Monthly Policy Review
August 2023

Highlights of this Issue

Monsoon session 2023 concludes (p. 2)
The monsoon session of Parliament concluded on August 11, 2023. 25 Bills were introduced and 23 were passed. This session saw the first no confidence motion of the 17th Lok Sabha, which was negatived.

GDP grows 7.8% in first quarter of 2023-24 (p.2)
Growth in all sectors was positive in the first quarter of 2023-24 with financial, real estate and professional services registering the highest growth.

Bills to replace the Indian Penal Code, CrPC, and Evidence Act introduced (p. 4)
Three Bills replacing the Indian Penal Code, 1860, the Code of Criminal Procedure (CrPC), 1973 and the Indian Evidence Act, 1872 were introduced and referred to the Standing Committee on Home Affairs.

Bill to amend the appointment of Chief Election Commissioner introduced (p. 6)
The President will appoint the CEC on the recommendation of a Selection Committee, which includes the Prime Minister, Leader of the Opposition in Lok Sabha, and a Cabinet Minister nominated by the Prime Minister.

Parliament passed the NCT of Delhi (Amendment) Bill, 2023 (p. 3)
The Bill establishes an Authority to recommended transfers and postings of officers in the Delhi government to the LG. The Authority will consist of the Delhi Chief Minister, Chief Secretary, and Principal Home Secretary.

The Digital Personal Data Protection Bill, 2023 passed by Parliament (p.5)
The Bill provides for the data protection and privacy for individuals. It lays out rights and duties of data principals and the obligations of data fiduciaries.

Parliament passes the Registration of Births and Deaths (Amendment) Bill, 2023 (p. 3)
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.

Cabinet approves PM e-Bus Sewa for enhancement of city bus operations (p. 19)
The scheme aims to enhance city bus operations in cities with a population over three lakh people. The scheme has a budget outlay of Rs 57,613 crore over 10 years.

Central Sector Scheme for artisan and craftspeople approved by Cabinet (p.18)
The scheme will provide credit support to artisan and craftspeople at a concessional interest rate of 5%. It will also provide for skill upgradation and marketing support.

New National Curriculum Framework for School Education released (p.10)
The framework revises requirements on language education, relaxes norms on examinations, and provides greater choice of subjects in secondary education.

Standing Committees submit reports on various subjects and policies
This includes reports on electoral reforms, judicial reforms, citizens’ data security, mental health, and ecosystem of startups.

CAG submits its audit report on Ayushman Bharat-PMJAY (p.11)
The audit flags issues such as irregularities in the inclusion of beneficiaries, errors in datasets and shortcomings in empanelled hospitals.
Parliament

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Monsoon Session 2023 concludes; 23 Bills passed; three referred to Standing Committees

The Monsoon Session of Parliament was held from July 20, 2023 to August 11, 2023, with 17 sittings. During this time, 25 Bills were introduced and 23 were passed. Three Bills replacing the Indian Penal Code, 1860, the Code of Criminal Procedure, 1973 and the Indian Evidence Act, 1872 were introduced and referred to the Standing Committee on Home Affairs.

Bills introduced and passed in this session include the Government of NCT of Delhi (Amendment) Bill, 2023, the Digital Personal Data Protection Bill, 2023, the Mines and Minerals (Development and Regulation) Bill, 2023 and the Registration of Births and Deaths (Amendment) Bill, 2023. Bills pending from earlier sessions that were passed include the Coastal Aquaculture Authority (Amendment) Bill, 2023, the Forest (Conservation) Amendment Bill, 2023 and, the Inter-Services Organisation Bill, 2023. This session saw the first No-confidence motion of the 17th Lok Sabha. The motion was negatived through a voice vote. On August 31, 2023, the Minister of Parliamentary Affairs announced that a five-day session of Parliament will be held starting September 18, 2023.¹

For more details on legislative business transacted during the Monsoon Session 2023, see here. For details on the functioning of Parliament during the session, see here.

Macroeconomic Development

Tushar Chakrabarty (tushar@prsindia.org)

GDP grows at 7.8% in first quarter of 2023-24

Gross Domestic Product (GDP) (at constant prices) grew at 7.8% in the first quarter (April-June) of 2023-24, over the corresponding period in 2022-23.² In the first quarter of 2022-23, GDP had grown by 13.1%. In the fourth quarter (January-March) of 2022-23, GDP had grown by 6.1%.

Industrial production grew by 4.5% in first quarter of 2023-24

The Index of Industrial Production (IIP) grew by 4.5% in the first quarter (April-June) of 2023-24.³ This was lower than the 12.8% growth witnessed in the first quarter of 2022-23. The weight of manufacturing, mining, and electricity sectors in the IIP is 78%, 14%, and 8% respectively.

The mining sector grew by 6.4% in the first quarter of 2023-24 as compared to 9.1% in the corresponding quarter of 2022-23. The manufacturing sector grew by 4.7% in the first quarter of 2023-24, significantly lower than 12.8% in the first quarter of 2022-23. The electricity sector grew the slowest by 1.3% in the first quarter of 2023-24 which was lower than 17.1% in the first quarter of 2022-23.
Repo rate kept unchanged at 6.5%

The Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI) retained the policy repo rate (the rate at which RBI lends money to banks) at 6.5%. Other decisions of the Committee are as follows:

- The standing deposit facility rate (the rate at which the RBI borrows from banks without giving collateral) has been retained at 6.25%.
- The marginal standing facility rate (the rate at which banks can borrow additional money from RBI), and the bank rate (rate at which RBI buys bills of exchange) have been retained at 6.75%.

The MPC decided to remain focused on withdrawal of accommodation. This is in order to ensure that inflation progressively aligns with the target of 4%, while supporting growth. RBI had increased the repo rate to from 6.25% to 6.5% in February 2023.

Home Affairs

The GNCT of Delhi (Amendment) Bill, 2023, passed by Parliament

Alaya Purewal (alaya@prsindia.org)

The Government of National Capital Territory of Delhi (Amendment) Bill, 2023, was introduced in Lok Sabha on August 1, 2023. It was passed by Parliament on August 7, 2023. It amends the Government of National Capital Territory of Delhi Act, 1991. The Bill replaces the Government of National Capital Territory of Delhi (Amendment) Ordinance, 2023 which was promulgated on May 19, 2023. The Bill will retrospectively apply from May 19, 2023. Key features include:

- National Capital Civil Services Authority: The Bill establishes the National Capital Civil Service Authority to recommend to the Lieutenant Governor (LG) of Delhi: (i) transfers and postings, (ii) matters related to vigilance, (iii) disciplinary proceedings, and (iv) prosecution sanctions of Group A officers of All India Services (except Indian Police Service), and officers serving the Delhi government. Officers serving in connection with the subjects of police, public order, and land will not come under the Authority’s purview.
- The Authority will consist of the Delhi Chief Minister of Delhi, Principal Home Secretary and Chief Secretary of the Delhi. All decisions of the Authority will be based on a majority of votes of the members present and voting. The quorum for a meeting will be two members.
- Powers of the Lieutenant Governor (LG): Under the Act, matters where the LG shall act on his discretion are: (i) matters outside the legislative competence of the Delhi legislature but which have been delegated to the LG, or (ii) matters where he is required by a law to act in his discretion or exercise any judicial or quasi-judicial functions. The Bill specifies that in these matters, the LG will act in his sole discretion. It expands the discretionary role of the LG by giving him powers to approve the recommendations of the Authority, or return them for reconsideration. The LG’s decision will be final in the case of a difference of opinion between him and the Authority. It also provides the LG with the authority to override the Delhi government on certain matters. These matters include summoning and proroguing the Delhi Legislative Assembly.

For a PRS analysis of the Bill, see here.

Bill to amend the Registration of Births and Deaths Act, 1969, passed by Parliament

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The Registration of Births and Deaths (Amendment) Bill, 2023, was passed by Parliament. 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:

- Aadhaar details of parents and informants required: The Act requires certain persons (informants) 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 informant 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.

- **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.

- **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 (iv) any other national databases as notified. The use of the national database must be approved by the central government. Similarly, the state database may be made available to authorities dealing with other state databases, subject to the state government’s approval.

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

**Bill to replace the IPC introduced in Lok Sabha; referred to Standing Committee**

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The Bharatiya Nyaya Sanhita, 2023 was introduced in Lok Sabha. The Bill repeals the Indian Penal Code, 1860 (IPC) and has been referred to the Standing Committee on Home Affairs. The IPC is the principal law on criminal offences. The Bill retains several parts of the IPC. Certain offences under the IPC that Courts have struck or read down have been omitted. These include offences of adultery and same-sex intercourse. Key changes proposed in the Bill are:

- **Terrorism and organised crime to be offences**: The Bill defines terrorism as an act that intends to threaten the unity, integrity, and security of the country to intimidate the general public. Terrorist acts include using firearms, bombs, or hazardous substances to cause death, or spread fear.

- Organised crime is defined as a continuing unlawful activity, carried out by use of violence or intimidation, to obtain material or financial benefit. The unlawful activity may include kidnapping, contract killing, financial scams, and cybercrime. These could be carried out by individuals singly or jointly, as members of or on behalf of a crime syndicate. The maximum penalty for terrorism and organised crime includes death, or life imprisonment if the offence has resulted in death of any person.

- **Sedition**: The Bill removes the offence of sedition, which was punishable with imprisonment between three years and life. It instead penalises: (i) exciting or attempting to excite secession, or subversive activities, or armed rebellion, (ii) encouraging feelings of separatist activities, or (iii) endangering sovereignty or unity and integrity of India. These may involve electronic communication, or use of financial means. This will be punishable with imprisonment of up to seven years or life, and will attract a fine.

- **Murder by a group on certain grounds**: The Bill specifies a separate penalty for murder committed by five or more people on specified grounds. These include race, caste, sex, place of birth, language, or personal belief. Penalty for each offender includes imprisonment between seven years and life, or death.

- **Death penalty for gang rape of minor**: The IPC allows death penalty for gang rape of women below 12 years of age. The Bill extends the death penalty for gang rape of women below 18 years.

