Monthly Policy Review
May 2022

Highlights of this Issue

GDP grew by 4.1% in the fourth quarter of 2021-22 (p.2)
GDP growth in the fourth quarter of 2021-22 is estimated to be higher than the corresponding quarter of 2020-21 when it grew by 2.5%. The manufacturing sector is estimated to contract in the fourth quarter of 2021-22.

RBI hiked policy rates and the cash reserve ratio (p.2)
The repo rate has been increased from 4% to 4.4%. The reverse repo rate remains unchanged at 3.35%. The standing deposit facility has been increased from 3.75% to 4.5%.

The CGA released provisional data on central government accounts for 2021-22 (p.2)
The central government’s total expenditure was 9% higher than the budget estimates in 2021-22. Total receipts were 12% higher than the amount budgeted and the fiscal deficit was 6.7% of GDP.

Cabinet approves procedure for public sector enterprises to disinvest or close subsidiaries (p.4)
The Board of Directors of CPSEs have been empowered to recommend and undertake disinvestment in subsidiary units and joint ventures. A Group of Ministers (instead of the Cabinet) will approve the proposed disinvestment.

Supreme Court suspends enforcement of sedition law (p.4)
The Supreme Court suspended all pending trials, appeals and proceedings relating to sedition and disallowed filing of new cases or continuing investigations.

Supreme Court rules GST Council recommendations not binding on Centre and States (p.3)
The Supreme Court has ruled that the recommendations of the GST Council are not binding on Parliament and the state legislatures. The Court also noted that the two bodies have ‘simultaneous power’ to legislate on GST.

Environmental clearance norms for expanding coal mining projects amended (p.10)
Certain requirements for obtaining environmental clearance have been waived off for coal mining projects undertaking capacity expansion. The waiver is valid for six months.

National Biofuel Policy amended; ethanol blending targets advanced from 2030 to 2025-26 (p.9)
The 20% ethanol blending targets (for petrol) have been advanced from 2030 to 2025-26. Further the amendments include allowing more feedstock for production of bio-fuels. Biofuels can be exported on a case-by-case basis.

Comments invited on draft National Data Governance Framework Policy (p.9)
The draft National Data Governance Framework Policy seeks to standardise the collection, processing, storage, access, and use of government data. The Policy will be applicable to all government departments/ministries.

UGC notifies regulations for Indian and foreign universities to offer courses (p.7)
The 2022 regulations provide for Indian and foreign higher educational institutions to offer Twinning, Joint Degree, and Dual Degree programmes. These programmes cannot be offered in online and open and distance learning mode.

Amendments to the Mines and Minerals Act proposed (p.10)
The draft amendments remove: (i) forest clearance requirements for exploration activities, and (ii) the requirement of Centre’s approval for auctioning licenses (for mineral exploration and mining) such as bauxite and iron ore.

Draft regulations for professional conduct of medical practitioners released (p.6)
The draft Regulations specify duties and responsibilities of registered medical practitioners, specify a grievance redressal mechanism for patients, and introduce guidelines for tele-consultations.
Macroeconomic Development

Tushar Chakrabarty (tushar@prsindia.org)

GDP grew by 4.1% in the fourth quarter of 2021-22

Gross Domestic Product (GDP) (at constant 2011-12 prices) grew by 4.1% in the fourth quarter (January-March) of 2021-22 over the corresponding period in 2020-21. In the fourth quarter of 2020-21, GDP had registered a growth of 2.5%. In the third quarter (October-December) of 2021-22, GDP grew by 5.4%.

According to provisional estimates, GDP is estimated to grow by 8.7% in 2021 over the previous year. This is marginally lower than the GDP growth of 8.9% as estimated in the Second Advance Estimates.

Figure 1: Growth in GDP (% year-on-year)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Q4 2020-21</th>
<th>Q3 2021-22</th>
<th>Q4 2021-22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>2.8%</td>
<td>2.5%</td>
<td>4.1%</td>
</tr>
<tr>
<td>Mining</td>
<td>-3.9%</td>
<td>9.2%</td>
<td>6.7%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>15.2%</td>
<td>0.3%</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Electricity</td>
<td>3.2%</td>
<td>3.7%</td>
<td>4.5%</td>
</tr>
<tr>
<td>Construction</td>
<td>18.3%</td>
<td>-2.8%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Trade</td>
<td>-3.4%</td>
<td>6.3%</td>
<td>5.3%</td>
</tr>
<tr>
<td>Financial services</td>
<td>8.8%</td>
<td>4.2%</td>
<td>4.3%</td>
</tr>
<tr>
<td>Public administration</td>
<td>1.7%</td>
<td>16.7%</td>
<td>7.7%</td>
</tr>
<tr>
<td>GVA</td>
<td>5.7%</td>
<td>4.7%</td>
<td>3.9%</td>
</tr>
<tr>
<td>GDP</td>
<td>2.5%</td>
<td>5.4%</td>
<td>4.1%</td>
</tr>
</tbody>
</table>

Note: GVA is GDP without taxes and subsidies.
Sources: Ministry of Statistics and Programme Implementation; PRS.

Repo and standing deposit facility rates increased to 4.4% and 4.15% respectively

The Monetary Policy Committee (MPC) of Reserve Bank of India (RBI) decided to increase the policy repo rate (the rate at which RBI lends money to banks) from 4% to 4.4%. This was an out of turn policy rate decision by the MPC which holds bi-monthly meetings. Other decisions of the Committee include:

- The standing deposit facility rate (the rate at which RBI borrows money from banks without giving collateral) has been increased from 3.75% to 4.15%. The standing deposit facility was introduced for liquidity management in April, 2022. The reverse repo rate (the rate at which RBI borrows money from banks with collateral) remain unchanged at 3.35%.
- The marginal standing facility (the rate at which banks can borrow additional money from RBI), and the bank rate (the rate at which RBI buys bills of exchange) have both been increased from 4.25% to 4.65%.
- The Committee decided to maintain accommodative stance, with focus on withdrawal of accommodation for achieving its inflation target, as well as supporting growth.

