Monthly Policy Review
February 2024

Highlights of this Issue

17th Lok Sabha concludes with passing of the Interim Union Budget (p. 2)
In this term, Parliament had 274 sittings and passed 221 Bills. Four Bills will lapse and 20 Bills remain pending in Rajya Sabha.

Supreme Court declares electoral bonds unconstitutional (p. 3)
It directed SBI to submit details of electoral bonds purchased since April 2019 to the Election Commission. The Commission must make these details public by March 13, 2024.

Interim Budget 2024-25 passed (p. 2)
Total expenditure is estimated at Rs 47.65 lakh crore in 2024-25, an increase of 6.1% over revised estimates for 2023-24. Fiscal deficit in 2024-25 is estimated at 5.1% of GDP, lower than revised estimates for 2023-24 (5.8% of GDP).

Parliament passes five-seven Bills
These include Bills to prohibit usage of unfair means in public examination, extend OBC reservations to local bodies in Jammu and Kashmir, and modify lists of Scheduled Castes and Tribes for Odisha and Andhra Pradesh.

GDP grew by 8.4% in third quarter of 2023-24 (p. 2)
In the third quarter of 2022-23, GDP had grown by 4.3%. As per the Second Advance Estimate, GDP is estimated to grow by 7.6% in 2023-24.

Cabinet approves several schemes
These include the scheme to provide for rooftop solar to households, and the scheme to support small fisheries enterprises. It also approved the amendments to FDI norms for the space sector.

IT Rules amended to require Home Secretary to delete interception records (p. 11)
The 2009 Rules require the security agency to destroy all records pertaining to interception every six months, unless likely to be required. The amended Rules require the Home Secretary to also destroy such records at their end.

Surrogacy Rules amended to allow intending couple to use donor gametes (p. 12)
The amendment also mandates that at least one gamete should belong to the intending couple. The norm for single women (widowed/ divorced) to use their own eggs for surrogacy remains unchanged.

Electricity (Rights of Consumers) Rules amended (p. 14)
Owners residing in apartments/societies may choose between a single connection for the premises or individual connections. Solar rooftop systems upto 10 kw have been exempted from technical feasibility study.

Standing Committees submit reports on various subjects
These include reports on MGNREGA, Smart Cities Mission, national highways, medical education, legal education, maximising exports, digital payments and online security, and Yamuna River cleaning projects.

Law Commission publishes reports on various subjects (p. 4)
These reports recommend retaining criminal defamation, clarifying several provisions in the Epidemic Diseases Act, 1897, and providing for compulsory registration of NRI marriages.

Draft Rules on Offshore Areas Mineral Trust released for public feedback (p. 18)
The draft Rules provide for setting up the Trust in accordance with the Offshore Areas Mineral (Development and Regulation) Amendment Act, 2023.
Parliament

Niranjana S Menon (niranjana@prsindia.org)

17th Lok Sabha concludes

The last session of the 17th Lok Sabha (Budget Session 2024) was held from January 31, 2024 to February 10, 2024 (nine sitting days). The session was scheduled to end on February 9, 2024, but was extended by one day.

During the term of the 17th Lok Sabha, Parliament passed 221 Bills (of which 42 were for approving the budgets). Key Bills passed include the Women’s Reservation Bill, 2023, the J&K Reorganisation Bill, 2019, Labour Codes, and the Digital Personal Data Protection Bill, 2023. Three Bills replacing the IPC 1860, the CrPC, 1973, and the Indian Evidence Act, 1872, were also passed. At the end of the 17th Lok Sabha, four Bills will lapse, and 20 will remain pending in Rajya Sabha.

For details of the functioning of Parliament during the term of the 17th Lok Sabha, please see here. For data on the participation of Members, see here. For more details on the legislative business transacted during this period, see here.

Macroeconomic Development

Tushar Chakrabarty (tushar@prsindia.org)

GDP grew by 8.4% in third quarter of 2023-24

Gross Domestic Product (GDP) (at constant 2011-12 prices) grew by 8.4% in the third quarter (October-December) of 2023-24. In the corresponding quarter of 2022-23, it grew by 4.3%. In the second quarter (July-September) of 2023-24, GDP grew by 8.1%.

According to the Second Advance Estimates, GDP is estimated to grow by 7.6% for the year 2023-24, higher than the growth rate of 7.3% as per the First Advance Estimate released in January 2024. Separately, the Ministry of Statistics and Programme Implementation has decided to discontinue the release of third revised estimates of GDP figures from 2021-22 onwards.

GDP across economic sectors is measured in terms of Gross Value Added (GVA). In the third quarter of 2023-24, manufacturing is estimated to increase by 11.6%, followed by construction at 9.5%. Agriculture is estimated to contract by 0.8% in the same period.

Note that while the GVA in third quarter of 2023-24 grew at 6.5%, GDP growth is estimated to be higher at 8.4%. This could be due to the 32% growth in net taxes (difference between taxes and subsidies) which is added to the GVA to arrive at GDP figures.

Table 1: Interim Union Budget 2024-25 highlights (in Rs crore)

<table>
<thead>
<tr>
<th></th>
<th>Actuals 22-23</th>
<th>RE 23-24</th>
<th>BE 24-25</th>
<th>% change RE to BE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Expenditure</td>
<td>41,93,157</td>
<td>44,90,486</td>
<td>47,65,768</td>
<td>6.1%</td>
</tr>
<tr>
<td>Total receipts (excluding borrowings)</td>
<td>24,55,402</td>
<td>27,55,713</td>
<td>30,80,274</td>
<td>11.8%</td>
</tr>
<tr>
<td>Revenue Deficit</td>
<td>10,69,926</td>
<td>8,40,527</td>
<td>6,53,383</td>
<td>-22.3%</td>
</tr>
<tr>
<td>% of GDP</td>
<td>3.9%</td>
<td>2.8%</td>
<td>2%</td>
<td>-</td>
</tr>
<tr>
<td>Fiscal Deficit</td>
<td>17,37,755</td>
<td>17,34,773</td>
<td>16,85,494</td>
<td>-2.8%</td>
</tr>
<tr>
<td>% of GDP</td>
<td>6.4%</td>
<td>5.8%</td>
<td>5.1%</td>
<td>-</td>
</tr>
</tbody>
</table>

Note: RE is revised estimates, BE is Budget Estimates. Source: Interim Union Budget documents 2024-25; PRS.
Figure 1: Growth in GDP (%, year-on-year)

Sources: Ministry of Statistics and Programme Implementation; PRS.

Table 2: Growth in GVA across sectors (%, year-on-year)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Q3 2022-23</th>
<th>Q2 2023-24</th>
<th>Q3 2023-24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>5.2%</td>
<td>1.6%</td>
<td>-0.8%</td>
</tr>
<tr>
<td>Mining</td>
<td>1.4%</td>
<td>11.1%</td>
<td>7.5%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>-4.8%</td>
<td>14.4%</td>
<td>11.6%</td>
</tr>
<tr>
<td>Electricity</td>
<td>8.7%</td>
<td>10.5%</td>
<td>9.0%</td>
</tr>
<tr>
<td>Construction</td>
<td>9.5%</td>
<td>13.5%</td>
<td>9.5%</td>
</tr>
<tr>
<td>Trade</td>
<td>9.2%</td>
<td>4.5%</td>
<td>6.7%</td>
</tr>
<tr>
<td>Financial Services</td>
<td>7.7%</td>
<td>6.2%</td>
<td>7.0%</td>
</tr>
<tr>
<td>Public Services</td>
<td>3.5%</td>
<td>7.7%</td>
<td>7.5%</td>
</tr>
<tr>
<td>GVA</td>
<td>4.8%</td>
<td>7.7%</td>
<td>6.5%</td>
</tr>
<tr>
<td>GDP</td>
<td>4.3%</td>
<td>8.1%</td>
<td>8.4%</td>
</tr>
</tbody>
</table>

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

Industrial production grew by 5.8% in third quarter of 2023-24

The Index of Industrial Production (IIP) grew by 5.8% in the third quarter (October-December) of 2023-24, compared to an increase of 2.8% in the same period in 2022-23.8-9 Mining increased by 8.2% in the third quarter of 2023-24, higher than an increase of 7.6% in the corresponding period of 2022-23. Manufacturing increased by 5% while electricity increased by 9% in the third quarter of 2023-24.

