked in for 30 days from the allotment date. PMAC has proposed that at least 50% of the allotment to anchor investors should to made to those investors who agree for a lock-in period of 90 days or longer.

**SEBI releases consultation paper on market making in corporate bonds**

The Securities and Exchange Board of India (SEBI) issued a consultation paper on market making in corporate bonds. Market makers provide liquidity for efficient functioning of financial markets. Bonds are issued by companies to raise funds through debt. SEBI noted that in the Indian corporate bond market, issuances and trading is limited to a small
number of highly rated bonds. Also, in the secondary market, financial institutions, banks, and mutual funds undertake majority of the trading. Key features of SEBI’s proposal to introduce market makers in the corporate bond markets include:

- **Eligible entities:** SEBI-registered stock brokers or merchant bankers may be authorised for market making operations in corporate bond market.

- **Responsibilities of market makers:** Market makers will have several responsibilities under the proposal. These include: (i) providing two-way quotes (prices for buying and selling of bonds), (ii) ensuring balance is maintained in supply and demand in the bond market, (iii) selecting securities across different maturity buckets, and (iv) ensure successful completion of settlements.

- **Compliances:** Market makers will also have to abide by certain compliances such as: (i) formulate a policy to prevent conflict of interest from its role as a market maker and any other activity, (ii) ensure adequate risk management and internal control policies, (iii) implement effective measures for regulatory compliance, and (iv) develop adequate infrastructure related to risk management system.

Comments on the proposed framework have been invited by December 16, 2021.

**RBI releases report of working group on digital lending**

The Reserve Bank of India (RBI) released a report of the working group on digital lending including lending through online platforms and mobile applications. The report noted that the pandemic-led growth of digital lending has led to the need for protecting consumers from unethical practices. Key recommendations of the working group include:

- **Law banning unregulated lending:** Central government may consider bringing a legislation to prevent illegal lending activities through the Banning of Unregulated Lending Activities Act. The law would apply to all entities not regulated/authorised by RBI for undertaking lending business.

- **Self-Regulatory Organisation (SRO):** The working group recommended that an SRO for digital lending applications/lending service providers can be set up. RBI may provide general guidance and recognise such an SRO in respect to RBI regulated entities and their outsourced agents.

- **Technology safeguards:** Compliance with prescribed baseline technology standards should be a pre-condition to offer digital lending by regulated entities and lending service providers providing support to them. Each digital lending application should have publicly available policies regarding data storage, its usage and privacy. Data should be stored in servers located in India. Data should be collected from the borrower with explicit consent.

Comments on the report are invited till December 31, 2021.

**NITI Aayog releases a discussion paper on digital banks**

NITI Aayog released a discussion paper on digital banks. Digital banks rely on the internet rather than physical branches to offer their services. NITI Aayog noted that incumbent commercial banks have inefficient business models. Digital banking services can serve under banked small businesses and enhance trust among retail consumers. The paper provides a template for the regulatory framework for digital banks. Key recommendations include:

- **Licensing digital banks:** The paper recommends introducing a restricted digital bank license. The applicant getting this license will enlist in a regulatory sandbox of the Reserve Bank of India (RBI) and commence operations. The regulatory sandbox will offer certain relaxations to enlisted entities and facilitate experimentation. RBI will monitor the licensee based on certain metrics. If the performance in the sandbox is satisfactory, the RBI can give the licensee a full stack digital bank license. Full stack digital banks are fully functional banks that can issue deposits and give loans.

- **Conditions for digital bank license:** A bank with a restricted license may be required to bring in minimum paid-up capital of Rs 20 crore. A full stack digital bank licensee should have minimum paid-up capital of Rs 200 crore. Further, one or more controlling persons of the applicant entity must have an established track record in adjacent industries such as e-commerce. Digital banks should have access to all key infrastructure enablers such as UPI and ATM schemes.
Comments on the discussion paper are invited by December 31, 2021.

SEBI releases consultation paper on preferential issue of securities

The Securities and Exchange Board of India (SEBI) issued consultation paper related to preferential issue guidelines. Preferential issue means issue of specified securities (such as equity shares) by a listed issuer to select persons or group of persons on private placement. Key recommendations made in the consultation paper are the following:

- **Pricing of securities**: Under the current regulations, if equity shares of an issuer have been listed for at least 26 weeks, the price of those shares for preferential issue should not be less than the higher of: (i) average of weekly high and low of volume weighted average price (VWAP) during the preceding 26 weeks, or (ii) average of weekly high and low of VWAP during the preceding two weeks. SEBI noted that there have been concerns that the 26-week period is very long to determine price considering market volatility. The Primary Market Advisory Committee (PMAC) of SEBI has recommended to replace average of weekly high and low of VWAP of 26 weeks with that of 60 trading days and average of weekly high and low of VWAP of two weeks with 10 trading days.

- Any preferential issue leading to change in control or allotment of more than 5% of share capital of the issuer company to an allottee will require a valuation report.

- **Lock-in period**: Existing provisions mandate a lock-in period of minimum three years for promoters for allotment of up to 20% of the issuer. Shares allotted to promoters in excess of 20% are locked in for one year. For persons other than promoters, shares are locked in for one year. SEBI has received inputs that for companies that have been listed for a reasonable number of years and whose promoters have continued to hold their stake for those years, the three-year lock-in period is burdensome. PMAC has recommended that lock-in for preferential issue to promoters may be reduced to 18 months. For persons other than promoters, this is proposed to be reduced to six months.

Comments on the consultation paper are invited till December 11, 2021.

Comments invited on cross-border insolvency framework

The Ministry of Corporate Affairs has invited comments on cross-border insolvency framework under the Insolvency and Bankruptcy Code, 2016. Cross-border insolvency involves a situation where an insolvent debtor has assets and/or creditors in more than one country. In October 2018, the report of the Insolvency Law Committee on Cross Border Insolvency had proposed a legal framework for cross-border insolvency. The Ministry has proposed to enact the framework as suggested in the report along with some modifications. Key features of the framework are:

- **Debtors covered under the framework**: The Committee had recommended to apply cross-border insolvency framework only to corporate debtors. The Ministry has proposed to also include personal guarantors to corporate debtors under cross-border insolvency. The adjudicating authority for fresh cross-border insolvency proceedings for personal guarantors may be the debt recovery tribunal (DRT). Any appeals from DRT decisions may be filed with the Debt Recovery Appellate Tribunal.

- Further, the Ministry proposed that cross-border insolvency provisions will not made applicable to the pre-packaged insolvency resolution process (PIRP). PIRP is an alternate insolvency resolution process currently available only for micro, small, and medium enterprises. The cross-border insolvency framework will not apply to financial service providers.

