

Monthly Policy Review

October 2014

Highlights of this Issue

[Coal Mines \(Special Provisions\) Ordinance, 2014 promulgated \(p. 2\)](#)

The Ordinance provides the procedure for auction of coal blocks that were cancelled by the Supreme Court in September 2014. Provisions are made for the public auction as well as allotment of mines.

[Ordinance to allow National Textile Corporation to continue to lease land \(p. 3\)](#)

The Ordinance allows the National Textile Corporation (NTC) to continue with the lease-hold rights vested with it, even after the completion of the lease-hold tenure. It reverses a Supreme Court order with retrospective effect.

[Government deregulates diesel prices and approves new gas pricing policy \(p. 3\)](#)

Diesel prices will now be market-determined, while the gas prices will be set using a modified Rangarajan formula. The KG Basin (D1 and D3) will be paid the old price till the shortfall is covered, subject to the ongoing arbitration.

[School of Planning and Architecture Bill, 2014 gets Cabinet approval \(p. 4\)](#)

The Bill proposes to bring all three existing Schools of Planning and Architecture under one law.

[Ministry invites comments on the draft Small Factories Bill, 2014 \(p. 4\)](#)

The draft Bill seeks to regulate small factories, i.e., manufacturing units with less than 40 workers.

[Comments invited on proposed amendments to the Citizenship Act, 1955 \(p. 6\)](#)

Ministry of Home Affairs has invited comments on proposed amendments to the Citizenship Act, 1955 by November 11, 2014. These amendments relate to Persons of Indian Origin and Overseas Citizens of India.

[Ministry invites comments on amendments to Medical Termination of Pregnancy Act \(p. 5\)](#)

The proposed Bill allows for termination of a pregnancy for up to 24 weeks. It allows AYUSH practitioners, nurses and auxiliary nurse midwives to terminate pregnancies.

[Law Commission submits 2nd interim report on obsolete laws warranting repeal \(p. 6\)](#)

The 2nd interim report has identified 133 statutes that must be repealed, either in full or in part.

[Foreign Direct Investment policy in the construction development sector amended \(p. 7\)](#)

The amendment allows 100 percent FDI in the construction development sector, subject to a few conditions.

[Swachh Bharat Mission replaces Nirmal Bharat Abhiyan \(p. 8\)](#)

The Mission consists of two parts: (i) Swachh Bharat Mission (Gramin) and (ii) Swachh Bharat Mission (Urban), to develop sanitation facilities in rural and urban areas, respectively.

[Government approves Minimum Support Prices \(MSPs\) of Rabi crops for 2014-15 \(p. 9\)](#)

The MSPs for crops such as wheat, barley, mustard and safflower were approved. The price of wheat rises by 3.6%.

November 3, 2014

Macroeconomic Developments

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Retail inflation decreases to 6.5% in September

The Consumer Price Index inflation decreased from 7.8% in August to 6.5% in September.² This was on account of a fall in food inflation from 9.2% to 7.6%, primarily in cereals and vegetables. In addition, inflation of miscellaneous goods and services (Transport and Communication) decreased from 5.9% to 4.7%.^{1,2} The Wholesale Price Index inflation fell from 3.7% in August 2014 to 2.4% in September 2014, driven by a decrease in inflation of food and non-food articles, and fuel and power.

IIP increases by 0.4% in August 2014

The Index of Industrial Production (IIP) increased by 0.4% in August 2014 (year-on-year), same as the increase in July 2014.³ Manufacturing production (weight 75%) declined 1.4% in August, while mining (weight 14%) increased by 2.6%.

Energy

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Coal Mines (Special Provisions) Ordinance, 2014 issued

The Central Government promulgated the Coal Mines (Special Provisions) Ordinance, 2014 on October 21, 2014.⁴

Background: On August 25, 2014, the Supreme Court held as illegal all coal block allocations made by the Central Government from 1993.⁵ Following this, through its order on September 24, 2014, it cancelled the allocation of all but four coal blocks. This included the 42 mines that had begun or were ready to begin production.⁶ The ordinance provides the procedure for auction of these coal blocks.