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

Sources: Ministry of Statistics and Programme Implementation; PRS.

Law and Justice

Rutvik Upadhyaya (rutvik@prsindia.org)

Supreme Court struck down the electoral bonds scheme

A five-judge bench held the electoral bonds scheme to be unconstitutional.10 The scheme was introduced through the Finance Act, 2017.11 An electoral bond is an instrument that can be used to make donations to a political party.12 Any Indian citizen or a company is eligible to buy an electoral bond.12 These do not carry the name of the purchaser. Political parties are also not required to publicly disclose donations received via electoral bonds. The Finance Act, 2017 also amended the Companies Act, 2013 to remove the ceiling on the amount of contributions companies can make to political parties. It also removed the requirement for companies to disclose the name of the parties to which contributions have been made.

The Court examined two questions: (i) whether unlimited corporate funding to political parties was violative of free and fair elections, and (ii) whether the right of political parties to keep voluntary contributions undisclosed supersedes voters’ right to information to know about the same.10 The Court held that electoral bonds violate the voter’s right to information under Article 19(1)(a) (right to free speech expression). It also held that allowing unlimited corporate...
contributions to political parties is arbitrary and violates article 14 (right to equality before law).\(^{10}\)

The Supreme Court also directed the State Bank of India (SBI) to stop issuing electoral bonds.\(^{10}\) SBI has also been directed to submit the details of political parties which have received contributions through these bonds since 12 April, 2019.\(^{10}\) SBI must disclose the details of each electoral bond encashed by political parties to the Election Commission of India (ECI) by March 6, 2024. The ECI must publish this information on its website by March 13, 2024.

**Parliament passes Bill amending local bodies laws of Jammu and Kashmir**

The Jammu and Kashmir Local Bodies Laws (Amendment) Bill, 2024 was passed by Parliament.\(^{13}\) The Bill amends three laws applicable to local bodies in the UT of Jammu and Kashmir (J&K). These are: (i) the J&K Panchayati Raj Act, 1989, (ii) the J&K Municipal Act, 2000 and (iii) the J&K Municipal Corporation Act, 2000. Key features include:

- **Reservations for Other Backward Classes (OBCs):** Under the three Acts, seats in certain institutions in J&K are reserved for Scheduled Castes (SCs) and Scheduled Tribes (STs). The institutions are: (i) panchayats, (ii) municipalities, (iii) municipal corporations, (iv) block development councils and (v) district development councils. The reserved seats are proportional to the population of these groups in the area covered by the respective institution. One-third of such seats are reserved for women. The Bill extends reservation to OBCs as well. OBCs are groups notified as weak and under-privileged by the Government of the union territory of J&K.

- **Mandate of the State Election Commission:** Currently, under the J&K Panchayati Raj Act, 1989, the State Election Commission in J&K prepares the electoral rolls and conducts elections for panchayats, block development councils and district development councils. These responsibilities are discharged by the Chief Electoral Officer in the case of municipalities and municipal corporations. The Bill designates the election-related responsibilities of these institutions to the State Election Commission.

- **Removal of State Election Commissioner:** The J&K Panchayati Raj Act, 1989 states that the State Election Commissioner can only be removed from his office through an order passed by the Lieutenant Governor. Grounds for dismissal include misbehaviour or incapacity proved by an inquiry led by a sitting or retired High Court judge. The Bill amends this to provide that a State Election Commissioner can only be removed in the same manner and on the same grounds as a High Court judge.

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

**Parliament passes Bill modifying the list of Scheduled Castes and Tribes in Odisha and Andhra Pradesh**

The Constitution (Scheduled Castes and Scheduled Tribes) Orders (Amendment) Bill, 2024 and The Constitution (Scheduled Tribes) Order (Amendment) Bill, 2024 were passed in Parliament.\(^{14,15}\) The Bills amend the Constitution (Scheduled Castes) Order, 1950 and the Constitution (Scheduled Tribes) Order, 1950 in relation to Odisha and Andhra Pradesh.

**Scheduled Tribes in Odisha:** The Bill adds following communities to the list of Scheduled Tribes in Odisha: (i) Muka Dora, Mooka Dora, Nuka Dora, Nooka Dora (for districts of Koraput, Nowrangapur, Rayagada, and Malkangiri), and (ii) Konda Reddy, Konda Reddi.

**Scheduled Tribes in Andhra Pradesh:** The Bill adds the following to the list of Scheduled Tribes in Andhra Pradesh: (i) Bondo Porja, (ii) Khond Porja, and (iii) Konda Savaras.

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

**Law Commission submits report on various subjects**

The Law Commission of India submitted its reports on: (i) ‘The Law on Criminal Defamation’, (ii) ‘A Comprehensive Review of the Epidemic Diseases Act, 1897’, and (iii) ‘Law on Matrimonial Issues relating to Non-resident Indians and Overseas citizens of India’.\(^{16,17,18}\) Key observations and recommendations of the Commission include:

- **Criminal Defamation:** The Commission noted that right to reputation is an integral part of an individual’s right to life and liberty. It cannot be jeopardised by the right to freedom of expression. Thus, criminal defamation is a protection that can be availed upon damage to one’s reputation, and should be read harmoniously with the right to freedom of speech. The Commission recommended retaining criminal defamation within the criminal laws of the country.

- **Epidemic Diseases Act:** The Commission observed several shortcomings in the Epidemic Diseases Act, 1897. These include: (i) absence of a definition of epidemic, (ii) no differentiation between an outbreak, epidemic and pandemic, (iii) lack of guidelines for isolation, quarantine, and disease surveillance, and (iv) unclear distribution of powers between the centre, state, and local bodies to regulate epidemics.

- The Commission recommended definitions of outbreak, epidemic, and pandemic. It differentiated the three based on geographical spread of disease and abnormality of transmission. The Commission also recommended that states
should be primarily responsible for prevention and management of epidemics, since public health and sanitation is a state subject under the Constitution. However, both centre and states should frame laws on prevention of infectious diseases as it falls under the Concurrent List. It recommended that the central government should frame an Epidemic Plan for dealing with outbreaks, epidemics, or pandemics across the country. States can make specific regulations with local authorities.

- **Matrimonial Issues related to NRIs and OCIs:** The Commission raised the issue of Non-residential Indian (NRI) husbands deserting their Indian wives. It noted that the NRI Bill, 2019 did not contain a comprehensive definition of an NRI. Moreover, laws on marriage in India neither provide information on NRI spouses and neither contain provisions to issue summons to them. The Committee recommended defining an NRI as an Indian citizen residing abroad for any purpose, save tourism. It recommended compulsory registration of marriages of NRIs and OCIs. It also recommended adding certain provisions such as divorce and child maintenance under the NRI Bill, 2019. It also recommended amending the 2019 Bill to mandate the NRI defaulter to appear in Court in matrimonial matters.

### Standing Committee submits report on judicial infrastructure in North-East India

The Standing Committee on Personnel, Public Grievances, Law and Justice (Chair: Mr. Sushil Kumar Modi) submitted its report on ‘Judicial Infrastructure in the North-Eastern States of India’. Since 1993-94, a centrally sponsored scheme (CSS) is being implemented for developing infrastructure facilities for subordinate judiciary. For North-Eastern states, alongwith Uttarakhand and Himachal Pradesh, the centre bears 90% of the contribution under the scheme. Key observations and recommendations of the Committee include:

- **Criteria for the release of funds:** New guidelines for the release of funds under the CSS include utilising at least 75% of the disbursed funds before further instalments are given. The Committee observed that no funds were released to Mizoram, Nagaland and Tripura in 2022-23, due to their failure in complying with revised norms. It noted that north-eastern states face several geographical and infrastructural challenges that make movement of material difficult. They also face delays in receiving project proposals and utilisation certificates. The Committee recommended for such reasons to be considered while prescribing the criteria for the release of funds. It also recommended the existing criteria be relaxed.

