Monthly Policy Review
August 2022

Highlights of this Issue

Monsoon Session 2022 of Parliament concluded; five Bills passed; six introduced (p. 2)
Bills passed include the National Anti-Doping Bill, 2021, the Indian Antarctic Bill, 2022, and the Weapons of Mass Destruction (Amendment) Bill, 2022.

GDP grows at 13.5% in the first quarter of 2022-23 (p. 2)
In the first quarter of 2021-22, GDP had grown by 20.1% over a low base in the first quarter of 2020-21, when GDP had contracted by 23.8%.

Repo rate increased to 5.4%; standing deposit facility rate increased to 5.15% (p. 2)
The Monetary Policy Committee of the Reserve Bank of India (RBI) increased the policy repo rate (the rate at which RBI lends money to banks) from 4.9% to 5.4%.

Bill enabling carbon credit trading passed by Lok Sabha (p. 6)
The Bill amends the Energy Conservation Act, 2001. The Bill adds that the government may require certain designated consumers to meet a minimum share of energy consumption from non-fossil sources.

SC struck down certain provisions of Benami Property Transactions Act, 1988 (p. 3)
The Supreme Court ruled that criminal prosecution or confiscation proceedings for transactions prior to the 2016 Amendment Act can only be applied prospectively.

Electricity (Amendment) Bill, 2022 introduced in Lok Sabha (p. 6)
The Bill allows multiple discoms to supply electricity using the same network. Discoms must provide non-discriminatory access to their network to all other discoms operating in the same area, on payment of fees.

Battery Waste Management Rules, 2022 notified (p. 12)
The Rules specify standards to manage waste batteries, which include end of life batteries. It specifies extended producer responsibility where producers ensure collection, recycling, and refurbishment of the waste batteries.

Joint Parliamentary Committee tabled report on Biological Diversity Bill (p. 11)
The 2021 Amendment Bill exempts access to codified traditional knowledge from benefit-sharing provisions. The Committee recommended defining the term ‘codified traditional knowledge’.

Standing Committees submit reports on various subjects (p. 8)
Reports on evaluating wind energy, review of power tariff policy, review of adoption and guardianship laws, and welfare of Indian diaspora were submitted to Parliament.

CAG submit reports on coastal conservation and premium rationalisation (p. 12)
The CAG released audit reports on Conservation of Coastal Ecosystems and Premium Rationalisation in BOT projects by NHAI.

PMAU-(U) extended up to December 2024 (p. 11)
The central government had launched PMAY-U to provide ‘housing for all’ in urban areas by 2022. The Union Cabinet approved extending the scheme till December 2024 to allow states more time for constructing houses.

Airlines to share details of international travellers with customs (p. 13)
As per the regulations, airlines must share details of international travellers collected in their normal course of business with the National Customs Targeting Centre – Passenger. Details include name and PNR.
Parliament

Niranjana S Menon (niranjana@prsindia.org)

Monsoon Session 2022 concludes; five Bills passed; six introduced

The Monsoon Session of Parliament was held from July 18, 2022 to August 8, 2022.1 Parliament sat for 16 days, and the session ended two working days ahead of its schedule.

24 Bills were listed for introduction in this session, but six were introduced. Five Bills were passed which include the National Anti-Doping Bill, 2021, the Indian Antarctic Bill, 2022, and the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Amendment Bill, 2022. The Family Courts (Amendment) Bill, 2022, and the Central Universities (Amendment) Bill, 2022 were introduced and passed in this session. Of the Bills introduced and pending, the Electricity (Amendment) Bill, 2022 and the Competition (Amendment) Bill, 2022 have been referred to the respective Parliamentary Standing Committees.

For more details on legislative business transacted during the Monsoon Session 2022, please see here. For details on the functioning of Parliament during the session, please see here.

Macroeconomic Development

Tushar Chakrabarty (tushar@prsindia.org)

Repo rate and standing deposit facility rates increased to 5.4% and 5.15% respectively

The Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI) increased the policy repo rate (the rate at which RBI lends money to banks) from 4.9% to 5.4%.2 Other decisions of the Committee include:

- Standing deposit facility rate (the rate at which the RBI borrows from banks without giving collateral) has been increased from 4.65% to 5.15%.
- 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 5.15% to 5.65%.
- The Committee decided to remain focused on withdrawal of accommodation to ensure that inflation remains within the target.

GDP grows at 13.5% in the first quarter of 2022-23

Gross Domestic Product (GDP) (at constant prices) grew at 13.5% in the first quarter (April-June) of 2022-23, over the corresponding period in 2021-22.3 In the first quarter of 2021-22, GDP had grown by 20.1% over a low base in the first quarter of 2020-21 when GDP had contracted by 23.8%. GDP grew at 4.1% in the fourth quarter (January-December) of 2021-22.

Figure 1: GDP growth, at constant 2011-12 prices (in percentage, year-on-year)

GDP across economic sectors is measured in terms of Gross Value Added (GVA). Growth in all sectors was positive in the first quarter of 2022-23 over the first quarter of 2021-22. Public services registered the highest growth (26.3%), followed by trade (25.7%), and construction (16.8%).

Table 1: Growth in GVA across sectors in Q1 of 2022-23 (% , year-on-year)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Q1 2020-21</th>
<th>Q1 2021-22</th>
<th>Q1 2022-23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>3%</td>
<td>2.2%</td>
<td>4.5%</td>
</tr>
<tr>
<td>Mining</td>
<td>-17.8%</td>
<td>18%</td>
<td>6.5%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>-31.5%</td>
<td>49%</td>
<td>4.8%</td>
</tr>
<tr>
<td>Electricity</td>
<td>-14.8%</td>
<td>13.8%</td>
<td>14.7%</td>
</tr>
<tr>
<td>Construction</td>
<td>-49.4%</td>
<td>71.3%</td>
<td>16.8%</td>
</tr>
<tr>
<td>Trade</td>
<td>-49.9%</td>
<td>34.3%</td>
<td>25.7%</td>
</tr>
<tr>
<td>Financial services</td>
<td>-1.1%</td>
<td>2.3%</td>
<td>9.2%</td>
</tr>
<tr>
<td>Public services</td>
<td>-11.4%</td>
<td>6.2%</td>
<td>26.3%</td>
</tr>
<tr>
<td>GVA</td>
<td>-21.4%</td>
<td>18.1%</td>
<td>12.7%</td>
</tr>
<tr>
<td>GDP</td>
<td>-23.8%</td>
<td>20.1%</td>
<td>13.5%</td>
</tr>
</tbody>
</table>

Note: GVA is measured at basic prices (2011-12).

Sources: Ministry of Statistics and Programme Implementation; PRS.

Industrial production grew by 12.7% in the first quarter of 2022-23

The Index of Industrial Production (IIP) grew by 12.7% in the first quarter (April-June) of 2022-23 over the corresponding period a year earlier, compared to a growth of 44% in the corresponding quarter of 2021-22.4,5 The weight of manufacturing, mining, and electricity sectors in the IIP is 78%, 14%, and 8% respectively. Electricity sector grew by 17.1% in the first quarter of 2022-23, as compared to 16.8% in the same period in 2021-22. The manufacturing sector grew by 12.7% in first quarter of 2022-23 as compared to a growth of 53% in the corresponding quarter of 2021-22.

Sources: Ministry of Statistics and Programme Implementation; PRS.
2021-22. The mining sector grew by 8.9% in the first quarter of 2022-23 as compared to 27.5% in the corresponding quarter of 2021-22. The steep growth in April-June 2021 over the corresponding period of the previous year was driven by the low base due to the lockdown in 2020.

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

![Figure 2: Growth in IIP (% , year-on-year)](image)

Sources: Ministry of Statistics and Programme Implementation; PRS.