The main features of the ordinance are:

- **Categorisation of coal mines:** The coal mines are categorised as: (i) Schedule I coal mines, which consist of all 204 coal blocks cancelled by the Supreme Court judgment, (ii) Schedule II coal mines, which are a subset of Schedule I and consist of coal blocks

where production has started, and (iii) Schedule III, which is also a subset of Schedule I and consists of coal blocks earmarked for specific end- use by the government.

- **Allocation process:** Schedule I coal mines will be allocated by way of public auctions for a fee not exceeding Rs five crore.
- **General eligibility:** (i) Government companies or corporations, (ii) any company incorporated in India, or (iii) a joint venture between any two or more companies, are eligible to participate in the public auction by competitive bidding for an area containing coal to carry out coal mining operations. Coal mining operations can be for own consumption, sale or for any other purpose in accordance with the relevant mining permit/license.
- **Eligibility for Schedule II and III:** The above mentioned companies are eligible to bid in an auction for Schedule II and Schedule III mines so long as they are engaged in specified end use (which includes power generation, cement, etc.).
- **Allotment of mines:** The government can allot a mine to (i) a government company which is not a joint venture with a private company, or (ii) a company which has been awarded a power project on the basis of competitive bidding for tariffs through an “allotment order”.
- **Prior allottees:** A prior allottee shall not be eligible to participate in the auction process if (i) he has not paid the additional levy imposed by the Supreme Court, or (ii) he is convicted of an offence related to coal block allocation and sentenced to imprisonment for more than three years.
- **Responsibility of the central government:** The central government will be vested with the lease or license for all Schedule II mines from April 1, 2015. In addition, from September 24, 2014 onwards, if the auction or allotment of a Schedule I mine is not complete, the government can appoint a designated custodian to operate and manage the mine on behalf of the central government till the completion of auction or allotment.
- **Amendment to other Acts:** The Ordinance amends the Coal Mines (Nationalisation) Act, 1973, and the Mines and Minerals

(Development and Regulation) Act, 1957 to allow for the changes proposed.

Deregulation of diesel prices and revision of gas prices

The Cabinet Committee on Economic Affairs decided to make the price of diesel market-determined, at the retail and refinery gate, from the midnight of October 18-19, 2014.⁷

In addition, a new domestic gas pricing policy was approved.⁸ This includes:

- A modified Rangarajan formula, whereby the upward revision in price will be 75% less compared to the price determined by the original Rangarajan formula.
- The price shall be notified on a half yearly basis, and the price notified will be on Gross Calorific Value basis.
- A premium on the gas price will be provided for discoveries in Ultra Deep Water Areas, Deep Water Areas and High Pressure-High Temperature Areas.
- Subsidy for gas supplied to the North East Region will continue, and this subsidy should also be provided to private operators.
- The operators of the D1 and D3 of the Block KG-DWN-98-3 will be paid the earlier price (USD 4.2/mmbtu) till the shortfall quantity of gas is made good. The difference between the revised price and the present price will be credited to an account maintained by GAIL. Whether the amount is payable or not to the operator of this block will depend on the outcome of the ongoing arbitration.

Modified Direct Benefit Transfer Scheme to be re-launched in the country

The Union Cabinet approved the Modified Direct Benefit Transfer Scheme in LPG. The modified scheme will be re-launched in 54 districts from mid-November onwards, and in the rest of the country from January 1, 2015.⁹

The modified scheme has the following features:

- Under the modified scheme, persons without Aadhaar will also receive the LPG subsidy. The subsidy will be credited to their bank accounts directly.
- There will be a grace period of three months for consumers to join the scheme, during

which the consumer will receive the cylinder at subsidised prices as before.

- After the grace period, if the consumer does not join the scheme, there is an additional three month parking period. During this period the consumer will pay market price, but the subsidy due on all cylinders will be credited to the bank account of the consumer as soon as the consumer joins the scheme.
- A revamped grievance redressal system will be put in place.

Early monetisation of hydrocarbon discoveries

The Cabinet Committee on Economic Affairs approved the policy framework for relaxations, extensions and clarifications regarding hydrocarbon (oil and natural gas) discoveries.¹⁰

The policy framework has the following features:

- It extends and relaxes the time period for various stages of hydrocarbon discoveries, like the appraisal period for declaring a commercially viable hydrocarbon discovery and for submission of Field Development Plans, etc.
- Minimum Works Programme (MWP) involves detailed exploration surveys such as 2D or 3D seismic, gravity magnetic surveys, etc. MWPs are undertaken by exploration companies and the information is shared with the government. The policy allows for changing of some of the activities included in the MWP, such as reduction of the area under MWP in certain cases, etc.
- Discoveries for which notification has not been provided to the government and for which notification for testing has not been provided will be accepted.

