

Monthly Policy Review

September 2024

Highlights of this Issue

[SC clarifies that browsing or storing child pornography is an offence \(p. 2\)](#)

It held that any possession of child pornographic material and failure to delete or report it is an offence.

[Bombay HC strikes down IT Rules enabling a government fact check unit \(p. 2\)](#)

The amendment provided for fact check unit to identify false information against the Centre. The HC ruled the amendment to be in violation of freedom of speech.

[Cabinet approves PMGSY-IV \(p. 5\)](#)

The rural roads scheme will be for five years, and connect all habitations with population of 500 persons.

[Cabinet approves various schemes \(p. 2, p. 4, p. 5\)](#)

The Union Cabinet has approved various schemes for: (i) expanding health insurance coverage, (ii) promoting electric mobility, (iii) Tribal development, and (iv) enhancing climate research services.

[Finance Ministry launches pension scheme for minors \(p. 3\)](#)

After a contribution of Rs 1,000, all minors up to 18 years of age can open a National Pension Scheme Vatsalya account. Thereafter, an annual contribution of Rs 1,000 can be deposited in the account.

[Cabinet extends duration of certain schemes \(p. 5\)](#)

The Union Cabinet approved continuation of schemes for: (i) preventing volatility in prices of essential commodities, and (ii) promoting R&D in Biotechnology.

October 1, 2024

Macroeconomic Development

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Current account deficit at 1.1% of GDP in first quarter of 2024-25

India recorded a current account deficit of USD 9.8 billion (1.1% of GDP) in the first quarter (April-June) of 2024-25, marginally higher than USD 9.0 billion (1% of GDP) in the corresponding quarter of 2023-24.¹ In the fourth quarter (January-March) of 2023-24, India recorded a current account surplus of USD 4.6 billion (0.5% of GDP).

Capital account registered a net inflow of USD 14.4 billion, and consequently, foreign exchange reserves increased by USD 5.2 billion in the quarter.

Table 1: Balance of payments, Q1 2024-25 (USD billion)

	Q1 2023-24	Q4 2023-24	Q1 2024-25
a. Exports	104.9	121.6	111.2
b. Imports	161.6	173.6	176.3
c. Trade balance (a-b)	-56.7	-52.0	-65.1
d. Net services	35.1	42.7	39.7
e. Other transfers	12.6	13.9	15.6
f. Current account (c+d+e)	-9.0	4.6	-9.8
g. Capital account	33.8	25.6	14.4
h. Errors and omissions	-0.4	0.6	0.6
i. Change in reserves (f+g+h)	24.4	30.8	5.2

Sources: RBI; PRS.

Law and Justice

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SC clarifies that browsing or storing child pornography is an offence

The POCSO Act, 2012 criminalises storage or possession of pornographic material under these conditions: (i) with the intention to share or transmit, (ii) for displaying (unless for the purpose of reporting), and (iii) for commercial purposes.²

The Madras High Court, in January 2024, had held that mere possession was not an offence, as there is no intent to share. The SC overruled this judgement. It said that possession was the first step before sharing. Failure to delete or report it signalled intention.³

The Court further provided certain suggestions to the Parliament, and the central government. These include: (i) substituting the term ‘child pornography’ with ‘child sexual exploitation and abuse material’ in the POCSO Act, (ii) constituting a committee to devise a comprehensive programme for health and sex

education, (iii) creating an online portal for registering complaints under the POCSO Act.

Bombay HC strikes down IT Rules establishing fact check unit

The Bombay High Court struck down a 2023 amendment to the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021.^{4,5} The Rules require digital intermediaries (such as social media websites) to exercise due diligence in preventing users from intentionally spreading false or misleading information. The amendment expanded this to prohibit any information regarding business of the central government which a fact-check unit (FCU) of the government identifies as false or misleading.⁶ The Court held that the amended Rules violated the right to freedom of speech and expression under Article 19 of the Constitution. Any restriction placed on this right must be reasonable and conform to the restrictions under provided under the Constitution.

