Monthly Policy Review
July 2023

Highlights of this Issue

Monsoon session 2023 begins (p. 2)
The monsoon session of Parliament began on July 20, 2023. 21 Bills are listed for introduction, consideration, and passing. These include Bills amending the GNCTD Act and the Registration of Births and Deaths Act.

Lok Sabha passes the Forest Conservation (Amendment) Bill, 2023 (p. 3)
The Bill adds and exempts certain land from the purview of the Forest (Conservation) Act, 1980. The Joint Committee reviewing the Bill accepted all provisions of the Bill.

Parliament passes the Cinematograph (Amendment) Bill, 2023 (p. 2)
The Bill adds more age based categories for certification of film. It prohibits carrying out or abetting unauthorised recording and unauthorised exhibition of films.

Lok Sabha passed eight Bills
Three of these were introduced during the current session. These include the National Dental Commission Bill, 2023 and the Mines and Minerals (Development and Regulation) Amendment Bill, 2023.

The Registration of Births and Deaths (Amendment) Bill, 2023 introduced (p. 4)
The Bill establishes a national database of registered births and deaths, which can be shared with approved authorities. The Bill requires the Aadhaar details of parents and informants in cases of births.

Lok Sabha passes the Jan Vishwas (Amendment of Provisions) Bill, 2022 (p. 4)
The Bill aims to increase ease of doing business by decriminalising and removing imprisonment as a punishment from various laws.

Electricity (Amendment) Rules, 2023 notified (p. 14)
The Rules allow for wider ownership of captive power plants via subsidiaries and alters the calculations of Renewable Energy tariffs.

SEBI releases framework for regulation of ESG rating providers (p. 11)
It provides for the regulation of credit rating agencies. SEBI amended the Credit Ranking Agencies Regulations, 1999 to establish a framework providing environmental, social, and governance (ESG) ratings.

Standing Committees submit reports on various subjects and policies
Reports submitted include the farm mechanisation for small farmers, the Neighborhood First Policy, the functioning of National Akademi and cyber security.

Scheme launched for the expansion and modernisation of fire services (p. 5)
The scheme will have an outlay of Rs 5,000 crore and will be administered under the National Disaster Response Fund. The aim of the scheme is to help with the preparedness of fire services at the state-level.

UGC amends the minimum criteria for Assistant Professors (p. 9)
The amendment allows persons with a P.h.D degree to be eligible for recruitment as an Assistant Professor. They must have passed the NET/SLET/SET exam.

Draft Rules to prevent animal cruelty released (p. 15)
The Draft Rules specify that the Societies for Prevention of Cruelty to Animals must establish a 24x7 helpline number for reporting case of animal cruelty and assist in animal birth control programmes in their district.
Parliament

Arpita Mallick (arpita@prsindia.org)

Monsoon Session 2023 begins

The Monsoon Session 2023 commenced on July 20, 2023. It is scheduled to be held till August 11, 2023, with 17 sitting days.

21 Bills are listed for introduction, consideration, and passing. These include the Government of National Capital Territory of Delhi (Amendment) Bill, 2023, the Digital Personal Data Protection Bill, 2023 and the Registration of Births and Deaths (Amendment) Bill, 2023. Eight Bills are listed for consideration and passing in this session. These include the Forest (Conservation) Amendment Bill, 2023, the Jan Vishwas (Amendment of Provision) Bill, 2022 and the Biological Diversity (Amendment) Bill, 2023.

Three Bills were passed by Parliament, which includes the Cinematograph (Amendment) Bill, 2023. Eight Bills were passed by Lok Sabha, which include (i) the Biological Diversity (Amendment) Bill, 2023, (ii) the Multi-State Co-operative Societies (Amendment) Bill, 2022 and (iii) the Forest (Conservation) Amendment Bill, 2023.

For more details on the legislative business to be taken up during Monsoon Session 2023, please see here.

Macroeconomic Development

Tushar Chakrabarty (tushar@prsindia.org)

Consumer Price Index inflation was 4.6% in the first quarter of 2023-24

Consumer Price Index (CPI) inflation was 4.6% in the first quarter (April-June) of 2023-24, significantly lower than 7.3% in the first quarter of 2022-23.1 In the fourth quarter (January-March) of 2022-23, CPI inflation was 6.2%.

Food inflation averaged 3.8% in the first quarter of 2023-24. This was due to a high base as food inflation was 8% in the corresponding quarter of 2022-23. In the fourth quarter of 2022-23, food inflation was 5.6%.

Wholesale Price Index (WPI) inflation was -2.8% in the first quarter of 2023-24 as compared to 16.1% in the first quarter of 2022-23.2 In the fourth quarter of 2022-23, WPI inflation averaged 3.4%.

Information and Broadcasting

Pratinav Damani (pratinav@prsindia.org)

The Cinematograph (Amendment) Bill, 2023 passed in Parliament

The Cinematograph (Amendment) Bill, 2023 was introduced in Rajya Sabha on July 20, 2023. It was passed by Rajya Sabha on July 27, 2023 and passed by Lok Sabha on July 31, 2023. The Bill amends the Cinematograph Act, 1952.3 The Act constitutes the Board of Film Certification for certifying films for exhibition.4 Such certifications may be subject to modifications or deletions. The Board may also refuse the exhibition of films. Features of the Bill include:

- **Additional certificate categories**: The Bill adds certain additional certificate categories based on age. The changes are outlined in the table below. Note that the age endorsement within the U/A category is for the information of the parent/guardian and enforceable only by them.

<table>
<thead>
<tr>
<th>Act</th>
<th>Bill</th>
</tr>
</thead>
<tbody>
<tr>
<td>U: Universal viewing</td>
<td>U/A 7+</td>
</tr>
<tr>
<td>U/A 12+</td>
<td>U/A 13+</td>
</tr>
<tr>
<td>U/A 16+</td>
<td>Adult: 18+</td>
</tr>
</tbody>
</table>

Sources: The Cinematograph Act, 1952, The Cinematograph (Amendment) Bill, 2023; PRS.

- **Separate certificate for television/other media**: Films with an ‘A’ or ‘S’ certificate will require a separate certificate for exhibition on television, or any other media prescribed by the central
government. The Board may direct the applicant to carry appropriate deletions or modifications for the separate certificate.

- **Unauthorised recording and exhibition to be punishable:** The Bill prohibits carrying out or abetting: (i) unauthorised recording and (ii) unauthorised exhibition of films. Attempts to create an unauthorised recording will also be an offence. An unauthorised recording means making a copy of a film at a licensed place for film exhibition without the owner’s authorisation. An unauthorised exhibition refers to publically exhibiting an infringing copy of a film for profit.

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

### Environment

**Joint Parliamentary Committee submits report on the Forest Bill, 2023**

*Tanvi Vipra (tanvi@prsindia.org)*

The Forest (Conservation) Amendment Bill, 2023 was passed by Lok Sabha on July 26, 2023. The Forest (Conservation) Act, 1980 requires central government permission for using forest land for non-forest purposes. The Bill defines forest land, and exempts certain categories of land from the purview of the Act. Exemptions include land up to 10 hectares for constructing security related infrastructure. The Bill also permits running zoos, safaris, and eco-tourism facilities inside forests.