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

**Bill replacing the Code of Criminal Procedure introduced in Lok Sabha**

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The Bharatiya Nagarik Suraksha Sanhita, 2023 was introduced in Lok Sabha. It repeals the Code of Criminal Procedure, 1973. The Bill was subsequently referred to the Standing Committee on Home Affairs. The Code provides for the procedure for arrest, prosecution, and bail for offences under various Acts including the Indian Penal Code, 1860. The Bill retains most of the provisions of the Code. Key changes proposed under the Bill include:

- **Detention of undertrials**: Under the Code, if an accused has spent half of the maximum period of imprisonment for an offence under detention, during investigation or trial, he must be released on his personal bond. This does not apply to offences which are punishable by death. The Bill adds that this provision will also not apply to: (i) offences punishable by life imprisonment, and (ii) persons against whom proceedings are pending in more than one offence. It further adds that first-time offenders will be released on bail if they have completed detention for one-third of the maximum imprisonment which can be imposed for the offence. The superintendent of the jail where the accused is detained must make the application seeking the release of such undertrials on bail.
▪ **Signatures and finger impressions:** The Code empowers a Metropolitan/Judicial Magistrate to order any person to provide specimen signatures or handwriting. Such an order can be given for any investigation or proceeding under the Code. However, such specimen cannot be collected from a person who has not been arrested under the investigation. The Bill expands this to include finger impressions and voice samples. These samples may also be taken from a person who has not been arrested.

▪ **Forensic investigation:** The Bill mandates forensic investigation for offences punishable with at least seven years of imprisonment. In such cases, forensic experts will visit crime scenes to collect forensic evidence and record the process on a mobile phone or any other electronic device. If a state does not have forensics facility, it shall utilise such facility in another state.

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

**Bill replacing the Indian Evidence Act introduced in the Lok Sabha**

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The Bhartiya Sakshya Bill, 2023 was introduced in Lok Sabha. It repeals the Indian Evidence Act, 1872. The Act provides rules for the admissibility of evidence in legal proceedings. The Bill retains several parts of the Act and widens the ambit of electronic records admissible as evidence. Key changes proposed in the Bill include:

▪ **Admissibility of electronic or digital records as evidence:** The Act provides for two kinds of evidence – documentary and oral evidence. Documentary evidence includes information in electronic records that have been printed or stored in optical or magnetic media produced by a computer. Such information may have been stored or processed by a combination of computers or different computers. The Bill provides that electronic or digital records will have the same legal effect as paper records. It expands electronic records to include information stored in semiconductor memory or any communication devices (smartphones, laptops). This will also include records on emails, server logs, smartphones, locational evidence and voice mails.

▪ **Oral evidence:** Under the Act, oral evidence includes statements made before Courts by witnesses in relation to a fact under inquiry. The Bill allows oral evidence to be given electronically. This would permit witnesses, accused persons, and victims to testify through electronic means.

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

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**Information Technology**

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**Digital Personal Data Protection Bill, 2023 passed by Parliament**

The Digital Personal Data Protection Bill, 2023 was passed by Parliament on August 9, 2023. The Bill was introduced in Lok Sabha on August 3, 2023. The Bill provides for the protection of personal data and the privacy of individuals. Key features include:

▪ **Applicability:** The Bill applies to the processing of digital personal data within India where such data is: (i) collected online, or (ii) collected offline and is digitised. It will also apply to the processing of personal data outside India if it is for offering goods or services in India. Personal data is defined as any data about an individual, who is identifiable by or in relation to such data. Processing has been defined as wholly or partially automated operation or set of operations performed on digital personal data. It includes collection, use, and sharing.

▪ **Rights and duties of data principal:** An individual, whose data is being processed (data principal), will have the right to: (i) obtain information about processing, (ii) seek correction and erasure of personal data, (iii) nominate another person to exercise rights in the event of death or incapacity, and (iv) grievance redressal. Data principals will have certain duties. They must not: (i) register a false or frivolous complaint, and (ii) furnish any false particulars or impersonate another person in specified cases. Violation of duties will be punishable with a penalty of up to Rs 10,000.

▪ **Obligations of data fiduciaries:** The entity determining the purpose and means of processing (data fiduciary) must: (i) make reasonable efforts to ensure the accuracy and completeness of data, (ii) build reasonable security safeguards to prevent a data breach, (iii) inform the Data Protection Board of India and affected persons in the event of a breach, and (iv) erase personal data as soon as the purpose has been met and retention is not necessary for legal purposes (storage limitation). In case of government entities, storage limitation and the right of the data principal to erasure will not apply.

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

**Standing Committee submits report on Citizens’ Data Security and Privacy**

The Standing Committee on Communications and Information Technology (Chair: Mr. Prataprao Jadhav) submitted its report on ‘Citizens’ Data Security and Privacy’. Key observations and recommendations of the Committee include:
• Draft Digital Personal Data Protection Bill, 2022: The Committee noted that the Ministry incorporated questions that were raised during previous consultations for the data protection law, into the 2022 draft Bill. These questions were raised on the rule making powers of the central government, compensation from those whose process data, age of consent, and the establishment of a grievance redressal mechanism for data principals. The Committee recommended that the Ministry incorporate visual elements for consent and notice mechanisms to extend benefits to people who are not digitally literate.

• The Committee noted that the Ministry is in the process of bringing a Bill to establish a framework for processing digital personal data while balancing protecting personal data. It noted that implementing a suitable law will enhance data security and ensure that personal information is safeguarded. It also noted that the 2022 draft Bill protects personal data as a whole, without further classification. This avoids issues of interpretation and classification-based protection.

• Rule-making powers of central government: The 2022 draft Bill contains provisions that allow for the delegation of legislation by prescribing rules. Taking cognizance of the dynamic nature of information technology, the Committee appreciated the space for making subordinate legislation. However, they cautioned the Ministry to utilise the rule making powers judiciously and employ them with utmost care and responsibility. As per a dissent note, there was excessive use of delegated legislation in the draft Bill which did not specify the scope and method of implementation of certain provisions.

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

Election Commission
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Bill amending appointment of Chief Election Commissioner introduced
The Chief Election Commissioner and Other Election Commissioners (Appointment, Conditions of Service and Term of Office) Bill, 2023, was introduced in Rajya Sabha. It repeals the Election Commission (Conditions of Service of Election Commissioners and Transaction of Business) Act, 1991.

• Election Commission: As per Article 324 of the Constitution, the Election Commission consists of the Chief Election Commissioner (CEC) and such number of other Election Commissioners (ECs), as the President may decide. The CEC and other ECs are appointed by the President. The Bill specifies the same composition of the Election Commission. It adds that the CEC and other ECs will be appointed by the President on the recommendation of a Selection Committee.

• Selection Committee: The Selection Committee will consist of: (i) the Prime Minister as Chairperson, (ii) the Leader of the Opposition in Lok Sabha as member, and (iii) a Union Cabinet Minister nominated by the Prime Minister as a member. If the Leader of Opposition in Lok Sabha has not been recognised, the leader of the single largest opposition party in Lok Sabha will assume the said role.

• Search Committee: A Search Committee will prepare a panel of five persons for the consideration of the Selection Committee. The Search Committee will be headed by the Cabinet Secretary. It will have two other members, not below the rank of Secretary to the central government, having knowledge and experience in matters related to elections. The Selection Committee may also consider candidates who have not been included in the panel prepared by the Search Committee.

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

President approves the delimitation of constituencies in Assam
The President approved the delimitation of Parliamentary and Assembly constituencies in Assam. The Order came into effect from August 16, 2023. The Order was published by the Election Commission of India (ECI) under the Representation of the People Act, 1950. All Assembly and Parliamentary constituencies in the state have been delimited based on the 2001 Census. The last delimitation of constituencies in Assam was carried out in 1976 based on the 1971 Census.

Assam has 14 seats in Lok Sabha, with one seat reserved for Scheduled Tribes (STs). The state Legislative Assembly has 126 seats with nine seats for SCs and 19 seats for STs. The total number of seats in both the Lok Sabha and Assembly have not been changed. SC Assembly seats have been increased from eight to nine seats, while ST Assembly seats have been increased from 16 to 19 seats. Additionally, Assembly constituencies in the Bodoland districts have been increased from 11 to 15.

Standing Committee Report on Election Process and Reforms submitted
The Standing Committee on Personnel, Public Grievances, Law and Justice (Chair: Mr. Sushil Kumar Modi) submitted its report on “Specific Aspects of Election Process and their Reform”. The Committee identified issues in the electoral process including: (i) the status of Common Electoral Roll, and the minimum
age of voting and contesting elections. The Election Commission of India (ECI) proposed establishing a Common Electoral Roll. The Common Electoral Roll would serve as a centralised repository of voter information that can be accessed by all concerned authorities, including the ECI and State Election Commissions. Key recommendations of the Committee include:

- **Common Electoral Roll:** The Committee noted that the Common Electoral Roll is intended to streamline resources, minimise efforts, and reduce expenses. However, it identified two issues in implementing it: (i) the current legal framework, and (ii) the constitutional regulations guiding the creation of electoral rolls by the ECI. The Committee expressed concern about the potential impact on state powers, as panchayat elections and municipal elections are under the authority of State Election Commissions. Delimitation of local wards and panchayats is mandated by the state governments and State Election Commissions before every local election. As per the Seventh Schedule of the Constitution, local elections are a state subject. The ECI lacks the authority to direct State Election Commissions. Therefore, the Committee recommended that the ECI should consider the constitutional provisions before preparing the Common Electoral Roll.

- **Further, the Committee noted that implementing the Common Electoral Roll proposed by the central government and the ECI falls outside the scope of Article 325 of the Constitution. Article 325 mandates the use of separate electoral rolls for elections to Parliament and state legislatures. The Committee advised the central government to carefully assess the potential consequences before taking any actions.**

- **Age of contesting elections:** The Committee observed that reducing the minimum age requirement for candidacy in elections would give young individuals equal opportunities to engage in democracy. It suggested reducing the minimum age requirement for candidacy in state elections.