Textiles

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Ordinance to allow National Textile Corporation to continue to lease land

The Textile Undertakings (Nationalisation) Laws (Amendment and Validation) Ordinance, 2014 was promulgated by the President on October 24, 2014.¹¹ It amends the Sick Textile Undertaking

(Nationalisation) Act, 1974 and the Textile Undertakings (Nationalisation) Act, 1995.¹²

The Ordinance allows the National Textile Corporation (NTC) to continue with the leasehold rights vested with it, even after the completion of the leasehold tenure.

In 2011, the Supreme Court had held that NTC must vacate premises of the Toyo Poddar Cotton Mills Ltd under the Maharashtra Rent Control Act, 1999.¹³ The Maharashtra Rent Control Act, 1999 exempts land that is leased by the central government from its purview.¹⁴

NTC argued it was exempt from the Maharashtra Rent Control Act, 1999 as leasehold rights to the land were vested with the central government. However, the Supreme Court held that the leasehold rights vested with NTC and not the central government, and therefore NTC would have to vacate the premises.

The Ordinance states that the leasehold rights of sick textile undertakings that have been transferred to the NTC will vest with the central government. Any leasehold property divested from the NTC to other persons will be returned to the NTC. These new provisions will be applied retrospectively.

In effect, the Ordinance reverses the decision of the Supreme Court and ensures that NTC will continue to hold lease on the land that were held by the sick units.

Education

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Cabinet approves School of Planning and Architecture Bill, 2014

The Union Cabinet on October 29, 2014 gave its approval to the School of Planning and Architecture Bill, 2014 to be introduced in Parliament.¹⁵

The Bill seeks to enable the existing three Schools of Planning and Architecture (SPA) to grant degrees. These schools have been established as autonomous institutions by the Ministry of Human Resource Development (MHRD) and are situated in Delhi, Bhopal and Vijayawada. The Delhi SPA is currently a deemed university and the Bhopal SPA is an institute of national importance.

Labour

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Comments invited on the draft Small Factories Bill, 2014

The Ministry of Labour and Employment has released the draft Small Factories (Regulation of Employment and Conditions of Services) Bill, 2014 on its website for comments by November 10, 2014.^{16,17}

Several provisions of the Factories Act, 1948, the Industrial Disputes Act, 1947, the Payment of Wages Act, 1936 etc. have been included in the draft Bill. Some of the features of the draft Bill are as follows:

- Currently, the Factories Act, 1948 applies to manufacturing units employing a minimum of 10 workers (using power) and 20 workers (without power). The draft Bill defines a “small factory” as any premise wherein a manufacturing process is carried on and which employs less than 40 workers.
- Small factories have to submit an electronic application for registration. Upon registration, the small factory will be issued a certification of registration and a Labour Identification Number (LIN).
- Provisions for payment of wages, hours of work and overtime are included. In addition, state governments are empowered to allow women to work at night subject to certain safeguards being provided.
- Every employer has to ensure that the worker is covered by a Provident Fund, health or medical insurance scheme and a gratuity insurance scheme.
- Provisions for health and safety in small non-hazardous factories have been included. However, for small factories involved in hazardous manufacturing processes, the Factories Act, 1948 will apply.
- Contravention of any provision will be punishable with a fine of up to Rs 5,000 or imprisonment of up to three months, or both.

Five schemes launched by the Ministry of Labour

The Ministry of Labour and Employment organised the Shramev Jayate Karyakram, which launched five main schemes on October 16, 2014.¹⁸ These schemes are:

- **Shram Suvidha Portal:** This is a dedicated portal which will allot Labour Identification Number (LIN) to approximately 6 lakh units and allow these units to file online compliance for 16 out of 44 central labour laws.¹⁹
- **Random Inspection Scheme:** Human discretion in selecting units for inspection will be eliminated through the use of technology, and objective criteria will be used to generate a random list. All inspection reports will be uploaded within 72 hours.
- **Universal Account Number:** A Universal Account Number (UAN) has been allotted to all Employee Provident Fund holders. The UAN is being seeded with the bank account, Aadhaar card and Know-Your-Customer details. This is to make the Provident Fund account portable, hassle-free and universally accessible.
- **Apprentice Protsahan Yojana:** This scheme will support manufacturing units by reimbursing 50% of the stipend paid to apprentices during the first two years of training.
- **Revamped Rashtriya Swasthya Bima Yojana:** A new smart card for the unorganised sector workers will be provided, which will also include the details of two other social security schemes.