- The Committee also noted that some north-eastern states are unable to contribute 10% of the project funds from their end. It recommended the Department of Justice to consider enhancing the allocation of funds to such states.

- **High Court for Nagaland:** The Committee noted that states like Tripura, Meghalaya, and Manipur, which came under the jurisdiction of the Gauhati High Court till 1971, now have their own High Courts. However, Nagaland is still under the jurisdiction of the Gauhati High Court. The Committee found merit in the demand for a separate High Court for Nagaland and recommended the Ministry of Law and Justice to coordinate with the Ministry of Home Affairs to address this demand.

### Standing Committee submits report on strengthening legal education

The Standing Committee on Personnel, Public Grievances, Law and Justice (Chair: Mr. Sushil Kumar Modi) submitted its report on the ‘Strengthening Legal Education in View of Emerging Challenges before the Legal Profession’. According to the Advocates Act, 1961, the Bar Council of India is responsible for: (i) regulating standards of legal education, (ii) recognising universities that offer degrees in law, and (iii) inspecting these universities for their compliance with set standards. Key observations and recommendations of the Committee are as follows:

- **Powers of the Bar Council of India (BCI):** The Committee noted that the Advocates Act, 1961 was passed with a narrow view of producing lawyers for courts. It opined that legal education should impart skills required for legal practice beyond courtrooms. The Committee recommended that BCI’s powers should be limited to regulating basic eligibility for practicing at the bar. Regulation of legal education beyond this should be entrusted with an independent authority. It suggested that a National Council for Legal Education and Research be established under the proposed Higher Education Commission of India.

- The Committee noted that inefficiency and inadequacy of the inspection process by the BCI has led to the recognition of substandard law colleges. It highlighted that while recognising new colleges, due consideration should be given to quality over quantity. It recommended taking effective measures to curb the growth in substandard law colleges.

- **Uniform curriculum:** The Committee noted that differences in the curriculum between law colleges and universities leads to unevenness. These differences arise out of law colleges and universities adopting the curriculum of affiliating universities, and deviating from that prescribed by the BCI. The Committee recommended redefining the role of the BCI and ensuring that the BCI sets a uniform curriculum for undergraduate courses in law colleges and universities. For post-graduate
For a PRS Summary of the report, see here.

Environment

Tanvi Vipra (tanvi@prsindia.org)

Water (Prevention and Control of Pollution) Amendment Bill, 2024 passed by Parliament

Parliament passed the Water (Prevention and Control of Pollution) Amendment Bill, 2024. It amends the Water (Prevention and Control of Pollution) Act, 1974. The Act establishes the central and state pollution control boards (CPCB and SPCBs) to prevent and control water pollution. The Bill decriminalises several violations, and instead imposes penalties. It will initially apply to Himachal Pradesh, Rajasthan, and the union territories. Other states may pass resolutions to extend its applicability to their states.

- **Consent exemptions for establishing industries:** As per the Act, prior consent of the SPCB is required for establishing any industry or treatment plant, which is likely to discharge sewage into a water body, sewer, or land. The Bill specifies that the central government, in consultation with the CPCB, may exempt certain categories of industrial plants from obtaining such consent. The Bill also adds that the central government may issue guidelines for the grant, refusal, or cancellation of consent granted by the SPCB.

- **Discharge of polluting matter:** Under the Act, the SPCB may issue directions to immediately restrain any activity which is leading to discharge of noxious or polluting matter in water bodies. The Act also prohibits violation of standards (laid down by SPCB) regarding polluting matter in water bodies or on land, barring some exemptions. Exemptions include depositing non-polluting materials on the bank of a stream for reclaiming land. Violation of these provisions is punishable with an imprisonment term between one and a half years and six years, and a fine. The Bill removes the punishment and instead, imposes a penalty between Rs 10,000 and Rs 15 lakh.

For a PRS Summary of the Bill, see here.

Education

Parliament passes Bill prohibiting the use of unfair means in public examinations

Rutvik Upadhyaya (rutvik@prsindia.org)

The Public Examinations (Prevention of Unfair Means) Bill, 2024 was passed by Parliament. The Bill seeks to prevent use of unfair means in public examinations. Public examinations refer to examinations conducted by authorities specified under the Schedule to the Bill, or notified by the central government. These include: (i) Union Public Service Commission, (ii) Staff Selection Commission, (iii) Railway Recruitment Board, (iv) National Testing Agency, (v) Institute of Banking Personnel Selection, and (vi) Departments of the central government and their attached offices for recruitment. Key features of the Bill include:

- **Offences in relation to public examinations:** The Bill defines several offences in relation to public examinations. It prohibits collusion or conspiracy to facilitate indulgence in any unfair means. It specifies unfair means to include: (i) unauthorised access or leakage of question paper or answer key, (ii) assisting a candidate during a public examination, (iii) tampering with computer network or resources, (iv) tampering with documents for shortlisting or finalising of merit list or rank, and (v) conducting fake examination, issuing fake admit cards or offer letters to cheat, for monetary gain. It also prohibits: (i) disclosing exam-related confidential information before time, and (ii) unauthorised people from entering exam centres to create disruptions. Above offences will be punishable with imprisonment between three and five years, and a fine up to Rs 10 lakh.

- **Responsibilities of service providers:** In the event of violation of provisions of the Bill, service providers must report to the police and the concerned examination authority. A service provider is an organisation that provides computer resources or any other support to a public examination authority. Failure to report such incidents will be an offence. In case, the service provider themselves commit an offence, the examination authority must report it to the police. An offence by a service provider will be punishable with a fine of up to one crore rupees. Proportionate cost of examination will also be recovered from such a service provider. Further, they will also be barred from conducting public examinations for four years.

For a PRS summary of the Bill, see here.
UGC releases guidelines on internship for undergraduate students

Rutvik Upadhyaya (rutvik@prsindia.org)

The University Grants Commission (UGC) released the ‘Guidelines for Internship/Research Internship for Undergraduate Students’. The guidelines broadly categorise internships into two kinds: (i) internships to enhance employability, and (ii) internships to develop research aptitude. Some key features of the guidelines are as follows:

- **Responsibilities of officers at the HEI**: The guidelines require Higher Education Institutions (HEIs) to designate a: (i) nodal officer, (ii) internship supervisor and (iii) mentor. HEIs include colleges and universities recognised by the UGC. Different internship-related responsibilities are assigned to each official. A nodal officer is expected to (i) identify areas for internships, (ii) reach out to various organisations for opportunities and (iii) sign agreements to facilitate internships. An internship supervisor is expected to monitor activities of students at the internship. A mentor is expected to guide the students throughout the internship and validate their performance.

- **Process**: Every HEI is expected to set up an internship portal that registers organisations, experts, and faculty. Students may apply for internships through the portal. HEIs must provide for digital or group internships for students who fail to obtain an internship in the physical mode. On the completion of the internship, students will be evaluated on their performance by their internship supervisor.

- **Credits**: HEIs can mandate minimum two to four internship credits for a three or four-year undergraduate course with Honours. Internships should be conducted in the fourth semester for a duration of 60-120 hours.

- For a four-year undergraduate degree with honours and research, HEIs must provide for a mandatory dissertation or research project of 12 credits. This must be placed in the eighth semester and involve 360 hours of work.

Comments invited on guidelines for prevention of misleading coaching ads

Tanvi Vipra (tanvi@prsindia.org)

The Central Consumer Protection Authority released draft Guidelines for Prevention of Misleading Advertisement in Coaching Sector. The Guidelines have been issued under the Consumer Protection Act, 2019. Coaching refers to tuition, instructions, academic support, or guidance provided by any person. The Guidelines apply to all advertisements. Key features of the Guidelines are:

- **Misleading ads**: An advertisement will be considered misleading if it: (i) conceals important information which can influence a consumer’s decision to choose their services, such as duration or cost of the course, (ii) makes false claims regarding success rates or rankings of students in a competitive exam, (iii) falsely represents that students’ success is solely attributable to the coaching, or (iv) creates a false sense of urgency or fear of missing out that may heighten anxiety among students or parents.