The Joint Committee on the Bill (Chair: Mr Rajendra Agarwal) presented its report in Parliament on July 20, 2023. The Committee endorsed all the amendments under the Bill. Five members of the Committee submitted dissent notes highlighting biodiversity loss. Key highlights of the Bill and recommendations of Committee are:

- **Land under the purview of the Act:** As per the Bill, the Act will apply to two types of land: (i) land notified as a forest under any law, or (ii) land recorded as a forest as on or after October 25, 1980 in a government record. The Committee noted that the Supreme Court (1996) held that the Act applies to any area recorded as a forest in government records. This would include land recorded as forests before October 25, 1980.

- According to a dissent note, large tracts of forest land were transferred to the forest department in the 1950s-70s (abolishment of zamindari). These were not notified as forests under any law, and are biodiversity hotspots that are currently protected under the Act. It noted that excluding such forest land would dilute the Supreme Court’s judgement. The Ministry of Environment, Forest and Climate Change clarified that the second applicability condition in the Bill includes all such lands recorded as forests before October 25, 1980.

- **Lands exempted:** Exempted categories of land includes forest land within 100 km along international borders, LoC, or LAC for linear projects of strategic national importance or security. A dissent note highlighted that the Bill exempts Himalayan and north eastern forests from the Act, which are rich with endemic biodiversity. It noted that such blanket exemptions will impact biodiversity and the infrastructure itself due to resulting extreme weather events.

For further analysis on the Bill, please see [here](#).

**The Biological Diversity (Amendment) Bill, 2021 passed by Lok Sabha**

*Saket Surya (saket@prsindia.org)*

The Biological Diversity (Amendment) Bill, 2021 was passed by Lok Sabha. The Bill was introduced in December 2021. It amends the Biological Diversity Act, 2002. The Act provides for the conservation of biological resources, and benefit sharing with local communities upon access to biological resources and associated knowledge. The Act sets up the National Biodiversity Authority (NBA) and State Biodiversity Board (SBB) for regulation.

- **Exemption from prior intimation to SBB:** Under the Act, domestic entities must intimate SBB before obtaining biological resources occurring in India for commercial utilisation. Certain activities are exempt from this requirement: (i) use by local people and communities including growers and cultivators, and (ii) vaids and hakims practising indigenous medicine. The Bill adds that access to knowledge associated with biological resources for commercial utilisation will also require prior intimation. It also exempts the following from the prior intimation requirement: (i) access to codified traditional knowledge, (ii) use of cultivated medicinal plants and their products, and (iii) use by AYUSH practitioners for sustenance and livelihood.

- **Benefit sharing:** The Act makes benefit-sharing provisions applicable to research activities, commercial utilisation, as well as bio-survey and bio-utilisation for certain entities. The Bill removes its applicability from research, bio-survey and bio-utilisation. Benefit sharing refers to requiring sharing of monetary and non-monetary benefits with benefit claimers and local people. Benefit claimers are conservers of biodiversity, or creators or holders of associated knowledge.

- **Decriminalisation of offences:** Under the Act, offences include failing to take approval or providing prior intimation for various activities. These offences are punishable with imprisonment.
of up to five years, or a fine, or both. The Bill decriminalises the offences and makes offences punishable with a penalty between one lakh rupees and Rs 50 lakh.

For a PRS analysis of the Bill, see here.

**Commerce**

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

**Lok Sabha passes Jan Vishwas (Amendment of Provisions) Bill, 2022**

The Jan Vishwas (Amendment of Provisions) Bill, 2022 was passed by Lok Sabha. The Bill aims to improve ease of doing business by decriminalising and removing imprisonment as a punishment from various laws. The Joint Committee (Chair: Mr. P.P. Chaudhary) setup to scrutinise the Bill submitted its report on March 17, 2023. The Bill as reported by the Joint Committee was passed by Lok Sabha. All the recommendations by the Committee were accepted. Key features include:

- **Amendments to punishments:** The Bill reduces fines and penalties for various contraventions and offences under the principal Acts. It also converts some fines to penalties, which need not be imposed through the judicial process. For some provisions, the Committee recommended amendments to the severity of penalties. For example, under the Pharmacy Act, 1948, the Committee recommended increasing the penalty for falsely pretending to be a pharmacist. This offence is currently punishable with a fine of up to five hundred rupees for the first offence. Under the Bill, a first offence would be punishable by a penalty of up Rs 50,000. The committee recommended enhancing this penalty to one lakh rupees. Other offences have been made compoundable, such as trespassing of cattle under the Indian Forest Act, 1927.

- **Adjudication of penalties:** The Bill provides for the central government to appoint adjudicating officers to (i) conduct inquiries into contraventions, (ii) summon individuals for evidence, and (iii) decide and impose penalties. The Bill removes imprisonment as a punishment from some laws, but does not introduce adjudicating authorities for them. The Committee recommended amendments that do so. This may be an existing official or body, such as the Reserve Bank of India, for contraventions under the Government Securities Act, 2006. For other laws, the Committee recommended that an officer of a given rank may be notified as the Adjudicating Officer. For example, the Committee recommended that the District Magistrate be the designated Adjudicating Officer under the Boilers Act, 1923. In addition, the Committee recommended amendments which allow the central government to appoint an appellate authority for decisions of the adjudicating officer. For some laws, the recommended amendments specify that appellate authorities must be of at least one rank above an adjudicating officer. Laws for which the Committee has recommended such amendments include: (i) the Boilers Act, 1923, (ii) the Rubber Act, 1947, and (iii) the Pharmacy Act, 1948.

For a PRS analysis of the Bill, see here.

**Home Affairs**

**Alaya Purewal (alaya@prsindia.org)**

**Bill to amend the Registration of Births and Deaths Act, 1969, introduced**

The Registration of Births and Deaths (Amendment) Bill, 2023, was introduced in Lok Sabha. It amends the Registration of Births and Deaths Act, 1969. The Act provides for the regulation of registration of births and deaths. Key features of the Bill include:

- **Database of births and deaths:** The Act provides for the appointment of a Registrar-General, India who may issue general directions for registration of births and deaths. The Bill adds that the Registrar General will maintain a national database of registered births and deaths. Chief Registrars (appointed by states) and Registrars (appointed by states for each local area jurisdiction) will be obligated to share data of registered births and deaths to the national database. The Chief Registrar shall maintain a similar database at the state level.

- **Aadhaar details of parents and informants required:** The Act requires certain persons to report births and deaths to the Registrar. For example, the medical officer in charge of a hospital where a baby is born must report the birth. The Bill adds that, in cases of births, the specified persons shall also provide the Aadhaar number of the parents and the informant, if available. This provision also applies to: (i) jailor in case of births in a jail, and (ii) manager of a hotel or lodge in case of births in such a place. Further, it expands the list of specified persons to include: (i) adoptive parents for non-institutional adoption, (ii) biological parent for births through surrogacy, and (iii) the parent in case of birth of a child to a single parent or unwed mother.