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

**Finance**

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**Parliament passes amendments to extend GST on certain activities**

The Central Goods and Services Tax (Amendment) Bill, 2023 and the Integrated Goods and Services Tax (Amendment) Bill, 2023 were passed by Parliament.24,25 They amend the Central Goods and Services Tax (CGST) Act, 2017 and the Integrated Goods and Services Tax (IGST) Act, 2017, respectively.26,27 As per the amendments, CGST will be applicable on casinos, horse racing, gambling, and online money gaming. IGST will apply to online money gaming. Online money gaming refers to online games where players pay or deposit money (including virtual digital assets) with the expectation of winning money or money’s worth. This applies to any game, scheme, competition, or other activity irrespective of its outcome based on skill, chance, or both. It includes online money games which may be allowed or banned under any law.

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

**SEBI releases consultation paper on review of framework for borrowings by large corporates**

The Securities and Exchange Board of India (SEBI) issued a consultation paper on review of framework for borrowings by large corporates.28 Large corporates are entities which have: (i) an outstanding long-term borrowing of at least Rs 100 crore, (ii) credit rating of AA and above, and (iii) specified/debt securities listed on a stock exchange. Currently, large corporates must raise at least 25% of their borrowings in a financial year by issuing debt securities. However, raising funds from banks and financial institutions is seen to be more cost effective as compared to issuing debt securities. Key proposals include:

- **Threshold of borrowings:** SEBI has proposed to increase the threshold to identify large corporates based on their outstanding long-term borrowings from Rs 100 crore to Rs 500 crore. This would allow companies below the proposed threshold to prepare themselves for compliance once the framework becomes applicable to them.

- **Definition of outstanding borrowings:** Outstanding long-term borrowings and incremental borrowings (borrowings raised during a year) do not include external commercial borrowings and inter-corporate borrowings between a parent company and its subsidiaries. SEBI proposes to exclude certain other types of borrowings such as: (i) inter-corporate borrowings between a holding company, its subsidiaries, and/or associate companies, and (ii) grants, deposits, or other funds received as per directions or guidelines of the central government.

**RBI issues framework for floating interest rate on monthly instalments**

The Reserve Bank of India (RBI) released a framework for resetting floating interest rates in equated monthly instalments (EMIs).29 When sanctioning EMI based floating rate personal loans, regulated entities (such as banks) are required to account for the borrower’s repayment capacity. Regulated entities should ensure that sufficient headroom exists to provide for increases in loan tenor and/or increase in EMI. Such an increase
can happen due to the increase in the external benchmark rate (such as the repo rate). RBI has received consumer grievances on increases in loan tenor and/or increases in EMI amounts without proper communication or consent of the borrower. Key features of the policy include:

- **Disclosure to borrowers:** At the time of sanctioning loans, regulated entities must clearly communicate the possible impact of changes in benchmark interest rates on the loan tenor, EMI, or both. Any increase must be communicated to the borrower immediately.

- **Fixed interest rate:** When resetting interest rates, borrowers must be given the option to switch to a fixed interest rate. The policy framed by regulated entities may specify the number of times a borrower will be allowed to switch during the tenor of the loan. All charges for switching loans from floating to fixed rate must be transparently disclosed in the loan sanction letter.

- **Options for borrowers:** The borrowers must be allowed to opt for: (i) an increase in EMI, loan tenor, or combination of both and (ii) prepaying the loan at any point during its tenor.

The framework will apply to new and existing loans by December 31, 2023.

### RBI issues instructions for penal charges in loan accounts

The Reserve Bank of India (RBI) issued instructions on the levy of penal interest/charges on loans. Penal interest/charges are levied to inculcate credit discipline. Such charges are not meant to be used for revenue enhancement over and above the contracted rate of interest. Supervisory reviews by RBI have indicated divergent practices amongst regulated entities (such as banks) for penal interest/charges on loans. Key instructions include:

- **Levying penal charges:** Penalty for non-compliance of material terms and conditions of the loan must be treated as penal charges and not as penal interest. There must be no capitalisation of penal charges, which implies that no interest should be computed on such charges. The quantum of penal charges shall be reasonable and commensurate with non-compliance of material terms and conditions of the loan contract.

- **Individual borrowers:** Penal charges on loans given to individual borrowers for non-business purposes must not be higher than such charges on loans to non-individual borrowers.

- **Disclosure to borrowers:** The quantum and reason for penal charges must be clearly disclosed in the loan agreement. The Regulated entities must not introduce any additional components to the interest rate.

The instructions will apply from January 1, 2024.

### SEBI issues consultation paper on voluntary delisting of shares

The Securities and Exchange Board of India (SEBI) issued a consultation paper on the review of voluntary delisting norms under SEBI (Delisting of Equity Shares) Regulations, 2021. Delisting regulations allow the acquirer/promoter of a company to provide public shareholders an exit opportunity if the company is sought to be delisted from stock exchanges. Key proposals include:

- **Counter-offer for delisting:** If the post-offer shareholding of the acquirer does not reach 90% of the total issued share of the company, the delisting offer is considered to be failed. If the 90% threshold is met, a discovered price is determined. If the discovered price is not acceptable to the acquirer, he can make a counter offer. A sub-group of the Primary Market Advisory Committee has proposed that the acquirer can make a counter offer even if the 90% threshold is not met. The acquirer may make a counter offer if the bids received are higher than the difference between: (i) the acquirer’s shareholding and 75% of the total issued shares of the company, and (ii) 50% of the public shareholding.

- **Determination of counter-offer price:** In case the acquirer makes a counter-offer, the counter-offer price will be the higher of: (i) the volume weighted average price of the shares offered by public shareholders, and (ii) the initial floor price determined per regulations.

Comments are invited until September 4, 2023.

### SEBI notifies framework for delisting of debt securities

The Securities and Exchange Board of India (SEBI) notified amendments to the SEBI (Listing Obligations and Disclosure Requirements), 2015. The amendments provide the framework for the voluntary delisting of non-convertible debt securities and non-convertible redeemable preference shares. Such preference shares cannot be converted into equity shares. Key features include:

- **Approval of stock exchange:** A listed entity must seek an in-principle approval of the relevant stock exchange for delisting of the specified securities. The approval is to be taken within 15 working days from the passing of the delisting resolution by the entity’s board.

- **Obligations of the listed entity:** The listed entity must start the process to obtain approval from the holders of the debt securities and preference shares. This has to be done within three working days of the grant of in-principle approval by the stock exchange.
- Failure of delisting proposal: The delisting proposal will be deemed to have failed in case of non-receipt of: (i) in-principle approval from stock exchanges, (ii) requisite approval from holders of non-convertible debt securities or non-convertible redeemable preference shares, or (ii) a no-objection letter from the debenture trustee if delisting debt securities.

SEBI releases consultation paper on performance validation agency

The Securities and Exchange Board of India (SEBI) released a consultation paper on performance validation agency. SEBI registered intermediaries/entities showcase their performance to attract more clients. However, some of these entities may make inflated performance claims to attract more clients. This can mislead investors. SEBI has proposed to create an independent performance validation agency to validate the claims related to performance made by various intermediaries and entities. Performance claims shall be validated based on specific parameters such as returns, risk, and volatility. The agency will maintain confidentiality of the information received during its evaluation process.

Comments are invited by September 21, 2023.

Mines

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Mines and Minerals (Development and Regulation) Amendment Bill, 2023 passed by Parliament


- 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 the 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) tantalium, 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.

Offshore Areas Mineral (Development and Regulation) Amendment Bill, 2023 passed by Parliament

The Offshore Areas Mineral (Development and Regulation) Amendment Bill was passed by Parliament. The Bill amends the Offshore Areas Mineral (Development and Regulation) Act, 2002. The Act regulates offshore mining in the maritime zones of India.

- Introduction of a composite licence: The Bill introduces a composite licence for granting rights for exploration and production operations. Under the composite license, 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](#).

**Education**

Rutvik Upadhyaya (rutvik@prsindia.org)

Parliament passes Bill to alter the governance structure of IIMs

The Indian Institutes of Management (Amendment) Bill, 2023 was passed by Parliament. 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.

Key features of the Bill include:

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

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

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

**New National Curriculum Framework for Education released**

The Ministry of Education released the National Curriculum Framework for School Education (NCF), 2023. It aims to provide the guiding principles, goals, structure, and elements for the development of school curricula. It replaces the National Curriculum Framework, 2005. It has been formulated in pursuance of the objectives of the National Education Policy (NEP). The NEP envisioned changes in school education, which included: (i) a schooling system divided across four stages, (ii) multidisciplinary education, (iii) multilingualism, and (iv) flexibility in subject selection. Key features include:

- **5+3+3+4 stage design:** The NEP recommended substituting the existing design of the school system (10+2) with a design that is distributed across four stages. The proposed design involved – (i) a foundational stage (ages 3–8), (ii) a preparatory stage (ages 8–11), (iii) a middle stage (ages 11–14), and (iv) a secondary stage (ages 14–18). The NEP further proposed dividing the secondary stage into two phases — grades 9 and 10, and grades 11 and 12. The NCF, 2023 incorporates this design. It provides each stage with a different combination of disciplines and specific learning objectives. For example, the foundational stage aims to develop physical, cognitive, and language abilities. In this stage, students will learn two languages, and develop foundational numeracy.

- **Language education:** The NEP aims to develop a student into an independent speaker, writer, and reader in three languages. The NCF, 2023 incorporates this aim and delineates goals for language proficiency. The first language a student studies would be that of the community in which that student lives. The others could be any languages other than the first. The NCF necessitates that two out of the three languages taught must be Indian.

- **Multidisciplinary education:** The NCF, 2023 provides for students in grades 11 and 12 to study six subjects. Two of these would be languages, of which, one must be Indian. Apart from these, the student can choose any four subjects from three groups. Each group contains subjects from similar domains. For instance, science, mathematics and computing are grouped together.
Health

Parliament passes Bill to regulate dentistry and dental education in India.

Rutvik Upadhyaya (rutvik@prsindia.org)

The National Dental Commission Bill, 2023 was passed by Parliament. 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 include:

- **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) Presidents of the three autonomous Boards, (ii) the Director General of Health Services, (iii) Chief of the Centre for Dental and Educational Research, AIIMS. 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).