- **Obligations**: Every person engaged in coaching will have certain obligations. These include disclosing the rank and course duration of each successful candidate, putting prominent disclaimers in ads, accurately representing available facilities and resources, and avoiding cherry picking of exceptional cases to create a skewed impression of success.

- **Prohibited activities**: Persons engaged in coaching must not use details of successful candidates without their express consent. They must also not: (i) use fake reviews or make false claims such as 100% selection or 100% job guaranteed, (iii) lead consumers to believe that enrolment will guarantee a rank, job, admission etc, or (iv) mislead or make exaggerated claims about faculty credentials.

Comments are invited until March 16, 2024.

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**Commerce**

Tushar Chakrabarty (tushar@prsindia.org)

Cabinet approved amendments to FDI policy for space sector

The Union Cabinet approved amendments to the foreign direct investment (FDI) policy for the space sector. Under the existing policy, 100% FDI is allowed for establishment and operation of satellites under the government approval route. As per the amended policy, up to 74% FDI will be allowed for satellite manufacturing and operation, satellite data products, ground segment and user segment under the automatic route. FDI beyond 74% will be subject to government approval. FDI up to 49% under the automatic route will be allowed for launch vehicles and spaceports, beyond which it will be subject to government approval. 100% FDI under the automatic route has been allowed for manufacturing of components and systems/sub-systems for satellites.

Standing Committee submits report on strategy to maximise exports and minimise imports

The Standing Committee on Commerce (Chair: Dr.
Abhishek Manu Singhvi) submitted its report on ‘Comprehensive Strategy to Map Major Products and Countries to Maximise Exports and Minimise Imports’. Key observations and recommendations of the Committee include:

- **Import of petroleum products**: One-third of India’s total imports comprise crude petroleum, coal, coke, and other petroleum products. The Committee noted the need to enhance their domestic production by incentivising exploration and extraction of hydrocarbons from fossil fuels. Shift from traditional fuel-based vehicles to electric vehicles is also essential to reduce imports of petroleum products.

- **Engineering exports**: India’s engineering exports account for over 25% of total merchandise exports. In 2022-23, India exported engineering goods worth USD 107 billion. The Committee noted that tariff and non-tariff barriers imposed by the USA and the European Union (EU) can hinder the growth of India’s engineering exports. This includes the Carbon Border Adjustment Mechanism (CBAM) imposed by the EU which can lead to additional import duties on various products such as fertiliser, aluminium, and cement. The Committee noted that Indian manufacturers in the MSME sector may not have the financial resources needed to counter the CBAM. The Committee recommended the government to seek an extension on the application of CBAM on the MSME sector by at least three years.

- **Remission of Duties or Taxes on Export Products (RoDTEP) Scheme**: The RoDTEP scheme is being implemented from January 2021 for duty remission on exports. It reimburses taxes, duties, and levies which are not covered by any other refund mechanism. The Committee noted that the low rate of remission provided under the scheme makes Indian exports uncompetitive. It recommended that the RoDTEP Committee examining the rates for various sectors should give its report expeditiously. The Committee also recommended increasing the number of products covered by the scheme.


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**Finance**

*Tushar Chakrabarty (tushar@prsindia.org)*

**IRDAI issues draft regulations for protection of interest of policyholders**

The Insurance Regulatory and Development Authority of India (IRDAI) issued the draft IRDAI (Protection of Policyholders’ Interests and Allied Matters of Insurers) Regulations, 2024. The draft regulations propose to supersede multiple regulations dealing with subjects such as insurance premiums, issuance of insurance policies, and protection of policyholders’ interests. The regulations will apply to all insurers and distributors, barring entities offering reinsurance. Key features are as follows:

- **Free look period**: Policyholders of life and individual health insurance policies must be provided with a 30-day free look period from the date of receiving the policy document. If the policyholder disagrees with any conditions of the policy within this period, he may choose to cancel the policy. On cancellation, the premium paid must be refunded to the policyholder. Currently, a free look period of 15 days is allowed for physical policies and 30 days for electronic policies and those obtained through distance mode.

- **Issuance of insurance policies**: All insurers must have a policy for issuing insurance policies in electronic form. It should cover: (i) measures to safeguard data privacy, (ii) framework on data security, and (iii) continuous review and upgradation of cyber security safeguards.

- **Principles for serving policyholders**: Insurers must follow certain principles for servicing policyholders. These include: (i) providing policyholders with necessary information about various services, (ii) delivering services within a reasonable time, and (iii) not pressuring policyholders to change products or providers.

Comments are invited by March 4, 2024.

**SEBI issues consultation paper on timelines for disclosures by foreign portfolio investors**

The Securities and Exchange Board of India (SEBI) issued a consultation paper on relaxation of timelines for certain disclosures by foreign portfolio investors (FPIs). Currently, FPIs are required to disclose certain material changes within seven working days. These include changes in ownership or control, findings of investigations by overseas regulators, and if any previously disclosed information is found to be false or misleading. SEBI has proposed to categorise material changes into: (i) type I changes such as acquisition/merger/demerger, change in regulatory status, and restructuring of the FPI’s legal form, and (ii) type II changes which would cover all changes not categorised as type I. Type I material changes must be disclosed by the FPIs within seven working days. Type II material changes must be disclosed within 30 days.

**SEBI releases consultation paper on ease of doing business for mutual funds**

The Securities and Exchange Board of India (SEBI) issued a consultation paper on ease of doing business for mutual funds. Mutual funds pool money from investors to invest in financial instruments. Key proposals include:
Key features include:
- Climate change or efforts to mitigate climate change. Related financial risks include potential risks from increasing importance of climate risks.

RBI noted that given the need for their structured disclosure. Climate related financial risks disclosures must be provided as part of the financial results.

Comments are invited by April 30, 2024.35

Standing Committee submits report on insurance sector

The Standing Committee on Finance (Chair: Mr. Jayant Sinha) submitted its report on ‘Performance Review and Regulation of Insurance Sector’.36 Key observations and recommendations of the Committee are as follows:

- Insurance coverage: In 2021-22, insurance penetration (percentage of insurance premium to GDP) in India was 4.2% as compared to the global average of 7%. Similarly, India’s insurance density (ratio of premium to population) was USD 91, lower than the global average of USD 874. The Committee noted that there is a need to create mass awareness about the benefits of insurance protection and diverse insurance products.

- Composite license for insurance business: The Insurance Act, 1938 and the regulations of the Insurance Regulatory Development Authority of India (IRDAI) do not allow composite licensing to provide life, general, or health insurance under one entity. The Committee noted that providing composite licenses can reduce costs and compliances of insurers. It can also allow customers to access all-in-one insurance from a single insurance provider. The Committee recommended introducing a provision for composite licensing of insurance companies and make related amendments in the legislation.

- Settlement of claims: Some private companies are offering heavy discounts on premiums due to competition in the sector. As the premium collected by companies falls short, they resort to repudiation/delay in payment of large claims. The Committee recommended that such cases should be deterred by levying heavy penalties. Any new legislation being considered by the government should also seek to address this issue.

For a PRS summary of the report, see here.

Agriculture
Tanvi Vipra (tanvi@prsindia.org)

Central sector scheme for fisheries approved

The Union Cabinet approved the Pradhan Mantri Matsya Kisan Samridhi Sah-Yojana (PM-MKSSY).37 It is sub-scheme under the central sector scheme PM Matsya Sampada Yojana. The new scheme seeks to formalise the fisheries sector and support small and micro fisheries enterprises. Key components of the
Committee Sector'.

The Standing Committee on Fisheries, Animal Husbandry and Food Processing (Chair: Mr. P.C. Gaddigoudar) presented its report on 'Employment Generation and Revenue Earning Potential of Fisheries Sector'.