RBI also increased the cash reserve ratio (CRR) for banks from 4% to 4.5%. This change will come into effect from May 21, 2022. CRR is the percentage of deposits that banks have to maintain with the RBI. The increase in CRR will lead to withdrawal of liquidity worth Rs 87,000 crore.

Provisional data on central government accounts for 2021-22 released

The Controller General of Accounts (CGA) released the provisional data on the central government’s accounts for 2021-22. Table 2 compares the provisional account figures for 2021-22 with the budgeted figures for the same year. Key highlights are as follows:

- The government spent Rs 37,94,171 crore in 2021-22, 9% higher than the budget estimates.
- Receipts (excluding borrowings) in 2021-22 was Rs 22,07,634 crore, 12% higher than the budget estimates. Both tax and non-tax revenue exceeded budget estimates.
- Fiscal deficit in 2021-22, was Rs 79,725 crore higher than the budget estimate. However, in relation to GDP, fiscal deficit was 6.7% of GDP, marginally lower than the budget estimate. Revenue deficit was 4.4% of GDP, lower than the budget estimate (5.1% of GDP).
Against the budget target of Rs 1,75,000 crore, receipt on account of disinvestment was Rs 8,432 crore (95% lower).

Table 2: Provisional accounts of the central government for 2021-22 (Rs crore)

<table>
<thead>
<tr>
<th>Item</th>
<th>Budgeted 2021-22</th>
<th>Provisionals 2021-22</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Expenditure</td>
<td>34,83,236</td>
<td>37,94,171</td>
<td>9%</td>
</tr>
<tr>
<td>Revenue Expenditure</td>
<td>29,29,000</td>
<td>32,01,373</td>
<td>9%</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>5,13,862</td>
<td>5,33,878</td>
<td>4%</td>
</tr>
<tr>
<td>Loans disbursed</td>
<td>40,374</td>
<td>58,920</td>
<td>46%</td>
</tr>
<tr>
<td>Total Receipts (excluding borrowings)</td>
<td>19,76,424</td>
<td>22,07,634</td>
<td>12%</td>
</tr>
<tr>
<td>Tax revenue (net)</td>
<td>15,45,397</td>
<td>18,20,382</td>
<td>18%</td>
</tr>
<tr>
<td>Non-tax revenue</td>
<td>2,43,028</td>
<td>3,48,044</td>
<td>43%</td>
</tr>
<tr>
<td>Disinvestment</td>
<td>1,75,000</td>
<td>8,432</td>
<td>-95%</td>
</tr>
<tr>
<td>Other receipts</td>
<td>12,999</td>
<td>30,776</td>
<td>137%</td>
</tr>
<tr>
<td>Fiscal Deficit As % of GDP</td>
<td>15,06,812</td>
<td>15,86,537</td>
<td>5%</td>
</tr>
<tr>
<td>Revenue Deficit As % of GDP</td>
<td>11,40,576</td>
<td>10,32,947</td>
<td>-9%</td>
</tr>
<tr>
<td>As % of GDP</td>
<td>5.1%</td>
<td>4.4%</td>
<td></td>
</tr>
</tbody>
</table>

Sources: CGA; Union Budget 2022-23; PRS.

Table 3 shows the breakup of tax revenue in 2021-22 as compared to budget estimates. The central government’s gross tax revenue in 2021-22 was 22% higher than the budget estimates. Devolution to states was 32% higher than budgeted.

Table 3: Tax revenue in 2021-22 (Rs crore)

<table>
<thead>
<tr>
<th>Item</th>
<th>Budgeted 2021-22</th>
<th>Provisionals 2021-22</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross tax revenue</td>
<td>22,17,059</td>
<td>27,08,291</td>
<td>22%</td>
</tr>
<tr>
<td>GST</td>
<td>6,30,000</td>
<td>7,01,700</td>
<td>11%</td>
</tr>
<tr>
<td>Corporation tax</td>
<td>5,47,000</td>
<td>7,12,037</td>
<td>30%</td>
</tr>
<tr>
<td>Income tax</td>
<td>5,48,500</td>
<td>6,73,410</td>
<td>23%</td>
</tr>
<tr>
<td>Union excise</td>
<td>3,35,000</td>
<td>3,90,807</td>
<td>17%</td>
</tr>
<tr>
<td>Customs</td>
<td>1,36,000</td>
<td>1,99,114</td>
<td>46%</td>
</tr>
<tr>
<td>Other taxes</td>
<td>20,559</td>
<td>31,223</td>
<td>52%</td>
</tr>
<tr>
<td>Tax revenue (net)</td>
<td>15,45,397</td>
<td>18,20,382</td>
<td>18%</td>
</tr>
<tr>
<td>Devolution of states</td>
<td>6,65,563</td>
<td>8,81,779</td>
<td>32%</td>
</tr>
</tbody>
</table>

Note: Income tax figures exclude securities transaction tax. Sources: CGA; Union Budget 2022-23; PRS.

Industrial production grew by 1.6% in the fourth quarter of 2021-22

The Index of Industrial Production (IIP) grew by 1.6% in the fourth quarter (January-March) of 2021-22, compared to a growth of 6% in the same period in 2020-21. The weight of manufacturing, mining, and electricity sectors in the IIP is 78%, 14% and 8% respectively. Electricity sector grew by 3.9% in the fourth quarter of 2021-22 as compared to a growth of 9.2% in the corresponding quarter of 2020-21. The mining sector grew 3.8% in the fourth quarter of 2021-22 as compared to a contraction of 0.1% in the same period in 2020-21. The manufacturing sector grew by 0.9% in the fourth quarter of 2021-22 as compared to a growth of 6.8% in the same period in 2020-21.