The Court further held that as the FCU will be appointed by the executive, the Centre will become the final arbiter of what constitutes false or misleading. This violates the principle of natural justice. In addition, the Court found the terms ‘false or misleading’ to be vague and overbroad in the absence of any guidelines to identify such items. The Court also noted that the amendment was beyond the scope of the Information Technology Act, 2000 and therefore could not be a part of the Rules under this Act.⁷

23rd Law Commission constituted

The Ministry of Law and Justice constituted the 23rd Law Commission of India.⁸ The tenure of the 23rd Law Commission will last from September 1, 2024 to August 31, 2027. However, the Chairperson and Members have not been appointed yet.

Health

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Cabinet expands Ayushman Bharat to include all senior citizens

The Union Cabinet approved expansion of Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB PM-JAY) to all citizens aged 70 years and above.⁹ The scheme provides cashless treatment of up to five lakh rupees per family per year, for hospitalisation at an empanelled facility.¹⁰ Currently, 11 crore families (roughly 50 crore persons) are eligible for inclusion in the scheme.¹¹ Senior citizens already covered under the scheme will individually receive an extra five lakh rupees as health insurance.

Expansion of the scheme will extend insurance coverage to 4.5 crore families (six crore senior citizens). This will also include senior citizens who are already availing benefits of other public and private insurance schemes.

Comments invited on draft Rules amending tobacco regulation on OTT platforms

The Ministry of Health and Family Welfare issued draft amendments to the Cigarettes and Other Tobacco Products Rules, 2004.¹²

Currently, all content on OTT platforms must: (i) display anti-tobacco health messages at the start and middle (at least 30 seconds each), (ii) display a health warning when tobacco products are shown, and (iii) include a 20-second audio-visual disclaimer about the dangers of tobacco use at the beginning.¹³ The draft amendment restricts this provision to films published on OTT platforms. This will only apply to films released on or after September 1, 2023.

Additionally, the draft amendment requires all OTT platforms to display: (i) non-skippable anti-tobacco messages (minimum 30 seconds) on all content, and (ii) a static health warning during any tobacco usage in content published on or after September 1, 2023. It also requires non-skippable disclaimers of at least 20 seconds on opening such platforms.

Comments are invited until October 13, 2024.

Uniform Code for marketing practices in medical devices released

The Department of Pharmaceuticals released the Uniform Code for Marketing Practices in Medical Devices, 2024.¹⁴ The Code regulates the branding and promotion of medical devices in the country. Key features of the Code include:

- **Claims:** Claims made by medical device companies regarding the usefulness of a medical device must be based on the latest evidence. Prohibited claims include: (i) using other brand names without prior consent of the respective companies, (ii) calling a medical device safe without qualification, and (iii) claiming it to be without side-effects.
- **Promotion:** Any promotional material must contain details including: (i) generic/brand name of the medical device, (ii) name/address of the manufacturer/importer and the business name/address of the marketer, (iii) warnings and precautions for use, and (iv) a statement stating that additional information is available on request. No promotional material can use identifiers of any healthcare professional.
- Only brand reminders (such as books, diaries, dummy models) worth less than Rs 1,000 each can be circulated. Free evaluation samples must not be circulated to anyone except the person qualified to

prescribe it or someone authorised to receive it on their behalf. Demonstration products (products that help explain functions of a medical device) should be taken back by companies after the demonstration period is over.

- **Ethics Committee:** An Ethics Committee for marketing practices in medical devices must be established in all Indian medical device associations. It will address grievances regarding compliance with the Code. The Committee should pass an order within 90 days of receiving a complaint. Violation of the Code will result in penalties such as : (i) expulsion from the association, (ii) issuing a corrective statement in the media, or (iii) monetary recovery. The Committee's decision can be appealed before the Apex Committee within 15 days. The Apex Committee will be headed by Secretary of the Department of Pharmaceuticals.

Finance

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Finance Ministry launches pension scheme for minors

The Ministry of Finance announced the National Pension System (NPS) Vatsalya scheme for minors.¹⁵ It will be regulated and administered by the Pension Fund Regulatory Authority of India (PFRDA). All minor citizens up to the age of 18 years can open an account. A minimum contribution of Rs 1,000 will be needed to open the account. Thereafter, a minimum annual contribution of Rs 1,000 can be deposited in the account. The account will be opened in the name of the minor and managed by their guardian till adulthood. On completing 18 years of age, the NPS Vatsalya account will transition to a regular account under NPS.