- **Connecting database:** The Bill states that the national database may be made available to other authorities preparing or maintaining other databases. Such databases include: (i) population register, (ii) electoral rolls, (iii) ration card, and
The Ministry of Home Affairs has launched a scheme for the expansion and modernisation of fire services in states. The scheme will have an outlay of Rs 5,000 crore and will fall under the earmarked allocation of Preparedness and Capacity Building Fund Window under the National Disaster Response Fund. The aim of the scheme is to help with preparedness and capacity building of fire services at the state-level. An amount of Rs 500 crore, of the total outlay, has been kept to incentivise states based on their legal and infrastructure-based reforms. For seeking funds for projects under the scheme, concerned state governments will contribute 25% and Northeastern and Himalayan states will contribute 10% of the total cost.

For a PRS analysis of the Bill, see here.

**Bill to amend Jammu and Kashmir Reorganisation Act, 2019, introduced**


- **Number of seats in the Legislative Assembly:** The Second Schedule of the Representation of the People Act, 1950 provides for the number of seats in legislative assemblies. The 2019 Act amended the Second Schedule of the 1950 Act to specify the total number of seats in the Jammu and Kashmir Legislative Assembly to be 83. It reserved six seats for Scheduled Castes. No seats were reserved for Scheduled Tribes. The Bill increases the total number of seats to 90. It also reserves seven seats for Scheduled Castes and nine seats for Scheduled Tribes.

- In addition, the Act provides 24 seats to be allocated for constituencies in Pakistani-occupied Jammu and Kashmir.

- **Nomination of Kashmiri migrants:** The Bill adds that the Lieutenant Governor may nominate up to two members from the Kashmiri migrant community to the Legislative Assembly. One of the nominated members must be a woman. Migrants are defined as persons who migrated from the Kashmir Valley or any other part of the state of Jammu and Kashmir after November 1, 1989, and are registered with the Relief Commissioner. Migrants also include unregistered individuals who are: (i) in government service at a moving office, (ii) have left for work, or (iii) possess immovable property at the place from where they migrated but are unable to reside there due to disturbed conditions.

For a PRS summary of the Bill, see here.

**Law and Justice**

**Lok Sabha passes the Repealing and Amending Bill, 2022**

The Repealing and Amending Bill, 2022, was passed by Lok Sabha on July 27, 2022. It repeals 65 laws that are obsolete or that have been made redundant by other laws. It also corrects a minor drafting error in the Factoring Regulation Act, 2011. Key features of the Bill include the following:

- **Repeal of laws:** The First Schedule of the Bill lists 24 laws that would be repealed. Of these, 16 are amending Acts, and two are from before 1947.
- **Repeal of Appropriation Acts:** The Second Schedule of the Bill lists 41 Appropriation Acts that would be repealed. These Acts span the years from 2013 to 2017.

For a PRS Bill summary of the Bill, see here.

**Mines**

**Mines and Minerals (Development and Regulation) Amendment Bill, 2023 passed by Lok Sabha**

The Mines and Minerals (Development and Regulation) Amendment Bill, 2023 was introduced on July 26, 2023 in Lok Sabha. It was passed by Lok Sabha on July 28, 2023. The Bill amends the Mines and Minerals (Development and Regulation) Act, 1957. The Act regulates the mining sector.

- **Reconnaissance to include sub-surface activities:** The Act defines reconnaissance operations as operations undertaken for preliminary prospecting and includes: (i) aerial surveys, (ii) geophysical, and (iii) geochemical surveys. It also includes geological mapping. The Act prohibits pitting, trenching, drilling, and subsurface excavation as part of reconnaissance, the Bill allows these activities.
• **Exploration licence for specified minerals:** The Act provides for following types of concessions: (i) a reconnaissance permit for reconnaissance, (ii) a prospecting licence for prospecting, (iii) mining lease for undertaking mining, and (iv) a composite licence, for prospecting and mining. The Bill introduces an exploration licence, which will authorise either reconnaissance or prospecting, or both activities for specified minerals.

• The exploration licence will be issued for 29 minerals specified in the Seventh Schedule. These include gold, silver, copper, cobalt, nickel, lead, potash, and rock phosphate. These also include six minerals classified as atomic minerals under the Act: (i) beryl and beryllium, (ii) lithium, (iii) niobium, (iv) titanium, (v) tantallium, and (vi) zirconium. The Bill declassifies them as atomic minerals. The Act reserves prospecting and mining of atomic minerals for government entities.

• **Auction of certain minerals by the central government:** Under the Act, auction of concessions is undertaken by the state governments, except in certain specified cases. The Bill adds that auction for composite licence and mining lease for specified critical and strategic minerals will be conducted by the central government. These minerals include lithium, cobalt, nickel, phosphate, potash, tin, phosphate, and potash. However, concessions will still be granted by the state government.

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

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### Offshore Areas Mineral (Development and Regulation) Amendment Bill, 2023 introduced in Lok Sabha

The Offshore Areas Mineral (Development and Regulation) Amendment Bill, 2023 was introduced in Lok Sabha. The Bill amends the Offshore Areas Mineral (Development and Regulation) Act, 2002. The Act regulates mining in maritime zones of India. Key features of the Bill include:

- **Introduction of a composite licence:** The Bill introduces a composite licence for granting rights for exploration and production operations. Under the composite licence, the licensee will be required to complete exploration within three years. This may be extended by two years upon application by the licensee. If mineral resources have been established, the licensee will be granted one or more production leases for the explored area. The production lease will be valid for 50 years.

- **Auction mandatory for certain concessions:** The Act provides for the grant of concessions through administrative allocation. The Bill mandates competitive bidding for a production lease and a composite license to private entities. Applications for production leases before the date on which provisions of the Bill come into effect, will be void. An exploration licence granted before the date on which provisions of the Bill come into effect will be ineligible to acquire a production lease on the explored area.

- **Offshore Areas Mineral Trust:** The Bill sets up the Offshore Areas Mineral Trust. Concession holders will be required to pay an amount to the Trust in addition to any royalty. The funds will be used for specified purposes including: (i) exploration in offshore areas, (ii) research and studies about the mitigation of adverse effects of offshore mining on the ecology, and (iii) relief upon the occurrence of a disaster.

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

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### Health and Family Welfare

**The National Nursing and Midwifery Commission Bill, 2023 passed by Lok Sabha**

Priyadarshini Jain (priyadarshini@prsindia.org)

The National Nursing and Midwifery Commission Bill, 2023 was introduced on July 24, 2023 in Lok Sabha. It was passed by Lok Sabha on July 28, 2023. It repeals the Indian Nursing Council Act, 1947. The Bill provides for the regulation and maintenance of standards of education and services for nursing and midwifery professionals.