Figure 2: Growth in IIP (%, year-on-year)

Sources: Ministry of Statistics and Programme Implementation; PRS.

Finance

The Supreme Court clarified that the recommendations of the GST Council are not binding on Parliament and state legislatures. The Supreme Court was hearing an appeal against an order by the Gujarat High Court. In 2020, the High Court had ruled against the levy of Integrated Goods and Services Tax (IGST) on Indian importers on the ocean freight paid by the foreign seller to a foreign shipping line. This tax was levied on a reverse charge basis (the recipient of goods or services becomes liable to pay the tax, instead of the producer). On the contention of the central government that recommendations of the GST Council are binding on the legislature and executive, the Supreme Court noted that the GST
Council can only make recommendations. According to the Court, the constitutional provision related to the GST Council does not suggest that these recommendations are binding. Parliament and state legislatures have “simultaneous power” to legislate on GST. Hence making the recommendations binding would go against the idea of fiscal federalism.

With regards to the levy of IGST, the Supreme Court ruled that an Indian importer is liable to pay IGST on the composite (joint) supply of goods and transportation services. However, the Court said that a separate levy on the provision of transportation services is violative of the Central Goods and Services Tax Act, 2017.

**Cabinet approves changes in the process for disinvestment and closure of subsidiaries of public sector enterprises**

*Tushar Chakrabarty (tushar@prsindia.org)*

The Union Cabinet approved changes in the process for disinvestment and closure of subsidiaries and joint ventures of central public sector enterprises (CPSEs).11 The board of directors of CPSEs have been empowered to recommend and undertake these activities. Earlier, boards did not have powers to do so and required Cabinet’s approval, except in case of minority stake sales by Maharatna CPSEs.

Under the new mechanism, a Group of Ministers will accord in-principle approval and review the disinvestment process. The group comprises the Finance Minister, the Road Transport and Highways minister, and the Minister of the department with administrative control of the respective CPSE.12 In-principle approval will not be required for minority stake sale in subsidiaries by Maharatna CPSEs.

Strategic disinvestment or closure of units undertaken by CPSEs has to be based on competitive bidding. The guidelines for strategic disinvestment will be specified by the Department of Investment and Public Asset Management, while the guidelines for closure will be specified by the Department of Public Enterprises.

**Premium rates of government-backed insurance schemes increased**

*Tanvi Vipra tanvi@prsindia.org*

The Ministry of Finance notified increase in the premium rates of the Pradhan Mantri Jeevan Jyoti Yojana (PMJJBY) and the Pradhan Mantri Suraksha Bima Yojana (PMSBY). The premium for PMJJBY has been revised from Rs 12 to Rs 20 per annum. PMSBY is available for people in the age group of 18 to 70 years. It provides a cover of two lakh rupees for accidental death/full disability and one lakh rupees for partial disability.14 PMJJBY is open to people in the age group of 18 to 50 years with a risk cover of two lakh rupees in case of death of the insured.15

As of March 31, 2022, PMJJBY and PMSBY have 6.4 crore and 22 crore active subscribers, respectively. According to the central government, the premiums charged under the schemes had not been changed since their launch despite recurring losses to insurers. The revision in premiums is expected to encourage private insurers to implement the schemes. In the next five years, coverage under the schemes is targeted to increase to 15 crore beneficiaries under the PMJJBY and 37 crore under the PMSBY.

**Law and Justice**

*Shubham Dutt (shubham@prsindia.org)*

**Supreme Court suspends implementation of sedition law**

The Supreme Court suspended the enforcement of the law on sedition as contained in the Indian Penal Code, 1860 (IPC).16 The Court was hearing a batch of petitions challenging the constitutionality of section 124A of the IPC, relating to the offence of sedition. The central government informed the Court that it is re-examining this provision. In this light, the Court decided to discontinue the usage of this provision till its re-examination is complete.

In particular, the Court: (i) restrained the central and state governments from filing new cases or continuing investigations relating to the offence of sedition, and (ii) suspended all pending trials, appeals and proceedings relating to sedition. It also permitted parties against whom a fresh case is registered for the offence of sedition, to approach the courts for relief.

**Industry**

*Shashank Srivastava (shashank@prsindia.org)*

**Revised guidelines for the Micro and Small Enterprises Cluster Development Programme released**

The Ministry of MSME released the revised guidelines for the Micro and Small Enterprises Cluster Development Programme (MSE-CDP).17
These guidelines replace the earlier guidelines issued in 2019 with respect to two components of the scheme: (i) common facility centre, and (ii) infrastructure development. The programme provides financial support for undertaking cluster development projects. A cluster is a group of enterprises located within an identifiable area which can be linked together by common facilities, to help address common challenges. Key features of the revised guidelines include:

- **Financial support:** The programme funds a percentage of the cost of projects for: (i) establishing common facility centres (such as those for testing, training, and storage), (ii) developing infrastructural facilities (such as power distribution, road, water supply, and communication) in new or existing industrial areas or clusters. The eligibility and extent of support have been revised as shown in Table 4.