SEBI approves various decisions at board meeting

The Securities and Exchange Board of India (SEBI) approved various decisions at its meeting.¹⁶ Key decisions include:

- **Same-day settlement:** SEBI increased the scope of the optional same-day settlement cycle for securities. The securities for same day settlement will be increased from 25 to top 500 companies based on market capitalisation in a phased manner. Same-day settlement will co-exist with the current next-day (T+1) settlement cycle.
- **Approval for new mutual fund product:** SEBI approved the introduction of a new investment product under the current mutual fund framework. It seeks to bridge the gap between mutual funds and portfolio management services by offering greater flexibility in portfolio construction. It will

have a minimum investment limit of Rs 10 lakh per investor across products offered by a single asset management company.

- **Regulatory framework for passive mutual funds:** SEBI also approved a new regulatory framework for passively managed mutual funds. Passive funds follow a rule-based investment strategy and provide negligible discretion regarding asset allocation (such as index funds). The framework provides for relaxed criteria for the sponsors of a mutual fund in term of net worth, track record, profitability, and disclosures.
- **Funds for sustainable finance:** SEBI decided to expand the scope of instruments that can be used by corporates to raise funds for sustainable finance. It will specify frameworks for issuing: (i) social bonds, (ii) sustainability bonds, and (iii) sustainability-linked bonds.

Automobiles

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Cabinet approves PM E-DRIVE scheme to promote electric mobility

The Union Cabinet approved the ‘PM Electric Drive Revolution in Innovative Vehicle Enhancement’ scheme (PM E-DRIVE) for promotion of electric mobility in the country.¹⁷ The proposed outlay for the scheme is Rs 10,900 crore over a period of two years. Subsidies worth Rs 3,679 crore will be provided to incentivise various types of electric vehicles. Key features of the scheme include:

- **E-vouchers:** Consumers will be provided with e-vouchers at the time of purchase of the electric vehicle. These vouchers can be used to avail subsidies on the purchase price of the vehicle from the dealership. Manufacturers can then use these vouchers to claim reimbursement from the government.
- **Allocation for electric ambulances, trucks, and buses:** Rs 500 crore each, has been allocated under the scheme for deploying electric ambulances and trucks. Rs 4,391 crore has been allocated for the procurement of electric buses by public transport agencies of various states. Priority will be given to states that procure electric buses after scrapping existing buses at authorised scrapping centres.
- **Installation of public charging stations:** Public charging stations will be installed in cities with high EV usage. The scheme targets the installation of: (i) 22,100 fast chargers for four wheelers, (ii) 1,800 fast chargers for buses and (iii) 48,400 fast chargers for two and three wheelers. The proposed outlay under the scheme is Rs 2,000 crore.

- **Upgradation of test agencies:** The electric vehicle testing agencies under the Ministry of Heavy Industries, will be modernised under the scheme. The proposed outlay is Rs 780 crore. Some examples of these testing agencies include: (i) Automotive Research Association of India (ARAI) and (ii) International Centre for Automotive Technology (ICAT).¹⁸

Tribal Affairs

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Cabinet approves Tribal development scheme

The Union Cabinet approved the Pradhan Mantri Janjatiya Unnat Gram Abhiyan.¹⁹ The programme aims to uplift tribal communities by addressing gaps in key sectors such as: (i) social infrastructure, (ii) health, (iii) education, and (iv) livelihood. It comprises of 25 interventions that will be implemented by ministries governing relevant sectors. The programme will cover about 63,000 villages, and aims to benefit about five crore tribal people. The programme will receive an outlay of Rs 79,156 crore, to be spent over five years. Key features of the programme include:

- **Goals of the programme:** The goals are to be achieved in coordination with other departments and their schemes. These goals are: (i) building enabling infrastructure, (ii) promoting skill development and self-employment, and (iii) improving access to quality education and affordable healthcare.
- **Targets:** Targets have been set under various existing schemes, including: (i) Pradhan Mantri Awas Yojana, (ii) Pradhan Mantri Gram Sadak Yojana, (iii) Jal Jeevan Mission, (iv) National Health Mission, (v) Poshan Abhiyan. Some of these targets include: (i) building 20 lakh houses, (ii) 25,000 km road, (iii) water supply to every eligible village, (iv) creating up to 1,000 Mobile Medical Units, (v) establishing 2,000 new Anganwadi centres.
- **Schemes:** Certain initiatives under the programme include: (i) 1000 tribal home stays, (ii) sustainable livelihood for 22 lakh forest rights holders, (iii) improvement of infrastructure in tribal and government residential schools, (iv) affordable management of sickle cell disease, and (v) 100 multipurpose marketing centres for promoting tribal products.