- **Adjudicating authority**: Cross-border insolvency proceedings with respect to corporate debtors having registration in India will be dealt by the national Company Law Tribunal (NCLT). Cross-border applications regarding any person incorporated with limited liability outside India may be dealt with by the principal bench of the NCLT.

Comments on the framework are invited till December 15, 2021.

Report of the expert committee on asset reconstruction companies released for public feedback

The Reserve Bank of India (RBI) released the report of the Expert Committee (Chair: Mr.
Sudarshan Sen) to review the working of asset reconstruction companies (ARCs) for public feedback.\(^3\) ARCs take over stressed assets from financial institutions (such as banks) and focus on recovering the dues from such assets. The Committee noted that the performance of ARCs has been lacklusture.

Between 2003-04 and 2012-13, banks and other investors could recover only 14% of the dues in stressed assets sold to ARCs. The Committee identified various reasons for the sub-optimal performance of ARCs which include: (i) vintage non performing assets being passed on to ARCs, (ii) non-availability of additional funding for stressed borrowers, and (iii) difficulty in fund raising by the ARCs.

Key recommendations of the committee include:

- **Sale of stressed assets:** The Committee recommended that sale of stressed assets by lenders to ARCs should happen at an earlier stage. This would allow for optimal recovery by ARCs. For assets of Rs 100 crore and above, which are in default, lenders’ resolution plan should explicitly evaluate sale/auction of such assets to ARCs as an option for resolution. The Committee proposed creating an online platform for sale of stressed assets.

- **Transfer and resolution of assets:** Currently if 75% of lenders, by value, decide to accept an offer given by an ARC, it will be binding on the remaining banks. The Committee has recommended reducing this threshold to 66%. Additionally, under the current framework, the ARCs have to formulate a resolution plan within six months of acquiring financial assets. The Committee recommended increasing this period to one year.

- **Financial institutions:** The scope of financial institutions from which ARCs can acquire financial assets should be expanded to include: (i) alternative investment funds (they are privately pooled investment vehicles), (ii) foreign portfolio investors, and (iii) asset management companies.

Comments on the report are invited till December 15, 2021.

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**Law and Justice**

*Shubham Dutt (shubham@prsindia.org)*

**The High Court and Supreme Court Judges (Salaries and Conditions of Service) Amendment Bill introduced**

The High Court and Supreme Court Judges (Salaries and Conditions of Service) Amendment Bill, 2021 was introduced in Lok Sabha.\(^4\) The Bill seeks to amend: (i) the High Court Judges (Salaries and Conditions of Service) Act, 1954, and (ii) the Supreme Court Judges (Salaries and Conditions of Service) Act, 1958.\(^45\)\(^46\) These Acts regulate the salaries and conditions of service of the judges of High Courts and the Supreme Court of India.

Under the Acts, all retired judges of the Supreme Court and High Courts and their family members are entitled to pension or family pension. They are also entitled to an additional quantum of pension or family pension when they attain a certain age in accordance with a specified scale. The scale contains five age brackets (with minimum age of 80, 85, 90, 95, and 100 years), and the additional quantum increases with age (from 20% to 100% of the pension or family pension). The Bill clarifies that a person will be entitled to the additional pension or family pension from the first day of the month in which they complete the minimum age under the concerned age bracket.

For a PRS summary of the Bill, please see [here](#).

**Draft Mediation Bill, 2021 released**

The Ministry of Law and Justice released the draft Mediation Bill, 2021.\(^47\)\(^48\) Mediation is a form of alternative dispute resolution, where parties attempt to settle their dispute (outside courts) with the assistance of an independent third person (mediator). Key features of the draft Bill include:

- **Mediation process:** Before approaching any court or tribunal, a person must try to settle the dispute by mediation. Mediation proceedings will be confidential and must be completed within 90 days (even if parties do not arrive at an agreement). The mediation period may be extended by 90 days, if the parties agree.

- **Disputes not fit for mediation:** Certain disputes are not fit for mediation. These include disputes: (i) relating to claims against minors or persons of unsound mind, (ii) affecting the rights of third parties, and (iii) relating to levy or collection of taxes.
Mediators: Mediators may be appointed by: (i) the parties, or (ii) by a mediation service provider (an institution administering mediation) from its panel of mediators. Mediators must disclose any circumstances that may constitute a conflict of interest or raise doubts as to their independence or impartiality in conducting the mediation process. Mediators will only facilitate dispute resolution and cannot impose a settlement on the parties. Mediators must: (i) register with the Mediation Council of India (which will be established by the central government), and (ii) be accredited by a mediation service provider.

Mediated settlement agreement: All agreement resulting from mediation, must be registered. Such agreements will be final and binding, and enforceable in the same manner as court judgments. The Mediation Council of India will maintain an electronic depository of the mediated settlement agreements made in India.

Settlement agreements resulting from domestic mediation can be challenged only on the grounds of: (i) fraud, (ii) corruption, (iii) gross impropriety, or (iv) impersonation. Enforcement of settlement agreements resulting from international mediation (related to commercial disputes) may be refused on certain grounds. These include: (i) fraud or corruption, (ii) the dispute is not capable of settlement by mediation as per Indian law, or (iii) the mediator does not disclose facts which may raise doubts as to his/her impartiality.

Transport

Rajat Asthana (Rajat@prsindia.org)

Model contract for private sector projects in major ports released

The Ministry of Ports, Shipping and Waterways has released the Model Concession Agreement for Public Private Partnership in Major Ports.49 Major Ports are notified under the Major Port Authorities Act, 2021.50 Some of the major ports include Chennai, Kolkata, Mumbai, and Paradip.

There are two parties in this agreement – the concessionaire and the Board for Major Port Authority (concessioning authority). The concessionaire will undertake the design, engineering, financing, construction, operation, and maintenance of the project facilities and services. The Board will be responsible for: (i) scheduling the entry, birthing, and sailing of vessels, (ii) maintaining the depth of the harbour, (iii) waterside safety, and (iv) assistance in obtaining additional land, and utilities. Further, the Board shall not operationalise any additional facility within port limits for until the earlier of (i) five years from the scheduled project completion date; or (ii) the average annual volume of cargo handled at the port reaches 70% capacity in two years. Key features of the model agreement are:

Change in law: The Model Agreement provides for protection of the financial status of the concessionaire from certain adverse situations arising from change in law. These include: (i) 25% decline in the EBITDA for the concerned financial year as compared to the average EBITDA of last three financial years, or (ii) over 20% increase in capital expenditure of the project, or (iii) unviability of the project. In such cases, the concessionaire may notify the concessioning authority to constitute a Conciliation and Settlement Committee, which must be constituted within 30 days of notification. The Committee will be responsible for conducting preliminary proceedings and recommending measures for mitigating the impact of change in law.