- **Autonomous Boards:** The central government is required to constitute three autonomous Boards under the supervision of the Commission. The Boards are: (i) the undergraduate and postgraduate Dental Education Board - responsible for determining education standards and granting recognition to dental qualifications, (ii) the Dental Assessment and Rating Board - responsible for determining compliance assessment procedure for dental institutions, and conducting inspections and ratings, and (iii) the Ethics and Dental Registration Board – responsible for maintaining online national registers of dentists/dental auxiliaries, suspending/cancelling licenses, and regulating standards of conduct.

For a PRS Summary of the Bill, see here.

CAG submits its audit report on Ayushman Bharat-PMJAY

Rutvik Upadhyaya (rutvik@prsindia.org)

The Comptroller Auditor General of India (CAG) submitted its report on the ‘Performance Audit of Ayushman Bharat – Pradhan Mantri Jan Aarogya Yojana (PMJAY)’. The Scheme aims to provide health cover of five lakh rupees per family per year for secondary and tertiary care hospitalisation. Beneficiaries under the scheme are selected on the
basis of the Socio-Economic Caste Census (SECC), 2011. Key findings of the report include:

- **Inclusion of beneficiaries**: On applying for registration, applicant details are matched to a database containing a list of eligible beneficiaries. A matching score between 0 and 100 is generated and relevant documents are sent for approval. No threshold for a matching score has been prescribed for approval or rejection. The CAG report shows that in 32% of the total approved cases (11 crore) there was no matching score, and in 15%, the matching score was zero. This implies that the details furnished by the applicants did not match the details in the database. The report also observed the inclusion of ineligible beneficiaries, especially families of government employees.

- **Error in Database**: The report deems the SECC, 2011 database outdated and reveals inconsistencies. These include errors such as: (i) invalid names, (ii) blank name and gender columns, (iii) unrealistic birth dates and household sizes. These add up to approximately two crore entries. The report also reveals inconsistencies in PMJAY data on beneficiaries. These include: (i) duplicate PMJAY IDs, (ii) unrealistic household size, (iii) same/erroneous Aadhar Card numbers, and (iv) invalid mobile numbers.

- **Claims Management**: 53% of the claims settled till 2022 belonged to states that implemented their own insurance health schemes, such as Andhra Pradesh, Rajasthan, Maharashtra. In these states claims for all state schemes are fed into their own IT management systems. When this data is transferred into PMJAY’s management system, there is a possibility of an overlap of PMJAY with state specific schemes.

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**Parliament passed the Pharmacy (Amendment) Bill, 2023**

**Rutvik Upadhyaya (rutvik@prsindia.org)**

The Pharmacy (Amendment) Bill, 2023 was passed by Parliament.48 The Bill amends the Pharmacy Act, 1948, which regulates the practice and profession of pharmacy. Registration under the Pharmacy Act, 1948 is mandatory to practice pharmacy in India. The Bill specifies that anyone who is registered as a pharmacist under the Jammu and Kashmir Pharmacy Act, 2011 or possesses suitable qualifications delineated in the same will be deemed to be registered as a pharmacist under the Pharmacy Act, 1948. This will be contingent upon the person submitting an application for registration within a year of the amendment coming into force, and paying a prescribed fee.

For a PRS Summary of the Bill, see here.

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**Standing Committee on Health and Family Welfare submits report on mental health**

**Rutvik Upadhyaya (rutvik@prsindia.org)**

The Standing Committee on Health and Family Welfare (Chair: Mr. Bhubaneswar Kalita) submitted its report on ‘Mental Health Care and Its Management in Contemporary Times’. Mental health refers to a state of mental well-being that enables people to cope with the stresses of life. The Committee noted that mental health related issues are rising. It aimed to examine the status of infrastructure, regulatory structure, and causes behind its prevalence. Key observations and recommendations include:

- **Status of mental health in India**: The Ministry of Health and Welfare had commissioned a mental health survey in 2015-16. The Survey played a crucial role in highlighting the state of mental health in India, with high treatment gaps for most mental illnesses. A treatment gap is the difference between the requirement and access to treatment.

- The Committee observed that the issues highlighted in the 2015-16 survey have remained the same in 2023. It noted that there is considerable scope to improve the treatment gap. Reasons for the gap include lack of mental health professionals, weak infrastructure, and stigma.

- The Committee also observed that while the Survey was useful, it had several issues which can be addressed in subsequent iterations. Issues included: (i) having a small sample size of respondents, (ii) relying on self-reporting instead of clinical trials, and (iii) excluding specific vulnerable populations such as prisoners.

- **Availability of mental health professionals**: India currently has 0.75 psychiatrists per lakh people, which is significantly low. The Committee observed that if India targets having three psychiatrists per lakh people, it will need 27,000 more psychiatrists. This scenario is similar for other professionals such as psychologists, psychiatric social workers, and nurses. The Committee also suggested increasing the seats for MD Psychiatry.

For a PRS Summary of the Report, see here.

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**Law and Justice**

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

**The Mediation Bill 2021 passed by Parliament**

- The Mediation Bill, 2021 was passed by Parliament.30 Mediation is a form of alternative dispute resolution, where parties attempt to settle their dispute (outside courts) with the assistance of an independent third
person (mediator). The Bill seeks to promote mediation (including online mediation and community mediation), and provide for enforcement of settlement agreements resulting from mediation. The Bill was referred to the Standing Committee on Personnel, Public Grievances, and Law and Justice. The Committee recommended changes to the Bill such as reducing the mediation process from 180 days with another 180-day extension to 90 days with a 60-day extension.51 Key features of the Bill include:

- **Disputes not fit for mediation**: The Bill will apply to certain mediation proceedings conducted in India (for instance, if the mediation agreement states that mediation will be as per this Bill, or to international mediation related to a commercial dispute). The Bill defines certain disputes as not fit for mediation. These include disputes: (i) relating to claims against minors or persons of unsound mind, (ii) involving prosecution for criminal offences, and (iii) relating to levy or collection of taxes. The central government may amend this list of disputes.

- **Mediation process**: In case of civil or commercial disputes, a person must try to settle the dispute by mediation before approaching any court or certain tribunals as notified. Mediation proceedings will be confidential. The mediation process must be completed within 120 days, which may be extended by another 60 days by the parties.

- **Mediators**: Mediators assist the parties to settle their dispute. Mediators may be appointed by: (i) the parties by agreement, or (ii) a mediation service provider (an institution administering mediation). Mediators must disclose any conflict of interest that may raise doubts on their independence. Parties may then choose to replace the mediator. Further, the Mediation Council of India will register mediators, and recognise mediation service providers.

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

**Bill to amend the Advocates Act, 1961, passed by Rajya Sabha**

The Advocates (Amendment) Bill, 2023, was passed by Rajya Sabha.52 The Bill repeals certain sections related to touts under the Legal Practitioners Act, 1879 and incorporates them in the Advocates Act, 1961.53,54 The 1961 Act consolidates the law related to legal practitioners and constitutes Bar Councils and the All-India Bar. Key features of the Bill include:

- **Touts**: The Bill provides that every High Court, district judge, sessions judge, district magistrate, and revenue officer (not below the rank of a district collector) may frame and publish lists of touts. Tout refers to a person who: (i) either proposes to procure or procures the employment of a legal practitioner in a legal business in return of any payment, or (ii) frequents places such as the precincts of civil or criminal courts, revenue-offices, or railway stations to procure such employment. The Court or judge may exclude from the premises of the Court any person whose name is included in the list of touts.

- **Preparation of lists**: The authorities empowered to frame and publish the list of touts may order subordinate courts to hold an inquiry into the conduct of persons alleged or suspected to be touts. Once such a person is proven to be a tout, his name may be included by the authority in the list of touts. No individual will be included in such lists without getting an opportunity of showing cause against his inclusion.

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

**Standing Committee submits report on Judicial Process and Reforms**

The Standing Committee on Personnel, Public Grievances, and Law and Justice (Chair: Mr Sushil Kumar Modi) submitted its report on “Judicial Process and their Reforms”.55 Key recommendations of the Committee include:

- **Regional benches of the Supreme Court**: The Committee observed that the Supreme Court being Delhi-centric creates a significant hurdle for litigants coming from faraway areas of the country. The Committee recommended the establishment of four or five regional benches of the apex Court. It suggested that the regional benches may decide appellate matters, while constitutional matters may be dealt with at Delhi.

- **Social diversity in the appointment of judges**: The Committee observed that the higher judiciary (Supreme Court and High Courts) suffers from a diversity deficit. It noted that the representation of Scheduled Castes (SCs), Scheduled Tribes (STs), Other Backward Classes, women, and minorities is far below the desired levels and does not reflect India’s social diversity. For instance, since 2018, the percentage of High Court judges appointed from SC communities was 3% and 1.5% from ST communities. It suggested that the Supreme Court and High Court’s Collegiums should recommend an adequate number of women and candidates from marginalised communities including minorities. It recommended that the Department of Justice collect data of the social status of judges presently serving in the higher judiciary.

- **Retirement age for judges**: The Committee observed that the retirement age of judges needs to be increased to keep pace with advances in medical sciences and increased longevity. Currently, the retirement age for Supreme Court judges is 65 years and 62 years for High Court judges. It recommended increasing the retirement age for
For a PRS summary of the Bill, see [here](#).

### Cooperation

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

#### The Multi-State Co-operative Societies (Amendment) Bill, 2022 passed by Parliament

The Multi-State Co-operative Societies (Amendment) Bill, 2022, was passed by Parliament. 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 conduct such elections. 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 Ombudsmen 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 direction of the Ombudsman may be filed with the Central Registrar (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 with 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 PRS analysis of the Bill, see [here](#).