- **National Nursing and Midwifery Commission:** The Bill provides for the constitution of the National Nursing and Midwifery Commission. It will consist of 29 members. The chairman should have a postgraduate degree in nursing and midwifery and have at least 20 years of field experience. Ex-officio members include representatives from the Department of Health and Family Welfare, the National Medical Commission, Military Nursing Services, and the Directorate General of Health Services. Other members include nursing and midwifery professionals, and one representative from charitable institutions.

- **Functions of the Commission:** These include: (i) framing policies and regulating standards for nursing and midwifery education, (ii) providing a uniform process for admission into nursing and midwifery institutions, (iii) regulating nursing and midwifery institutions, and (iv) providing standards for faculty in teaching institutions.

- **Autonomous boards:** The Bill provides for the constitution of three autonomous boards under the supervision of the National Commission. These are: (i) the Nursing and Midwifery Undergraduate and Postgraduate Education Board, to regulate education and examination at undergraduate and
postgraduate levels; (ii) the Nursing and Midwifery Assessment and Rating Board, to provide the framework for assessing and rating nursing and midwifery institutions; and (iii) the Nursing and Midwifery Ethics and Registration Board, to regulate professional conduct and promote ethics in the profession.

- **Practising as a professional**: The Ethics and Registration Board will maintain an online Indian Nurses and Midwives’ Register, containing the details and qualifications of professionals and associates. Individuals must be enrolled in the National or State Register to practice nursing or midwifery as qualified professionals. Failure to comply may result in imprisonment of up to one year, a fine of up to five lakh rupees, or both.

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

**The National Dental Commission Bill, 2023 passed by Lok Sabha**

Rutvik Upadhyaya ([rutvik@prsindia.org](mailto:rutvik@prsindia.org))

The National Dental Commission Bill, 2023 was introduced in Lok Sabha on July 24, 2023. It was passed by Lok Sabha on July 28, 2023. The Bill repeals the Dentists Act, 1948 and constitutes: (i) the National Dental Commission, (ii) the Dental Advisory Council and (iii) three autonomous Boards for regulating dental education and standards of dentistry. Key features of the Bill are:

- **National Dental Commission**: The central government is required to constitute a National Dental Commission consisting of 33 members. It will be chaired by an eminent and experienced dentist. The Chairperson will be appointed by the central government, upon the recommendation of a search-cum-selection committee. The Search Committee will be chaired by the Cabinet Secretary. Ex-officio members of the Commission include: (i) the Presidents of the three autonomous Boards, (ii) the Director General of Health Services, (iii) Chief of the Centre for Dental and Educational Research, All India Institute of Medical Sciences. Part time members of the Commission include: (i) faculties of dentistry from government institutes and (ii) representatives of states and union territories.

- **Functions of the Commission** include: (i) regulating governance standards for dental education, examination, and training, (ii) regulating dental institutions and research, (iii) assessing infrastructure requirements in dental healthcare, and (iv) ensuring that admissions to Bachelor of Dental Surgery happen through the National Eligibility-cum-Entrance Test (NEET).

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

**ICMR issues policy statement on Controlled Human Infection Studies**

Rutvik Upadhyaya ([rutvik@prsindia.org](mailto:rutvik@prsindia.org))

The Indian Council of Medical Research (ICMR) released a draft consensus policy statement on ‘The Ethical Conduct of Controlled Human Infection Studies in India.’ These studies involve intentionally exposing healthy human volunteers to a specific pathogen under controlled conditions. This helps in understanding the nature of a pathogen, immune responses to its exposure, and assists in developing vaccines and treatments. Despite the scientific benefits of such studies, there are some ethical issues such as deliberate harm, disproportionate payment, and research with vulnerable participants. The draft Policy aims to address ethical concerns while ensuring that such research can be conducted. Key highlights of the policy include:

- **Responsible conduct of research**: Controlled Human Infection Studies must be carried out by institutions with extensive experience in clinical trials and proven academic/research excellence. Researchers must be trained in accordance with existing ICMR ethical guidelines for health research on humans. Since the research area is complex, collaboration between various researchers and institutions is highly encouraged.

- **Ethical safeguards**: Participants must be provided with detailed information of the study, and written informed consent must be taken before conducting any study. Further, the participants must be healthy adults aged 18-45, who are participating out of altruistic motives. Graduates may be preferred. Individuals belonging to vulnerable social, economic and physiological conditions should be excluded currently. Since the data collected from such studies is sensitive, its use should be limited to the purpose of the study. These studies must be reviewed for compliance by the Ethics Committee constituted under the ICMR National Ethical Guidelines, 2017.

- **Compensation for participation**: Researchers may reimburse participants, taking medical discomfort and any other inconveniences into account. In case of unknown risks/harms associated with the study, there must be adequate insurance provisions.

Comments on the draft Policy are invited until August 16, 2023.
The Multi-State Co-operative Societies (Amendment) Bill, 2022 passed by Lok Sabha

The Multi-State Co-operative Societies (Amendment) Bill, 2022, was passed by the Lok Sabha. It amends the Multi-State Co-operative Societies Act, 2002. Multi state co-operative societies operate in more than one state. The Bill was referred to a Joint Parliamentary Committee on December 22, 2022. The Committee approved the provisions of the Bill. Key provisions of the Bill include:

- **Election of board members:** Under the Act, elections to the board of a multi-state co-operative society are conducted by its existing board. The Bill amends this to specify that the central government will establish the Co-operative Election Authority to: (i) conduct such elections, (ii) supervise, direct and control the preparation of electoral rolls, and (iii) perform other prescribed functions. The Authority will consist of a chairperson, vice-chairperson, and up to three members appointed by the central government on the recommendations of a selection committee.

- **Redressal of complaints:** As per the Bill, the central government will appoint one or more Co-operative Ombudsman with territorial jurisdiction. The Ombudsman shall inquire into complaints made by members of co-operative societies regarding: (i) their deposits, (ii) equitable benefits of the society’s functioning, or (iii) issues affecting the individual rights of the members. The Ombudsman shall complete the process of inquiry and adjudication within three months from the receipt of the complaint. Appeals against the directions of the Ombudsman may be filed with the Central Registrar (who is appointed by the central government) within a month.

- **Amalgamation of co-operative societies:** The Act provides for the amalgamation and division of multi-state co-operative societies. This can be done by passing a resolution at a general assembly. It requires at least two-thirds of the members, present and voting. The Bill allows co-operative societies (registered under state laws) to merge into an existing multi-state co-operative society. At least two-thirds of the members of the co-operative society present and voting at a general meeting must pass a resolution to allow such a merger.

For a further analysis on the Bill, see [here](#).

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**Education**

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IIM (Amendment) Bill, 2023 introduced in the Lok Sabha

The Indian Institutes of Management (Amendment) Bill, 2023 was introduced in Lok Sabha. The Bill amends the Indian Institutes of Management Act, 2017. The Act declares Indian Institutes of Management (IIMs) as institutes of national importance and regulates their functioning. IIMs provide post-graduate education in the field of management and allied areas.