**Finance**

**Bill to regulate mergers based on size of transaction introduced in Lok Sabha**

*Tushar Chakrabarty (tushar@prsindia.org)*

The Competition (Amendment) Bill, 2022 was introduced in Lok Sabha.\(^6\) It seeks to amend the Competition Act, 2002.\(^7\) The Act establishes the Competition Commission of India (CCI) for regulating market competition. The Bill has been referred to the Standing Committee on Finance (Chair: Mr. Jayant Sinha).\(^8\) Key features of the Bill are:

- **Regulation of combinations based on transaction value:** The Act prohibits any person or enterprise from entering into a combination which may cause an appreciable adverse effect on competition. Combinations imply mergers, acquisitions, or amalgamation of enterprises. The prohibition applies to transactions where parties involved have: (i) cumulative assets of more than Rs 1,000 crore, or (ii) cumulative turnover of more than Rs 3,000 crore, subject to certain other conditions. The Bill expands the definition of combinations to include transactions with a value above Rs 2,000 crore.

- **Definition of control for classification of combinations:** For classification of combinations, the Act defines control as control over the affairs or management by one or more enterprises over another enterprise or group. The Bill modifies the definition of control as the ability to exercise material influence over the management, affairs, or strategic commercial decisions.

- **Time limit for approval of combinations:** The Act specifies that any combination shall not come into effect until the CCI has passed an order or 210 days have passed from the day when an application for approval was filed, whichever is earlier. The Bill reduces the time limit in the latter case from 210 days to 150 days.

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

**Supreme Court strikes down certain provisions of Benami Property Transactions Act, 1988**

*Tushar Chakrabarty (tushar@prsindia.org)*

The Supreme Court struck down certain provisions of the Prohibition of Benami Property Transactions Act, 1988\(^9,10\). Benami transactions include transactions where a property is held by or transferred to a person for which the consideration was paid by another person. The 1988 Act was amended in 2016.\(^11\) Prior to the 2016 amendment, the Act barred persons from entering into a benami transaction, provided for confiscation of benami properties, and a penalty of imprisonment of up to three years or a fine or both. However, it exempted certain transactions such as purchase of property by a person in the name of his wife or unmarried daughter. The 2016 amendment removed this exemption, and retained the penalty. This was deemed to have been applicable for benami transactions entered into between 1988 and 2016. A different penalty was provided for persons entering into benami transactions after the 2016 amendment. The Court was examining whether the 2016 amendments could apply retrospectively.

The Court observed that the unamended Act was devoid of criminal intent on the part of the person entering into benami transactions. It, however, criminalised the act of one person paying consideration for acquisition of property for another person. This created a harsh provision with a strict liability. Also, the criminal provision of the unamended Act along with confiscation proceedings were overly broad and operated without adequate safeguards in place. Thus, the criminal provisions and confiscation proceedings under the unamended Act were found to be unconstitutional. Similarly, the provision for retrospective punishment for benami transactions, as introduced by the 2016 amendment, was also held to be unconstitutional as it violated Article 20 (1) of the Constitution. The Article provides that no person shall be convicted for an offence if a law was not violated at the time of commission of the act. In the light of these observations, the Court ruled that criminal prosecution or confiscation proceedings for transactions prior to the 2016 amendment Act cannot continue and can only be applied prospectively.
RBI releases regulatory framework for digital lending

Tushar Chakrabarty (tushar@prsindia.org)

The Reserve Bank of India (RBI) released the regulatory framework for digital lending. The framework is based on the report of the Working Group on Digital Lending (Chair: Mr. Jayant Kumar Dash). The regulatory framework focuses on RBI regulated entities (such as banks) and lending service providers (LSP) engaged by such entities for credit facilitation services. Key features of the framework include:

- **Customer protection**: All loan disbursals and repayments are to be executed between the bank accounts of the borrower and the regulated entity. Loans cannot be passed through or pooled in the account of an LSP or any other third party. Any fees or charges payable to the LSP will be paid by the regulated entity and not by the borrower. An all-inclusive cost of digital loans is required to be disclosed to the borrower and an automatic increase in credit limit without the explicit consent of the borrower has been prohibited under the framework. Regulated entities and their LSPs should have a suitable nodal grievance redressal officer for addressing fintech/digital lending related complaints.

- **Data protection**: Data collected by digital lending applications should be need-based, have clear audit trail, and be done with the explicit consent of the borrower. Borrowers may be provided with an option to accept or deny the consent for use of specific data. Further, the borrower should also be provided with the options to revoke previously granted consent and delete their data. All data should be stored in servers located in India.

- **Reporting requirements**: All loans sourced through digital lending applications must be reported to credit information companies (CICs). All new digital lending products extended by regulated entities over merchant platforms, which involve short-term credit or deferred payment, must be reported to CICs.

RBI releases discussion paper on charges in payment systems

Tushar Chakrabarty (tushar@prsindia.org)

The Reserve Bank of India (RBI) released a discussion paper on charges in payment systems. According to the paper, an efficient payment system needs an appropriate determination of fees/charges to ensure optimal cost to users and return to operators. Key features of the paper are:

- **Unified Payments Interface (UPI)**: UPI is a funds transfer and merchant payment system. Currently there are no charges in UPI for users and merchants. The paper noted that payment system providers in any payment system should earn income for continued operations to facilitate investments in new technology. It estimated that processing a person to merchant UPI transaction with an average value of Rs 800 costs two rupees. Comments have been invited on whether: (i) subsidising costs is a more effective alternative, and (ii) if charges for UPI are introduced, should they be administered by RBI or market determined.

- **Real Time Gross Settlement System (RTGS)**: RBI is the owner, operator, and regulator of RTGS. It is primarily used for large value transactions and by banks/large institutions to facilitate real time settlement of funds. Direct members (banks) pay a monthly membership fee for RTGS. While no charges can be levied by members for inward transactions, members can levy Rs 25 for outward transactions worth two lakh rupees to five lakh rupees and Rs 50 for transactions above five lakh rupees. RBI has invited comments on reviewing the policy of not levying charges on members for RTGS transactions.

- **Debit cards**: Debit cards involve the levy of Merchant Discount Rate (MDR). MDR is recovered from the merchant by the payment acquirers (entities which enable the acceptance of payment instruments). Interchange charges, as determined by payment system operators, are taken from MDR and shared with the issuer of the debit card. With effect from January 1, 2018, maximum MDR has been capped by RBI based on the size of turnover of merchants and transactions value. This was done to encourage the use of debit cards for acceptance of small value transactions. Comments have been invited on whether: (i) the MDR for debit cards should be uniform across merchants, and (ii) RBI should regulate interchange charges for debit cards.

Comments have been invited until October 3, 2022.

SEBI releases consultation paper on sustainable finance

Tushar Chakrabarty (tushar@prsindia.org)

The Securities and Exchange Board of India (SEBI) released a consultation paper on green and blue bonds as a mode of sustainable finance. Sustainable finance involves taking into account environmental, social, and governance (ESG) considerations while making investments in the financial sector. Key features are:

- **Definition of green bonds**: Green bonds or green debt securities are currently regulated under the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021. These bonds are used to raise funds for certain projects including renewable energy, clean transportation, and climate change adaptation. The paper has
proposed to expand the scope of green bonds for financing other categories including: (i) reduction of air emissions, (ii) greenhouse gas control, (iii) waste recycling, and (iv) design and introduction of recyclable and refurbished products.

- **Utilisation of funds:** The current framework for green bonds or green debt securities does not mandate disclosure of utilisation of funds raised from each debt security issued. It has been proposed that the utilisation of proceeds from each issue of green bonds or green debt securities shall be tracked and disclosed separately or on an aggregated basis for multiple green bonds.