Rural Development

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Cabinet approves implementation of Pradhan Mantri Gram Sadak Yojana - IV

The Union Cabinet approved implementation of the Pradhan Mantri Gram Sadak Yojana – IV (PMGSY – IV) between 2024-25 and 2028-29.²⁰ Under this phase, financial assistance will be provided for constructing 62,500 km of all-weather roads that will connect 25,000 unconnected habitations. This will cover habitations with a population exceeding: (i) 500 in plain areas, (ii) 250 in North Eastern and hilly states, and (iii) 100 in districts affected by left-wing extremism. PMGSY-IV will receive a total outlay of Rs 70,125 crore for five years, which will be borne between centre and states in a 70:30 ratio.

Agriculture

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Cabinet approves Nutrient Based Subsidy rates on fertilisers for Rabi season 2024

The Union Cabinet approved Nutrient Based Subsidy rates for phosphatic and potassic (P&K) fertilisers for the Rabi season 2024 (October 2024 to March 2025).²¹ The budgetary requirement for the subsidy is estimated to be around Rs 24,476 crore.

Cabinet approves continuation of schemes to prevent volatility in prices

The Union Cabinet approved continuation of schemes under the Pradhan Mantri Annadata Aay Sanrakshan Abhiyan (PM-AASHA).²² These schemes include: (i) Price Support Scheme, (ii) Price Stabilisation Fund, (iii) Price Deficit Payment Scheme, and (iv) Market Intervention Scheme. The objective of these schemes is to provide remunerative prices to farmers and control price volatility of essential commodities for consumers. The government has estimated total outlay for these schemes till 2025-26 to be Rs 35,000 crore.

Under the Price Support Scheme for notified pulses, oilseeds, and copra, the Centre has decided to procure 25% of national production at minimum support price from 2024-25 onwards. The Centre has also enhanced government guarantee for procurement of these crops to Rs 45,000 crore. To encourage states to implement Price Deficit Payment Scheme for notified oilseeds, the Centre has increased support by enhancing coverage of the scheme from 25% to 40% of state production of oilseeds. Under the Market Intervention Scheme, the support has been increased from 20% to 25% of production for perishable horticulture crops such as onion and tomatoes.

Earth Sciences

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Cabinet approves Mission Mausam to enhance weather research and services

The Union Cabinet approved Mission Mausam to improve weather and climate related research and services in the country.²³ Rs 2,000 crore has been sanctioned for the programme for two years. This will be used for supporting research and development in weather surveillance, modelling, forecasting and management. It will help deal with extreme weather events and impact of climate change.

The programme will facilitate use of technologies in weather research and forecasting. These will include use of: (i) artificial intelligence and machine learning, (ii) next-generation radars and satellite systems, and (iii) high-performance supercomputers. Three institutes under the Ministry of Earth Sciences will be responsible for implementing the Mission. These are: (i) the India Meteorological Department, (ii) the Indian Institute of Tropical Meteorology, and (iii) the National Centre for Medium-Range Weather Forecasting.

Biotechnology

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Cabinet approves continuation of Bio-RIDE scheme to promote R&D in Biotechnology

The Union Cabinet approved the continuation of the two umbrella schemes of the Department of Biotechnology, merged as one scheme, namely 'Biotechnology Research Innovation and Entrepreneurship Development' (Bio- RIDE).²⁴ The proposed outlay for the implementation of the scheme is Rs 9,197 crore.

The scheme aims to promote bio-entrepreneurship and advanced research through: (i) grants and incentives, (ii) academia-industry collaborations, (iii) extra-mural funding and (iv) capacity building.

A new component of the scheme will also focus on Biomanufacturing and Biofoundry. Under this component, indigenous solutions will be promoted to enhance: (i) healthcare outcomes, (ii) agriculture productivity, (iii) the state of the bioeconomy, and (iv) the commercialisation of bio-based products like bio-fuels, pharmaceuticals, and bio-plastics.

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