- **Visitor:** The Bill designates the President of India as Visitor of every Institute covered by the Act. The Visitor is granted with powers that include: (i) initiating inquiries into the functioning of IIMs, (ii) taking action against Institutes to ensure compliance, (iii) appointing the Chairperson of the Co-ordination Forum.

- **Appointment and removal of IIM Directors:** Under the Act, the Director of an IIM is appointed by the Board of Governors, based on the recommendations of a Search-cum-Selection Committee. The Bill mandates the Board to obtain the prior approval of the Visitor before appointing an Institute Director. The procedure for selecting the Director will be prescribed by the central government. Under the Act, the Search Committee comprises of the Chairperson of the Board, and three members from amongst eminent administrators, industrialists, educationists. The Bill reduces these three members to two, and adds another member to be nominated by the Visitor.

- Under the Act, the Board may remove the Director from office on grounds such as: (i) insolvency, (ii) mental and physical incapacity, (iii) conflict of interest. The Bill adds that the Board will require prior approval of the Visitor before removing a Director. The Bill also grants the Visitor the authority to terminate the services of the Director, as may be prescribed.

- **Appointment of the Chairperson of the Board of Governors:** Under the Act, the Chairperson of the Board of Governors of each Institute is appointed by the Board. The Bill amends this to provide that the Chairperson of the Board will be nominated by the Visitor.

- **NITE, Mumbai:** The Bill classifies the National Institute of Industrial Engineering (NITIE), Mumbai as IIM, Mumbai.

For a PRS Summary of the Bill, see [here](#).
UGC amends the minimum criteria for direct recruitment to the post of Assistant Professor

The University Grants Commission (UGC) released new Regulations for minimum qualifications for appointment of Assistant Professors in Higher Education Institutions. These supersede the 2018 Regulations. Earlier, appointees required a Ph.D degree as the minimum qualification to be eligible for recruitment as an Assistant Professor. Now, if candidates do not have a Ph.D degree, they may be appointed if they pass the NET/SET/SLET exam conducted by UGC, the Council for Industrial and Scientific Research (in the case of NET), or (iii) bodies accredited by UGC.

UGC releases draft guidelines on university-industry linkage system

The University Grants Commission (UGC) released draft Guidelines on Sustainable and Vibrant University-Industry Linkage System for Indian Universities. These guidelines were issued in pursuance of the objectives of the National Education Policy (NEP). Amongst other things, NEP highlights the necessity of a university-industry linkage system to drive innovation and enhance the competence of students. The aim of the university-industry linkage system is to: (i) boost Research and Development (R&D), and (ii) enhance student internship and apprenticeship in academic and industrial systems.

In order to boost R&D, the guidelines propose R&D clusters of industries and universities at the state level. These clusters will help address the technological needs of the region. Each industry will establish a University Relations Cell, and each university will establish an Industry Relations Cell. Both bodies will be required to liaise with each other and with other stakeholders in order to assess technological needs of the region and undertake research of regional/local relevance.

To enhance student internship and apprenticeship systems, the guidelines propose greater integration of industries in university education. This will be done through: (i) appointment of highly experienced industry professionals as professors and members on university boards, (ii) organisation of training programmes and workshops with industries, and (iii) provision of collaborative degree programmes and research projects between industries and universities. Universities may introduce internship and apprenticeship requirements for students irrespective of their fields. They may also provide greater institutional support for linking students with opportunities for the same.

Social Justice

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Parliament passes two bills to amend the Constitution (Scheduled Tribes) Order, 1950

Parliament passed the Constitution (Scheduled Tribes) Order (Third Amendment) Bill, 2022 and the Constitution (Scheduled Tribes) Order (Fifth Amendment) Bill, 2022. These Bills amend the Constitution (Scheduled Tribes) Order, 1950 with respect to its application to Himachal Pradesh and Chhattisgarh. The Third Amendment Bill includes the Hattee community of Trans Giri of Sirmour district in the list of Scheduled Tribes in Himachal Pradesh. The Fifth Amendment Bill includes the Dhanuwar, Kisan, Saunra, Saona, and Binjha communities in the list of Scheduled Tribes in Chhattisgarh. The Bill also includes three Devnagari versions of the name of the Pando community.

For a PRS summary, see here and here.

The Constitution (Scheduled Castes) Order (Amendment) Bill, 2023 introduced

The Constitution (Scheduled Castes) Order (Amendment) Bill, 2023, was introduced in Lok Sabha. The Bill amends the Constitution (Scheduled Caste) Order, 1950, with respect to its application to Chhattisgarh. The Bill includes Mahara and Mahar communities as synonyms of the Mehra, Mahar, and Mehar communities in Chhattisgarh.

For a PRS summary, see here.

Two Bills to amend the Scheduled Castes and Scheduled Tribes for Jammu and Kashmir, introduced


For a PRS summary of the Bills, see here and here.
Agriculture

Pratinav Damani (pratinav@prsindia.org)

Report on Coastal Aquaculture Authority (Amendment) Bill, 2023 submitted

The Standing Committee on Agriculture, Animal Husbandry and Food Processing (Chair: Mr. P. C. Gaddigoudar) submitted its report on the ‘Coastal Aquaculture Authority (Amendment) Bill, 2023’ on July 21, 2023.45 The central government may constitute an Inter-services Organisation, which has personnel belonging to at least two of the three services: the army, the navy, and the air force. The Bill empowers the Commander-in-Chief or Officer-in-Charge of Inter-services Organisations to exercise disciplinary or administrative control over the service personnel under their command, irrespective of their service. The Committee agreed with the provisions of the Bill.

For a PRS summary of the Bill, see here.

Defence

Tushar Chakrabarty (tushar@prsindia.org)

Standing Committee submits report on Inter-Services Organisations Bill, 2023

The Standing Committee on Defence (Chair: Mr. Jual Oram) submitted its report on the Inter-Services Organisations (Command, Control and Discipline) Bill, 2023.45 The central government may constitute an Inter-services Organisation, which has personnel belonging to at least two of the three services: the army, the navy, and the air force. The Bill empowers the Commander-in-Chief or Officer-in-Charge of Inter-services Organisations to exercise disciplinary or administrative control over the service personnel under their command, irrespective of their service. The Committee agreed with the provisions of the Bill.

For a PRS analysis of the Bill, please see here.

Standing Committee submits report on farm mechanisation for small farmers

The Standing Committee on Agriculture, Animal Husbandry and Food Processing (Chair: Mr P.C. Gaddigoudar) presented its report on ‘Research and Development in Farm Mechanisation for Small and Marginal Farmers in the Country’.49 Mechanisation of agriculture improves productivity, ensures judicious input use, and enables farmers to undertake commercial agriculture instead of subsistence farming. Key observations and recommendations include:

- **Status of farm mechanisation:** As of August 2022, 47% of agricultural activities are mechanised in India. This is lower than other developing countries such as China (60%) and Brazil (75%). Further, small and marginal agricultural holdings (less than two hectares) account for 86% of total operational holdings. The Committee highlighted that unless machines appropriate for small holdings are made available or substantial farm land consolidation takes place, small farmers will find it difficult to purchase their own machinery. It also noted that it would take about 25 years for the country to achieve 75-80% mechanisation. The Committee highlighted that there is an urgent need to enable farmers to take on additional crops, to make agriculture attractive and profitable. While noting various initiatives such as the Sub-Mission on Agricultural Mechanisation, the Committee recommended that the government must prioritise mechanisation of small farms and that the government achieve 75% mechanisation in less than 25 years.