- **Blue bonds:** Blue bonds are debt instruments used to finance investments in oceans and blue economies. The consultation paper noted that India has significant scope for the deployment of blue bonds in different aspects of the blue economy including: (i) oceanic resource mining, (ii) sustainable fishing, (iii) coral degradation, and (iv) National Offshore Wind Energy Policy. The consultation paper has invited comments on whether these initiatives offer any scope for financing through blue bonds.

### RBI notifies overseas investment regulations

**Tushar Chakrabarty (tushar@prsindia.org)**

The Reserve Bank of India (RBI) notified the Foreign Exchange Management (Overseas Investment) Regulations, 2022 under the Foreign Exchange Management Act, 1999. It seeks to regulate debt investment by Indian entities in foreign entities. Key features are as follows:

- **Financial commitment by Indian entities:** An Indian entity may lend or invest in any debt instrument issued by a foreign entity if the Indian entity: (i) is eligible to make overseas direct investment (ODI), (ii) has made ODI in the foreign entity, and (iii) has acquired control in such foreign entity at the time of making the financial commitment. Loans given by the Indian entity should be backed by a loan agreement where the interest rate shall be charged on an arm’s length basis. Arm’s length basis means a transaction between two related parties that is conducted so that there is no conflict of interest.

- **Extending guarantees:** The Regulations allow certain guarantees to be extended by the Indian entity to the foreign entity or any of its subsidiaries where the Indian entity has acquired control. Such guarantees include: (i) corporate or performance guarantee by Indian entity, (ii) corporate or performance guarantee by a group company of the Indian entity, and (iii) bank guarantee issued by a bank in India.

- **Reporting requirements:** An Indian resident who has made ODI, financial commitment, or disinvestment in a foreign entity shall report certain details through designated banks. These include: (i) whether the financial commitment is reckoned towards the financial commitment limit, (ii) disinvestment transaction within 30 days of receiving disinvestment proceeds, and (iii) restructuring within thirty days from the date of such restructuring.

### SEBI constitutes committee to facilitate investments by foreign portfolio investors

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

The Securities and Exchange Board of India (SEBI) constituted a Standing Committee (Chair: Mr. K. V. Subramanian) to advise SEBI on policy matters related to foreign portfolio investors (FPIs). The terms of reference of the Committee include: (i) reviewing investment avenues available for FPIs and advise on feasibility of new investment avenues, (ii) advise on measures required to encourage FPI participation in the bond market, (iii) advise on measures required in the legal framework for simplification of FPI regulations, and (iv) advise on issues of investments and operations of FPIs in Indian financial markets, including measures to facilitate ease of doing business by FPIs in India.

### Cabinet approves additional funds for emergency credit facility for hospitality sector

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

The Union Cabinet approved increasing the limit of the Emergency Credit Line Guarantee Scheme (ECLGS) from Rs 4.5 lakh crore to Rs 5 lakh crore. This additional amount will be available only for enterprises in the hospitality and related sectors. The increase seeks to support the economic recovery of these sectors post the disruptions caused by COVID-19. The ECLGS was launched in May 2020 to provide an emergency credit facility to micro, small and medium enterprises (MSMEs). Subsequently it was extended to other sectors such as hospitality and civil aviation. The scheme is valid till March 31, 2023.

### Income tax payers excluded from joining Atal Pension Yojana

**Tushar Chakrabarty (tushar@prsindia.org)**

The Ministry of Finance has excluded citizens who are or have been income tax payers from joining the Atal Pension Yojana (APY) from October 1, 2022. APY was launched with effect from June 2015 to provide social security for the poor, under-privileged, and workers in the unorganised sector. It is a voluntary and periodic contribution-based pension system. So far, APY was open to all Indian citizens who had a savings bank account between the age of 18 years and 40 years. In case subscribers, joining on or after October 1, 2022, are subsequently found to be income tax payers, their...
account shall be closed and the accumulated pension funds will be transferred to them.

**Energy**

**Electricity (Amendment) Bill, 2022 introduced in Lok Sabha**

*Saket Surya (saket@prsindia.org)*

The Electricity (Amendment) Bill, 2022 was introduced in Lok Sabha. The Bill amends the Electricity Act, 2003. The Act regulates the electricity sector in India and sets up the Central and State Electricity Regulatory Commissions (CERC and SERCs) to regulate inter-state and intra-state matters, respectively. The Bill has been referred to the Standing Committee on Energy (Chair: Mr. Rajiv Ranjan Singh). Key provisions of the Bill are:

- **Multiple discoms in the same area:** The Act provides for multiple distribution licensees (discoms) to operate in the same area of supply. It requires discoms to distribute electricity through their own network. The Bill removes this requirement. It adds that a discom must provide non-discriminatory open access to its network to all other discoms operating in the same area, on payment of certain charges. The central government may prescribe the criteria for determining the area of supply.

- **Power procurement and tariff:** Upon grant of multiple licenses for the same area, the power and associated costs as per the existing power purchase agreements (PPAs) of the existing discoms will be shared between all discoms. To meet any additional power requirements, a discom may enter into additional PPAs after meeting the obligations of existing agreements. Such additional power need not be shared with other discoms. Under the Act, in cases where there are multiple discoms in the same area of supply, the SERC is required to specify the maximum ceiling for tariff. The Bill adds that the SERC will also specify a minimum tariff for such cases.

- **Cross-subsidy Balancing Fund:** The Bill adds that upon grant of multiple licenses for the same area, the state government will set up a Cross subsidy Balancing Fund. Cross-subsidy refers to the arrangement of one consumer category subsidising the consumption of another consumer category. Any surplus with a distribution licensee on account of cross-subsidy will be deposited into the fund. The fund will be used to finance deficits in cross-subsidy for other discoms in the same area or any other area. The Bill specifies that the above matters related to the operation of multiple discoms in the same area will be regulated in accordance with the rules made by the central government under the Act.

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

**Bill enabling carbon credit trading passed by Lok Sabha**

*Saket Surya (saket@prsindia.org)*

The Energy Conservation (Amendment) Bill, 2022 was introduced in and passed by Lok Sabha. The Bill seeks to amend the Energy Conservation Act, 2001. The Act promotes energy efficiency and conservation. It provides for the regulation of energy consumption by equipment, appliances, buildings, and industries. Key proposals under the Bill are:

- **Obligation to use non-fossil sources of energy:** The Act empowers the central government to specify energy consumption standards. The Bill adds that the government may require the designated consumers to meet a minimum share of energy consumption from non-fossil sources. Different consumption thresholds may be specified for different non-fossil sources and consumer categories. Designated consumers include: (i) industries such as mining, steel, cement, textile, chemicals, and petrochemicals, (ii) transport sector including Railways, and (iii) commercial buildings, as specified in the schedule. Failure to meet the obligation for use of energy from non-fossil sources will be punishable with a penalty of up to Rs 10 lakh. It will also attract an additional penalty of up to twice the price of oil equivalent of energy consumed above the prescribed norm.

- **Carbon trading:** The Bill empowers the central government to specify a carbon credit trading scheme. Carbon credit implies a tradeable permit to produce a specified amount of carbon emissions. The central government or any authorised agency may issue carbon credit certificates to entities registered under and compliant with the scheme. The entities will be entitled to purchase or sell the certificate. Any other person may also purchase a carbon credit certificate on a voluntary basis.

- **Energy conservation code for buildings:** The Act empowers the central government to specify energy conservation code for buildings. The code prescribes energy consumption standards in terms of area. The Bill amends this to provide for an ‘energy conservation and sustainable building code’. This new code will provide norms for energy efficiency and conservation, use of renewable energy, and other requirements for green buildings.