Health

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Comments invited on amendments to the Medical Termination of Pregnancy Act, 1971

On October 29, 2014, the Ministry of Health and Family Welfare invited comments on the Draft Medical Termination of Pregnancy (Amendment) Bill, 2014.²⁰ The deadline for comments is November 10, 2014.

Key changes proposed in the Bill are:

- The term registered medical practitioner is substituted with registered health care provider. Under the Act a registered medical practitioner is defined as a person who has training in gynaecology and obstetrics and possesses recognised medical qualifications as per the Indian Medical Council Act, 1956. The draft Bill includes persons with recognised medical qualifications in nursing (including auxiliary nurse midwives), Ayurveda, Unani, Siddha, Homeopathy in the definition.
- The Act requires that for the termination of pregnancy (i) which does not exceed 12 weeks, the opinion of one medical practitioner be taken, and (ii) between 12 weeks-20 weeks the opinion of two medical practitioners be taken. The Bill also allows a pregnancy of up to 24 weeks to be terminated under certain conditions. The category of conditions will be prescribed in rules. In all three cases, the opinion of one registered health care provider will be required.
- The Bill states that the requirement of length of pregnancy will not apply in cases where the termination is due to substantial foetal abnormalities.
- The Bill prohibits a registered health care provider from revealing the name and other details of a woman who terminates a pregnancy.
- The penalty for (i) anyone other than registered health care providers terminating a pregnancy, (ii) terminating a pregnancy in other than a prescribed location is rigorous imprisonment of two to seven years.

National Mental Health Policy launched

The National Mental Health Policy of India was launched by the Ministry of Health and Family Welfare in October 2014.²¹ The Policy seeks to address mental health issues, its medical and non-medical aspects in a comprehensive way. The policy aims to promote mental health, enable recovery from mental illness through affordable and quality health care, and prevent stigma associated with mental illness.

They key features of the Policy are:

- **Effective governance and delivery mechanisms for mental health:** Develop relevant laws and regulations and ensure adequate budgetary resources to implement aspects of mental health care. Create

suitable plans at the central, state and district levels to implement mental health programs.

- **Promotion of mental health:** Information and awareness regarding mental health will include (i) designing curricula towards life skills education; (ii) easy access to reliable information about mental illness; and (iii) reduce risk of mental illness amongst women, children and adolescents.
- **Prevention of mental illness and reducing suicide:** This includes (i) enabling access to early treatment and care giving facilities for early recovery; (ii) ensuring no stigma for and discrimination against mentally ill persons in all aspects of seeking and retaining work; and (iii) decriminalising attempted suicide.
- **Universal access to mental health services:** This will involve (i) developing norms and standards for quality mental health services; (ii) ensuring comprehensive services for mental health are universally accessible; and (iii) implementing screening programs for early identification and treatment of persons with mental illness.
- **Availability of adequately trained mental health human resources:** There is a need to (i) reduce gap between requirement and availability of mental health professionals such as psychiatrists, counsellors, psychologists, psychiatric social workers etc; (ii) start Masters and Diploma courses in psychiatric nursing; and (iii) train all health personnel in mental health issues.

Home Affairs

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Comments invited on proposed amendments to the Citizenship Act, 1955

The Ministry of Home Affairs has invited comments on proposed amendments to the Citizenship Act, 1955 by November 11, 2014.²²

The proposed amendments are:

- Under the Act, an applicant for citizenship by registration or naturalisation is required in some cases to have one year's continuous stay in the country before applying. The proposal allows for breaks during this prescribed period. Breaks of up to 30 days

in total will be permitted during the one year of continuous stay.