<table>
<thead>
<tr>
<th>Crop</th>
<th>Mechanisation level across crops (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rice</td>
<td>53%</td>
</tr>
<tr>
<td>Wheat</td>
<td>69%</td>
</tr>
<tr>
<td>Pulses</td>
<td>41%</td>
</tr>
<tr>
<td>Sugarcane</td>
<td>35%</td>
</tr>
<tr>
<td>Overall</td>
<td>47%</td>
</tr>
</tbody>
</table>

**Sources:** Standing Committee on Agriculture, Animal Husbandry and Food Processing; PRS.

- **Portability of farm equipment:** Since farm machinery is expensive, small farmers find it difficult to purchase this equipment. The Committee observed that the government has introduced custom hiring centres and farm machinery banks, where farmers can share machines. So 17,727 farm machinery banks have
been established. A well-established centre provides mechanisation to about 100-200 farmers. The Committee noted that farm machinery banks have been established in almost all states. However, their benefits have not percolated to the district, taluka, panchayat, and gram sabha levels. It recommended that the government widely publicise such schemes and develop an app to locate and contact nearby centres/banks.

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

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**Finance**

*Tushar Chakrabarty (tushar@prsindia.org)*

**SEBI releases a consultation paper on FPI investment in corporate bonds**

The Securities and Exchange Board of India (SEBI) issued a consultation paper on investment by foreign portfolio investors (FPI) in corporate bonds. SEBI noted that secondary market (for buying and selling of existing securities) transactions in corporate bonds mainly occur offline. This involves price negotiation on a bilateral basis. The paper proposes mandating FPIs to undertake at least 10% of their secondary market trades in corporate bond through the request for quote (RFQ) platform. The mandate is proposed to be implemented quarterly. The RFQ platform is a centralised online trading platform. It helps in price discovery and provides transparency in transactions.

**SEBI releases framework for regulation of ESG rating providers**

The Securities and Exchange Board of India (SEBI) notified the SEBI (Credit Rating Agencies) (Amendment) Regulations, 2023. It amends the SEBI (Credit Rating Agencies) Regulations, 1999. These provide for the regulation of credit rating agencies. Such agencies provide ratings to securities which are proposed to be listed or already listed on stock exchanges. The 2023 amendment provides a framework for agencies providing environmental, social, and governance (ESG) ratings. These ratings offer opinions about the profile of governance risk, social risk, or climatic risks related to a company or its securities. Key features include:

- **Registration:** ESG rating providers must register with SEBI. For SEBI to grant a registration certificate, certain conditions must be fulfilled. The applicant must: (i) be incorporated as a company under the Companies Act, 2013, (ii) have ESG rating as its main activity, and (iii) submit their business plan to SEBI.

- **Responsibilities of the agencies:** The ESG rating provider has to take certain steps to ensure transparency and prevent a conflict of interest.

These include disclosures related to: (i) ESG ratings and their types on a website, (ii) the methodology for providing ESG ratings, (iii) any changes in ESG rating methodology, and (iv) the general nature of compensation arrangements with clients. In addition, they must identify, disclose, and avoid/mitigate (to the extent feasible) potential conflicts of interest.

- **Review of ESG rating:** The rating provider should review each of the published ESG ratings annually. This can be done more frequently, if required. An ESG rating must not be withdrawn unless the issuer (whose security is rated) is wound up, merged, or amalgamated with another company.

**SEBI issues consultation paper on cybersecurity and cyber resilience framework**

The Securities and Exchange Board of India (SEBI) released a consultation paper on the consolidated cybersecurity and cyber resilience framework for SEBI regulated entities. These entities include brokers, mutual funds, and stock exchanges. The paper noted that use of information technology has rapidly grown and is critical for SEBI regulated entities. At the same time, the protection of IT infrastructure and data has become a key concern. The framework has been drafted to strengthen the mechanism to deal with cyber threats and incidents. Key features of the cybersecurity and cyber resilience framework include:

- **Identification of assets:** The regulated entities must identify and classify critical assets. These assets should be based on: (i) their sensitivity and criticality for business operations, (ii) services, and (iii) data management.

- **Protection of cyber infrastructure:** Regulated entities will have to implement network segmentation techniques (dividing the network in multiple segments to control the flow of traffic). This would restrict access to sensitive information and services. An auditor, empanelled by CERT-In (Indian Computer Emergency Response Team), shall conduct a periodic audit of compliance to standards prescribed under the framework.

- **Detection of cyber threats:** Regulated entities shall establish appropriate security mechanisms through a security operation centre. It would monitor security events and ensure timely detection of anomalous activities. The functional efficiency of the centre must be measured every six months. All regulated entities must formulate an up-to-date cyber crisis management plan.

**RBI issues draft circular for issuance of debit, credit, and prepaid cards**

The Reserve Bank of India (RBI) has released a draft circular on arrangements by card issuers with card networks for issuing debit, credit, and prepaid cards.
Authorised card networks tie-up with banks and non-banks (card issuers) for issuance of debit, credit, and prepaid cards. Authorised card networks include MasterCard, Visa, Rupay, and American Express. The choice of a card network is decided by the card issuer. RBI observed that existing arrangements between card networks and card issuers are not conducive to providing choices to customers. RBI has proposed that: (i) card issuers shall not enter into any arrangements with card networks, restraining them from issuing the services of other card networks, (ii) card issuers must issue cards across multiple card networks, and (iii) eligible customers should have the choice to choose from the multiple card networks. Issuing cards across multiple networks and providing the option to choose to the customer will be effective from October 1, 2023.

Comments are invited by August 4, 2023.55

RBI releases report on internationalisation of rupee

The Reserve Bank of India (RBI) released a report of the inter-departmental group on the internationalisation of the rupee.56,57 The report noted that due to recent geopolitical developments, the use of currencies such as the rupee for international trade could be explored. Key recommendations include:

- **Standardised approach for trade agreements:** The report noted that RBI has been receiving proposals from various jurisdictions for trade arrangements in local currencies. It recommended adopting a uniform template for examining proposals involving multilateral/bilateral trade agreements. Such agreements may entail invoicing, settlement, and payment in rupees and the local currencies of counterpart countries.

- **Opening rupee accounts by non-residents:** The report observed that the ability to open accounts outside the country of the currency is important for its internationalisation. It recommended that non-residents may initially be allowed to open rupee accounts with overseas branches of authorised dealers. Such dealers are authorised by RBI to deal in foreign exchange. Later, non-residents may be allowed to open a rupee account with any overseas bank.