For a PRS summary of the Bill, please see [here](#).
Standing Committee submits report on evaluating wind energy in India
Omir Kumar (omir@prsindia.org)

The Standing Committee on Energy (Chair: Mr. Rajiv Ranjan Singh) submitted its report on the "Evaluation of Wind Energy in India". Key observations and recommendations of the Committee are:

- **Potential of wind energy**: The Committee observed that only a fraction of the country’s wind potential has been tapped. The commercially exploitable potential of wind energy in India is estimated to be more than 200 gigawatts (GW). As of May 2022, the total installed capacity of wind power was 41 GW, i.e., about 20% of the commercially exploitable potential. Reasons for slow capacity addition include: (i) shift in tariff system from feed-in-tariff (guaranteed above-market price for producers) to tariff determination by competitive bidding, and (ii) aggressive bidding by developers. The Committee observed that solar energy has been prioritised over wind energy, despite import dependence in the solar sector. From March 2014 to May 2022, the installed capacity of wind power has increased by 93% as compared to a 2064% increase in solar power. It noted that India has strong domestic manufacturing in the wind energy sector. The Committee recommended giving due priority to wind energy in order to maintain a balanced energy mix.

- **Change in tariff system**: Till 2017, wind energy capacity addition was through a feed-in-tariff mechanism (guaranteed above-market price for producers) and subsequently, it changed to tariff determination through competitive bidding. This shift has disrupted installation of projects. There has been a transition from a relatively high tariff of Rs 4.5/unit to a more competitive tariff of Rs 2.5-3/unit. This has reduced the profitability of wind power projects. The Committee observed that under the bidding mechanism, the size of wind power projects has increased and they are awarded to large independent power producers/developers. Some developers resort to aggressive bidding, thus decreasing prices to unsustainable levels, and eventually back out of the project. It recommended provisions for a heavy penalty on developers backing out unilaterally and blacklisting persistent defaulters.

- **Offshore wind power**: The Committee noted that offshore wind energy (wind energy projects in water bodies) potential was estimated to be about 70 GW off the coast of Gujarat and Tamil Nadu. However, no project has been established in these states. Offshore wind energy has higher capacity utilisation factor than onshore projects and its cost decreases with increase in installed capacity. The Committee recommended exploring offshore wind potential in different coastal areas of India.

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

Report on review of power tariff policy submitted
Omir Kumar (omir@prsindia.org)

The Standing Committee on Energy (Chair: Mr. Rajiv Ranjan Singh) submitted its report on the "Review of Power Tariff Policy—Need for uniformity across the Country". Key observations and recommendations are as follows:

- **Tariff rationalisation**: The Committee observed that having a uniform tariff across the country at present or in one go would be very difficult. It noted that cost of supply of electricity varies due to varying generation, transmission, and distribution costs. States have been empowered to decide the tariff for different categories of consumers. Many states have created a large number of tariff categories based on socio-economic considerations (as high as 93). The Committee noted that the current tariff structure is varied and complex, and there is a need to rationalise various key components of power tariff. It recommended the central government to work with states to simplify the tariff structure.

- **Power Purchase Agreements (PPAs)**: Power procurement cost constitutes a major portion of the cost of supply for distribution companies (discoms). About 90% of the power demand is met through long-term bilateral contracts between generators and discoms, known as PPAs. The Committee observed that discoms have signed PPAs at a higher cost as compared to prevailing market prices. This has adverse implications on their financial performance. It recommended rationalising the cost of PPAs. However, it also observed that re-negotiation of PPAs, unless mutually decided by parties, is not desirable as it may send adverse signals for future investment.

- **Payment of fixed costs**: Discoms pay generators in two parts: (i) fixed charges, reflective of capital investments, and (ii) variable charges, including cost of fuel for generation. The Committee observed that capacity utilisation of coal and lignite-based plants in 2020-21 was about 53%. Discoms have to pay a big amount as fixed cost even when plants are not utilised. This cost has to be ultimately passed on to end consumers. However, fixed cost is not being recovered fully at the distribution tariff level. The Committee recommended the government to explore avenues to reduce this burden on discoms.

For a PRS summary of the Report, see [here](#).
Comments invited on draft Coal Logistic Policy, 2022

Omir Kumar (omir@prsindia.org)

The Ministry of Coal released the draft Coal Logistic Policy 2022 for comments. Coal logistics refers to the transport of coal from the origin to the destination through a single or multimodal mode of transportation. It includes storage, loading, or unloading for delivery of coal to various sectors such as power plants, and cement industry. Objectives of the Policy include: (i) ensuring availability of adequate coal evacuation infrastructure, (ii) optimising logistics cost, (iii) promoting multi-modal network of transport and greener transportation, and (iv) modernising the logistics infrastructure through use of technology. Key features of the draft Policy include:

- **Reduction in coal logistics costs**: One of the key issues with coal evacuation is the high cost of logistics. The draft Policy seeks to reduce coal logistics costs through several ways including: (i) planning for construction and use of shared evacuation infrastructure in the mine allocation process, (ii) regulating railway freight rates for coal, (iii) making rail-sea-rail route more competitive vis-à-vis all rail route, and (iv) using smart coal logistics corridors that give real time information about the logistics chain.

- **Multimodal network of transport**: The draft Policy noted that one of the challenges in coal evacuation is limited logistics planning in multimodal transport. The Policy proposes to formulate a Multi-modal Integrated National Coal Evacuation Plan. A Technical Support Unit and an Inter-Ministerial Committee (IMC) will be set up for formulating the Plan. While formulating the Plan, issues will be taken up with relevant ministries, state governments, and other stakeholders. The implementation of the Plan will be monitored by the IMC.

Comments on the draft Policy are invited until September 9, 2022.

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Sports

Omir Kumar (omir@prsindia.org)

Parliament passes Bill to regulate doping in sports

The National Anti-Doping Bill, 2021 was passed by Parliament with amendments incorporating some changes recommended by the Standing Committee on Sports. The Bill seeks to prohibit doping in sports and provides for constituting the National Anti-Doping Agency as a statutory body. Doping is the consumption of certain prohibited substances by athletes to enhance performance. Key features of the Bill include:

- **Prohibition of doping**: The Bill prohibits athletes, athlete support personnel, and other persons from engaging in doping in sport. Support personnel include the coach, trainer, manager, team staff, medical personnel, and other persons working with or treating or assisting an athlete. These persons must ensure that there is no violation of anti-doping rules which include: (i) presence of prohibited substances or its markers in an athlete’s body, (ii) use, attempted use or possession of prohibited substances or methods, (iii) refusing to submit a sample, (iv) trafficking or attempted trafficking in prohibited substances or methods, and (v) aiding or covering up such violations.

- **The Committee noted that the Bill does not make distinction between minor and adult athletes. It recommended that the distinction between a minor and adult athlete should be made in the Rules to ensure a protective mechanism for minor athletes. The amendment adds that anti-doping rules will also apply to: (i) ‘other persons’ participating or involved in sport, and (ii) persons specified as ‘protected persons’ by the central government. As per World Anti-Doping Agency Code, a protected person is: (i) below the age of 16, or (ii) below the age of 18 and has not participated in any international competition in open category, or (iii) lacks legal capacity according to their country’s legal framework.

- **Consequences of violations**: Anti-doping rule violation by an individual athlete or athlete support personnel may result in: (i) disqualification of results including forfeiture of medals, points, and prizes, (ii) ineligibility to participate in a competition or event for a prescribed period, (iii) financial sanctions, and (iv) other consequences as may be prescribed. Consequences for team sports will be specified by regulations. The amendment adds that consequences for protected persons, will be specified in regulations.

- **National Anti-Doping Agency**: Currently, anti-doping rules are implemented by the National Anti-Doping Agency, which was established as a society. The Bill provides for constituting this National Anti-Doping Agency as a statutory body. It will be headed by a Director General appointed by the central government. Functions of the Agency include: (i) planning, implementing, and monitoring anti-doping activities, (ii) investigating anti-doping rule violations, and (iii) promoting anti-doping research.