Change in cargo: The agreement provides a remedy for change in cargo due to: (i) change in law, and (ii) unforeseen events. In case of such instances, the concessionaire may notify the concessioning authority. A meeting must be held within 30 days from the date of the notice to assess the financial impacts on the concessionaire and ensure the occurrence of unforeseen events (if applicable). Accordingly, a business plan must be prepared to mitigate such impacts. It may provide for an extension of up to 10 years in the concession period.

Dispute Resolution: The Model Agreement provides for a three-tier dispute resolution mechanism. In case of any dispute, at first the parties must try to resolve it amicably in meetings. If the dispute remains unresolved, the parties may approach the Conciliation and Settlement Authority. In case of unresolved disputes by the Committee, the parties may refer to the Society for Affordable Redressal of Disputes for arbitration or the Adjudicatory Board for attaining resolution.
Fee requirements for vehicle registration, fitness test, and fitness certificate notified

The Ministry of Road Transport and Highways notified amendments to the Central Motor Vehicles Rules, 1989, framed under the Motor Vehicles Act, 1988. The 1988 Act empowers the central government to make rules regarding emissions from motor vehicles (like smoke, vapour, sparks, oil). The 1989 Rules prescribe the emission standards of construction equipment vehicles (CEV). In 2020, the Rules were amended to specify a registration window of six months (from the implementation of the rule) for vehicles that were manufactured after the date of applicability of CEV Stage-IV and CEV Stage-V norms. The 2021 Rules changed the length of the registration window to eight months (from the implementation of the rule) for CEV Stage-IV norms.

Comments invited on various draft rules under Marine Aids to Navigation Act, 2021

The Ministry of Ports, Shipping, and Waterways notified various draft rules under the Marine Aids to Navigation Act, 2021. The Act provides for the development, maintenance and management of aids to marine navigation in India. Key features of the draft Rules are:

- **Director General of Aids to Navigation:** The Act provides for the appointment of the Director General of Aids to Navigation by the central government. The draft Marine Aids to Navigation (Duties of Director General) Rules, 2021 provide for powers and duties of the Director General.

- The duties of the Director General will include: (i) advising the central government on matters related to marine aids to navigation, (ii) implementing international conventions related to marine aids to navigation, and (iii) advising state level authorities (such as Department of Fisheries) on local aid to navigation. The powers of the Director General will include inspecting local aids to navigation, and sanctioning various schemes related to research, development and management of general aids to navigation. Comments are invited on these draft Rules till December 15, 2021.

- **Central Advisory Committee:** The Act requires the central government to constitute a Central Advisory Committee for consultation on various matters related to aids to navigation. These matters include: (i) establishment or modification (including removal) in aids to navigation, (ii) cost of proposals related to aids to navigation, and (iii) appointment of sub-committees.

The draft Marine Aids to Navigation (Central Advisory Committee Procedural) Rules, 2021 specify that the Committee will consist of 18 members. The ex-officio members will include: (i) The Secretary, Ministry of Port, Shipping and Waterways (as Chairperson), (ii) the Nautical Adviser to the central government, and (iii) the Director General of Aids to Navigation (as Member-Secretary). Other members will include: (i) representatives from Indian Cost Guard, Indian Ports Association and Indian Maritime University, and (ii) one member from Lok Sabha and Rajya Sabha each. The non-official members will include representatives of fishermen, and various associations (such as Container Shipping Lines Association). The tenure of the Committee would be for a period of two years, extendable up to a period of six months. Comments are invited on these draft Rules till December 11, 2021.

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**Home Affairs**

Shubham Dutt (shubham@prsindia.org)

**New scheme to provide health services to CAPF personnel and their dependents released**

The Ministry of Home Affairs launched the Ayushman CAPF scheme. The scheme is a joint initiative of the Ministry of Home Affairs, the Ministry of Health and Family Welfare, and the National Health Authority. It aims to provide healthcare services to all serving Central Armed Police Forces (CAPFs) personnel and their dependents. The seven CAPFs are: (i) the Border Security Force, (ii) the National Security Guard, (iii) the Central Reserve Police Force, (iv) the Central Industrial Security Force, (v) the Assam Rifles, (vi) the Indo-Tibetan Border Police, and (vii) the Sashastra Seema Bal.

Under the scheme, health cards will be distributed to beneficiaries across all CAPFs. Beneficiaries will be able to avail cashless in-patient and out-patient healthcare facilities at all hospitals empanelled under the Ayushman Bharat Pradhan Mantri Jan Aarogya Yojana (PM-JAY) or the Central Government Health Scheme (CGHS). PM-JAY provides poor and vulnerable families with an annual health cover up to Rs 5 lakhs per family for secondary and tertiary care hospitalisation. CGHS provides...
medical care to central government employees and pensioners and their dependents. 60

Health

Aditya Kumar (aditya@prsindia.org)

Post-mortem procedure to be allowed after sunset

The Ministry of Health and Family Welfare revised the protocol for post-mortems, by allowing such procedures to be conducted after sunset. 61 This does not apply to post-mortems under certain conditions such as homicide, suicide, rape, and suspected foul play. The hospital in-charge will be responsible for assessing the fitness and adequacy of infrastructure. The post-mortems for organ donation must be given priority. The revised protocols specify that video recording must be done for all post-mortems conducted at night. These recordings must be preserved for future legal purposes.

Earlier, all post-mortem procedures were required to be conducted under natural light (between sunrise and sunset). 62,63

Comments invited on the proposed health data retention policy

The National Health Authority has invited comments on the proposed health data retention policy. 64 This is being formulated under Ayushman Bharat Digital Mission (ABDM). ABDM was launched in September 2021 to provide digital health identity to citizens and digitally store their health records. 65

The data retention policy seeks to provide for a uniform guideline to enable long-term retention of health data. This will help in improvement of quality of healthcare service delivery. Key features of the Paper are as follows:

- **Applicability of the Policy:** The Paper provides for two options to implement the data retention policy. First option provides for adoption of the Policy by all health facilities and associated entities (such as insurance providers and teleconsultation platforms). Second option is based on the opt-in mechanism. This means that the Policy will apply to only the health facilities and other entities opting in for ABDM.

- **Duration of data retention:** The Paper observed that there is no definite guideline in India on the duration of retention of health data. The Paper proposes a minimum period of 10 years (from the last entry or encounter) for retention of data of in-patient, out-patient, and deceased patient. For certain cases (such as immunisation records, birth and death register) the data must be retained permanently.

- **Mode of data retention:** The Paper proposes that if the first option is adopted for implementing the Policy, all modes of data retention should be acceptable. This will enable easy compliance by the facilities who have opted-out of ABDM. In case of second option for implementation, data must be retained in electronic format.

Comments are invited till December 24, 2021.