- **Use of RTGS for international transactions:** Real Time Gross Settlement (RTGS) provides for interbank funds transfer without any limit on the amount of funds. The report recommended that the use of RTGS for international transactions may be explored. It also recommended expanding the use of UPI for cross-border settlements.

**Guarantee scheme for corporate debt notified**

The Ministry of Finance notified the Guarantee Scheme for Corporate Debt.58 The scheme will provide a guarantee cover against debt raised/to be raised by the Corporate Debt Market Development Fund. The Fund will be under Securities and Exchange Board of India (SEBI) regulations. In normal times, it will invest in liquid, low risk debt instruments. In periods of market dislocation, the Fund will invest in eligible corporate debt securities. Market dislocation refers to stress in the financial sector which will be determined by SEBI according to a prescribed framework. The guarantee cover shall not exceed Rs 30,000 crore. The scheme will be implemented for a 15-year period which can be extended by the Department of Economic Affairs. Debt-oriented mutual funds (which pool money to invest in debt instruments) shall contribute 25 basis points of their assets under management (AUM) to the Fund. They will also provide additional contributions with increase in their AUM. Existing/new asset management companies of specified debt-oriented mutual funds shall make a one-time contribution towards the Fund.

**Standing Committee submits report on cyber security**

The Standing Committee on Finance (Chair: Mr. Jayant Sinha) submitted its report on ‘Cyber Security and Rising Incidence of Cyber/White Collar Crimes’ on July 27, 2023.59 Key observations and recommendations of the Committee include:

- **Cyber Protection Authority:** The Committee noted that the current regulatory landscape for cyber security involves multiple agencies and bodies. This requires a high level of inter-ministerial coordination. There is no central authority or agency solely dedicated to cyber security. The Committee recommended establishing a centralised Cyber Protection Authority (CPA). The authority would develop and implement robust cyber security policies, guidelines, and best practices in collaboration with states and private sector entities.

- **Sharing data:** Expanding digital landscapes along with the presence of search engines and big tech companies has increased the vulnerability of digital ecosystems to cybercrime. This requires a clear delineation of responsibilities for search engines and global tech companies. The Committee recommended that application stores should be mandated to share exhaustive metadata and information on all applications that they host on their platform. This data repository will empower regulators to identify potential security vulnerabilities and take needed measures. In addition, tech companies should: (i) regularly update and patch their operating systems and (ii) enforce a stringent vetting process for approvals.
Civil Aviation

National Civil Aviation Policy, 2016 amended
Tanvi Vipra (tanvi@prsindia.org)

The Ministry of Civil Aviation notified amendments to the National Civil Aviation Policy, 2016. The Policy provides for the upgrade and modernisation of air navigation services.

As per the Policy, all Indian registered aircrafts from January 1, 2019 onwards must be enabled with GPS Aided GEO Augmented Navigation (GAGAN). GAGAN uses ground stations to augment the navigation system. The amendment exempts two categories of aircrafts from having GAGAN. These include aircrafts that cannot be made GAGAN compliant due to technology challenges, and aircrafts that have been manufactured prior to July 1, 2021.

Standing Committee submits report on the development of airports
Priyadarshini Jain (priyadarshini@prsindia.org)

The Standing Committee on Transport, Tourism and Culture (Chair: Mr. V. Vijayasai Reddy) submitted its report on ‘Development of Greenfield and Brownfield Airports and Issues pertaining to Civil Enclaves in Defence Airports,’. Greenfield airports are developed on empty/undeveloped land and their commissioning is done from scratch. Brownfield airports have existing infrastructure for airport development such as runways and terminal buildings. Key observations and recommendations of the Committee include:

- **Comprehensive policy for brownfield airports:** The Committee observed it is necessary to revamp, expand, and modernise brownfield airports. However, they face constraints in terms of site expansion, design limitations, and execution risks. While there is no specific policy for brownfield airports, the Ministry of Civil Aviation highlighted that the National Civil Aviation Policy, 2016, and the Airports Authority of India Act, 1994 contain guiding principles for the development of brownfield airports. The Committee noted the need to formulate a policy that specifies parameters for deciding whether to develop a greenfield or brownfield airport.

- **Coordination challenges and project delays:** The Committee observed that the Ministry faces several challenges in coordinating with state governments for establishing airports. These delays include land acquisition and allotment, as well as delays in submitting in-principle approvals where the central government has already provided site clearance. For instance, while 13 greenfield airports have received in-principle approval, four were operationalised after 10 years, and one was operationalised after 20 years. Delays are also caused due to rehabilitation and resettlement issues that lead to various litigations.

For a PRS summary of the report, see here.

External Affairs

Arpita Mallick (arpita@prsindia.org)

Standing Committee Report on India’s Neighbourhood First Policy

The Standing Committee on External Affairs (Chair: Mr. P.P. Chaudhary) submitted its report on ‘India’s Neighbourhood First Policy’. The concept of the Neighbourhood First Policy was introduced in 2008. It was conceived to bolster relations with certain priority countries such as Afghanistan, Bangladesh, Maldives, Myanmar, Nepal, Pakistan and Sri Lanka. Key observations and recommendations include:

- **Terrorism and Illegal Migration:** The Committee noted that over the last three decades India has faced threats, tension, and possibility of terrorist and militant attacks from its immediate neighbourhood. Challenges of illegal migration and smuggling of weapons and drugs require improved security infrastructure at borders. The Committee recommended the monitoring of demographic changes caused by illegal migration at border areas. The Ministry of External Affairs should work in close coordination with the Ministry of Home Affairs and state governments to address illegal migration.

- **Relations with China and Pakistan:** India’s bilateral relations with China and Pakistan have been plagued by contentious issues. Terrorism emanating from Pakistan is a core concern. The Committee recommended engaging with regional and multilateral organisations to sensitise them of the role of Pakistan in fostering terrorism. Efforts should be made to establish a common platform for countering terrorism under the Neighbourhood
First Policy. It also recommended the government to establish economic ties with Pakistan.

- **Investment in border infrastructure:** The Committee noted the deficiency in India’s border infrastructure and the need to stabilise and develop border regions. For engagement with India’s neighbours, connectivity infrastructure such as cross-border roads, railways, and inland waterways and ports needs an improvement. It recommended exploring the feasibility of setting up a regional development fund for connectivity infrastructure under regional frameworks.