For more details on the Bill, please see [here](#).
**External Affairs**

**Parliament passes bill to prohibit weapons of mass destruction**

*Tushar Chakrabarty (tushar@prsindia.org)*

The Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Amendment Bill, 2022 was passed by Parliament. The Bill amends the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005. The 2005 Act prohibits unlawful activities (such as manufacturing, transport, or transfer) related to weapons of mass destruction, and their means of delivery. Weapons of mass destruction are biological, chemical, or nuclear weapons.

The Bill bars persons from financing any prohibited activity related to weapons of mass destruction and their delivery systems.

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

**Standing Committee submits report on welfare of Indian diaspora**

*Tanvi Vipra (tanvi@prsindia.org)*

The Standing Committee on External Affairs (Chair: Mr. P.P. Chaudhary) presented its report on ‘Welfare of Indian Diaspora: Policies/Schemes’. Indian diaspora refers to people whose origins can be traced to India or are Indian citizens living abroad. This includes Non-Resident Indians (NRIs), Persons of Indian Origin (PIO), and Overseas Citizens of India (OCI). Key observations and recommendations of the Committee are as follows:

- **Policy for diaspora**: The Ministry of External Affairs engages with the diaspora through various programmes and schemes. The Committee observed that no clear policy on diaspora is in place, despite their socio-economic contributions to the development of the country. The Committee recommended that the Ministry draft a clear policy document on the diaspora which would serve as a guiding principle for engaging with the diaspora.

- **Database on Indian diaspora**: The Committee observed that the Ministry of External Affairs does not have updated data on Indian diaspora, as registration with Indian Embassies is voluntary. In the absence of such a database, welfare schemes may not be implemented properly. It recommended that Indian Embassies encourage the diaspora to register themselves, which would allow the Ministry to effectively implement welfare schemes for them.

- **Emigration Management Bill**: The Committee observed that the Emigration Management Bill, 2022 has been under consultation and vetting for a long time. It seeks to establish an emigration framework, liberalise clearances, and strengthen welfare for overseas migrants. The Committee recommended that the Ministry introduce the Bill at the earliest.

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

**Earth Sciences**

*Tushar Chakrabarty (tushar@prsindia.org)*

**Parliament passes Bill to regulate Indian expeditions to the Antarctic region**

The Indian Antarctic Bill, 2022 was passed by Parliament. The Bill seeks to give effect to the Antarctic Treaty, the Convention on the Conservation of Antarctic Marine Living Resources, and the Protocol on Environmental Protection to the Antarctic Treaty. It also seeks to protect the Antarctic environment and regulate activities in the region. Key features of the Bill include:

- **Applicability**: The provisions of the Bill will apply to any person, vessel or aircraft that is a part of an Indian expedition to Antarctica under a permit issued under the Bill. Areas comprising of Antarctica include: (i) the continent of Antarctica, including its ice-shelves, and all areas of the continental shelf adjacent to it, and (ii) all islands (including their ice-shelves), seas, and air space south of 60°S latitude.

- **Central committee**: The central government will establish a Committee on Antarctic Governance and Environmental Protection. The functions of the Committee include: (i) granting permits for various activities, (ii) implementing and ensuring compliance of relevant international laws for protection of Antarctic environment, (iii) obtaining and reviewing relevant information provided by parties to the Treaty, Convention, and Protocol, and (iv) negotiating fees/charges with other parties for activities in Antarctica.

- **Requirement of permit**: A permit by the Committee or written authorisation from another party to the Protocol (other than India) will be required for various activities such as: (i) an Indian expedition to enter or remain in Antarctica, (ii) a person to enter or remain in an Indian station in Antarctica, (iii) a vessel or aircraft registered in India to enter or remain in Antarctica, (iv) a person or vessel to drill, dredge or excavate for mineral resources, or collect samples of mineral resources, (v) activities which may harm the native species, and (vi) waste disposal by a person, vessel, or aircraft in Antarctica.
For a PRS summary of the Bill, please see here.

**Law and Justice**

**Bill to rename the New Delhi International Arbitration Centre passed by Lok Sabha**

Tanvi Vipra (tanvi@prsindia.org)

The New Delhi International Arbitration Centre (Amendment) Bill, 2022 was introduced in and passed by Lok Sabha. The Bill amends the New Delhi International Arbitration Centre Act, 2019. The Act provides for setting up the New Delhi International Arbitration Centre and designates it as an institute of national importance. The New Delhi International Arbitration Centre replaced the International Centre for Alternative Dispute Resolution. The Bill renames the New Delhi International Arbitration Centre as the India International Arbitration Centre. It also corrects several drafting errors in the Act.

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

**Report on review of guardianship and adoption laws submitted**

Omir Kumar (omir@prsindia.org)

The Standing Committee on Personnel, Public Grievances, Law and Justice (Chair: Mr. Sushil Kumar Modi) submitted its report on ‘Review of Guardianship and Adoption Laws’. Key observations and recommendations of the Committee include:

- **Single law on adoption**: Currently adoption is regulated by two laws – the Hindu Adoptions and Maintenance Act, 1956, applicable to Hindus, and the Juvenile Justice Act, 2015 (JJ Act). The Committee observed certain inconsistencies between the two laws such as difference in upper age limit for adoption, and adoption timelines and requirements. The Committee recommended bringing in a single law on adoption that is applicable to everyone irrespective of religion. The law may prescribe separate adoption procedures for institutionalised children and children living with family and also cover the LGBTQ community.

- **Single law on guardianship**: Currently guardianship is regulated by the Guardians and Wards Act, 1890, and the Hindu Minority and Guardianship Act, 1956 (applicable to Hindus). The Committee recommended bringing in a single law regulating guardianship. The law must contain provisions for facilitating guardianship for senior citizens. It should also provide for supported decision making. In such a system, the person appoints trusted advisors, such as friends, family, or professionals, to serve as supporters.

- **Implementation of JJ Act**: After amendments in 2021, the JJ Act authorises the District Magistrate (DM) (including Additional DM) to issue adoption orders. Any person aggrieved by an adoption order passed by the DM may file an appeal before the Divisional Commissioner. The Committee observed that judges have the competence to determine whether adoption is in the best interest of the child. It is not appropriate for an administrative authority to issue adoption orders instead of a judicial body. It recommended that since a new system is in place, training should be given to DM, Additional DM, and Divisional Commissioner. The Ministry of Women and Child Development should review the functioning of the new system after one year and present a report to the Committee.

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

**Education**

Tanvi Vipra (tanvi@prsindia.org)

**Bill to convert existing university to Gati Shakti Vishwavidyalaya passed by Parliament**

The Central Universities (Amendment) Bill, 2022 was passed by Parliament. Key features of the Bill are:

- **Gati Shakti Vishwavidyalaya**: The Bill seeks to convert the National Rail and Transportation Institute, Vadodara (a deemed university) to the Gati Shakti Vishwavidyalaya, which will be a central university. The National Rail and Transportation Institute was declared a deemed university under the University Grants Commission Act, 1956. The Vishwavidyalaya will be sponsored and funded by the central government through the Ministry of Railways.

- **Scope of education**: Gati Shakti Vishwavidyalaya will take measures to provide quality teaching, research, and skill development in disciplines related to transportation, technology, and management. According to the Statement of Objects and Reasons, establishment of the Vishwavidyalaya will address the need of trained talent in the transportation sector.