Comments invited on the proposed amendments to the Food Safety and Standards (Import) Regulations, 2017

The Food Safety and Standards Authority of India (FSSAI) has invited comments on the proposed amendments to the Food Safety and Standards (Import) Regulations, 2017. 66,67 The draft regulations have been notified under the provisions of the Food Safety and Standards Act, 2006. The Act empowers the Food Safety and Standards Authority of India (FSSAI) to notify standards and guidelines for food meant for human consumption. 68 The 2017 Regulations provide for the clearance process of food products for import in India. 69 The proposed amendments provide for registration of foreign manufacturing facilities of certain food products, which are to be imported in India. FSSAI will specify such categories of food products. The application for renewal of registration of such facilities must be submitted at least 30 least days before the date of expiry.

All such facilities will be eligible for inspection by FSSAI. No inspection will be required for manufacturing facilities of food products, which are certified by Bureau of Indian Standards.

Comments are invited till December 3, 2021.

Comments invited on regulations for genetically modified foods

The Food Safety and Standards Authority of India (FSSAI) has invited comments on the draft Food Safety and Standards (Genetically Modified or Engineered Foods) Regulations, 2021. 70 Key features of the draft Regulations are as follows:

- **Approval for manufacture and sale of genetically modified foods:** The draft Regulations specify that any person intending to manufacture, store, or sell genetically modified foods must apply to FSSAI for approval of the foods. On
approval by FSSAI, the applicant must apply for a business license. Once a genetically modified food is approved by FSSAI, the approval for the food will not be required by other food business operators.

- **Testing laboratories:** FSSAI approves laboratories for analysing food samples. Any such food testing laboratory may be designated for testing of genetically modified foods. The testing area in the laboratories must be separated from general testing areas. The functions of such laboratories with respect to genetically modified foods will include: (i) sample analysis, (ii) establishing standard operating procedures for testing procedures, and (iii) ensuring accuracy, reliability and credibility in operations.

- **Labelling for genetically modified foods:** The label of all food products with at least one percent of genetically modified ingredients must indicate the presence of such ingredients. Such ingredients must not be used in any infant food products.

Comments are invited till January 15, 2022.

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**Petroleum and Natural Gas**

**Revised mechanism for procurement of ethanol by oil companies approved**

*Shashank Srivastava (shashank@prsindia.org)*

The Cabinet Committee on Economic Affairs (CCEA) approved a revised mechanism for procurement of ethanol by public sector oil marketing companies (OMCs) under the Ethanol Blended Petrol (EBP) programme. Under EBP programme, OMCs procure ethanol from distilleries at administered prices and sell petrol blended with up to 10% ethanol. Under the revised mechanism, oil public sector enterprises will decide the pricing for second generation ethanol (second generation ethanol includes agriculture residues such as rice, wheat, and cotton stalks).

CCEA also approved an increase in the prices of ethanol for the supply year 2021-22 (December 2021-November 2022). These are as follows:

- The price of ethanol from sugarcane juice, sugar, or sugar syrup was increased from Rs 62.65 per litre to Rs 63.45 per litre.
- The price of ethanol from B-heavy molasses (byproduct of sugar, but still contains some sugar content) was increased from Rs 57.61 per litre to Rs 59.08 per litre.
- The price of ethanol from C-heavy molasses (end product left after sugar processing, with little sugar content) was increased from Rs 45.69 per litre to Rs 46.66 per litre.

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**Railways**

*Shashank Srivastava (shashank@prsindia.org)*

**Standing Committee submits report on Passenger Reservation System of Indian Railways**

The Standing Committee on Railways (Chair: Mr. Radha Mohan Singh) presented its report on ‘Passenger Reservation System of Indian Railways’. The Passenger Reservation System provides for online passenger reservation and ticketing system on the Indian rail network. Key observations and recommendations of the Committee include:

- **Reservation charts:** The Committee noted that tickets can be booked online or through the computerised counters till the second reservation chart is prepared. The second reservation chart is prepared between 30 minutes and five minutes before the scheduled time of departure of the train. The Committee observed that there are already a large number of waitlisted tickets booked or waiting for confirmation, therefore, there is no scope of getting these tickets confirmed. It recommended reviewing the need for preparation of second reservation charts, and prevent touts (middlemen who buy and sell tickets) from getting involved during the last-minute rush to prevent potential malpractice. Further, the Committee recommended that any seats which are found vacant after the first reservation chart is prepared (4-5 hours before the departure) should be allotted to the waitlisted passengers.

- **IT Infrastructure:** The Committee noted that the passenger reservation system processes over one crore transactions per day, involving about five crore passengers on an average. The system has been empowered to handle a maximum of 28,000 transactions per minute, although the average number of transactions per minute for the year 2019-20 was about 8,711. However, it observed that majority of the tickets are booked through the IRCTC website or app, however, website is usually
slow and particularly during rush hours, considerable time is consumed in booking a ticket through it. The Committee recommended: (i) strengthening the capacity of the server or website, (ii) exploring more robust ticketing systems in other countries.

For a PRS summary of the report, see [here](#).

**Regular train services resumed**

The Ministry of Railways issued an order to discontinue the mail and express special trains, and holiday special trains. In March 2020, due to the onset of COVID-19 pandemic, normal train services were suspended. In May 2020, the government issued guidelines for resumption of domestic passenger train travel, starting with 30 special trains (normal train services remained suspended). These special trains had only air-conditioned classes and the fare structure was the same as the Rajdhani trains. These trains will revert to their pre-pandemic train numbers and fares. Second class of such trains will continue to run as reserved. Further, no refund will be provided on tickets which have already been booked for such trains.

**Education**

*Omir (omir@prsindia.org)*

**Report on reforms in content and design of school text books**

The Standing Committee on Education, Women, Children, Youth, and Sports (Chair: Dr. Vinay P. Sahasrabudhe) submitted its report on the Reforms in Content and Design of School Text Books. Key observations and recommendations of the Committee include:

- **Quality of textbooks:** Textbooks are used as teaching material by teachers and as a source of self-learning by students. Therefore, the development of quality textbooks becomes important. The Committee recommended that while creating content for textbooks, inputs by experts from multiple disciplines should be sought. Further, mandatory standards for content, graphics and layout, and pedagogical approaches should be developed. The Committee noted the need to have more child-friendly textbooks. It recommended the use of pictures, graphics, and audio-visual material.

- **Updating syllabus:** The Committee recommended the Ministry of Education and NCERT to set up an internal committee to examine suggestions received from teachers, students, and institutions for updating syllabus of NCERT textbooks. Further, it recommended the Ministry to explore the possibility to develop a core class-wise common syllabus for various subjects for implementation by Central Board of Secondary Education (CBSE), Council for the Indian School Certificate Examinations (CICSE), and State education boards.

For a PRS summary of the report, see [here](#).