### Defence

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#### Parliament passed the Inter-services Organisations Bill, 2023

Parliament passed the Inter-services Organisations (Command, Control and Discipline) Bill, 2023. It seeks to empower the Commander-in-Chief or Officer-in-Command of Inter-services Organisations to exercise disciplinary or administrative control over the service personnel under their command, irrespective of their service. The Bill was referred to Joint Parliamentary Committee, which approved the Bill. Key features of the Bill include:

- **Inter-services Organisation:** Existing Inter-services Organisations will be deemed to have been constituted under the Bill. These include the Andaman and Nicobar Command, the Defence Space Agency, and the National Defence Academy. 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. These may be placed under the command of an Officer-in-Command. These organisations may also include a Joint Services Command, which may be placed under the command of a Commander-in-Chief.

- **Control of Inter-services Organisations:** Presently, the Commander-in-Chief or Officer-in-Command of Inter-services Organisations are not empowered to exercise disciplinary or administrative powers over the personnel belonging to other services. The Bill empowers the Commander-in-Chief or the Officer-in-Command of an Inter-services Organisation to exercise command and control over the personnel serving in or attached to it. He would be responsible for maintaining discipline and ensuring discharge of duties by service personnel.

- The superintendence of an Inter-services Organisation will be vested in the central government. The government may also issue directions to such organisations on grounds of national security, general administration, or public interest.

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

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The Press and Registration of Periodicals Bill, 2023 passed by Rajya Sabha

The Press and Registration of Periodicals Bill, 2023 was passed by Rajya Sabha, and is pending before Lok Sabha. It repeals and replaces the Press and Registration of Books Act, 1867. The Act provides for the registration of newspapers, periodicals, and books. Key features of the Bill include:

- **Registration of periodicals**: The Bill provides for the registration of periodicals, which include any publication containing public news or comments on public news. Periodicals do not include books or scientific and academic journals.

- **Foreign periodicals to require prior approval**: An exact reproduction of a foreign periodical may be printed in India only with the prior approval of the central government. The manner of registration of such periodicals will be prescribed.

- **Press Registrar General of India**: The Bill establishes the Press Registrar General of India who will issue registration certificates for all periodicals. Other functions of the Press Registrar General include: (i) maintaining a register of periodicals, (ii) making guidelines for the admissibility of title of periodicals, and (iii) revising, suspending, or cancelling registration.

- **Suspension and cancellation of registration**: The Bill allows the Press Registrar General to suspend the registration of a periodical for a period between 30 days and 180 days. The registration may be suspended on the following grounds: (i) obtaining registration by furnishing false information, (ii) failing to publish periodicals continuously, and (iii) giving false particulars in annual statements. The Press Registrar General may cancel the registration if the publisher does not correct such defects. The registration may also be cancelled if: (i) a periodical has the same or similar title as any other periodical, (ii) the owner/publisher has been convicted of a terrorist act or unlawful activity, or for acting against the security of the state.

For a PRS summary of the Bill, see here.

Standing Committee submits report on the functioning of the Central Board of Film Certification

The Standing Committee on Communications and Information Technology (Chair: Mr. Prataprao Jadhav) released its report on ‘Review of Functioning of Central Board of Film Certification’ on August 1, 2023. Key observations and recommendations of the Committee include:

- **Power of CBFC to make modifications**: The Committee discussed whether the Board should: (i) simply certify films, (ii) be allowed to make cuts/excisions before certifying films or (iii) not regulate films at all. It noted that a simple certification model provides viewers with the choice of content. CBFC noted that filmmakers often volunteer to make cuts as they are unaware whether particular scenes violate the regulations.

- **Compliance of October 2019 advisory**: The Committee noted that the number of films that have been certified without cuts has sharply reduced. The Committee noted that deliberation and certification is warranted in a diverse country like India, where people’s sensibilities must be accounted for. At the same time there is a need to protect the freedom of speech and artistic expression. The Committee suggested that CBFC strike a balance between these two. It also suggested that a new certification model with more objective parameters be determined with the changing ways of creating and consuming content.

- **Composition of the Board**: CBFC has 12-25 members who are eminent personalities from spheres such as education, art, film, and social sciences. The Committee noted that CBFC has adequate numerical strength and has sufficient representation of women. However, it recommended making it obligatory to have one-third women members. It also suggested that CBFC should have some representation from the general public to ensure inclusivity.

- **Initiatives for individuals with special needs**: In October 2019, the Ministry had issued an advisory to make films more accessible by using audio descriptions and closed captioning. Since then, only one film has been certified as accessible. The Committee urged the Ministry to ensure tangible outcomes for such initiatives.

Communications

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The Post Office Bill, 2023 introduced in Rajya Sabha

The Post Office Bill, 2023 was introduced in Rajya Sabha on August 10, 2023. The Bill repeals and replaces the Indian Post Office Act, 1898. The Act provides for matters relating to the functioning of the Post Office. Key features of the Bill include:

- **Removal of certain privileges of the central government**: The Act provides that wherever the central government establishes posts, it will have the exclusive privilege of conveying letters by post, as well as incidental services such as...
receiving, collecting, and delivering letters. The Bill does not provide for such privileges. However, the central government will have the exclusive privilege of issuing postage stamps.

- **Power to intercept shipments:** The Act allows for the interception of shipments being transmitted through the post on certain grounds. An interception may be carried out on the occurrence of any public emergency, or in the interest of public safety or tranquillity. Such interceptions may be carried out by the central government, state governments, or any authorised officer.

- The Bill provides that the interception of a shipment being transmitted through post may be carried out on the following grounds: (i) security of the state, (ii) friendly relations with foreign states, (iii) public order, emergency, or public safety, or (iv) contravention of the provisions of the Bill or any other law. An officer empowered by the central government through a notification may carry out an interception.

- **Removal of offences and penalties:** The Act prescribed penalties for several offences such as theft, misappropriation, and the destruction of postal articles. The Jan Vishwas (Amendment of Provisions) Act, 2023, amended the Indian Post Office Act, 1898 to remove all offences and penalties. The Bill does not provide for any offences or consequences, except one. Amounts not paid or neglected by a user will be recoverable as arrears of land revenue.

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

**The Telegraph Right of Way (Amendment) Rules, 2023 notified**

The Indian Telegraph Right of Way (Amendment) Rules, 2023 were notified and they amend the Indian Telegraph Right of Way Rules, 2016. The 2016 Rules provide a framework for the laying of telecom infrastructure, such as cables, antennas, and cells. Key changes include:

- **Establishment of temporary infrastructure:** The amended rules allow a licensee to establish temporary overground infrastructure if the underground infrastructure gets damaged. The temporary infrastructure may be established for a period of 60 days from the day damage has been reported. No compensation or fee will be charged by the appropriate authority for temporary infrastructure created under this rule.

- **Installation of small cells:** Under the amended rules, a licensee may submit a single application for setting up small cells over multiple sites with the appropriate authority. A small cell refers to a low power radio access node that can provide cellular services up to two kilometres. Previously, applicants had to make individual applications for each cell.

- Small cells could be installed on street furniture. The amended Rules now define street furniture to include: (i) electricity poles/posts, (ii) street lights, (iii) traffic lights, (iv) taxi stands, (v) bus stands, (vi) memorials, and (vii) utility poles.

- The amended Rules state that the central authorities cannot charge administrative fees or compensation for small cells deployed on structures under their control. However, power charges and other fixtures provided by building owners may be levied.

**TRAI releases consultation paper on review of quality-of-service standards**

The Telecom Regulatory Authority of India (TRAI) released a consultation paper on “Review of Quality of Service in Access Services (Wireless and Wireline) and Broadband Services (Wireless and Wireline)”. Currently, three separate regulations on the quality of service are in force, which apply to: (i) broadband services, (ii) calling services, and (iii) wireless data. These regulations mandate reporting certain performance metrics on service quality. This includes concerns such as network availability and call quality. The regulations also specify penalties if the performance is below a certain level.

In the consultation paper, TRAI has proposed draft regulations to replace the three existing regulations. It observed that a single regulation will reduce compliance requirements and eliminate duplication across regulations.

In addition to the draft regulations, TRAI has sought views specifically on the quality-of-service parameters and measurement methodology for: (i) 4G and 5G networks, (ii) low latency and machine communication, and (iii) long-distance networks.

Comments are invited until September 20, 2023.

**TRAI releases recommendations on authorisation for Digital Connectivity Infrastructure Providers**

The Telecom Regulatory Authority of India (TRAI) has recommended introducing a new authorisation under the Unified License for Digital Connectivity Infrastructure Providers (DCIPs). The Unified Licence was introduced in 2013 and it allows telecom companies to offer multiple services under one licence. DCIPs will be allowed to create active and passive digital infrastructure. Passive digital infrastructure refers to the ducts, towers, poles, and other infrastructure which does not involve the transmission of information. Active infrastructure includes the electronics, radios, antennas, and other communication infrastructure. Currently, under the Infrastructure Providers Category 1 licence, companies can only create passive infrastructure. To create active
infrastructure, companies must obtain a Unified Licence for service provisioning.

Thus, TRAI recommended that DCIP authorisation should allow the purchase of radio equipment without the need for spectrum. No license fee or performance bank guarantee should be applicable for this authorisation. Further, entry fee should be kept at two lakh rupees and the application processing fee should be kept at Rs 15,000.

Media and Broadcasting

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TRAI releases recommendations on licence fees and policy matters of DTH services

The Telecom Regulatory Authority of India (TRAI) released its recommendations on 'Licence Fees and Policy Matters of DTH Services'. Key recommendations include:

- **Introduction of Applicable Gross Revenue:** Currently, DTH operators pay a licence fee as a percentage of their Adjusted Gross Revenue (AGR). AGR is calculated by excluding GST from the Gross Revenue. Gross Revenue is the gross inflow of cash, receivables or other consideration arising in the course of ordinary activities of the business.

- To align the definition of Gross Revenue with the same for the telecom sector, TRAI recommended that the concept of Applicable Gross Revenue (ApGR) should be introduced. ApGR should be arrived at after deducting certain forms of income from the Gross Revenue such as: (i) revenue from activities under a licence by the Department of Telecommunications, (ii) reimbursements from the government and (iii) other income from sources such as dividend, interest, and rent. AGR should be arrived at by deducting GST from ApGR.