Employment generation in fisheries: Jobs in the fisheries sector range from production and sale of inputs, fishing, fish-farming, processing, to marketing and distribution. These may be informal small scale or highly organised and industrial operations. The Department of Fisheries seeks to generate 55 lakh jobs by 2024-25 under PM Matsya Sampada Yojana (PMMSY). The Committee recommended that to generate employment opportunities, investments in areas such as exports, post-harvest processing, and import substitution should be increased.

Fisheries industry: Fisheries contribute 6.7% to gross value added of the agriculture sector and employs about 28 million people directly. The Committee noted the growth potential of the sector, and its possible contributions to government revenue. The sector grew by 9% during 2015-16 and 2020-21 (at constant prices).

Standing Committee submits report on climate resilient farming

The Standing Committee on Agriculture, Animal Husbandry and Food Processing (Chair: Mr. P.C. Gaddigoudar) presented its report on 'Promotion of Climate Resilient Farming'. Climate change harms crop yields and agricultural productivity. Its impact can be mitigated if institutional and policy support is provided for adapting to the changes. Key observations and recommendations of the Committee include:

- Crop diversification: Diversification of crops enables agricultural ecosystems to adapt to climate change. However, the Committee observed that current policies and development interventions offer inadequate assistance to diversify crops. In addition to mitigating the effects of climate change, crop diversity also helps in ensuring food security, enhancing soil fertility, controlling pests, and bringing yield stability. The Committee suggested that the Ministry of Agriculture and Farmers Welfare provide all possible assistance to farmers to achieve this.

- Water conservation: Management of water resources is a key feature of sustainable agriculture. The Committee noted that irrigation infrastructure needs to be upgraded, especially in north-western India. It is the country’s food basket and is prone to climate-induced droughts. The Committee also noted that drip irrigation is currently only adopted for high-value horticultural crops. It suggested that the government take a nuanced stance on electricity subsidy meant for drawing groundwater. The Committee noted that it is a major contributor towards declining groundwater levels. It suggested using algorithms that optimise irrigation schedules, and minimise environmental impact.

- Potential impact and mitigation measures: Developing countries are more vulnerable to climate risks since they rely on agriculture. This is because they lack necessary technologies and finances for risk management. Without mitigation
and adaption measures, poor farmers may remain trapped in a cycle of low income, high debt, and poverty. These effects can be mitigated through integrated approaches such as technological advancements and data sciences. The Committee suggested that the National Innovations in Climate Resilient Agriculture (NICRA) Scheme should be implemented in all risk vulnerable villages to protect farmers from climate and meteorological incidents. NICRA (2011) aims to promote climate resilient agricultural technologies in vulnerable areas of the country.

For a PRS summary of the report, see here.

Standing Committee submits report on development of cotton sector

The Standing Committee on Labour, Textiles and Skill Development (Chair: Mr. Bhartruhari Mahtab) presented its report on ‘Development of Cotton Sector’. Key observations and recommendations of the Committee include:

- **Low productivity of cotton**: Cotton productivity in India is about 447 kg per hectare, significantly lower than other cotton producing countries such as Brazil (1,830 kg/ha) and the USA (1,065 kg/ha). The Committee identified several factors that lead to sub-optimal production. About 67% of Indian cotton is dependent on rainfall, which makes it vulnerable to frequent weather changes. In areas where the crop is irrigated, irrigation depends on the release of the canal water, and not as per crop needs. The Committee suggested taking sustainable steps to bring more cotton cultivation area under irrigation, and that irrigation must gradually be made demand driven.

- **Outdated seed varieties resulting in low productivity**: The Committee also noted that the seed technology in use is outdated, and that there is an urgent need for new variety of seeds. Countries with high cotton yield such as Mexico have completely adopted genetically modified seeds with Bt+ herbicide tolerant traits. It recommended that the Ministry augment the development of early maturing and hybrid seeds that suit Indian needs. The Central Institute for Cotton Research, Nagpur has suggested that early maturing Bt and non-Bt varieties can be used in 20% of the cotton area where long duration Bt hybrid seeds are used. The Committee noted that these seed varieties will need to be protected by the Protection of Plant Varieties and Farmers’ Rights Authority, to encourage private participation in their development.

For a PRS Summary of the report, see here.

Information Technology

Pratinav Damani (pratinav@prsindia.org)

Home secretary required to destroy records of interception under IT Amendment Rules

The Ministry of Electronics and Information Technology notified the Information Technology (Procedure and Safeguards for Interception, Monitoring and Decryption of Information) Amendment Rules, 2024. The principal Rules were notified in 2009. The Rules have been issued under Information Technology Act, 2000, which allow for the interception, monitoring and decryption of data under specified grounds.

As per the 2009 Rules, the security agency must destroy all records pertaining to the interception, monitoring and decryption of data every six months. Records pertaining to directions for such actions must also be destroyed. These records must be destroyed unless required or likely to be required. The amendment adds that the competent authority (under the Rules) must also destroy such records. The competent authority is the: (i) Secretary in the Ministry of Home Affairs (in case of the Central Government) and (ii) Secretary in charge of the Home Department (in case of a state government or union territory). These authorities sanction the action of interception, monitoring, or decryption on behalf of the government.

Standing Committee submits report on digital payments and online security

The Standing Committee on Communications and Information Technology (Chair: Mr. Prataprao Jadhav) presented its report on ‘Digital Payment and Online Security Measures for Data Protection’. Key observations and recommendations of the Committee are as follows:

- **Increase in online financial frauds**: The Committee noted that there has been a significant increase in the number of cases and amount of money lost in cybercrime. The number of cybercrime complaints rose from 9.7 lakh in 2022 to 11.5 lakh in 2023. Financial frauds are about 60% of the total complaints. Financial frauds worth Rs 5,574 crore were reported between January and October 2023, significantly higher than 2022 (Rs 2,296 crore in full year). Types of financial frauds include customer care number frauds, KYC-based frauds, and Aadhaar enabled Payment Systems (AePS) based frauds.
Standing Committee submits report on Quality of Medical Education in India

Rutvik Upadhyaya (rutvik@prsindia.org)

The Standing Committee on Health and Family Welfare (Chair: Mr. Bhubaneswar Kalita) submitted its report on the ‘Quality of Medical Education in India’.50

Key observations and recommendations of the Committee include:

- **Limited seats**: The Committee observed a significant gap between medical aspirants and availability of seats. At the undergraduate (UG) level, it observed that close to one lakh MBBS seats were available for over 20 lakh students who appeared for the National Eligibility-cum Entrance Test (NEET) in 2023-24. At the post-graduate (PG) level, around 68,000 seats were available for over two lakh aspirants. To ensure greater availability of seats, the Committee recommended: (i) continuing the initiative to establish medical colleges attached to district or referral hospitals, (ii) offering online and distance learning to increase student intake without overburdening physical infrastructure, (iii) permitting new medical colleges to increase annual intake up to 250 seats, and (iv) encouraging private investment in medical education.

- **Uneven distribution of medical colleges**: The Committee observed a vast imbalance in the distribution of medical colleges across states. It observed that Bihar-Maharashtra, and Rajasthan-Tamil Nadu are almost equally populated, yet have vastly different availability of medical colleges. Existing guidelines stipulate minimum bed capacities for teaching hospitals, depending upon their academic intake. An average bed occupancy rate of 80% is also mandated. The Committee recommended revising such uniform criteria and to formulate region-specific norm norms.

- **Cost of medical education**: The Committee observed that cost of medical education in India ranged from Rs 60 lakh to one crore rupees, and has increased over time. It recommended measures such as providing need-based scholarships to students and tax concessions to organisations running medical colleges. To reduce functioning costs, the Committee recommended collaboration between private medical colleges and district hospitals. It also recommended subsidising laboratory equipment or machines in private medical colleges.