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

**Telecommunication**

Omir Kumar (omir@prsindia.org)

**TRAI invites comments on leveraging AI and big data in telecommunication sector**

The Telecom Regulatory Authority of India (TRAI)
released a consultation paper on ‘Leveraging Artificial Intelligence and Big Data in Telecommunication Sector’. Artificial Intelligence (AI) and Big Data are emerging technologies that have been deployed in telecom network which has resulted in improved network reliability, reduced cost, and better customer experience. However, with adoption of such technologies there are certain challenges such as privacy concerns, low quality data provided to AI models, biased algorithms, and compliance issues with regulations. Further, there are certain constraints in adopting AI and Big Data. These include: (i) need of AI specific infrastructure, (ii) access to user data for AI systems, (iii) lack of standards and regulation, and (iv) need of investment to build AI systems. Several initiatives have been taken in India to make data accessible for training AI models. However, there is a need to set up data hubs with specific requirements for the telecom sector.

Given the complexities with adopting AI, telecom operators may have risks in adopting these technologies. Therefore, there is a need to develop solutions that can provide the environment to companies for testing and demonstrating upcoming AI solutions before deploying them in live networks. Further, laying down a process for accreditation of AI solutions or products may build trust during procuring AI services. TRAI noted that one of key challenges in leveraging AI and big data is the lack of required technical skills. Majority of the existing talent pool is focused on routine IT development and not on research and development activities.

TRAI has sought views on the following key issues: (i) major challenges faced by telecom sector in adopting AI and big data, (ii) measures to instil trust among stakeholders for adopting AI systems, (iii) need of a telecom sector specific body for ensuring compliance with specified AI standards, (iv) measures to ensure availability of adequate skilled workforce in the AI domain, and (v) initiatives to democratise access to data for developing AI systems. Comments are invited until September 16, 2022.

**Housing and Urban Affairs**

*Omir Kumar (omir@prsindia.org)*

**PMAY-(U) extended up to December 2024**

The Union Cabinet approved extension of the Pradhan Mantri Awas Yojana-Urban (PMAY-U) up to December 31, 2024. The central government had launched PMAY-U in June 2015 to provide ‘housing for all’ within urban areas. The scheme was earlier applicable till March 31, 2022. Under PMAY-U, financial assistance is provided by the central government, and states/UTs are responsible for implementing the scheme including the selection of beneficiaries. Out of the total 123 lakh houses sanctioned since the launch of the scheme, states/UTs presented proposals for 40 lakh houses during the last two years of the scheme. Therefore, based on requests from states/UTs, the Union Cabinet approved extending PMAY-U to allow states more time for constructing the houses.

**Draft amendments to Delhi Development Act, 1957 released for comments**

The Ministry Housing and Urban Affairs invited comments on draft amendments to the Delhi Development Act, 1957. The Act regulates developmental activities in Delhi and set up the Delhi Development Authority (DDA). Key features of the amendments include:

- **Land pooling and urban regeneration:** The amendment adds that DDA may notify the policies for land pooling and urban regeneration. Land pooling refers to the assembly of land under different ownerships and its redistribution for the purposes of integrated planning. Urban regeneration refers to the re-development of an urbanised village. DDA may notify sectors as land pooling areas and urban regeneration areas. Urban Local Bodies may also notify urban regeneration areas. Further, the central government may direct DDA to notify sectors as land pooling and urban regeneration areas. Once a sector has been notified as a land pooling area or urban regeneration area, all landowners must participate in land pooling and urban regeneration. Persons in contravention of the Land Pooling Policy or the Urban Regeneration Policy will be subject to imprisonment up to six months, or a fine up to Rs 10 lakh, or both.

- **Transferable Development Rights (TDR):** DDA may with the consent of the owner, acquire land/property for public purposes by compensating through TDR as prescribed by the central government. TDR refers to a transferrable right granted in the form of a certificate to construct or develop floor area to persons who have not been able to utilise the permissible floor area ratio (FAR) on their own plots. For instance, people may not be able to utilise FAR due to proximity to a monument or restrictions due to power lines. FAR is the ratio of a building's total floor area (gross floor area) to the size of the piece of land upon which it is built. Persons receiving TDR certificates can sell them in specified TDR receiving areas.

Comments are invited until September 17, 2022.
Environment

Report of the Joint Parliamentary Committee on the Biological Diversity (Amendment) Bill, 2021 tabled

Saket Surya (saket@prsindia.org)

The report of the Joint Parliamentary Committee on the Biological Diversity (Amendment) Bill, 2021 (Chair: Dr. Sanjay Jaiswal) was tabled in Parliament.\(^{43}\) The Bill was introduced in Lok Sabha in December 2021.\(^{44}\) The Bill amends the Biological Diversity Act, 2002.\(^{45}\) The Act provides for the conservation of biodiversity and sharing of benefits from access to biodiversity and associated knowledge with local communities. Key observations and recommendations of the Committee are as follows:

- **Codified traditional knowledge**: The Bill exempts access to codified traditional knowledge from benefit-sharing provisions. However, it does not define the term ‘codified traditional knowledge’. The Committee observed that most of the traditional knowledge in the AYUSH system of medicine is codified. It also observed that traditional knowledge registered in the people biodiversity register may also be taken as codified. This may lead to denial of benefit to a majority of local traditional knowledge holders. The register is prepared by the local authorities to document biodiversity as per the provisions of the Act. The Committee recommended that the term be defined in the Bill. It should be defined as the knowledge derived from authoritative books specified in the First Schedule of the Drugs and Cosmetics Act, 1940. The Schedule lists books on Ayurveda, Siddha, and other traditional medicine systems.

- **Cultivated medicinal plants**: The Bill exempts access to cultivated medicinal plants from benefit-sharing provisions. It provides that the central government may prescribe a manner of issuing certification of origin for cultivated medicinal plants. The Committee recommended removing the rule-making power. It instead recommended providing further clarification regarding the issuance of the certificate in the Bill itself. The Bill should provide that a certificate of origin will be obtained through an entry into the books of the concerned local authorities.

For a PRS Summary of the report, see here.

Battery Waste Management Rules, 2022 notified

Mayank Shreshtha (mayank@prsindia.org)

The Ministry of Environment, Forest and Climate Change notified the Battery Waste Management Rules, 2022, under the Environment (Protection) Act, 1986.\(^{46,47,48}\) These rules replace the Batteries (Management and Handling) Rules, 2001 and lay down the standards for management of various types of waste batteries. Waste Battery includes: (i) used/end-of-life battery and its hazardous/non-hazardous components; (ii) battery diverted during the manufacturing process; and (iii) expired or discarded battery. Key features of the Rules are:

- **Extended Producer Responsibility (EPR)**: The producers of batteries have to ensure the collection, recycling, and refurbishment of the Waste Batteries. The EPR targets are specific to the kind of battery (e.g., Lithium-ion, Lead-acid) within each type of battery- portable, automotive, electric, and industrial. EPR mandates the minimum use of domestically recycled materials (e.g., lithium, nickel, cobalt) in a new battery.

- **Responsibilities of consumers**: The Consumers should ensure: (i) discarding waste battery separately from other types of waste, and (ii) dispose waste batteries by giving it to an entity engaged in collection, refurbishment, or recycling.

- **Committee for implementation**: The central government will constitute a Committee (Chairman, Central Pollution Control Board) to recommend measures to the Ministry of Environment, Forest and Climate Change for implementation of the Rules. The Committee will consist of relevant stakeholders such as members from various Ministries, State and Central Pollution Control Boards, and associations representing various stakeholders such as recyclers and producers.

- **Centralised Online Portal**: The Central Pollution Control Board (CPCB) will create a centralised online portal for the registration and return filing of waste batteries. The online portal will facilitate the generation and exchange of the EPR certificates between the producers and recyclers/refurbishers to meet the producer’s obligations.

- **Environmental Compensation**: Environmental Compensation will be levied by CPCB on entities in violation of the Rules.