### Table 4: Financial support under MSE-CDP

<table>
<thead>
<tr>
<th>Project Type</th>
<th>2019 guidelines</th>
<th>2022 guidelines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Facility Centre</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eligible Project Cost for Support</td>
<td>Rs 20 crore</td>
<td>Rs 5-10 crore</td>
</tr>
<tr>
<td>Funding (as % of project cost)</td>
<td>70%</td>
<td>70%</td>
</tr>
<tr>
<td>Eligible Project Cost for Support</td>
<td>Rs 10-30 crore</td>
<td></td>
</tr>
<tr>
<td>Funding (as % of project cost)</td>
<td></td>
<td>60%</td>
</tr>
<tr>
<td>New Industrial/Factory Complex</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eligible Project Cost for Support</td>
<td>Rs 15 crore</td>
<td>Rs 5-15 crore</td>
</tr>
<tr>
<td>Funding (as % of project cost)</td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td>Upgradation of Industrial/Factory Complex</td>
<td>Based on requirements, on a case-to-case basis</td>
<td>Rs 5-10 crore</td>
</tr>
<tr>
<td>Funding (as % of project cost)</td>
<td></td>
<td>50%</td>
</tr>
</tbody>
</table>

Note: As per revised guidelines, in cases of north-eastern and hill states, island territories, and aspirational districts, the grant will be 10% higher. Sources: Ministry of MSME; PRS.

- **Approval process:** A state-level steering committee will recommend projects to be considered for support. The projects recommended by the state-level committee will be placed before the National Project Approval Committee for approval.

- **Timeline for completion:** A project funded under the programme must be completed within 18 months from the date of approval.

**Prime Minister’s Employment Generation Programme to continue during 2021-26**

The Ministry of Micro, Small and Medium Enterprises (MSME) announced the continuation of Prime Minister’s Employment Generation Programme (PMEGP) for the 2021-26 period. PMEGP was launched in 2008-09 to facilitate generation of employment opportunities for unemployed youth across the country by assisting setting up of micro-enterprises in the non-farm sector. The Ministry noted that since the programme was launched, around 7.8 lakh micro enterprises have been assisted with subsidy of Rs 19,995 crore. The programme has generated an estimated employment for around 64 lakh persons.

The scheme will be implemented during 2021-26 with following key changes:

- **Eligible projects:** Maximum project cost eligible for support under the programme has been increased from Rs 25 lakh to Rs 50 lakh for manufacturing units. For service units, this has been raised from Rs 10 lakh to Rs 20 lakh.

- **Definition of rural areas:** The definitions of rural areas have been modified. Under the previous guidelines, any area classified as a village as per the revenue record of the state, irrespective of the population, was considered a rural area. As per the new guidelines, areas falling under the jurisdiction of Panchayati Raj Institutions will be considered rural areas.

- **Higher subsidy for certain categories:** PMEGP applicants under aspirational districts and transgenders will be treated as special category applicants, and they will be entitled for higher subsidy (10% higher in both urban and rural areas).

The total estimated outlay under the scheme for the 2021-26 period is Rs 13,554 crore.

---

**Commerce**

Tanvi Vipra (tanvi@prsindia.org)

**Comments invited on the Draft Tobacco Board (Amendment) Bill, 2022**

The Ministry of Commerce and Industry released the draft Tobacco Board (Amendment) Bill, 2022, for public feedback. The Bill proposes to amend the Tobacco Board Act, 1975. The Act establishes the Tobacco Board for the regulation and development of the tobacco industry in the country. The draft Bill seeks to: (i) decriminalise offences, (ii) reduce compliance requirements, and (iii) modernise the Tobacco Board. Key features of the draft Bill include:

- **Decriminalisation of offences:** Under the Act, certain offences are punishable with imprisonment, fine, or both. These include: (i) violating the prohibition on import and export of certain tobacco and their products, and (ii) failing to obtain a license or registration for certain activities. The draft Bill proposes to decriminalise all offences under the Act, and instead impose a civil penalty. It also proposes
to rationalise penalties for certain civil offences under the Act.

- **Simplification of compliance requirements:** Under the Act, registration is required for various activities including growing, curing (preparation for consumption), and processing Virginia tobacco. The draft Bill proposes to remove the registration requirement for curing. The Act requires a license for the construction and operation of a barn (place for curing). The draft Bill proposes to remove the license requirement for operating a barn. Registered growers possessing a barn will be permitted to operate it without a separate license.

- **Changes in fees:** The draft Bill seeks to increase the fee on the sale of Virginia tobacco via auction from 2% of the tobacco value to 4%. Under the Act, the Board levies the fee equally on the seller and the purchaser. The draft Bill seeks to remove the requirement of equal levy.

Comments are invited until June 6, 2022.

### Health

#### Composition of the National Assisted Reproductive Technology and Surrogacy Board notified

*Shashank Srivastava (shashank@prsindia.org)*

The Ministry of Health and Family Welfare notified the composition of the National Assisted Reproductive Technology (ART) and Surrogacy Board, under the Assisted Reproductive Technology (Regulation) Act, 2021, and the Surrogacy (Regulation) Act, 2021. Key functions of the National Board include: (i) advising the Central Government on ART related policy matters, (ii) formulating a code of conduct and standards for ART clinics and banks, and (iii) overseeing various bodies to be constituted under the Act.

Members of the Board will include: (i) Minister of Health and Family Welfare as Chairperson, (ii) Secretary to the Department of Health Research as Vice-Chairperson, (iii) two members of the Lok Sabha, (iv) one Joint Secretary each from the Ministry of Women and Child Development and the Ministry of Law and Justice, (v) the Director General of Health services, (vi) nominated Chairpersons of State/UT boards on rotation basis, and (vii) Joint Secretary to the Department of Health Research as member-secretary.