For a PRS summary of the report, see [here](#).
Standing Committee submits report on promotion of medical device industry
Tanvi Vipra (tanvi@prsindia.org)

The Standing Committee on Chemicals and Fertilisers (Chair: Dr Shashi Tharoor) presented its report on ‘Promotion of Medical Device Industry’. Key observations and recommendations of the Committee are as follows:

- **Impediments to growth of medical device industry**: Domestic manufacturing of medical devices is currently limited to low-end to moderate-end medical devices such as consumables, disposables, and implants. 70% of high-end devices such as electronic equipment, advance surgical instruments, and diagnostic products are imported. Issues that impede growth of the sector include: (i) low investment in research and development, (ii) fewer tax concessions and inverted duty structure (higher tax on raw material than on the finished good) for domestic manufacturers, (iii) low capital investment, (iv) lack of skilled manpower, (v) limited price and quality regulation, and (vi) fewer trained healthcare professionals. The Committee noted that initiatives taken by the Pharmaceuticals Department since 2015 are yet to materialise. This includes incentives such as interest subsidy, concessional power, and price controls for devices like surgical instruments.

- **Import dependence**: The domestic medical devices sector is expected to be worth USD 50 billion by 2030. However, currently 80% of our domestic sales constitute imported medical devices. Import of high-end devices has risen between 2019-20 and 2022-23, despite production linked incentives being in place. The Committee recommended formulating an inter-ministerial and inter-governmental strategy to offer domestic manufacturers competitive advantage.

- **Medical devices parks**: Under the Promotion of Medical Devices Parks Scheme, four medical device parks are to be established in four states. These parks will have common testing facilities and labs. Of the Rs 120 crore allocated in the first phase (2022-23), only Rs 89 lakh has been spent so far. The Committee suggested that there needs to be regular progress monitoring with state agencies. It also recommended expanding the scheme to other states.

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

Standing Committee submits report on National Ayush Mission
Rutvik Upadhyaya (rutvik@prsindia.org)

The Standing Committee on Health and Family Welfare (Chair: Mr. Bhubaneswar Kalita) submitted its report on the ‘Review of National Ayush Mission’. The National Ayush Mission was launched in 2014 to promote accessibility to ayurveda, yoga, unani, sidhha, and homeopathy (Ayush). The Mission focuses on promoting and improving research, education, quality of drugs, and infrastructure related to Ayush. Key observations and recommendations of the Committee are as follows:

- **Implementation of the Mission**: The Committee noted that about 69% of integrated Ayush Hospitals approved under the Mission are still under construction. Moreover, only 65% of Ayush Health and Wellness centres have been established. The Committee recommended extending the Mission by five years beyond 2024-25. It also recommended that Sowa-Rigpa, a traditional system of medicine prevalent in the Himalayan regions, should be included in the Mission.

- **Reasons for delays**: Delays in the implementation of the Mission are primarily being caused due to: (i) late allocation of funds, (ii) overlapping functions between administrative entities, and (iii) delays in submitting utilisation certificates. In order to address these challenges, the Committee recommended reducing the number of budget line items in state action plans and clearly differentiating roles between different entities. The Committee also recommended: (i) training existing staff in managing projects effectively, (ii) creating specific action plans for Ayush Health and Wellness Centres, (iii) financial incentives to states for better implementation, and (iv) streamlining administrative processes through technology.

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

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**Energy**

Cabinet approves a scheme to provide rooftop solar in one crore households
Arpita Mallick (arpita@prsindia.org)

The Union Cabinet approved the PM-Surya Ghar: Muft Bijli Yojana. The scheme aims to provide for installation of rooftop solar systems in one crore households. The scheme will provide financial assistance worth 60% of the system cost for installations up to 2-kilowatt (kW) capacity. In addition, 40% of additional system cost will be provided for capacity between 2 kW and 3 kW. For installing rooftop solar systems up to 3 kW capacity,
households will also be eligible for collateral-free loans at interest rate of around 7%. The total outlay under the scheme is estimated to be Rs 75,021 crore.

<table>
<thead>
<tr>
<th>Installed Capacity</th>
<th>Financial Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 kW</td>
<td>30,000</td>
</tr>
<tr>
<td>2 kW</td>
<td>60,000</td>
</tr>
<tr>
<td>3 kW or higher</td>
<td>78,000</td>
</tr>
</tbody>
</table>

Source: Press Information Bureau; PRS.

A 3 kW rooftop solar system is expected to generate more than 300 units per month on an average for a household. The households will be allowed to sell surplus power to distribution companies in their area.

Amendment to Electricity (Rights of Consumers) Rules, 2020 notified

Pratinav Damani (pratinav@prsindia.org)

The Ministry of Power notified the Electricity (Rights of Consumers) Amendment Rules, 2020, which specify the rights and obligations of electricity consumers. Key features of the amended rules include:

- **Choice to opt for a single connection for a building:** The amended Rules add that owners residing in apartments/flats/colonies may choose between individual connections for each owner or a single connection for the entire premises. If more than 50% owners opt for an individual connection, then all owners will be provided with an individual connection.

- **In case of a single connection for a building or society, the Resident Welfare Association will be responsible for metering, billing, and collection from individual owners. The Resident Welfare Association must operate on a no-profit, no-loss basis. Discoms may provide a separate connection for charging electric vehicles.**

- **Rooftop solar systems:** Earlier, the Rules required that a technical feasibility study must be conducted within 21 days or fewer as may be specified by the State Commission. The amended Rules instead mandate that the study must be completed within 15 days. Amended Rules also add that failure to intimate the results to the applicant will deem the project feasible. Solar systems up to 10 kW capacity will be exempted from a technical feasibility study. For such solar systems (below 10 kW), the entire cost of upgradation of distribution infrastructure is to be borne by the discom.

- **Protocol for meter related complaints:** The 2020 Rules provided that discoms must test a meter within 30 days of receiving a complaint, or fewer as may be specified by the State Commission. The amended Rules remove the discretion of the State Commission. Hence, the complaints must be addressed within 30 days. The amended Rules also add that in case of a complaint regarding the meter reading varying from actual electricity consumption, an additional meter must be installed within five days. The additional meter must be installed for at least three months.

Draft Regulations to determine tariff for renewable energy released

Tanvi Vipra (tanvi@prsindia.org)

The Central Electricity Regulation Commission released draft regulations to determine tariff of power from renewable energy (RE) sources. The Regulations will come in force on April 1, 2024 (unless reviewed or extended), and will be remain in force until March 31, 2027. Key features include:

- **Tariff types:** There will be a generic tariff for RE projects such as small hydro, non-fossil fuels-based co-generation, biogas based, and municipal solid waste-based power projects. The generic tariff will be determined by CERC annually. CERC will determine a project specific tariff for projects such as solar PV, floating solar projects and wind power projects.

- **Tariff structure:** For projects that have a fuel cost component, a two-component tariff with a fixed cost and a fuel cost will be determined.

- **Over-generation:** In case an RE project generates more energy than the plant load factor, the project may sell the excess energy to any entity. The beneficiary shall have the first right of refusal. In case the beneficiary purchases the excess energy, the tariff will be equal to the tariff applicable for that year.

Consumer Affairs

Tanvi Vipra (tanvi@prsindia.org)

Draft greenwashing guidelines released for public comments

The Central Consumer Protection Authority issued Draft Guidelines for Prevention and Regulation of Greenwashing under the Consumer Protection Act, 2019. Greenwashing refers to the use of misleading words or imagery that emphasise positive environmental aspects while downplaying or concealing harmful attributes. Key features of the draft Guidelines include:

- **Greenwashing to be prohibited:** The Guidelines prohibit engaging in greenwashing for advertising or communication. It will apply to all...
advertisements, service providers, product sellers, advertisers, endorsers, or advertising agencies. However, the prohibition will not apply to advertisements or communication that is general (not specific to a product or service).

- **Substantiation of environmental claims:** Generic terms such as clean, green, eco-friendly, cruelty free, and carbon-neutral will not be used without adequate qualifiers and substantiation, while making any environmental claims. Technical terms should be explained in a consumer-friendly language that clarifies its meaning or implications.