- **Reduction in licence fees:** Currently, DTH operators pay an annual licence fee at the rate of 8% of their AGR. In order to align the licence fee with other operators such as Multi System Operators, OTT platforms and Internet Protocol TVs, it has recommended that the licence fee should be reduced to 3% of the AGR. Moreover, the licence fee should be brought down to zero in the next three years.

- **Reduction in bank guarantees:** As per the current regulations, DTH providers must submit a bank guarantee of five crore rupees for the first two quarters. Thereafter, the bank guarantee must be equivalent to two quarters of licence fees and other non-securitised dues. This is referred to as the estimated sum payable. TRAI has recommended a reduction in bank guarantee. It recommended that the bank guarantee for the period after the first two quarter should be five crore rupees or 20% of the estimated sum payable, whichever is higher. When the licence fee becomes zero, a bank guarantee of five crore rupees must be submitted and renewed yearly.

Social Justice

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

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

For a PRS summary of the Bill, see here

Standing Committee report on drug abuse among youth

The Standing Committee on Social Justice and Empowerment (Chair: Ms. Rama Devi) submitted its report on ‘Drug Abuse Among Young Persons-Problems and Solutions’. Key recommendations of the Committee include:

- **Reduction of budgetary allocation:** The Committee noted that the National Action Plan for Drug Demand Reduction (NAPDDR) had a budgetary allocation for 260 crore rupees for both 2020-21 and 2021-22. It was reduced to 150 crore rupees for 2020-21 and 200 crore rupees for 2021-22 during the revised stage. It also observed that NAPDDR had spent approximately Rs 91 crore in 2021-22 rupees and Rs 98 crore in 2021-22. It suggested that the Department of Social Justice and Empowerment ensure that the number of beneficiaries under NAPDDR increase in 2023-24. It suggested the budget allocation for 2023-24 to be spent fully as opposed to being cut down at the revised stage.

- **Drug abuse among youth:** The Committee observed that opioids, sedatives, and inhalants are being widely used by 10–17-year-olds with over one crore users in the age group. The worst affected states and UTs include Andhra Pradesh, Assam, Bihar, Delhi, and Punjab. The Committee also observed that despite a ban on alcohol consumption in some states, approximately 19% of India’s population consumes alcohol. The
Committee suggested strict vigilance to control illegal sale of liquor in states/UTs.

- **Role of NGOs in rehabilitation** The Committee noted that drug usage is widely prevalent in Punjab, Haryana, Delhi, Uttar Pradesh, Odisha, Chhattisgarh, Madhya Pradesh, and Maharashtra. However, the amount of money given to NGOs operating rehabilitation programmes in these states has gone down in 2022-23 compared to previous years. It observed that the budget reduction was partly due to the non-functioning of some NGOs. The Committee suggested the need for a fast-track alternate mechanism to ensure that rehabilitations programmes do not suffer in critical states.

### Chemical and Fertilizers

**Rutvik Upadhyaya** (rutvik@prsindia.org)

### Scheme to promote research and innovation in the Pharma MedTech sector introduced

The Department of Pharmaceuticals notified the Scheme for Promotion of Research and Innovation in Pharma MedTech Sector. According to the Department, India lags significantly behind US and China in spending on pharma research and development. The Department also stated that India’s pharma sector is primarily confined to generic drugs.

The scheme seeks to promote linkages between industry and academia for research and development in priority areas. It will have two components: (i) strengthening the research infrastructure, and (ii) promoting research in pharma MedTech sector.

To strengthen research infrastructure, Centres of Excellence will be established at the seven existing National Institutes of Pharmaceutical Education and Research. Rs 700 crore will be spent over five years for setting up these centres.

The research promotion component of the scheme will have a further three categories. Under the first, nine established pharma companies may be selected that are willing to undertake research in six priority areas. Such research would be conducted in collaboration with government institutes. The companies will be required to train select students/scientists at the institutes.

Under the second category, funding will be provided to 30 research projects in six priority areas which are at a specified level. Under the third category, funding will be provided for research projects in six priority areas to help Indian startups and MSMEs to be competitive.

### Labour

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### Cabinet approves central sector scheme for artisans and craftspeople

The Cabinet Committee on Economic Affairs approved PM-Vishwakarma, a central sector scheme for artisans and craftspeople. The Scheme seeks to provide credit at a concessional interest rate of 5%, up to one lakh rupees in the first tranche, and up to two lakh rupees in the second tranche. Additional support such as skill upgradation, incentives for digital transactions, and marketing support will also be provided.

The Scheme has a financial outlay of Rs 13,000 crore from 2023-24 to 2027-28. It will cover 18 traditional trades such as carpenters, armourer, blacksmith, potter, mason, barber, doll/toy maker, garland maker, tailor, and sculptor.

### Standing Committee submits report on social security measures for textile workers

The Standing Committee on Labour, Textiles and Skill Development (Chair: Mr. Bhartruhari Mahtab) presented its report on ‘Welfare Schemes and Social Security Measures for Textile Workers in Organised and Unorganised Sectors’. Key observations and recommendations of the Committee are:

- **Decline in enrolment for insurance schemes:** Textile workers are provided insurance under three schemes: (i) PM Jeevan Jyoti Bima Yojana, (ii) PM Suraksha Bima Yojana, and (iii) the Converged Mahatma Gandhi Bunkar Bima Yojana. The Committee observed that enrolment under some of these schemes has declined in 2022-23 (up to May 2023). It noted that this was due to a change in the payment system, where from April 2020 onwards, beneficiaries or the state government would pay the premium. Previously, it was paid from the Social Security Fund, by the central and/or state government. Currently, only Karnataka, Kerala, and Sikkim pay the premium under the Jeevan Jyoti Yojana.

- The Committee recommended that the Ministry of Textiles strengthen monitoring and coordination with state governments for payment of premiums.

- **Pension:** The Ministry provides a monthly pension of Rs 8,000 to weavers and artisans above the age of 60. To be eligible, the annual income of these workers must be less than one lakh rupees. The Committee noted that the income ceiling for eligibility is low and refers to those earning below the daily minimum wage. It strongly suggested reviewing the ceiling and raising it to a reasonable amount to increase eligibility. In 2022-23, 80 weavers and 339 handicraft workers were provided the pension. The Ministry noted that the uptake is
Standing Committee submits report on functioning of the Directorate General of Training

The Standing Committee on Labour, Textiles and Skill Development (Chair: Mr. Bhartruhari Mahtab) presented its report on ‘Functioning of the Directorate General of Training (DGT)’. The DGT functions under the Ministry of Skill Development and Entrepreneurship, and is responsible for the development of vocational training programmes. It frames overall policies, norms, and standards for vocational training in India. This includes setting the curriculum, training modules, and assessment criteria. It currently implements five centrally sponsored schemes. Key observations and recommendations of the Committee are:

- **Quality of Industrial Training Institutes:** According to a report by NITI Aayog, Industrial Training Institutes (ITIs) are underutilised, with subpar training quality and infrastructure. However, the DGT has observed that the report contained factual inaccuracies. The Committee recommended the Ministry to rectify the inaccuracies, and seriously consider other issues highlighted in the report. These include establishing a placement and entrepreneurship cell, and facilitating tie-ups with MSMEs. The Committee also highlighted that DGT does not have data on placement of pass outs from ITIs.

- **Enrolments:** The Committee observed that enrolment in ITIs is quite low due to lack of awareness, poor training quality, and lack of job opportunities. Enrolment in government ITIs is 59% and in private ITIs is 40%. The Committee suggested that the Ministry fix the issue, and consider improving graduate employability as a solution. It also highlighted low enrolment among northeastern states.

Civil Aviation

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Aircraft Security Rules, 2023 notified

The Ministry of Civil Aviation notified the Aircraft Security Rules, 2023 under the Aircraft Act, 1934. The 2023 Rules replace the Aircraft Security Rules, 2011. After the release of the draft Rules in November 2022 for public input, the 2023 rules have been established to outline the implementation of airport security measures. Key features of the Rules are as follows:

- **Powers of Commissioner transferred to DG:** Under the 2023 Rules, the Director General of the Bureau of Civil Aviation Security (BCAS) will be responsible for (i) developing and maintaining the national civil aviation security programme, (ii) coordinating activities between departments, and (iii) designating authorities at aerodromes to implement security controls and procedures. Under the 2011 Rules, the Commissioner of the BCAS was responsible for these functions.

- **Use of private security agencies:** Private security personnel, authorised by the Director General will be engaged to ensure security. The number and training standards of the private security personnel will be determined by the central government.

- **Penalties for certain violations:** Under the Rules, aircraft operators are required to carry out certain activities. Failure to undertake them will be considered an offence. Such activities include: (i) developing a security programme and (ii) commencing aircraft operations with approval from the DG. Additionally, carrying weapons, firearms, ammunition, or explosives to an airport or aircraft is also an offence. Offences are punishable with imprisonment of up to two years, or a fine of up to one crore rupees or both. The Rules also specify amounts for compounding certain offences.

Urban Affairs

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Cabinet approves PM-eBus Sewa for enhancement of city bus operations

The Union Cabinet approved the PM-eBus Sewa to enhance city bus operations and promote sustainable mobility. The Scheme will promote e-mobility and support the development of charging infrastructure in cities. It has two segments: (i) segment A will have 10,000 e-buses on a public-private partnership (PPP) model, and (ii) segment B includes green initiatives like multimodal interchange, and automated fare collection systems.

- The total budget outlay for the scheme is Rs 57,613 crore, of which Rs 20,000 crore will be provided by the central government. The scheme will run over 10 years and will target cities with over three lakh population. Cities lacking organised bus services will be prioritised.
• **Measures against cyber threats:** Entities such as aerodrome and aircraft operators, or a ground handling agency will be required to identify critical information, and develop security measures to detect unauthorised access, modification, and use of such information, and protect against access.