#### Draft regulations for professional conduct of medical practitioners released

*Rakshita Goyal (rakshita@prsindia.org)*

The National Medical Commission has released the Draft Registered Medical Practitioner (Professional Conduct) Regulations, 2022. They have been released under the National Medical Commission Act, 2019 (NMC Act). The Act empowers the NMC to regulate professional conduct of registered medical practitioner (RMPs). A registered medical practitioner is a person whose name is either in the State Medical Register or the Indian Medical Register, or the National Medical Register. Key features of the Draft Regulations are as follows:

- **Duties and responsibilities of RMPs:** The regulations specify that RMPs shall: (i) use only NMC-accredited degrees as suffixes, (ii) practise the system of medicine in which they have trained, (iii) not solicit patients, and (iv) not endorse any product or person.

Further, RMPs must take informed consent from their patients before any clinical procedure. They may choose which patients to treat except in case of life-threatening emergencies (where RMPs cannot refuse treatment to the patient).

- **Grievance redressal mechanism:** Aggrieved persons can file complaints of professional misconduct with the State Medical Council (SMC). The 2019 Act mandates state governments to establish SMCs. Professional misconduct has been defined as any violation of these Regulations or other laws relating to medical practice such as the NMC Act. SMCs may also take undertake investigation against RMPs of their own accord. The SMC may penalise the defaulting RMP by: (i) suspending the RMP from practice temporarily, (ii) imposing monetary penalty, and (iii) removing the RMP from the National Medical Register permanently.

- **Telemedicine guidelines:** Telemedicine includes all communication channels with patients using IT platforms. This includes voice, audio, text and digital data exchange. While doing teleconsultations, RMPs should (i) assess whether a teleconsultation would be sufficient under the circumstances, (ii) obtain and record patients’ consent before teleconsultation, (iii) prescribe medicines only when satisfied that they possess adequate information about the patient’s medical condition, and (iv) follow all data privacy laws regarding patients’ information.
Social media guidelines: Under the regulations, RMPs must: (i) provide factual verified information on social media, (ii) avoid prescribing and discussing treatment methods and medicines through social media, (iii) guide a patient towards teleconsultation if a patient approaches them through social media, and (iv) not purchase likes and followers or pay money to search algorithms, either directly or indirectly.

Rules for regulation of food products prepared as per Ayurveda texts notified

Rakshita Goyal (rakshita@prsindia.org)

The Food Safety and Standards Authority of India (FSSAI) notified the Food Safety and Standards (Ayurveda Aahara) Regulations, 2022. The Regulations have been notified under the Food Safety and Standards Act, 2006. The 2006 Act regulates and lays down scientific standards for manufacturing, ethanol storage, distribution, sale and import of food articles. These Regulations prescribe standards for food prepared as per recipes, ingredients or processes laid down in the specified authoritative books of Ayurveda, defined as “Ayurveda aahara”. They do not cover Ayurvedic drugs, medicines or medicinal products, and cosmetic, narcotic or psychotropic substances listed under the Drugs and Cosmetics Act, 1940 and the Drugs and Cosmetics Rules, 1945. Key features of the Regulations are:

Constitution of an Expert Committee: The FSSAI must set up an Expert Committee under the Ministry of Ayush. The Committee shall comprise relevant experts including representatives of the FSSAI. The Committee shall provide recommendations on the approval of claims and products and address concerns regarding registrations, licensing, certification, and testing or quality issues for Ayurveda aahara products.

Requirements: The Regulations lay down general specifications for Ayurveda aahara products. These include: (i) allowing only certain food additives such as honey and jaggery, (ii) prohibiting addition of vitamins, minerals and amino acids to the products, (iii) mandating labels to display information such as intended purpose of the product, target consumer group, a logo, and an “only for dietary use” advisory warning, (iv) prohibiting claims regarding the products’ ability to prevent, treat or cure any human disease, and (vi) adhering to microbiological standards related to food safety and production hygiene.

Education

Regulations for Indian and foreign universities offering Twinning, Joint Degree and Dual Degree courses notified

Rajat Asthana (rajat@prsindia.org)

The University Grants Commission (UGC) notified the UGC (Academic Collaboration between Indian and Foreign Higher Educational Institutions to offer Twinning, Joint Degree and Dual Degree Programmes) Regulations, 2022. The 2022 regulations provide for Indian and foreign higher educational institutions (HEIs) to offer Twinning, Joint Degree, and Dual Degree programmes. Key features of these programmes are:

Twinning Programme: Students enrolled with an Indian institution may study partly in India, and partly in a foreign HEI. The degree will be awarded by the Indian institution. A student can earn up to 30% of the total credits for the programme from foreign HEI.

Joint Degree Programme: The curriculum will be designed jointly by the collaborating Indian and foreign HEIs. Students must earn at least 30% of the total credits from each of the collaborating institutions. The credits must not be from overlapping course contents. The degree will be awarded by the collaborating institutions with a single certificate.

Dual Degree Programme: These programmes will be jointly designed and offered by Indian and foreign HEIs in the same disciplines/subject areas and in the same level (bachelors or masters). Students must earn at least 30% of the total credits from the Indian institution. Note that the dual degree will not be counted as two-degree programmes in separate disciplines and/or levels being pursued simultaneously.

These programmes cannot be offered in online and open and distance learning mode. Further, the Regulations specify certain ranking criteria for both Indian and foreign HEIs to collaborate.
Minimum land requirement reduced for Open Universities eligible for grants from UGC

Omir Kumar (omir@prsindia.org)

The University Grants Commission (UGC) notified amendments to the University Grants Commission (Fitness of Open Universities for grants) Rules, 1989. The 1989 Rules specify the criteria for Open Universities to be eligible for grants (from the UGC or central government). Under the criteria, state governments are required to ensure that the University has 40-60 acres of developed land. The amendment reduces the developed land requirement to five acres.