**Power**

*Aditya Kumar (aditya@prsindia.org)*

**Scheme for flexibility in generation and scheduling power through bundling with renewable energy sources revised**

The Ministry of Power revised the scheme on flexibility in generation and scheduling of power from thermal/hydro plants through bundling with renewable energy (RE). Bundling of power refers to mix of electricity from renewable and thermal sources. This reduces cost of power and helps distribution companies to meet renewable purchase obligations (RPO). RPO refers to the mandate under the Electricity Act, 2003 for distribution licensees to meet a certain minimum quantity of their power requirement from renewable sources. The scheme was initially launched in April 2018 to help distribution licensees to meet their renewable purchase obligations (RPO) and reducing emissions. Key features of the revised scheme are:

- **Location of renewable plants:** The scheme provides for thermal/hydro plants to procure or establish renewable generation capacity across India. The revised scheme adds that such renewable generation capacity must be located: (i) within the premises, or (ii) within 100 kilometres from the thermal/hydro plant. A renewable plant in the premises or vicinity of a thermal/hydro generation company may supply electricity to all plants owned by the generation company irrespective of their location.
- Tariff determination: If a RE plant is in the premises of a generator and the tariff of the generator is determined by the concerned electricity regulatory commission, the tariff of RE plant must be also determined by the commission. If the RE plant is outside the premises, tariffs of the RE plant must be determined through a competitive bidding process. Any battery energy storage system for a RE plant must be set up through a competitive bidding process. No additional transmission charges will be applicable on bunching of RE with thermal/hydro power.

- Sale of unscheduled power: The revised scheme adds that the sale of unscheduled power (power generated but not planned for supply) from a RE plant. Such power may be sold in market without any approval of the generator. Such power will not be accounted under the scheme, thus, any gains or losses made from sale of power in market will not be shared with the generator.

**Earth Science**

**Continuation of ACROSS scheme approved by the Cabinet**

_Shashank Srivastava (shashank@prsindia.org)_

The Cabinet Committee on Economic Affairs (CCEA) approved the continuation of Atmosphere and Climate Research Modelling Observing Systems and Services (ACROSS) scheme during 2021-26. The scheme was earlier applicable for 2017-20. ACROSS scheme addresses different aspects of weather and climate services (such as forecast systems), and is implemented by the India Meteorological Department, National Centre for Medium Range Weather Forecasting, Indian Institute of Tropical Meteorology, and Indian National Centre for Ocean Information Services. The scheme seeks to provide improved weather, climate, and other hazard related services, through various measures. These include public weather service, aviation services, and climate services.

The estimated cost for the scheme (along with the sub schemes) for 2021-26 is estimated to be Rs 2,135 crore.

**Continuation of O-SMART scheme approved**

_Payoja Ahluwalia (payoja@prsindia.org)_

The Cabinet Committee on Economic Affairs (CCEA) approved the continuation of Atmosphere and Ocean Services, Modelling, Application, Resources and Technology (O-SMART) scheme for 2021-26. The scheme was earlier applicable for 2017-20. O-SMART scheme supports developments in technologies of oceanographic research and is implemented by national institutes such as National Institute of Ocean Technology, Center for Marine Living Resources and Ecology, and National Centre for Coastal Research.

The scheme covers oceanographic research to provide forecast and services based on continuous observation of oceans and exploratory surveys for harnessing oceanic resources.

The estimated cost for the scheme for 2021-26 is estimated to be Rs 2,177 crore.

**Housing**

_Payoja Ahluwalia (payoja@prsindia.org)_

**Provisions for Cooling Action Plan released**


It is an addition to the Model Building Bye Laws, 2016 and Urban and Regional Development Plan Formulation and Implementation (URDPFI) Guidelines, 2014. The Bye Laws are mandatory in nature and seek to protect buildings against fire, earthquake, noise, structural failures and other hazards. The URDPFI Guidelines are intended to be used as a reference for planning and developing different type of townships by state governments, development authorities and planning organisations. Key features of the addendum include the following:

- **Design Features:** The provisions specify certain design features to reduce cooling demand. These include: (i) building high quality tiled and white roofs (reflect 80% of the sun’s energy) as cool roofs, (ii) providing adequate natural ventilation, and (iii) building roofs and walls of adequate thickness in dry climates. The provisions
also suggest that cool roofing be made mandatory for all municipal, commercial and government buildings.

- **Orientation:** The provisions recommend that: (i) a building should be oriented from east to west along the main path of the sun, (ii) in humid climates, there should be larger distances between buildings to allow better air circulation, (iii) in arid climate, buildings should be close together, (iii) most openings (doors, windows or vents), should face north or south to reduce sun exposure, and (iv) window positions should allow optimal use of daylight, but with a small surface to avoid solar radiation inside.

- **Energy conservation:** The provisions specify that information campaigns and financial incentives should be provided to promote energy efficient building designs. It also recommends the usage of multiple cooling strategies, to achieve a temperature reduction greater than 2.5 degree Celsius.

### Environment

Shashank Srivastava (shashank@prsindia.org)

**Comments invited on proposed amendments to Coastal Regulation Zone Notification, 2019**

The Ministry of Environment, Forest and Climate Change invited comments on proposed amendments to Coastal Regulation Zone Notification, 2019,\[^{85,86}\] The 2019 notification, declares certain coast stretches as Coastal Regulation Zones, and restricts setting up and expanding of industries, operations, and processes in these zones. Key amendments proposed are:

- **Exemption of certain projects from obtaining environmental clearance:** The 2019 notification specifies that certain projects, such as construction of new structures, need environmental clearance before commencing activities.\[^{86,87}\] The proposed amendments seek to exempt projects related to development and production of oil and natural gas from obtaining environmental clearance.\[^{85}\]

- **Clearances for certain activities to be dealt by state authorities:** The 2019 notification provides for the Ministry of Environment, Forest, and Climate Change to deal with clearances for development activities in certain areas.\[^{86}\] These areas include environmentally critical areas, and certain water areas which are influenced by high tidal effects. The proposed amendments specify that clearances for certain development activities (such as stand-alone jetties, salt works) in these areas must be dealt by the respective state level ministry, or the State Environment Impact Assessment Authority, or the Coastal Zone Management Authority.\[^{85}\]

- **Regulation of temporary and seasonal structures:** The proposed amendments provide for retention of temporary and seasonal structures during monsoon season with adequate precautions. For instance, in Goa and Maharashtra these structures may be retained during June to August, provided that the facilities in these structures are non-operational during this period.

Comments on the proposed amendments are invited till January 1, 2022.

### Textiles

Shashank Srivastava (shashank@prsindia.org)

**Price support to CCI approved**

The Cabinet Committee on Economic Affairs (CCEA) approved a committed price support of Rs 17,409 crore to Cotton Corporation of India for cotton seasons from 2014-15 to 2020-21.\[^{88}\] It is the central nodal agency appointed by the central government for minimum support price (MSP) related operations such as procuring cotton from farmers when market prices fall below MSP. This price support is being provided for reimbursing the losses due to procuring it at MSP during the 2014-15 to 2020-21 period.