- A minor whose parent(s) are Indian citizens shall be permitted to apply for Overseas Citizenship of India. Currently, such minors are not eligible for Overseas Citizenship. An Overseas Citizen of India is entitled to some benefits like a multiple-entry, multi-purpose life-long visa to visit India.
- A merger of the Persons of Indian Origin and the Overseas Citizenship of India schemes as "Overseas Indian Cardholders".

Law and Justice

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Law Commission submits interim report on obsolete laws that warrant immediate repeal

The Law Commission submitted its second interim report on 'Obsolete Laws: Warranting Immediate Repeal' to the Law Ministry on October 13, 2014.²³ This is the second report of the larger study on 'The Legal Enactments: Simplifications and Streamlining' being undertaken by the Commission. It submitted its first report on September 12, 2014.

For the purposes of the second interim report, the Law Commission examined 113 laws. It recommended the repeal of: 77 laws and 11 permanent ordinances promulgated during World War II, in entirety, and certain provisions of the 25 state reorganization laws.

The Law Commission noted that the central or state legislature that is competent to repeal the identified law must be identified in accordance with the Constitution. It also recommended that the ministry must ensure easy access to an updated set of central laws in force, to lay persons.

Post Sachar Evaluation Committee submits report

The Post Sachar Evaluation Committee, constituted to evaluate the implementation of the recommendations of the Sachar Committee, submitted its report on October 9, 2014.²⁴

The Committee (Chairman: Prof. Amitabh Kundu) was set up by the Minority Affairs Ministry in September 2013. It was mandated

with the task of evaluating the implementation of: (i) the recommendations of the Sachar Committee Report, and (ii) the Prime Minister's New 15-point Programme for the Welfare of Minorities. The committee was also tasked with assessing the outcome of the programmes implemented by the Ministry of Minority Affairs and other Ministries.

In March 2005, Prime Minister Manmohan Singh had appointed a High Level Committee headed by Justice Rajinder Sachar to examine the socio-economic and educational status of the Muslim community in India.²⁵

The 'Prime Minister's New 15-Point Programme for the Welfare of Minorities' was introduced in 2006. It included programme specific interventions for government schemes for the underprivileged to reach the disadvantaged sections of the minority communities.²⁶

A PRS Summary of the Sachar Committee Report is available [here](#).

Finance

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The Bankruptcy Reforms Committee

The government has decided to constitute a Bankruptcy Reforms Committee under the chairmanship of Mr T.K. Viswanathan.²⁷ The Committee will examine the corporate bankruptcy legal framework in India, including (i) early detection and resolution, (ii) protection of interest of stakeholders, and (iii) examine the role of institutions involved in liquidation and rescue. Comments and suggestions on the proposed areas may be sent to the Ministry by November 20, 2014.

The constitution of the Committee was announced in the Budget 2014-15. The Commission is expected to submit its report by February 2015.

Urban Development

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Foreign Direct Investment Policy in the construction development sector amended

The Union Cabinet approved amendments to the Foreign Direct Investment (FDI) policy in the construction development sector on October 29, 2014.²⁸ The amendment allows 100 percent FDI under automatic route in the construction development sector. The investment will be subject to the following conditions:

- Minimum floor area of 20,000 sq ft.
- Minimum FDI of USD 5 million required within six months of commencement of the project.
- The investor will be permitted to exit on completion of the project or after three years from the date of final investment, subject to development of trunk infrastructure.
- The government may permit repatriation of FDI or transfer of stake by one non-resident investor to another non-resident investor, before the completion of the project. These proposals will be considered on a case to case basis.
- Projects shall conform to all building and land use norms and standards.
- The Indian investee company will be permitted to sell only developed plots. Developed plots are those where trunk infrastructure has been made available.
- The Indian investee company shall be responsible for obtaining all necessary approvals from the concerned authorities.
- The concerned authority which approves the development plans will monitor compliance of the above conditions by the developer.

FDI is not permitted in an entity engaged in real estate business, construction of farm houses and trading in Transferable Development Rights. The area and capital requirements will not apply to hotels and tourist resorts, hospitals, Special Economic Zones, educational institutions, old age homes and investment by Non Resident Indians. These requirements will also not apply to the investee/joint venture companies which commit at least 30 percent of the total project cost for low cost affordable housing.