**Standing Committee submits report on issue of fixing of airfares**

The Standing Committee on Transport, Tourism and Culture (Chair: Mr. V. Vijayasai Reddy) submitted its report on the ‘Issue of Fixing of Airfares,’ on August 10, 2023. Prior to 1994, airfares were fully regulated by the central government under the Air Corporation Act, 1953. It was deregulated in 1994, and presently Rules under the Aircraft Act, 1934 oversee airfares. Key observations and recommendations include:

• **Current framework for fixing airfares:** Under the Aircraft Rules, 1937, airlines are required to fix tariffs while keeping in mind reasonable profits and the generally prevailing tariff. The Directorate General of Civil Aviation (DGCA) is responsible for monitoring fares. It can issue directions to airlines which charge excessive or predatory prices, or engage in oligopolistic practices. The airlines must comply with these directions.

• The Committee noted that despite the oversight by DGCA, airlines charge excess, which leads to a surge in airfares. The Committee recommended that the Ministry of Civil Aviation empower DGCA to regulate air tariffs. It also recommended constituting a monitoring body, like SEBI with quasi-judicial powers to enforce reasonable tariffs.

• **Definition of reasonable profit:** The Committee observed that reasonable profit is not defined anywhere, leading to arbitrary actions. Further, airlines fix prices on a cost-recovery model and do not consider reasonable profits. The Committee noted that reasonable profit must be clearly defined, and airlines must be encouraged to fix tariffs on this basis.

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

**Road and Transport**

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**CAG releases report on implementation of Phase I of Bharatmala Pariyojana**

The Comptroller and Auditor General of India (CAG) released its audit report on the ‘Implementation of Phase-I of Bharatmala Pariyojana’. The Cabinet Committee on Economic Affairs (CCEA) approved Bharatmala Pariyojana in October 2017 for the development of National Highways (NH). Phase I of the program aimed to develop economic corridors, feeder roads, and expressways.

Implementing agencies of the program include: (i) the National Highways Authority of India (NHAI), (ii) the National Highways and Infrastructure Development Corporation Limited (NHIDCL), and (iii) the State Public Works Department. The scope of the audit included the review of planning, financial management, implementation, and monitoring of Bharatmala. Key observations and recommendations of CAG are:

• **Existing highways included under Bharatmala:** Under Bharatmala Phase I, NHAI is required to develop NHs of 70,050 km. However, CAG observed that 49% of this (34,972 km) was already developed or awarded under various highway schemes before Bharatmala was approved. These schemes did not have proposals to develop them further. CAG recommended that such NHs be removed from the target length under Bharatmala.

• **Projects taken without fixing previous issues:** CAG noted that existing incomplete projects under the National Highway Development Project were taken up under Bharatmala without resolving existing bottlenecks. For instance, the highway along the Bihar and Jharkhand border was to be completed by November 2021, but as of March 2023, only 62% of the project was completed. Reasons for the delay include unavailability of the right of way and pending land disputes over forest

**Railways**

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**Standing Committee submits report on Rail Land Development Authority**

The Standing Committee on Railways (Chair: Mr. Radha Mohan Singh) submitted its report on ‘Performance of Rail Land Development Authority’ on August 8, 2023. Established in 2006, the Rail Land Development Authority (RLDA) develops and commercialises vacant or under-utilised railway land. Railways has about 62,068 hectares of vacant land. 60%-70% of vacant land consists of narrow strips along tracks, which are utilised for various operational needs. The Committee observed out of 1,216 hectares of land with RLDA only 67 hectares have been used for commercial development so far. The Committee recommended that the Ministry utilise more land for commercial development to increase the generation of non-tariff revenues. It also recommended narrow strips of land along tracks may be licensed to railway employees for cultivation under the ‘Grow More Food Scheme.’ The scheme licenses vacant railway land to railway employees for cultivation.

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

Standing Committee submits report on Road over Bridges and Road under Bridges

The Standing Committee on Transport, Tourism and Culture (Chair: Mr. V. Vijayasai Reddy) submitted its report on ‘Construction of Road over Bridges, Road under Bridges, Service Roads and Review of Road Survey Guidelines.’ Road Over Bridge (ROB) and Road Under Bridge (RUB) are structures that separate road and rail traffic. ROB elevates the road over railway tracks, while RUB allows the road to pass beneath the tracks. Key observations and recommendations of the Committee include:

- **Construction of ROBs and RUBs**: Level crossings (LC) are intersections between railway tracks and roads, posing risks of collisions between vehicles and trains. Since its launch in 2016, the Setu Bharatam program, aimed at building ROBs/RUBs, has achieved only 25% completion. The Committee also noted that the replacement of 1,100 LCs in 2023-24, is lower than the yearly average of the past decade. It recommended that the replacement target and pace of LCs with ROBs/RUBs must be increased. It also recommended the Ministry to allocate more funds and assess the feasibility of a public-private partnership model for ROBs/RUBs.

- **Delay in construction**: The Ministry of Railways cited construction delays for ROBs/RUBs due to: (i) environmental clearances, (ii) land acquisition, and (iii) delay in submission of proposal drawings. The Ministry of Environment, Forest, and Climate Change has streamlined the process for forest clearances by allowing online submissions of drawings and holding fortnightly regional coordination meetings. The Committee recommended that the Ministry of Railways and the Ministry of Road Transport and Highway should regularly coordinate with the Environment Ministry to expedite the process.

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

### Power

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Guidelines on power procurement from wind-solar hybrid projects through competitive bidding released

The Ministry of Power issued guidelines on power procurement from wind-solar hybrid projects through competitive bidding. These have been issued under the Electricity Act, 2003. Hybrid power projects combine different renewable energy sources to reduce variability in output. Key features include:

- **Eligibility**: To be eligible for competitive bidding, the rated power capacity of one resource (wind or solar) must be at least 33% of the total capacity of the hybrid power project. The minimum size of a bid must be: (i) 10 megawatts (MW) for projects connected to intra-state transmission system, and (ii) 50 MW for projects connected to inter-state transmission system. The solar and wind components of the project may be at different locations. The project may have storage capacity. Entities eligible to procure power from these projects include power distribution companies. Power procured through this process may be used to fulfil the renewable purchase obligation.

- **Terms of bidding**: A maximum of 50% of the total capacity specified in the bidding document can be allocated to a single bidder. Capacity will be filled from two or more bidders in the ascending order of the tariff bid.

- **Power Purchase Agreement (PPA)**: The procurer must issue a draft PPA in the standard bidding documents. The term of the PPA will generally be for 20-25 years. The draft PPA must include: (i) adequate payment security and (ii) penalty for the procurer in case of failure to offset take power scheduled by the generation company.

- Generators will be required to compensate procurers in case there is a shortfall in supply as compared to what was agreed upon in the PPA. In case of excess generation, the hybrid generating company may sell the surplus energy to any entity. However, the procurer has the right of first refusal.

### North-Eastern Region

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Cabinet approves the extension of development schemes for north-eastern region

The Union Cabinet approved the extension of two schemes: (i) the North East Special Infrastructure Development Scheme (NESIDS), and (ii) the North Eastern Council Scheme (NECS). The guidelines of these two schemes have also been revised.

- **NESIDS**: This scheme aims to facilitate infrastructure development and connectivity in all northeastern states. It has been extended till 2025-26 with a total outlay of Rs 8,140 crore. The extended scheme will be restructured into two components: (i) NESIDS-Roads, focusing on road, rail, and water connectivity to tourism and economic hubs, and (ii) NESIDS-Other than Road Infrastructure, covering projects related to water bodies, solid waste management, and power.
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- **NECS**: NECS aims to fill gaps in the overall development of the north-eastern region. This scheme covers focus areas such as higher education, organic farming, health, and regional tourism. It has been extended till 2026 with a total outlay of Rs 3,200 crore.\(^{87,90}\)

- **Oversight of schemes**: The Empowered Inter-Ministerial Committee at the central level will continue to monitor and evaluate projects under both schemes. The State-level Empowered Committee will monitor projects under the NESIDS- Other than Road Infrastructure and NEC at the state level.\(^{88,89,90}\)

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**Commerce**

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**Standing Committee submits report on ecosystem of startups**

The Standing Committee on Commerce (Chair: Dr. Abhishek Manu Singhvi) submitted its report on ‘Ecosystem of Startups to Benefit India’.\(^91\) Key recommendations of the Committee include:

- **Access to funding**: Investments in startups are cyclical in nature. They witness market corrections based on various factors such as macroeconomic conditions, investor sentiments, and monetary policies. The Committee observed that there was a need to create a pool of additional funds to help good startups in such periods. It recommended that the Department for Promotion of Industry and Internal Trade (DPIIT) should conduct an assessment to identify areas that require additional funding. The Committee also expressed concerns at the lack of government-supported mechanisms to monitor funds received by startups from private investors. Startups may be encouraged to adopt best accounting practices.

- **Single implementation agency**: Forty-two ministries/departments/bodies are overseeing the implementation of various schemes and initiatives related to startups. The Committee noted that this leads to lack of coordination and delay in scheme implementation. It recommended the creation of a single implementing body to oversee and manage the entire startup ecosystem. It also recommended creating a grievance redressal mechanism to address issues in real-time and provide solutions.

- **Regulatory support**: The Committee noted that easing regulatory/legal framework to facilitate direct overseas listing of unlisted Indian startups could give a boost to the ecosystem. It also recommended simplifying the registration process for startups and eliminating the extensive list of eligibility criteria for registration with DPIIT.

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

**Standing Committee submits report development of trade in north eastern region**

The Standing Committee on Commerce (Chair: Dr. Abhishek Manu Singhvi) submitted its report on ‘Development of Trade and Industries in North Eastern Region (NER)’.\(^92\) Key observations and recommendations of the Committee include:

- **Connectivity**: The NER has suffered from poor inter-state and intra-state transport connectivity. This has impeded everyday life and industrial development in the region. In order to improve connectivity, the Committee recommended: (i) constructing new state highways and minor/district roads, (ii) widening the road network in border areas, (iii) increasing the frequency of freight trains, (iv) creating air cargo handling and cold storage facilities at airports, and (v) completing feasibility studies of national waterways.