Social Justice and Empowerment

Shubham Dutt (shubham@prsindia.org)

Scheme launched to provide scholarship to children whose parents died due to COVID

The central government launched a new central sector scheme to provide scholarship assistance to certain children to continue their education. The scheme is targeted at children who have lost their parents (biological or adoptive) or legal guardian to COVID-19. Under the scheme, scholarship will be disbursed to children through direct benefit transfer, from Class I till Class XII. The central government will provide scholarship allowance worth Rs 20,000 per child per annum. This comprises: (i) an annual academic allowance of Rs 8,000 to cover the school fees, and the cost of books, uniform, shoes and other educational material, and (ii) a monthly allowance of Rs 1,000.

Road Transport and Highways

Rajat Asthana (rajat@prsindia.org)

Rules prescribing base premium for third party insurance notified

The Ministry of Road Transport and Highways notified the Motor Vehicles (Third Party Insurance Base Premium and Liability) Rules, 2022. The 2022 Rules have been framed under the provisions of the Motor Vehicles Act, 1988. The 2022 Rules prescribe base premium for third party insurance for unlimited liability for various classes of vehicles. Refer to Table 5 for an illustrative list.

Table 5: Base premium rates for various types of vehicles

<table>
<thead>
<tr>
<th>Type of Vehicle</th>
<th>Rate (in Rs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private cars</td>
<td></td>
</tr>
<tr>
<td>0 to 1000 cc</td>
<td>Rs 2,094</td>
</tr>
<tr>
<td>1000 to 1500 cc</td>
<td>Rs 3,416</td>
</tr>
<tr>
<td>More than 1500 cc</td>
<td>Rs 7,887</td>
</tr>
<tr>
<td>Goods carrying Commercial Vehicles</td>
<td></td>
</tr>
<tr>
<td>0 to 7,500 kg</td>
<td>Rs 16,049</td>
</tr>
<tr>
<td>7,500 to 12,000 kg</td>
<td>Rs 27,186</td>
</tr>
<tr>
<td>20,000 to 40,000 kg</td>
<td>Rs 43,950</td>
</tr>
</tbody>
</table>

Source: G.S.R. 394 (E), Gazette of India; PRS.

Further, the Rules specify discount ranges for certain categories of vehicles. These include discounts of: (i) 15% for buses of educational institutions, (ii) 15% for electric vehicles, (iii) 7.5% for hybrid electric vehicles, and (iv) 50% for vintage cars.

Ownership and award criteria for PPP mode highway projects amended

The Ministry of Road Transport and Highways amended the model contracts for highway projects in Public Private Partnership (PPP) mode. Highway projects are executed through different models (such as Build-Operate-Transfer and Hybrid Annuity). Key changes are:

- **Transfer of ownership:** Earlier, for Build-Operate-Transfer (Toll) projects, the ownership could be transferred only after two years of commercial operations had been completed. The 2022 amendment reduces this to one year.

- **Criteria for awarding Hybrid Annuity Model (HAM) projects:** In HAM projects, 40% of the project cost is provided as construction support, while 60% is provided as annuity payments for operations. Earlier, bids for HAM projects are based on the lowest
assessed bid price. The bid price was assessed on the basis of the sum of: (i) the bid project cost (during the concession period), and (ii) Operations and Maintenance cost (during the operations period). The 2022 amendment removes the Operations and Maintenance cost criteria. HAM projects will be awarded only on the basis of lowest bid project cost.

**Shipping**

**Time period to avail financial assistance by Indian shipyards extended**

Omir Kumar (omir@prsindia.org)

The Ministry of Ports, Shipping and Waterways amended the ‘Guidelines for Implementation of Shipbuilding Financial Assistance Policy’. The Policy grants financial assistance to Indian shipyards for shipbuilding contracts signed between April 1, 2016 to March 31, 2026. The Guidelines lay down the process for vessels to avail financial assistance under the Policy. Vessels constructed and delivered within a period of three years from the date of contract, are eligible for availing financial assistance. The 2022 amendment provides that for contracts signed between March 24, 2021 to March 31, 2022, the time period of construction and delivery may be extended by a year. The extension is on account of global supply chain disruptions due to COVID-19.

**Guidelines for dealing with stressed projects at Major Ports notified**

Rajat Asthana (rajat@prsindia.org)

The Ministry of Ports, Shipping and Waterways has notified guidelines for dealing with stressed Public Private Partnership projects at Major Ports. The guidelines apply to projects which became stressed: (i) during construction stage (before starting commercial operations), and (ii) due to the Concessionaire’s borrowings becoming non-performing assets, and/or lenders approaching the National Company Law Tribunal for recovery of their dues. Key features of the resolution mechanisms are:

- **Projects stressed before starting commercial operation:** The Concessioning Authority would pay a full and final settlement amount to the concessionaire/lenders (as the case may be) for taking over the useful assets created by the concessionaire. The amount will be equal to lowest of the following amounts: (i) the total value of the useful work done by the concessionaire, as per terms of the concession, or (ii) 90% of debt due as defined in the agreement; or, (iii) any other amount mutually agreed in writing by both parties according to the relevant provisions of the Model Concession Agreement.

- **Projects having stressed borrowings:** The due process before the NCLT under the Insolvency and Bankruptcy Code 2016 or under Section 241(2) of the Companies Act 2013 will be followed. The Concessioning Authority must regularly monitor the insolvency resolution proceedings, through the NCLT orders.

**Petroleum and Natural Gas**

Shashank Srivastava (shashank@prsindia.org)

**Amendments to the National Policy on Bio-fuels, 2018 approved**

The Union Cabinet approved amendments to the National Policy on Bio-fuels, 2018. The Policy aims at mainstreaming of biofuels and envisions a central role for it in the energy and transportation sectors of the country in coming decades. The amendments approved include: (i) advancement of the target of 20% ethanol blending in petrol from 2030 to 2025-26, (ii) allowing more feedstock for production of bio-fuels, (iii) adding new members to the National Biofuel Coordination Committee, and (iv) granting permission for export of bio-fuels in specific cases. Further, the amendments seek to promote the production of bio-fuels in the country, under the Make in India program.