**Culture**

*Rutvik Upadhyaya (rutvik@prsindia.org)*

**Standing Committee submits report on the functioning of National Akademis**

The Standing Committee on Transport, Tourism, and Culture (Chair: Mr. V. Vijaysai Reddy) submitted its report on the ‘Functioning of National Akademis and Other Cultural Institutions’. National Akademis are autonomous bodies instituted to promote various art forms and culture. They operate under the administrative supervision of the Ministry of Culture. They are: (i) Sangeet Natak Akademi, (ii) Sahitya Aakademi, (iii) Lalit Kala Akademi, (iv) The National School of Drama, (v) Centre for Cultural Resources and Training, (vi) The Indira Gandhi National Centre for the Arts, and (vii) Kalakshetra Foundation. Key observations and recommendations include:

- **Budgetary Allocation and Issues:** The Committee observed that the Ministry of Culture has been allocated Rs 3,400 crore for 2023-24, which is only 0.075% of the total Union budget. It observed that this was below the global allocation of 2% to 5% for cultural ministries. Moreover, the Committee noted that the combined budgetary allocation in 2023-24 towards all eight National Akademis at Rs 401 crore was inadequate. It recommended an increase in the budgetary allocation to the National Akademis and other cultural institutions to increase their efficiency and outreach. It also recommended Akademis to explore the option of channelling CSR funds and private partnership for donations and grants. Further, it recommended undertaking fundraising events, galas and exploring the revenue potential of OTT platforms.

- **Election and Tenure of Heads:** The Committee observed that the process of appointing the Chairman/President of National Akademis and the tenure of these officeholders varies across National Akademis. The composition of the Governing Council of each Akademi is also different. To address this issue, the Committee recommended that the government formulate fixed guidelines on the election and tenure of the Chairman/President, as well as the constitution and operation of the Governing Council. It also recommended the inclusion of a Member of Parliament on the Governing Councils of each of the Institutions.

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

**Power**

**Electricity (Amendment) Rules, 2023 notified**

*Pratinav Damani (pratinav@prsindia.org)*

The Ministry of Power notified the Electricity (Amendment) Rules, 2023. They amend the Electricity Rules, 2005 made under the Electricity Act, 2003. The Act regulates licenses and tariffs for power. Key changes in the Rules include:

- **Qualification criteria for captive generators:** Under the Rules, a power plant may qualify to be a captive generation plant if the captive user owns at least 26% of the generation plant. A captive generation plant means a power plant set up for one’s own use. The Amendment adds that, in cases where the plant is established by a captive user’s affiliate company, the captive user must own at least 51% of that company. Further, a subsidiary company of an existing captive user will also be considered a captive user.

- **Validity of licenses:** Under the Act, central or state commissions may grant licenses to transmit, distribute or trade electricity. Entities such as central or state transmission utilities and government companies are considered deemed licensees. The Amendment specifies that: (i) validity of licenses in the first category will be specified in the license itself and (ii) deemed licenses will be valid for 25 years. Other licenses will be valid and renewed as per the existing agreements. Deemed licenses will be automatically renewed for another 25 years after expiry, unless revoked. The renewal period may be lower if requested by the licensee. These rules do not apply to transmission developers selected through tariff-based bidding.

- **Uniform RE Tariff:** Under the Rules, renewable energy (RE) tariff is calculated on the basis of the actual energy supplied to the discom. The Amendment changes the basis of tariff calculation from energy supplied to energy scheduled. Also, the RE tariff will be set by the intermediary between the discom and the generation company (genco). Earlier it was set by an implementing agency notified by the central government. RE tariff was earlier applicable only to RE gencos. The Amendment specifies that RE tariff will only
Key observations and recommendations are as follows:

- **Functions of DSOs:** Functions of DSOs may include: (i) forecasting of distributed energy resources as well as overall load, (ii) network planning, operation, and control, (iii) scheduling of supply, and (iv) billing and collection. The exact functions will depend on the adopted regulatory framework. Currently, many of these functions are performed by: (i) distribution utilities (discoms), which purchase power from generators and supply it to consumers, and (ii) State Load Despatch Centres (SDLCS) which schedule and despatch supply from generators, and are responsible for integrated operation of the grid.

- With the wider adoption of distributed energy resources, peer-to-peer and localised electricity markets may flourish. DSOs could also facilitate such markets.

- **Approaches to introducing DSOs:** The paper observed that DSOs may be introduced as: (i) a separate entity, or (ii) entrusting discoms or area-level load despatch centres with the distribution system operation functions. It observed that the introduction of DSOs should be possible without segregating network and supply businesses in the distribution segment. Currently, a single entity owns the distribution network and business of supply to consumers.

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**Animal Welfare**

*Tanvi Vipra (tanvi@prsindia.org)*

**Draft Rules to prevent animal cruelty released**


- **Functions of SPCAs:** As per the 2001 Rules, SPCAs would carry out functions such as aiding the government, Animal Welfare Board of India, and local authorities in enforcing provisions of the Act. In addition to these functions, the Draft Rules specify that SPCAs must also: (i) establish a 24x7 helpline number for receiving reports on cruelty to animals, (ii) operate an ambulance service for sick, injured, or diseased homeless animals, and (iii) aid and assist the implementation of animal birth control programmes in the district.

- **Management Committees of SPCAs:** The 2001 Rules specify that the state government or the district local authority is empowered to appoint the Managing Committee of an SPCA. The Draft Rules specify that the Management Committee must have 17 members (including the Chairperson). The Chairperson shall be the Deputy Commissioner/District Magistrate/District Collector. Other members include regional officer of the state pollution control board, representative of the district forest department, district prosecution officer, four members representing animal welfare organisations, and three eminent persons engaged in animal welfare. One member in districts with international borders will be nominated from para-military forces or border security forces.

- **Infirmaries:** As per the 2001 Rules, SPCAs shall construct infirmaries and animal shelters which must have a full-time veterinary doctor and an administrator. The Draft Rules specify that infirmaries must have sheds for large animals, kennels, and aviaries. They must also have enclosures for injured/diseased animals.

Comments are invited until August 14, 2023.
Science and Technology

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Draft National Deep Tech Startup Policy, 2023 released

The Draft National Deep Tech Startup Policy, 2023 was released by the Office of Principal Scientific Advisor. A deep tech startup uses early-stage technologies which are yet to be developed for commercial applications. It involves extended development timelines and is highly capital intensive. Key features of the policy include:

- **Research and Development:** The policy proposes to increase the expenditure on research and development. It also seeks to enhance technology commercialisation by creating: (i) partnerships between academic institutions and industry, and (ii) guidelines for commercialisation of publicly funded research. For strategic sectors, deep tech startups have restricted access to test sites for demonstration and testing. For these sectors, the policy proposes to create a network of standardised, field test and experimentation sites.

- **Intellectual Property (IP) Rights:** In order to strengthen India’s IP regime, the policy aims to: (i) establish a single window platform for a unified IP framework, (ii) strengthen cross border IP protection, and (iii) streamline the patent application process.

- **Funding:** The draft policy noted that it is necessary to facilitate targeted long-term funding of deep tech startups. It aims to: (i) create a platform to capture the lifecycle of government grant payments, (ii) direct corporate social responsibility funds to science-based research institutions, (iii) create a fund of funds dedicated to deep tech investments, and (iv) use Technology Impact Bonds to get investments from public and philanthropic entities.

- **Free trade agreements:** The policy aims to enable Indian deep tech startups to penetrate global markets by their inclusion in free trade agreements. It also proposes to mitigate import dependencies and supply chain vulnerabilities for raw materials used by deep tech startups.

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5. The Factoring Regulation Act, 2011,
6. The Repealing and Amending Bill 2022,