### Mining

Aditya Kumar (aditya@prsindia.org)

**Amendments in the concession rules of certain minerals notified**

The Ministry of Mines notified the Mineral (Other than Atomic and Hydro Carbons Energy Minerals) Concession (Fourth Amendment) Rules, 2021.\[^{89}\] These 2021 Rules amend the Mineral (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016.\[^{90}\] These rules have been notified under the Mines and Minerals (Development and Regulation) Act,
1957. The Act provides for the development and regulation of mines and minerals. Key amendments are:

- **Transfer of mining lease in all cases under the Act:** The 2016 Rules allowed for transfer of mining lease or prospecting-cum-mining lease only when the lease was obtained through auction. The 2021 Rules remove this condition, and allow transfer of any mining lease under the Act. However, such transfers will not result in a change of status of captive mine to merchant mine or vice versa. Captive mines refer to mines where the extracted minerals are owned and used by the mine owner. Merchant mines refer to mines where extracted minerals are sold in market.

- **Power to refuse surrender given to state governments:** The 2016 Rules cast an obligation upon state governments to allow surrender of a mining lease. The 2021 Rules empower state governments to refuse to accept the surrender of part or the whole of the mine.

- **Rate of payment of interest:** The 2016 Rules allowed state governments to charge a simple interest of 24% per annum on any rent, royalty or fee from the sixtieth day after such fee is due. The 2021 Rules reduce the rate of interest from 24% to 12% and specify that it will be applicable on any payments made after the due date.

**Communications**

**TRAI invites comments on auctioning new frequency spectrum for 5G**

*Omir Kumar (omir@prsindia.org)*

The Telecom Regulatory Authority of India (TRAI) released a consultation paper on “Auction of spectrum in the frequencies identified for International Mobile Telecommunications (IMT)/ 5G”. The central government has proposed to auction new frequency bands to telecom service providers for 5G telecommunication. These frequency band includes: (i) 3300-3600 MHz, (ii) 582-698 MHz, and (iii) 24.25 – 28.5 GHz. These frequency bands include: (i) 3300-3600 MHz, (ii) 582-617 MHz in all licensed service area (LSA), and (iii) 617-698 MHz in all the LSAs except a few areas. The Standing Committee on Information Technology made some observations on pricing of spectrum for 5G. The Department of Telecommunication had also received requests for spectrum requirements for use of 5G applications by private networks.

TRAI has sought views on: (i) quantum of spectrum and band plans, (ii) block sizes and minimum quantity for auction, (iii) eligibility conditions for participation in auctions, (iv) valuation of spectrum.

Comments are invited until December 28, 2021.

**Cabinet approves the scheme for provision of mobile services in uncovered villages**

*Payoja Ahluwalia (payoja@prsindia.org)*

The Union Cabinet has approved a scheme for provisioning of 4G based mobile services in 7,287 uncovered villages of the 44 aspirational districts across five states. Aspirational districts are districts identified as the most under-developed districts across the country. The villages to be covered under the scheme are located in Andhra Pradesh, Chhattisgarh, Jharkhand, Maharashtra, and Odisha.

The estimated cost of implementation (including operational expenses for five years) of the project is Rs 6,466 crore. This will be funded by the Universal Service Obligation Fund (USOF). USOF has been set up under the Indian Telegraph Act, 1885 to provide widespread, non-discriminatory, and affordable access to quality information and communication technology services to people in rural and remote areas. Resources for USOF are raised through a levy on the revenue of all the telecom operators under various licenses. The project is likely to be completed by 2023.

**TRAI invites comments on licensing framework on establishment of satellite gateway**

*Omir Kumar (omir@prsindia.org)*

The Telecom Regulatory Authority of India (TRAI) has invited comments on “Licensing Framework for Establishing Satellite Earth Station Gateway”. Satellite based communication systems are used to provide services such as: (i) broadcasting services, (ii) navigation, (iii) connectivity during disasters, and (iv) broadband connectivity.

Currently, a service license is required by the licensee to provide such satellite-based services. Further, the licensee is also required to: (i) establish an earth station (sends signals to the satellite) and terminal station (transmits signals for broadcasting), and (ii) obtain satellite transponder bandwidth (communication channel
to receive signals from the satellite) from the satellite operator. However, due to technological developments, operating the earth station has become complex, which has led to the satellite operators establishing their own earth stations. TRAI noted that in future there will be greater participation of private entities in setting up their own earth stations. TRAI noted that currently there is no specific license for satellite operators to establish an earth station for providing satellite-based resources to the service licensee.

TRAI has sought views on: (i) need to have a license for establishing an earth station gateway, (ii) method for assignment of spectrum for establishing earth station, and (iii) methods to regulate access to satellite transponder capacity and satellite-based resources, and (iv) allowing earth station licensee to install baseband equipment to provide satellite bandwidth.

Comments are invited until December 13, 2021.

Information and Broadcasting

Omir Kumar (omir@prsindia.org)

Aadhaar (Authentication and Offline Verification) Regulations, 2021 notified

The Unique Identification Authority of India (UIDAI) notified the Aadhaar (Authentication and Offline Verification) Regulations, 2021. The Regulations provide a framework for various types of entities such as government departments and banks to verify the identity of Aadhaar number holders. The 2021 Regulations will replace the Aadhaar (Authentication) Regulations, 2016. The Regulations have been notified under the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016. Key features include:

- **Offline verification:** Under 2016 Regulations, the identity of the Aadhaar number holder could be verified by submitting: (i) demographic authentication, (ii) one-time pin, (iii) biometric information such as fingerprint or iris scan, and (iv) combination of two or more modes. The 2021 Regulations retain these modes and also introduce an offline method of verifying the identity of an Aadhaar number holder (called offline verification). Under this method, verification will be enabled through: (i) QR code, (ii) Aadhaar paperless offline e-KYC verification (a downloadable digitally signed document), (iii) e-Aadhaar, (iv) offline paper-based verification.

- **Consent:** An entity requesting authentication will be required to obtain the consent of the Aadhaar number holder for authentication as well as offline verification. The requesting entities will also provide the Aadhaar number holder with the facility to withdraw consent. If the person withdraws consent, the entity is required to delete their Aadhaar data.

- **Data retention:** Authentication transaction data shall be retained by UIDAI for six months. Upon expiry of this period, data shall be deleted except when the data is required to be maintained: (i) by an order of a court at least at the level of a judge of a High Court, or (ii) in connection with a pending dispute.