**Media and Broadcasting**

Omir Kumar (omir@prsindia.org)

**TRAI invited comments on issues related to the tariff regulation framework for broadcasting and cable services**

The Telecom Regulatory Authority of India (TRAI) released a consultation paper on “Issues related to New Regulatory Framework for Broadcasting and Cable services”. The new regulatory framework was notified in January 2020. It regulates tariffs for subscription of television services.

Under the framework, TV channels can be offered as part of a bouquet or on an individual basis. The
maximum retail price (MRP) of a channel to be part of a bouquet has been set at Rs 12. TRAI observed that broadcasters have set prices for most popular channels above this MRP. As a result, these channels do not form part of bouquets and can be subscribed to only on an individual basis. It noted that some consumers are not comfortable in selecting channels of their choices due to difficulties in: (i) using IT systems, and (ii) understanding packages offered by service providers. It took note of stakeholder suggestions that popular channels may need to be made available in the bouquets. Further, TRAI observed that higher discounts on bouquets may discourage the selection of individual channels by consumers, which could restrict consumer choice. Hence, the Framework had also capped the discount offered on a bouquet.

TRAI has sought views on the following key issues: (i) if ceiling price for a channel should be included in a bouquet, (ii) steps for ensuring popular channels remain accessible to large segments of viewers, (iii) whether there should be a ceiling on discount on bouquets, and (iv) if channel prices in a bouquet should be homogeneous.

### Information Technology

**Omir Kumar (omir@prsindia.org)**

**Comments invited on draft National Data Governance Framework Policy**

The Ministry of Electronics and Information Technology invited comments on the draft National Data Governance Framework Policy. The Policy seeks to standardise the collection, processing, storage, access, and use of government data. Objectives of the Policy include: (i) promoting digital governance, (ii) standardising data management and security standards, and, (iii) building data platforms to increase accessibility to government data. Key features of the policy include the following:

- **India Data Management Office (IDMO):** Under the policy, IDMO will be set up under the Digital India Corporation under the Ministry of Electronics and Information Technology. Key responsibilities of IDMO will include: (i) developing standards for data storage and retention for ministries/departments, (ii) building the India datasets program consisting of non-personal and anonymised datasets collected by the government and encouraging private entities to share such data, (iii) publishing standards and rules for data anonymisation, and (iv) managing access to datasets. IDMO will also be responsible to frame, manage, and periodically review the policy.

- **Applicability of Policy:** The Policy will be applicable to: (i) all government departments/ministries, and (ii) all non-personal datasets, standards governing its access, and use by researchers and start-ups. State governments will be encouraged to adopt the provisions of the policy and its standards.

### Mining

**Omir Kumar (omir@prsindia.org)**

**Comments invited on proposed amendments to Mines and Minerals (Development and Regulation) Act, 1957**

The Ministry of Mines invited comments on proposed amendments to the Mines and Minerals (Development and Regulation) Act, 1957. The Act regulates the mining sector. Key proposed amendments include:

- **Forest clearance for exploration activities:** Currently, forest clearance is required for exploration activities for mining. The Ministry noted that exploration activities do not cause any perceptible change in the forest land or biodiversity. Hence, proposed amendments seek to add that exploration activities in forest land will not be considered diversion of forest land for non-forest purposes. State governments will have powers to prescribe the manner of granting permission for such exploration activities.

- **Centre’s approval for auctioning composite licenses:** The Act requires the state governments to seek prior approval from the central government for auctioning composite licenses for notified minerals (bauxite, iron ore, limestone, and manganese). A composite license permits both exploration and mining activities under a single license. The proposed amendments waive the requirement of prior approval from the central government.

- **Commercial sale by captive miners:** The Act allows miners of captive mines to sell up to 50% of the annual production. The sale can be undertaken after fulfilling the requirement of the linked plant. The proposed amendments seek to remove this requirement. This will allow miners to sell 50% of their annual production without restrictions.

- **Average Sale Price (ASP):** ASP is the weighted average of ‘sale value’ of minerals
from each mine in a state. ASP is used to calculate royalty. ASP is not defined in the Act. As per existing Rules, ‘sale value’ includes royalty and payments to District Mineral Foundation (DMF) and National Mineral Exploration Trust (NMET). The Ministry noted that this would require a lessee to pay additional charges, including by way of royalty on royalty. Proposed amendments seek to define ASP in the Act and exclude export duty, GST, royalty, payments to DMF and NMET, and other such levies from it.

Comments are invited until June 15, 2022.

Environment

Rakshita Goyal (rakshita@prsindia.org)

Special dispensation made for grant of environmental clearance in case of expansion of coal mining projects

In view of domestic coal shortage, the Ministry of Environment, Forest and Climate Change amended the environmental clearance (EC) rules for expanding coal mining projects. They will be in force for six months.\(^5^2\) In April 2022, the Ministry had issued guidelines for granting environmental clearance for expanding the capacity of existing projects (including coal mining projects) by up to 50%.\(^5^3\) The guidelines apply to projects which: (i) do not need additional land, (ii) have conducted one at least one public hearing for the existing project capacity, and (iii) will expand in at least three phases.

In case of capacity expansion from 40% to 50%, projects require a revised environment impact assessment (EIA) report and fresh public consultation.\(^5^4\) Now, coal mining projects previously granted EC for expansion of capacity up to 40% will be granted EC (without a revised EIA report and public consultation) to increase capacity up to 50%.