- **Disclosures:** All environmental claims must be accurate and disclose all material information. Research data must not be cherry picked while making disclosures. It should be clarified whether an environmental claim refers to a good (or part of it), a manufacturing process, packaging, or service. Claims comparing goods or services must be based on verifiable data, which is disclosed to consumers. Specific environmental claims such as carbon neutral, non-toxic, and renewable, should be supported by credible certification, scientific evidence, or third-party verification.

- **Claims regarding the future:** Aspirational or futuristic environmental claims may only be made when clear and actionable plans have been developed. These plans must detail how these objectives will be achieved.

Comments are invited until March 1, 2024.

### Information and Broadcasting

**Pratinav Damani** (pratinav@prsindia.org)

**Comments invited on the Draft Cinematograph Certification Rules**

The Ministry of Information and Broadcasting invited comments on the draft of the Cinematograph (Certification) Rules, 2024.58 The draft Rules seek to replace the Cinematograph (Certification) Rules, 1983.59 The Rules have been framed under the Cinematograph Act, 1952.60 The Act provides for certification of films and matters related to the Central Board of Film Certification. Draft Rules retain most of the provisions under 1983 Rules. Key changes include:

- **UA certification:** The Cinematograph (Amendment) Act, 2023 introduced markers indicating age appropriateness for UA certification.61 These are: (i) UA 7+, (ii) UA13+, and (iii) UA 16+. These allow for unrestricted public exhibition, subject to guidance of parents, for children below the specified age threshold. The draft Rules seek to give effect to these changes in the Act.

- **Approving authority for content:** The draft Rules add that the approving authority for certification will be different based on the type and length of the content. For instance, long theatrical releases (more than 72 minutes) will be approved by the Chairperson of the Board, whereas the dubbed version of the same will be approved by the concerned Regional Officer. Currently, the Board has nine regional offices.52

- **Representation of women in Board:** The 1983 Rules state that the central government may take steps to ensure the representation of women in the Board and advisory panels. Advisory panels are constituted at a regional level for the examination of films. The draft Rules specify that one-third of the members of the Board and advisory panels must be women. Also, women should preferably comprise half of the Board and advisory panels.

- **Invitation of experts for certification:** The draft Rules allow the Regional Officer to invite one or more subject or language experts in the field of film for the examination of a film. If the experts are not invited for the initial screening, the content may be re-screened for the experts, without any cost to the applicant.

Comments are invited until March 1, 2024.

### Standing Committee submits report on regulation of cable television in India

The Standing Committee on Communications and Information Technology (Chair: Mr. Prataprao Jadhav) presented its report on “Regulation of Cable Television in India”.63 Key observations and recommendations of the Committee include:

- **Regulation of cable television:** Cable TV is primarily regulated by the Cable Television Networks (Regulation) Act, 1995. However, there are multiple regulators which have issued their own rules and guidelines on various aspects. This has led to a disparity of content across platforms. The Telecom Regulatory Authority of India, the Department of Telecommunications and the Ministry of Information and Broadcasting (MIB), all regulate different aspects of cable television.

- **Services such as Over The Top (OTT) platforms** are not regulated under this Act, but by Rules issued by the Ministry of Electronics and Information Technology. The Committee observed that the cable TV industry needs to be regulated by a comprehensive Act. The MIB informed the Committee that a draft Broadcasting Services (Regulation) Bill, 2023 had been released in the public domain for comments from stakeholders. The draft Bill seeks to regulate cable television and OTT platforms.
• **Constraints and challenges faced by the Ministry:** Challenges faced by the MIB include: (i) under-reporting of subscribers by cable operators, (ii) absence of an oversight mechanism at the ground level, and (iii) the absence of a central database of Local Cable Operators (LCO). LCOs currently have to register with the head post office of their area. The Committee recommended the MIB to work with the Ministry of Electronics and Information Technology to develop a comprehensive digital solution to address under-reporting of cable TV subscribers and the absence of an oversight mechanism. It also recommended that the MIB take initiatives to be the registering authority for LCOs.

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

### Mines

**Pratinav Damani** (pratinav@prsindia.org)

**Comments invited on draft Rules on Offshore Areas Mineral Trust**

The Ministry of Mines has invited comments on the draft Offshore Areas Mineral Trust Rules, 2024. The Rules have been issued under the Offshore Areas Mineral (Development and Regulation) Act, 2002. The Act regulates mining in the maritime zones of India. The Act was amended in 2023, to provide for constitution of the Offshore Areas Mineral Trust. Key functions of the Trust are: (i) promoting research on offshore areas and mitigation of any adverse impacts, (ii) providing relief on the occurrence of a natural disaster in the offshore area, and (iii) funding institutions, startups and MSMEs for special projects related to offshore mining of minerals. The draft Rules provide for the matters related to the Trust. Key features of the draft Rules include:

- **Governance of the Trust:** The Trust will be governed by a Governing Body. An Executive Committee will be responsible for administration, management, and supervision of the trust. The central government will notify the composition of both the bodies.

- **Fund under the Trust:** An Offshore Areas Mineral Trust Fund will be set up and will be managed by the Executive Committee. The fund will be non-lapsable and non-interest-bearing. Holders of a production lease for offshore mines must pay a sum equal to 10% of the royalty payable to the central government to this Fund.

- **Annual plan:** An annual plan must be tabled before the Governing Body by the Secretary of the Executive Committee every financial year. The plan must contain details of projects proposed to be undertaken during the year. It must also contain timelines and milestones for such projects, as well as activities undertaken during the year.

Comments are invited until March 23, 2024.

### Transport

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

**Comments invited on Rules regarding LPG fitting in vehicles**

The Ministry of Road Transport and Highways invited comments on the Draft Central Motor Vehicles (Amendment) Rules, 2024. The draft Rules amend the Central Motor Vehicles Rules 1989, issued under the Motor Vehicles Act, 1988. The Rules provide mass emission standards for LPG driven vehicles. Key features of the draft Rules are as follows:

- **Eligibility of vehicles for fitting LPG kits:** Under the 1989 Rules, certified LPG kits can be installed in vehicles with a specified engine capacity. This includes an engine capacity up to 1,500 cc (with a 7% variation), and an engine capacity greater than 1,500 cc (with a 5% variation). The Draft Rules extend this to include vehicles whose engine capacity ranges from less than 1200 cc to more than 2,501 cc. It also adds that mass emission and CO₂ emission tests be carried out before fitting the LPG kits.

- **Validity of approval extended:** Under the 1989 Rules, vehicles fitted with LPG kits are approved for three years. The approval can be renewed every three years. The Draft Rules propose to extend the approval and renewal period to six years. The Draft Rules also list certain tests required before renewing an LPG certificate.

Comments are invited until March 22, 2024.

### Standing Committee submits report on operation and maintenance of national highways

The Standing Committee on Transport, Tourism and Culture (Chair: Mr. V. Vijayasai Reddy) presented its report on ‘Operation and Maintenance of National Highways and Management of Toll Plazas’. Key recommendations of the Committee include:

- **Delay in construction and inadequate funds for maintenance:** National Highway network increased by 54,858 km between 2014 and 2023. The Committee observed that the completion of hundreds of highways is running behind schedule, and recommended expediting the construction process. In 2023-24, the Ministry was allocated Rs 2,600 crore for maintaining highways, which was 1% of the Ministry’s total budget. The Committee noted that given the vast length of highways, this
amount is miniscule. It noted that several committees including the NITI Aayog have suggested prioritising the maintenance of existing roads over constructing new national highways.

- **Slow progress in monetisation:** The Ministry targets to raise Rs 45,000 crore under the toll-operate-transfer (TOT) (Rs 30,000 crore) and Infrastructure Investment Trusts (Rs 15,000 crore) (InvIT) models. The Committee noted that in the past two years, only 15% of the targets have been met. It recommended that the pace of monetisation should be increased to cope with NHAI’s rising debt. In the current model, risks of traffic and toll collection are passed on to the private concessionaire which has resulted in dwindling interest. The Committee noted that hybrid structures where the traffic risk is shared by the authorities and the assured minimum payments are made to concessionaires could alleviate some of the existing challenges.