CAG submits report on coastal conservation

Tanvi Vipra (tanvi@prsindia.org)

The Comptroller and Auditor General of India (CAG) released its audit report on ‘Conservation of Coastal Ecosystems’.\(^{49}\) Key observations and recommendations of CAG include:

- **Institutional framework**: The National Coastal Zone Management Authority (NCZMA) was constituted by the Ministry of Environment, Forests and Climate Change as an ad-hoc body for protecting coastal environment. CAG noted that NCZMA has failed to carry out its functions due to an ad-hoc status and manpower constraints.
Further, its role has shrunk to mere deliberations or decision making on reclassification of Coastal Regulation Zone (CRZ). CAG recommended that the NCZMA and State Coastal Zone Management Authorities (SCZMAs) be made permanent bodies with full-time members.

- **Project clearances**: Industries have to seek approval for undertaking activities in CRZ. CAG observed that certain projects were approved in spite of inadequacies in the Environmental Impact Assessment (EIA) reports. The inadequacies include: (i) preparation of EIA reports by non-accredited consultants, (ii) use of outdated baseline data, and (iii) insufficient analysis of environmental impact in EIA. Other issues with project approvals include: (i) non verification of information provided by private consultants, and (ii) deficiencies in public hearings (where people express their concerns about the environmental impact of the project). CAG noted that the process of granting project clearance could not ensure fully that proposed projects would not have an adverse impact on the coastal ecology. It recommended that the Ministry ensure in-depth ecological evaluation of projects by project proponents before granting them clearances. Project proponents refer to agencies that propose to establish a project.

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

**India updates its Nationally Determined Contribution**

*Omir Kumar (omir@prsindia.org)*

The Union Cabinet approved India’s updated Nationally Determined Contribution (NDC). In 2015, under the Paris Agreement, several countries including India had submitted their Intended NDC to address climate change. This was aimed at limiting global temperature rise preferably to 1.5°C above pre-industrial levels. At the 2021 Glasgow Conference (COP 26), India announced certain revised targets to be achieved by 2030. The changes in India’s NDCs are:

- **Emission intensity of GDP**: The NDC submitted in 2015 provided for reducing emission intensity of GDP by 33% to 35% by 2030 compared to 2005 levels. The revised target seeks to reduce the intensity by 45% by 2030 compared to 2005 levels.

- **Power from non-fossil sources**: The 2015 target was to increase cumulative electric power installed capacity from non-fossil sources to 40% by 2030. As of July, 2022 India’s electric power installed capacity from non-fossil sources is 42%. The updated NDC increases the target to 50%.

Other targets to be achieved by 2030 announced by India at COP 26 are: (i) increasing non-fossil energy capacity to 500-gigawatt, and (ii) reducing the carbon intensity of the economy by less than 45%. Further, India committed to achieve net zero emissions by 2070.

**Consumer Affairs**

*Tanvi Vipra (tanvi@prsindia.org)*

**Rules amended to reduce the compliance burden for sale of loose garments**

The Ministry of Consumer Affairs amended the Legal Metrology (Packaged Commodities) Rules 2011. Under the 2011 Rules, packed commodities had to fulfill certain compliances such as declaring the generic name of the commodity, unit sale price, and month and year of manufacture.

The amendment specifies that garments or hosiery items that are sold loose are exempt from such compliance burdens. Loose garments refer to those which a consumer can inspect before purchasing. Information such as name and address of the manufacturer, consumer care email address and phone number, sizes, and the maximum retail price must be provided for loose garments or hosiery items. The amendment seeks to improve the ease of doing business by reducing compliance burden.

**Civil Aviation**

*Tanvi Vipra (tanvi@prsindia.org)*

**Airlines to share details of international travellers with customs**

The Central Board of Indirect Taxes and Customs notified the Passenger Name Record (PNR) Information Regulations, 2022 under the Customs Act, 1962. As per the regulations, airlines must share details of international travellers collected in their normal course of business with the National Customs Targeting Centre – Passenger (NCTCP). The NCTCP is an authority established by the Board to process passenger details. The details are collected to prevent, detect, investigate, and prosecute offences under the Customs Act, 1962. Offences include illegal import or export of goods. Key features of the Regulations are:

- **Details to be shared**: Airlines must share passenger details such as name, PNR record, date of ticket reservation, date of travel, all contact information, and baggage information with the NCTCP. The details must be shared with NCTCP at least 24 hours before the departure time.

- **Information sharing**: NCTCP may share passenger details upon request with other law enforcement agencies or government departments.
if they are required in relation to a violation of a national or international law.

- **Retention of data:** The details shall be retained for up to five years, unless they are required for an investigation, prosecution, or a court proceeding. The details will be anonymised after five years. Details may be ‘depersonalised’ by an authorised officer if it is required for further analysis in connection with an identifiable case, threat, or risk.

- **Protection of information:** Information collected by NCTCP shall be protected, processed, and disseminated by authorised officers only. Revealing details such as a person’s race, religion, political opinions, trade union membership, health or sexual orientation is not permitted.

- **Penalty:** The NCTCP may levy a fine between Rs 25,000 to Rs 50,000 for each instance of non-compliance of sharing data by an airline.

### Airfare caps on domestic flights removed

The Ministry of Civil Aviation notified the removal of upper and lower limits on domestic airfares. In May 2020, airfare for domestic flights was capped with upper and lower bands. As per the notification, caps on domestic airfare will not be applicable from August 31, 2022 onwards.

### DGCA releases guidelines for medical evaluation of transgender pilot applicants

The Directorate General of Civil Aviation (DGCA) released guidelines for medical examiners to conduct aeromedical evaluation of transgender pilot applicants. Transgender individuals refer to those who seek to, or undergo social transition from their assigned gender at birth. Key features of the guidelines are as follows:

- **Registration process:** Transgender applicants undertaking initial medical examination will register on the e-Governance for Civil Aviation (eGCA) portal as per the gender on their Certificate of Identity. Such candidates would be declared temporarily unfit by medical assessors for further review at the Institute of Aerospace Medicine (IAM) of the Indian Air Force.

- **Guidelines for evaluation:** At the IAM, applicants will go through a detailed mental health examination by a psychiatrist or psychologist in accordance with the World Professional Association for Transgender Health’s (WPATH) standards. Table 2 lists the basis on which fitness certificates are awarded.

<table>
<thead>
<tr>
<th>Condition</th>
<th>Evaluation Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergone gender reassignment surgery or hormone therapy at least five years ago</td>
<td>The applicant will be considered fit if there is no psychiatric abnormality, and there are no documented side effects of the hormone therapy</td>
</tr>
<tr>
<td>Undergone gender reassignment surgery or hormone therapy less than five years ago, or has a history of mental health concerns or treatments</td>
<td>Applicants who undergo surgery for gender reassignment or hormone replacement therapy will be declared medically unfit for three months after the procedure</td>
</tr>
</tbody>
</table>

### Table 2: Medical evaluation criteria for transgender applicants

**Source:** Directorate General of Civil Aviation; PRS.

### Road Transport and Highways

**Tanvi Vipra (tanvi@prsindia.org)**

### CAG submits report on premium rationalisation scheme by NHAI

The Comptroller and Auditor General of India (CAG) released its audit report on the Rationalisation/Deferment of Premium in Built Operate and Transfer (BOT) projects by the National Highways Authority of India (NHAI). Key observations and recommendations of CAG are as follows:

- **BOT (Toll) mode of highway development:** Under BOT (Toll) model, bidders of a project either quote viability gap funding (VGF) payable by NHAI or premium payable to NHAI during the construction/concession period. A concessionaire is a private partner who is responsible for financing, constructing, and operating a project during the specified concession period. In 2013, due to slowdown in the economy and to revive the road sector, NHAI proposed a scheme to defer the premium payable by concessionaries. Among the available alternatives, the scheme which was approved involved the rescheduling of premium for all stressed projects. NHAI deferred premium worth Rs 9,296 crore for 20 projects for over eight to 14 years.