Comments invited on draft e-waste management rules

The Ministry of Environment, Forests and Climate Change invited public comments on the Draft E-Waste (Management) Rules, 2022.\(^5^5\) These Rules seek to replace the E-Waste (Management) Rules, 2016.\(^5^6\) E-waste refers to electrical or electronic equipment which has been discarded during the manufacturing, repair or refurbishment process. The draft Rules have been notified under the Environment Protection Act, 1986.\(^5^7\) The 1986 Act empowers the central government to prescribe the safeguards and procedure for handling hazardous substances.\(^5^7\) Key features of the draft Rules are:

- **Recycling targets**: The 2016 Rules prescribe e-waste recycling targets for anyone dealing with electrical/electronic components, assemblies or equipment (producers) in four phases. The draft Rules seek to modify these targets (Table 6).

Table 6: Comparison of E-Waste Recycling Targets

<table>
<thead>
<tr>
<th>Year</th>
<th>Target (% of waste generated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016 Rules</td>
<td></td>
</tr>
<tr>
<td>First two years</td>
<td>30%</td>
</tr>
<tr>
<td>Third and fourth year</td>
<td>40%</td>
</tr>
<tr>
<td>Fifth and sixth year</td>
<td>50%</td>
</tr>
<tr>
<td>Seventh year onwards</td>
<td>70%</td>
</tr>
<tr>
<td>2022 Draft Rules</td>
<td></td>
</tr>
<tr>
<td>2022-23</td>
<td>60%</td>
</tr>
<tr>
<td>2023-24</td>
<td>70%</td>
</tr>
<tr>
<td>2024-25 onwards</td>
<td>80%</td>
</tr>
</tbody>
</table>

*Note: This refers to the time period after the EPR certificate has been granted to the applicant.

Sources: E-Waste management Rules, 2016; Draft E-Waste Management Rules, 2022; PRS.

- **Extended Producer Responsibility (EPR) certificates**: These recycling targets have to be achieved through the purchase of certificates from registered recyclers (also called EPR certificates). The EPR certificates must be filed through an online portal. Producers who don’t meet their recycling targets must pay an environmental compensation or fine. Under the 2016 Rules, recycling certificates are valid for five years.\(^5^6\) The draft Rules seek to reduce this to two years.\(^5^5\)

Comments are invited until July 18, 2022.

---


3 Resolution of the Monetary Policy Committee (MPC) May 2 and 4, 2022, Monetary Policy Statement, 2022-23, Reserve Bank of India.
Ministry of Electronics and Information Technology, May 2022,
https://www.trai.gov.in/sites/default/files/CP_07052022_0.pdf
38 Office Memorandum No. NH-24028/14/2014-H (Vol II) (E-134863), Ministry of Road Transport and Highways, May 23, 2022,
39 Office Memorandum No. NH-24028/14/2014-H (Vol II) (E-134863), Ministry of Road Transport and Highways, May 23, 2022,
40 “Hybrid Annuity Model for National Highways”, Press Information Bureau, Ministry of Road Transport and Highways, November 21, 2019,
41 Guidelines for Shipbuilding Financial Assistance Policy (SBFAP) Amendment regarding”, Ministry of Ports, Shipping and Waterways, April 28, 2022,
43 No. PD-13/1/2018-PPP Cell/e-220932, Office Memorandum, Ministry of Ports, Shipping and Waterways, May 10, 2022,
44 “Guidelines for early Resolution of Stuck Public Private Partnership (PPP) projects at Major Ports”, Press Information Bureau, Ports, Shipping and Waterways, May 11, 2022,
45 Cabinet approves Amendments to the National Policy on Biofuels -2018, Ministry of Petroleum and Natural Gas, May 18, 2022,
46 National Biofuel Policy, 2018,
http://164.100.94.214/sites/default/files/Uploads/biofuel_policy_0.pdf.
47 “Consultation Paper on Issues related to New Regulatory Framework for Broadcasting and Cable services”, Telecom Regulatory Authority of India, May 7, 2022,
https://www.trai.gov.in/sites/default/files/CP_07052022_0.pdf.
48 “TRAI releases Consultation paper on Issues related to New Regulatory Framework for Broadcasting and Cable services”, Telecom Regulatory Authority of India, May 7, 2022,
49 National Data Governance Framework Policy (Draft), Ministry of Electronics and Information Technology, May 2022,
51 The Mines and Minerals (Development and Regulation) Act, 1957,
52 F.No. IA3-22/10/2022-IA.III, Ministry of Environment, Forest and Climate Change, May 7, 2022,
53 F.No. IA3-22/10/2022-IA.III, Ministry of Environment, Forest and Climate Change, April 11, 2022,
54 F.No. IA3-22/10/2022-IA.III, Ministry of Environment, Forest and Climate Change, April 11, 2022,
55 S.O. 360(E), Ministry of Environment, Forest and Climate Change, April 11, 2022,
56 G.S.R. 338(E), Ministry of Environment, Forest and Climate Change,
https://pcpcb.nic.in/displaypdf.php?id=RS1XYXN0ZS9FLVdhc3RlTV9sDxct18yMDE2LmNhKzg==.
57 Environment Protection Act, 1986,

DISCLAIMER: This document is being furnished to you for your information. You may choose to reproduce or redistribute this report for non-commercial purposes in part or in full to any other person with due acknowledgement of PRS Legislative Research (“PRS”). The opinions expressed herein are entirely those of the author(s). PRS makes every effort to use reliable and comprehensive information, but PRS does not represent that the contents of the report are accurate or complete. PRS is an independent, not-for-profit group. This document has been prepared without regard to the objectives or opinions of those who may receive it.