- **Land for industrial use**: In most north eastern states, land cannot be transferred to non-tribals. There is also no database of land for industrial use. The Committee suggested the creation of a GIS-linked industrial land bank. This can have features such as plot-level information of available industrial land and provisions for land reclassification. The Committee also suggested provisions for leasehold rights to be made transferable and mortgageable.

- **Trade with ASEAN**: The geographical advantage of NER states needs to be utilised to strategically increase India’s trade with Association of Southeast Asian Nations (ASEAN). For strengthening export linkages with ASEAN, the Committee recommended: (i) starting direct flights to ASEAN countries under the UDAN (International) Scheme, (ii) setting up more land custom stations, and (iii) opening consulate offices of ASEAN countries in the NER. The government must identify and promote such industries in the NER which could cater to markets in ASEAN and other neighbouring countries.

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

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**Consumer Affairs**

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**Standing Committee submits report on the sugar industry**

The Standing Committee on Consumer Affairs, Food and Public Distribution (Chair: Ms. Locket Chatterjee) presented its report on ‘Sugar Industry in India – A Review’.\(^93\) In sugar season (October-September) 2021-22, India was the largest producer and consumer of
sugar, and the second largest exporter of the commodity. Key observations and recommendations of the Committee are:

- **Cyclicity on decline**: The sugar industry faces cyclicity due to the price incentives given by the government for cultivation of sugarcane. This affects the market prices of sugar. The Committee observed that cyclicity in the industry has declined since 2010-11 and has been almost eliminated during the last five years. It noted this was due to continuous increase in the area under production, and consequent growth in sugar production.

- **As per the Committee, policy interventions such as** the ethanol blending petrol, state advised price and fair and remunerative price of sugarcane, and cogeneration of power have led to improving the overall health of the sector.

- **Payment arrears to farmers**: During sugar season 2022-23, mills have procured sugarcane worth Rs 1.13 lakh crore, and have released 92% of the payment (as on June 30, 2023). For sugar season 2021-22, payment arrears to farmers have been reduced to Rs 115 crore. Additionally, high ex-mill prices of sugar in the domestic market indicate that mills are able to reasonably realise their sales. In 2021-22, during the ethanol supply year (December-November), sugar mills earned Rs 20,000 crore from the sale of ethanol to oil marketing companies. This also assisted in clearing dues of farmers.

- **Ethanol blending programme**: The National Biofuel Policy, 2018 allows ethanol to be produced from sugarcane juice, and be blended in petrol. The 2022-23 ethanol supply year (December-November) requires 550-600 crore litres of ethanol to meet the 12% blending target. The current production capacity is 1,070 crore litres, of which 723 crore litres comes from molasses. The Committee observed that to achieve the 20% blending target by 2025, 1,350 crore litres of ethanol will be required.

**Standing Committee submits report on Pradhan Mantri Garib Kalyan Yojana**

The Standing Committee on Consumer Affairs, Food and Public Distribution (Chair: Ms. Locket Chatterjee) presented its report on ‘Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY)’. The Committee observed that coarse grains have high nutrition and non-acid forming properties. About 5.8 lakh metric tonnes of coarse grains such as ragi and bajra were distributed to beneficiaries in six states under PMGKAY.

**Standing Committee submits report on the production and distribution of coarse grains**

The Standing Committee on Consumer Affairs, Food and Public Distribution (Chair: Ms. Locket Chatterjee) presented its report on ‘Coarse Grains Production and Distribution’. Coarse grains include barley, millet, and maize. Key observations and recommendations of the Committee are:

- **Production**: Coarse grain production increased by 96.7 lakh metric tonne between 2018-19 and 2022-23. Between 2017-18 and 2021-22, the average production for six coarse grains was 480 lakh metric tonnes. Maize accounted for 63% of this production. The Committee noted that the government has: (i) undertaken awareness campaigns on health benefits of coarse grains, (ii) constituted six task forces, and (iii) engaged with farmer producer organisations to promote millets.

- **Procurement for welfare schemes**: The Committee observed a substantial increase in the procurement of coarse grains for welfare schemes from 2017-18 onwards. States are allowed to procure coarse grains under the decentralised procurement mode from farmers at the minimum support price (MSP). These are to be distributed under the targeted public distribution scheme (TDPS) and other welfare schemes such as the integrated child development scheme (ICDS) and PM-POSHAN (previously midday meal).

- The offtake of coarse grains was limited to Haryana and Maharashtra, but has extended to seven additional states. The Committee noted that remaining states should also procure coarse grains for distribution under these schemes. The Committee noted that revisions in guidelines in
2021-22 to: (i) increase distribution periods from three months to 6-10 months, and (ii) provide for inter-state transport of surplus millet through FCI, played a role in the rise in the number of states opting for millet procurement.

- **Promotion of production:** MSP for coarse grains increased from Rs 2,879 per quintal in 2018-19 to Rs 3,578 per quintal in 2022-23. The Committee noted that this played a key role in attracting farmers to cultivate these grains. The Committee also noted that the Ministry of Agriculture and Farmers’ Welfare is assisting rural farmers to purchase primary processing equipment.

### Agriculture

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**Standing Committee submits report on development of horticulture**

The Standing Committee on Agriculture and Farmers Welfare (Chair: Mr. P.C. Gaddigoudar) presented its report on ‘Mission for Integrated Development of Horticulture – An Appraisal’. Horticulture is a branch of agriculture that deals with fruits and vegetables. Key observations and recommendations of the Committee include:

- **Mission for Integrated Development of Horticulture (MIDH):** MIDH has five sub-schemes, which were earlier separate schemes. These are: (i) National Horticulture Mission, (ii) Horticulture Mission for North East and Himalayan States, (iii) the National Horticulture Board, (iv) the Coconut Development Board, and (v) the Central Institute of Horticulture. The first two sub-schemes are implemented as centrally sponsored schemes, while the other three are implemented as central sector schemes. The Committee recommended that all sub-schemes under the MIDH be implemented as centrally sponsored schemes.

- **National policy for horticulture:** India is the second largest producer of fruits and vegetables, after China. The Committee noted that horticulture can enhance food security with food substitutes like potatoes. However, it observed that there is no independent national policy for horticulture. It recommended that a National Policy be evolved for holistic promotion and development of horticulture. It also recommended that setting up of horticulture cluster development programmes and centres of excellence be expedited to increase productivity. The Committee also noted that about 12,000 hectares of cultivable waste land is available which can be utilised for horticulture. It recommended that such land be reclaimed to promote horticulture crops under MIDH.

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

### Women and Child Development

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**Standing Committee report on the functioning of the National Commission of Women**

The Standing Committee on the Empowerment of Women (Chair: Dr. Heena Vijaykumar Gavit) submitted its report on “Working of National Commission for Women and State Commission for Women”. The National Commission for Women (NCW) is mandated to facilitate grievances of women and recommend women specific legislative and policy measures. Key observations and recommendations of the Committee include:

- **The National Commission for Women Act, 1990:** The Committee noted that there is an urgent need to review the National Commission for Women Act, 1990 to make the NCW more independent, and effective. It recommended empowering the NCW with a certain degree of accountability over the police to implement their directions and penalise non-compliance. It also recommended the NCW to propose amendments in the 1990 Act and submit them to the Ministry of Women and Child Development (MWCD).

- **State Commissions for Women:** The Committee noted that many established State Commissions for Women are not fully functional due to non-appointment of Chairpersons or lack of allocation of funds. It observed that many states including Bihar and Madhya Pradesh do not have their own State Commission for Women. The Committee observed that functional State Commissions for Women will help the NCW in disposing of complaints emanating from their respective states. It recommended establishing a statutory linkage with State Commissions for Women to ensure smoother coordination. It also recommended the MWCD to urge states to strengthen their Commissions by filling up vacancies and allocating adequate funds.

- **Implementation of recommendations:** The Committee noted that the NCW has reviewed and suggested amendments for about 161 laws. These amendments include laws related to: (i) child marriage, (ii) domestic violence, (iii) women’s safety, and (iv) the medical termination of pregnancy. However, the Committee noted that there is no time frame followed for the implementation of NCW’s recommendation. It recommended the establishment of a mechanism within the MWCD, Ministry of Law and Justice, and other concerned ministries to adhere to a fixed time frame and ensure the implementation of
recommendations made by the NCW.

For a PRS summary of the Report, see here.

Tourism

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CAG Report on Swadesh Darshan Scheme submitted

The Comptroller and Auditor General of India submitted its performance audit report on ‘Swadesh Darshan Scheme’, on August 9, 2023.\(^1\) The Ministry of Tourism launched the Swadesh Darshan Scheme in January 2015. Its objective was to develop tourism infrastructure in the country. The Ministry sanctioned 76 projects across 15 tourism circuits worth Rs 5,456 crore. These include: (i) the Himalayan circuit, (ii) the North East circuit and (iii) the Coastal circuit.

The report gives an overview of the performance of the scheme from 2015 to 2022. A sample of 14 projects from 13 states covering 10 tourist circuits were selected for examination.

The report noted that the scheme was formulated without conducting any feasibility study. This resulted in poor identification of sites and deficiencies in execution, such as delays and non-utilisation of funds. Moreover, the Ministry did not prepare a National or State level plan before launching the scheme. Detailed Perspective Plans form the basis of selection of projects for which Detailed Project Reports (DPR) are made. Post-launch, DPPs were not prepared for 14 out of 15 circuits. The scheme overlapped with various other schemes in its scope. The Standing Committee on Finance had recommended that the Ministry form an umbrella scheme by merging schemes with overlapping objectives. It has been recommended that the Ministry: (i) review current schemes to ensure that there is no overlap in the objectives, (ii) formulate long term development plans in sync with DPPs, and (iii) prescribe a timeline for feedback on proposals to ensure timely approvals.

For a PRS summary of the Report, see here.

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1 Special Session of Parliament, @JoshiPralhad, Minister of Parliamentary Affairs, X, August 31, 2023, https://twitter.com/JoshiPralhad/status/1697184544149910439.


4 Resolution of the Monetary Policy Committee (MPC), Monetary Policy Statement, 2023-24, August 10, 2023, https://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/PR723MPCBDE77DBC84204BAC85422FA0E28088A1.PDF.