- **Scheme approved despite alternatives:** CAG observed that concession agreements of all BOT projects contained provisions that allowed NHAI to grant relief to the concessionaires. NHAI cited problems faced by concessionaires which could have led to a loss of Rs 98,115 crore if the projects were terminated. CAG observed that the scheme for deferment of premium had a higher risk of being misused. It observed that providing deferment of eight to 14 years at one go was an undue favour and was detrimental to the financial interest of NHAI. CAG recommended that NHAI...
should follow existing provisions of concession agreements before proposing new schemes for concessions beyond contractual provisions.

- **Post-tender amendments for concessionaires:** The premium payable by the concessionaires was as per a legal contract which was drawn up after an open bidding process. The premium offered was the only parameter in deciding financial bids. CAG observed that any post-tender amendments amounted to vitiating the tendering process. It recommended NHAI to avoid such post tender amendments which are against the principle of sanctity of contracts.

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

### Vehicles carrying dangerous or hazardous goods to be enabled with vehicle tracking

The Ministry of Road Transport and Highways notified amendments to the Central Motor Vehicle Rules, 1989 under the Motor Vehicles Act, 1988. As per the amendments, specified vehicles carrying dangerous or hazardous goods shall be enabled with a vehicle tracking system. Specified vehicles include goods carrying vehicles whose weight exceeds 3.5 tonnes. Dangerous or hazardous goods include explosives, flammable and non-flammable gases, oxidising substances, and radioactive materials.

### Shipping

**Tanvi Vipra (tanvi@prsindia.org)**

**Comments invited on the Draft Indian Ports Bill, 2022**

The Ministry of Ports, Shipping and Waterways released the draft Indian Ports Bill, 2022. The draft Bill seeks to prevent pollution at ports, ensure compliance with international maritime treaties, and manage major and non-major ports. Key features of the draft Bill are as follows:

- **Applicability:** The draft Bill will apply to all ports in the country, vessels within port limits, parts of navigable rivers and channels that lead to a port, and aircrafts that use a port. The draft Bill does not apply to: (i) ports that belong to the Indian Navy, Coast Guard, or Customs authorities, (ii) vessels belonging to the central or state government, or foreign vessels of war, or (iii) any port as notified by the central government.

- **Administrative bodies:** The draft Bill seeks to establish a Maritime State Development Council whose functions include: (i) recommending the central government on existing legal framework for statutory compliances, (ii) recommending measures to facilitate competition and port connectivity, (iii) formulating a national plan as a recommendatory framework to realise the potential of ports, and (iv) issue guidelines for information to be collected by ports. Each state government shall also constitute a State Maritime Board for all non-major ports in the state. The functions of the Board include initiating development plans, providing licenses for infrastructure and services, and protecting the ecological balance of the port.

- **Port Tariff:** For a major port, the Board of Major Port Authority shall frame or amend the port tariff. A major port is any port as notified by the central government. For a non-major port, the State Maritime Board or a concessionaire authorised by the Board shall frame or amend port tariff. Port tariff refers to consideration payable to a port in lieu of the services rendered to vessel owners. Such tariff includes port dues for using the port, consideration for loading or unloading of cargo, and for storage of materials.

- **Preventing and containing pollution:** As per the requirements of the MARPOL Convention, i.e., the International Convention for the Prevention of Pollution from Ships, 1973, Indian ports must provide adequate reception facilities to receive waste from vessels. Ports that provide reception facilities may levy user charges. Ports are also required to prepare a port waste reception and handling plan in compliance with the prescriptions of the central government.

### Steel

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

**Standing Committee submits report on skill development in the steel sector**

The Standing Committee on Coal, Mines and Steel (Chair: Mr. Rakesh Singh) submitted its report on ‘Skill Development in Steel Sector’. Key observations and recommendations of the Committee are as follows:

- **Manufacturing green steel:** The Committee observed that there is a gap in the production of green steel due to: (i) lack of proven technologies such as carbon capture utilisation, and (ii) availability of alternate fuels such as green hydrogen. Green steel is steel with a low amount of carbon footprint. When such technologies are commercially available, required training will have to be given by steel plants. The Committee recommended the Ministry of Steel to upgrade the technological skills of employees of steel manufacturing units in the public as well as private sector for green steel production.

- **Skill development of local youth:** The Committee
observed that steel companies should provide jobs to the local population by imparting training and skill development. These persons are neither technically trained nor have the financial capacity to improve their skills. The Committee noted that most PSUs have opened industrial training institutes for training the local youth. However, certain PSUs like Manganese Ore limited, and Kudremukh Iron Ore Company have undertaken very few corporate social responsibility activities in skill development. It recommended that the Ministry of Steel in coordination with Ministries of Skill Development and Entrepreneurship, and Company Affairs should ensure that all companies and public/private allocators are providing funds for skill development training for the local youth.

Agriculture

Cabinet approves FRP of sugarcane at Rs 305 per quintal for 2022-23

Omir Kumar (omir@prsindia.org)

The Cabinet Committee on Economic Affairs approved the Fair and Remunerative Price (FRP) of sugarcane at Rs. 305 per quintal for a basic recovery rate of 10.25% for 2022-23 sugar season (October-September). FRP is the price declared by the central government that mills pay to farmers for the cane procured. Recovery rate is the ratio between sugar produced and cane crushed. FRP for the 2021-22 sugar season was Rs 290 per quintal for a basic recovery rate of 10%.

Cabinet approves interest subvention of 1.5% per annum on short term agriculture loans

Tanvi Vipra (tanvi@prsindia.org)

The Union Cabinet approved the restoration of 1.5% interest subvention for providing short term agricultural loans up to three lakh rupees. The interest subvention will be provided to lending institutions from 2022-23 to 2024-25 for giving short-term agriculture loans. An additional budgetary provision of Rs 34,856 crore will be required for the scheme. The central government decided to restore the scheme due to an increase in the interest rates for financial institutions.

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2 Resolution of the Monetary Policy Committee (MPC) August 3-5, 2022, Reserve Bank of India, August 5, 2022, https://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/PR6507CC1FAC C2FE4796A36079DFF-C8FB1F8-PDF.
4 “Quick Estimates of Index of Industrial Production and Use-Based Index for the Month of June, 2022 (Base 2011-12=100)”, Press Information Bureau, Ministry of Statistics and Programme Implementation, August 12, 2022, https://mospi.gov.in/documents/213904/416359/HIP%20Jun%22%20P res%20Release/1660305633910.pdf/5c.5f1bcb0.2dc-b8c9e-0e-9d-a6p50b17c57.
19 Cabinet approves enhancement in the corpus of Emergency Credit Line Guarantee Scheme for increasing the limit of admissible


43 The Indian Antarctic Bill, 2022, http://164.100.47.4/LSBillTexts/PasssedLSabha/95_C_2022_LS_ENG.pdf.


*Order No. 28/2022, Ministry of Civil Aviation, August 10, 2022, https://twitter.com/MoCA_GoI/status/1557309848617775463?ref_src=twsrc%5Etfw%7Ctwcamp%5Etweetembed%7Ctwterm%5E1557309848617775463%7Ctwgr%5E34ff9c7e4842e8b3b22f72c81324a3a890d5357%7Ctwcon%5Es1_&ref_url=https%3A%2F%2Fwww.indiatoday.in%2Findia%2Fstory%2Fgovt-removes-fare-bands-imposed-on-domestic-airlines-1986531-2022-08-11.*

*Guidelines for Medical Examiners for Aeromedical Evaluation of Transgender (Including Gender Dysphoria and Gender Non-Conformity) for Class 1, 2 or 3 Medical Assessment’, Directorate General of Civil Aviation, August 10, 2022, https://www.dgca.gov.in/digigov-portal/Upload?flag=iframeAttachView&attachId=151453281.*


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