Comments invited on accessibility standards for television programmes

The Ministry of Information and Broadcasting has invited comments on “Accessibility Standards for Television Programmes for Hearing Impaired”, notified in September 2019, under the Rights of Persons with Disabilities Act, 2016. The Act requires the government to take measures that make television more accessible for persons with hearing impairment. The standards will apply to television programmes broadcasted through television and internet platforms. Key features are as follows:

- **Accessibility services:** Service providers are required to provide sub-titles/closed captioning/sign language across programmes depending upon the format of the programme. Television and set top boxes should provide easily accessible options for these services.

- **Applicability:** TV channels with an average audience share of less than one percent of all households in a year will not be required to comply with these standards. If a TV channel crosses this threshold, the broadcaster will have three months to comply with the accessibility standards. Certain formats of content will be exempted from complying with these standards. These include: (i) live content such as sports, news, award shows, (ii) advertisements, and (iii) unscripted reality shows.

- **Customer service:** All service providers should train their customer staff to deal with customers with hearing impairment. Further, the providers should provide a single point of contact for information and complaints about accessibility issues.
Annexure

The subjects identified by various Parliamentary Standing Committees for examination during the year 2021-22 are given in Table 3.

Table 3: Subjects identified by the Standing Committees for examination during 2021-22

<table>
<thead>
<tr>
<th>Agriculture</th>
<th>Department of Agriculture and Farmers Welfare</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Production and Availability of Certified Seeds in the Country.</td>
</tr>
<tr>
<td>2.</td>
<td>Implementation of Pradhan Mantri Krishi Sinchayi Yojana (PMKSY) - A Review.</td>
</tr>
<tr>
<td>3.</td>
<td>Functioning of Agricultural Credit System in the Country.</td>
</tr>
<tr>
<td>4.</td>
<td>Production and Availability of Oil seeds and Pulses in the Country.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Department of Agricultural Research and Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. ICAR-Central Coastal Agricultural Research Institute, Goa- A Performance Review.</td>
</tr>
<tr>
<td>2. Contribution of ICAR in Agricultural Research for Tribal and Hilly Regions.</td>
</tr>
<tr>
<td>3. Research and Development in Farm Mechanization for Small and Marginal Farmers in the Country.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Department of Animal Husbandry and Dairying</th>
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</thead>
<tbody>
<tr>
<td>1. Evaluation of Livestock Insurance Schemes.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Department of Fisheries</th>
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</thead>
<tbody>
<tr>
<td>5. Promotion and Development of Sea Weed Cultivation</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ministry of Food Processing Industries</th>
</tr>
</thead>
</table>

| 1. Scheme for Creation / Expansion of Food Processing and Preservative Capacities - An Evaluation. |
| 3. Initiatives taken in the Food Processing Sector under "Make in India" Program. |

Chemical and Fertilizers

<table>
<thead>
<tr>
<th>Department of Fertilizers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Nano-fertilizers for sustainable crop production and maintaining soil health.</td>
</tr>
<tr>
<td>2. Tax structure on fertilizers sector in terms of GST and import duties – analysis of the tax structure of raw material and final products and its impact on self-sufficiency and use of fertilizers.</td>
</tr>
<tr>
<td>3. Prices, Availability and distribution of Fertilizers.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Department of Chemicals and Petrochemicals</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Vision 2024 - To establish India as a leading manufacturer of chemicals and petrochemicals.</td>
</tr>
<tr>
<td>2. Insecticides – promotion and development including safe usage - licensing regime for insecticides.</td>
</tr>
<tr>
<td>3. Disposal of toxic waste from Bhopal Gas Leak site.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Department of Pharmaceuticals</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Promotion of Medical Device Industry.</td>
</tr>
<tr>
<td>2. Availability of Medicines and Medical devices for COVID Management.</td>
</tr>
<tr>
<td>3. Self-sufficiency of Key Starting Materials and Intermediates.</td>
</tr>
</tbody>
</table>

Defence

<table>
<thead>
<tr>
<th>Department of Higher Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Preparedness of the Armed Forces in terms of Modern Warfare including cyber threat and Anti-Drone capabilities.</td>
</tr>
<tr>
<td>3. Assessment of Indigenous Defence Production both by way of Public and Private Sector including major Research Initiatives.</td>
</tr>
<tr>
<td>4. Modernization of Defence Public Sector Undertakings (DPSUs).</td>
</tr>
<tr>
<td>5. Review of intake of Female Officers in Armed Forces through various platforms.</td>
</tr>
<tr>
<td>7. Assessment of the Welfare Measures available to War Widows/Families in Armed Forces.</td>
</tr>
</tbody>
</table>

Education, Women, Children, Youth and Sports
**Department of School Education and Literacy**
2. Review of Scholarship Schemes, Hostel Facilities and Other Amenities for SC/ST students and Divyang students.

**Ministry of Women and Child Development**

**Department of Sports**
1. Promotion of Rural and Tribal Sports.

**Department of Youth Affairs**
1. Issues and Challenges before National Service Scheme.

**Energy**

**Ministry of Power**
2. Energy Conservation, Efficiency and Audit.
3. Electrification of Rural India – Role of PFC Limited and REC Limited in Ensuring Sustainability and Reliability.
4. Future Prospects of Thermal Power Plants in the light of Renewable Energy Target of 450 GW.
5. Performance Review of Major Hydro Projects.
7. IT enablement in Power Sector.
8. Revamped Distribution Sector Scheme including critical appraisal of Discoms.
9. Promotion of Electric Vehicles in India.
10. Implication of Paris Accord on Power Sector in India
11. Review of Power Tariff Policy - Need for uniformity in tariff structure across the Country
12. Role and Efficacy of Central Electricity Authority in balanced development of Electricity Sector.

**Ministry of New and Renewable Energy**
1. Roadmap for achievement of 450 GW Renewable Energy Target.
3. Evaluation of Wind Energy in India.
6. Integration of Renewable Energy into the National Grid.

**External Affairs**
1. COVID-19 Pandemic - Global Response, India’s Contribution and the way forward.
2. India’s Soft Power and Cultural Diplomacy: Prospects & Limitations.
3. India’s Neighbourhood First Policy.
5. Countering Global terrorism at regional and international level.
6. India’s position in the ongoing Climate Change Negotiations.
7. QUAD in Indo-Pacific region: India’s role and strategies for engagement and cooperation.
8. India’s Role in United Nations: Imperatives and Challenges for India’s Permanent Membership in UNSC.
9. Opportunities in African countries and India’s engagement.
10. Functioning of Indian Missions Abroad including evaluation of political/economic/cultural and consular responsibilities.
12. India’s engagement with Small Island Countries.