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

### Standing Committee submits report on status of ship building industries

**Arpita Mallick** (arpita@prsindia.org)

The Standing Committee on Transport, Tourism and Culture (Chair: Mr V. Vijayasai Reddy) submitted its report on “Status of Ship Building, Ship Repair and Ship breaking industries in the Country”.$^{70}$ Key recommendations include:

- **Financial Assistance Policy:** Under an initial financial assistance policy shipbuilders were provided 30% additional assistance on building merchant vessels longer than 80 meters for the domestic market. For export orders, ships of all types and capacities were eligible for the subsidy. A new financial assistance scheme was introduced for both state-owned and private shipyards, extending support for ships regardless of size. Under this policy, financial assistance equivalent to 20% of the contract price, fair price or actual payments received, whichever is the least, will be offered. The Committee noted that only 6-7% of the Rs 4,000 crore corpus created for the policy has been utilised. It recommended evaluating reasons for poor scheme utilization, and whether factors such as high material imports for shipbuilding and low automation are affecting the competitiveness of Indian shipyards.

- **Development of shipbuilding industry:** The share of India in global shipbuilding industry is around 1%-2% due to high cost of shipbuilding. The Rangarajan Commission had recommended classification of ships and other vessels as infrastructure. Currently, shipyards have been granted the infrastructure status which would provide access to long term funding at lower rates. The Committee recommended that the infrastructure status as given to shipyards should be extended to all ships and vessels. It also recommended: (i) incentivising domestic production of specialised steels and (ii) establishing a Maritime Development Fund for access to working capital and long-term finance.

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

### Housing and Urban Affairs

**Arpita Mallick** (arpita@prsindia.org)

#### Standing Committee submits report on Smart Cities

The Standing Committee on Housing and Urban Affairs (Chair: Mr Rajiv Ranjan) submitted its report on “Smart Cities Mission: An Evaluation”.$^{71}$ The Smart Cities Mission (SCM) was launched in 2015 to provide infrastructure, and a clean and sustainable environment to citizens. Observations and recommendations of the Committee include:

- **Special Purpose Vehicles (SPVs):** The Smart Cities mission is implemented by SPVs which are equally owned by Urban Local Bodies (ULBs) and states. The board of directors of SPVs include central and state government representatives and chief executive officers (CEOs). The Committee noted that the frequent transfer of CEOs and lack of clear guidelines is one of the major challenges faced by SPVs. It recommended: (i) appointing dedicated CEOs with a minimum fixed tenure, (ii) ensuring representation of experts and concerned stakeholders in SPVs, and (iii) utilising an SPV’s existing expertise in future projects.

- **Public Private Partnerships:** 21% of the smart cities’ total funding was targeted to be raised via public-private partnerships (PPP). However, the Committee noted that among the projects sanctioned, only 6% of the funding is through PPP. Half of the smart cities could not take any project under the PPP model. The Committee recommended that the government should analyse the reasons behind low private investments and take remedial steps towards the same.

- **Digital infrastructure protection:** There are various digital infrastructure platforms under SCM which generate and use large volumes of data. The Committee recommended formulating a mechanism to protect digital infrastructure from cyber threats and maintain data privacy. It also highlighted the need for the maintenance of digital and physical assets. It recommended building comprehensive operation and maintenance strategies to increase lifetime utility and ensure timely upgradation of assets under the mission.
Rural Development

Arpita Mallick (arpita@prsindia.org)

Standing Committee submits report on functioning of MGNREGA

The Standing Committee on Rural Development and Panchayati Raj (Chair: Ms. Kanimozhi Karunanidhi) submitted its report on “Rural Employment through Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) - An Insight into Wage Rates and Other Matters relating thereto”. Key recommendations of the Committee include:

- **Revision of wage rates:** Wage rates under MGNREGA are notified using Consumer Price Index for Agricultural Labour with 2010-11 as the base year. These rates are revised every year. The Committee noted that using 2010-11 as the base year is not coherent with the present inflation and cost of living. Wages in Madhya Pradesh and Chhattisgarh are Rs 221, and Rs 228 in Bihar and Jharkhand. A central government Committee on minimum wages had recommended the wages under MGNREGA to be Rs 375 a day. Accordingly, the Committee recommended revising the wage rates.

- **Delay in payments:** According to MGNREGA, payment of wages should be done within fifteen days of closure of muster rolls. The Committee observed delay in release of wages and material components. They recommended DoRD to (i) streamline the payment process, and (ii) use physical pay slips for technologically backward beneficiaries of the scheme.

- **Gaps in budgetary allocation:** The Committee noted that the budgetary allocation to MGNREGA Scheme was Rs 60,000 crore against the proposed demand of Rs 98,000 crore in 2023-24. In 2022-23, the revised estimate for the scheme was Rs 89,400 crore. The Committee noted that reduced budgeted allocation can negatively affect timely release of wages and materials. It recommended the Department of Rural Development (DoRD) to seek funding in line with previous years’ expenditures.

For a PRS summary of the report, see here.

Labour

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Medical insurance approved for certain retired persons

The Employees’ State Insurance Corporation (ESIC) approved the decision to extend medical benefits to certain retired persons. Currently, only those persons whose wages are below Rs 30,000 per month, are covered. Benefits will also be extend to those persons whose wages are above this threshold. To be eligible, the worker must have been under insurable employment for at least five years before their superannuation or voluntary retirement.

Water Resources

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Standing Committee submits report on review of Yamuna River cleaning projects in Delhi

The Standing Committee on Water Resources (Chair: Mr Parbatbhai Sabavbai Patel) submitted its report on “Review of Upper Yamuna River Cleaning Projects up to Delhi and Riverbed Management in Delhi”. Key recommendations of the Committee include:

- **Groundwater extraction:** The Committee noted that water yielded from production wells in Yamuna is supplied for irrigation, domestic and industrial purposes. The Delhi Jal Board has installed 130 production wells in Yamuna floodplains which yield 196 MLD (MLD) water. There is still scope for withdrawal of additional 190 MLD of water. This demand increases during non-monsoon seasons and pumping of groundwater by borewells leads to drying of the river course. The Committee recommended that the agricultural sector adopt micro and drip irrigation techniques, and practice water budgeting and watershed management.

- **Water Quality:** The Committee noted that between 2021 and 2023, out of 33 monitored locations, the water quality in 23 locations did not comply with the Primary Water Quality Criteria for Outdoor Bathing (PWQC). The level of dissolved oxygen, which is prescribed to be greater than 5 mg/l for life sustenance, was found to be virtually non-existent in Delhi.

- **Riverbed Pollution:** The Committee observed a rise in cases of debris dumping in Yamuna from one in 2018 to 610 in 2021. High levels of metals such as lead, copper and zinc were found in various sludge samples collected from Yamuna which is a severe health hazard. The Committee recommended that: (i) the Department prepare...
rules regarding dumping of debris, (ii) controlled dredging be explored to remove debris and heavy metals from the bottom of the riverbed, and (iii) a system for proper disposal of heavy metal polluted sludge be framed.

1 Interim Union Budget 2024-25, https://www.indiabudget.gov.in/
6 Monetary Policy Statement, 2024-23, Resolution of the Monetary Policy Committee (MPC) February 6 to 8, 2024, Reserve Bank of India, February 8, 2024, https://rbiloc.sbi.org.in/rbiloc/PressRelease/PDFs/PR1826MPRESOLUTIONFEBRUARY2024362329A89D96AF2C5E7A6211B99C3.PDF.
7 Monetary Policy Statement, 2022-23, Resolution of the Monetary Policy Committee (MPC) February 6-8, 2023, Reserve Bank of India, February 8, 2023, https://rbiloc.sbi.org.in/rbiloc/PressRelease/PDFs/PR16080701A840E8308899813D1A1F6C8CA151.PDF.

For a summary of the report, please see here.
62 Website of the Central Board of Film Certification as accessed on March 1, 2024, https://cbfcindia.gov.in/cbfcAdmin/about.php.

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