**Finance**
1. Strengthening RBI’s regulatory and operational capabilities and its strategic plan.
2. Performance review of SEBI.
3. CryptoFinance: Opportunities and Challenges.
4. Financing the MSME sector.
5. Providing credit to the agricultural and rural sector including appraisal of NABARD’s role
6. Performance Review of Banking Sector and NBFCs.
7. Tax policies and compliance with particular emphasis on tax havens, double taxation avoidance agreements etc.
8. Review of GST regime and compliance issues.
10. Performance review and regulation of insurance and pension sectors.
12. Evolving role of Central Public Sector Enterprises under Atmanirbhar Bharat Scheme with particular emphasis on Disinvestment and Monetization of Assets.
13. Anti-Competitive practices in respect of Big Technology Companies.
15. Economic transition and changing employment profile.

**Food, Consumer Affairs and Public Distribution**

**Department of Food and Public Distribution**
1. Payment of sugarcane arrears to sugarcane farmers.
2. Functioning of Warehousing Development and Regulatory Authority (WDRA).
3. Quality Control Cells (QCCs).
4. Construction of Godowns by FCI.
5. Food subsidy and its utilization.
9. Production, consumption and pricing of sugar.

**Department of Consumer Affairs**
1. Programmes for Consumer Protection.
2. Regulation of Packaged Commodities.
3. Problem of supply and distribution of adulterated milk and measures taken to check it.
5. BIS- Hallmarking & Jewellery.
6. Initiatives in the North-East in the field of Consumer Rights Protection.
7. Awareness of Rights and Ensuring Justice to Consumers with particular reference to consumers in rural areas.
8. Standardisation of products in the country.
9. Management Systems Certifications operated by BIS.
10. Consumer grievance redress

**Personnel, Public Grievances, Law and Justice**
1. Strengthening the Justice Delivery process.
2. Functioning of Virtual Courts/Court Proceedings through video conferencing.
4. Functioning of Alternative Dispute Resolution (ADR) mechanisms.
6. Civil Services Reforms and Capacity building.
8. Effectiveness of vigilance administration: (i) Review of Prevention of Corruption Act and functioning of vigilance administering agencies, and (ii) Review of Vigilance administration of Ministries/Departments of Government of India and PSUs.
12. Review of Personal laws.

**Railways**

1. New lines/gauge conversion/ doubling/electrification and signalling in Indian Railways.
2. Status of critical and super-critical projects of Indian Railways.
3. Performance of Rail Land Development Authority (RLDA).
5. Reconstitution and Restructuring of Railway Zones.
6. Recruitment in Indian Railways.
7. Introduction of High-Speed Trains.

**Science and Technology, Environment and Forests**
2. Functioning of Nuclear Power Plants.
3. Review of Functioning of Central Pollution Control Board/ State Pollution Control Boards.
5. Rejuvenation of Forests Base.
6. Setting up of New Scientific Institutes in different parts of India.
11. Development of Battery Technology.

**Social Justice and Empowerment**
1. Priority Sector Lending by Banks to SCs, STs, OBCs, Differently Abled Persons and the Minorities.

**Department of Social Justice and Empowerment**
2. Scholarship Schemes for SCs, OBCs and Children of persons engaged in hazardous and unclean occupations including Evaluation studies & their implementation.
3. Economic Empowerment through Skill Development Schemes for SCs, OBCs, DNTs and EBCs.
5. Schemes/ Programmes Implemented for the Welfare of SCs/ OBCs under Corporate Social Responsibility (CSR).

**Department of Empowerment of Persons with Disabilities**
1. Review/ Functioning of Deendayal Disabled Rehabilitation Scheme (DDRS).
2. Promotion/Research to develop indigenous aids and appliances for Divyangjan.
4. Review of the functioning of National Handicapped Finance and Development Corporation (NHFDC).
5. Schemes/Programmes Implemented for the Welfare of Divyangjan under Corporate Social Responsibility (CSR).

**Ministry of Tribal Affairs**
1. Review of the Functioning of Eklavya Model Residential Schools (EMRS).
2. Review of the Functioning of the National Scheduled Tribes Finance and Development Corporation (NSTFDC).
3. Review of the Functioning of the Tribal Cooperative Marketing Development Federation of India Limited (TRIFED).
5. Schemes/Programmes Implemented for the Welfare of Tribals under Corporate Social Responsibility (CSR).

**Ministry of Minority Affairs**
1. Review of the Functioning of the National Minorities Development and Finance Corporation (NMDFC).
2. Scholarship Schemes for Minority Students.
3. Review of Skill Development/Schemes for minorities including Seekho aur Kamao, USTTAD, etc.
4. Administration and Management of Waqf properties.
5. Schemes/Programmes Implemented for the Welfare of Minorities under Corporate Social Responsibility (CSR).

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3 “Cabinet approves Restoration and continuation of Member of Parliament Local Area Development Scheme (MPLADS)”, Ministry of Statistics and Programme Implementation, Press Information Bureau, November 10, 2021.

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1 Urban Development
2. Pradhan Mantri Aawas Yojana (Urban) and Related Issues.
5. Poverty Alleviation and Creation of Employment Opportunities in Urban Areas – Deepayal Antyodaya Yojana – JULM.
7. Implementation of The Real Estate (Regulation & Development) Act, 2016 (RERA) in urban areas - A Review.
9. Review of functioning of DDA, CPWD NBCC, HUDCO, Hindustan Prefab Limited (HPL), NCRPB and DUAC.
10. PM SVANidhi.
11. Improving the standard and quality of living in urban cities- Air Quality, sewage treatment and drainage system, traffic management etc.
12. Re-development of Slums in Metropolitan cities and re-settlement of slum dwellers.
13. Need for Formulating Master Plans for Every City in the Country for Holistic Development.

Sources: Various issues of Bulletin-II, Lok Sabha; PRS.


70 “Cabinet approves mechanism for procurement of ethanol by Public Sector Oil Marketing Companies under Ethanol Blended Petrol programme revised - ethanol price for supply to Public Sector OMCs for Ethanol Supply Year 2021-22”, Ministry of Petroleum and Natural Gas, Press Information Bureau, November 10, 2021.


74 “Passenger services on Indian Railways shall be partially restored w.e.f. from 12th May 2020 in a graded manner”, Press Information Bureau, Ministry of Railways, May 11, 2020.


81 “Cabinet approves continuation of the umbrella scheme “Ocean Services, Modelling, Application, Resources and Technology (O-SMART)”” Ministry of Earth Science, Press Information Bureau, November 24, 2021.


88 “Cabinet approves incurring expenditure for reimbursing the losses under MSF operations for cotton during the cotton season (October to September) 2014-15 to 2020-21” Ministry of Textiles, Press Information Bureau, November 10, 2021.


94 “Cabinet approves USOF scheme for provision of mobile services in Uncovered Villages of Aspirational Districts across five states of Andhra Pradesh, Chhattisgarh, Jharkhand, Maharashtra & Odisha.”, Press Information Bureau, Cabinet, November 17, 2021.


101 “%20seeking%20comments%2020%20from%20General%20Public%20and%20Stakeholders.pdf.”


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