Draft concept note for Smart Cities scheme released

The Ministry of Urban Development has put up a working draft note for ‘Smart Cities’ on October 14, 2014.²⁹ The vision is to develop 100 smart cities by developing satellite towns of larger cities and by modernising the existing mid-sized cities. The note specifies definitions, components and features of a smart city.

Key features included in the note include:

- **Identification:** The smart cities may be chosen from the following: (i) one satellite city of each of the cities with a population of 4 million people or more (9 cities), (ii) cities in the population range of 1 - 4 million people (44 cities), (iii) all state/UT capitals, even if they have a population of less than one million (17 cities), (iv) cities of tourist and religious importance (10 cities), (v) cities in the 0.2 to 1.0 million population range (20 cities), and (vi) a city developed by Delhi Development Authority that will demonstrate all characteristics of a smart city. The cities will have to attain specific benchmarks in a range of services in order to qualify as a smart city.
- **Financing:** Financing for smart cities is expected to come from the private sector with the states/cities and central government only supplementing that effort.
- **City development plan:** A Citizen Reference Framework will be developed to capture the aspirations of the residents of the city. A Smart City Reference Framework will also be evolved and cities will have to develop their Smart City Development Plan based on this framework. Each smart city will also develop their Environmental Sustainability Plan.
- **Project Management Units:** Project Management Units (PMU) will be set up at the State and Urban Local Body (ULB) level to guide the process of creating plans for smart cities.
- **Role of central government:** Central government will provide support to the states and ULBs in three forms that include: (i) financial support, (ii) policy support and legal backing, and (iii) capacity building.

Rural Development

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Swachh Bharat Mission replaces Nirmal Bharat Abhiyan

The Nirmal Bharat Abhiyan (NBA) was restructured and renamed the Swachh Bharat Mission on October 2, 2014.³⁰

NBA was implemented in rural areas only, by Ministry of Drinking Water and Sanitation. The Swachh Bharat Mission will consist of two sub missions: (i) Swachh Bharat Mission (Gramin), for rural areas and (ii) Swachh Bharat Mission (Urban), for urban areas.

The Ministry of Drinking Water and Sanitation will implement the Swachh Bharat Mission (Gramin) (SBM-G). The Ministry of Urban Development will implement the Swachh Bharat Mission (Urban) (SBM-U).³¹

Under the SBM-G, funds will be provided for the following activities: (i) construction of household toilets, (ii) construction of community sanitary complexes, (iii) solid liquid waste management, and (iv) information, education, communication (IEC) activities.

Key changes in the SBM-G include:³²

- Increase in amount provided for household toilets from Rs 10,000 to Rs 12,000.
- The contribution from the Mahatma Gandhi National Rural Employment Guarantee for the construction of household toilets has been stopped.
- Provisions relating to the construction of toilets under SBM-G may be included in the Indira Awas Yojana.
- Construction of school toilets and anganwadi toilets will be the responsibility of the Department of School Education and Literacy and the Ministry of Women and Child Development, respectively.

For information on SBM-U, see the Monthly Policy Review for September 2014, [here](#).

Saansad Adarsh Gram Yojana launched for the development of model villages

The Saansad Adarsh Gram Yojana was launched on October 11, 2014, for the development of model villages, or Adarsh Grams.³³ Under the

Yojana, each Member of Parliament must develop eight model villages by 2024.

MPs can select any gram panchayat, other than their own village or that of their spouse, to be developed as a model village.

A Village Development Plan must be created for each model village. While each village will develop a list of activities to be carried out, based on its own resources and requirements, possible activities have been listed in the guidelines for the scheme, available [here](#).³⁴

For example, model villages can work towards providing universal access to basic healthcare facilities, and promoting diversified livelihoods ensuring housing for all, etc.

For more information on the Yojana, please see the PRS blog, [here](#).

Swachhta Udyami Yojana launched

The Swachhta Udyami Yojana was launched on October 2, 2014.³⁵ The Yojana provides financial assistance to safai karamcharis and identified former manual scavengers for: (i) the construction and operation of community toilets, and (ii) the purchase of sanitation related vehicles.

Beneficiaries will be provided loans at an interest rate of 3-4% per annum. The maximum amount of loan for the construction of community toilets will be Rs 25 lakh, and for the purchase of sanitation related vehicles will be Rs 15 lakh. Identified former manual scavengers will be provided a capital subsidy of Rs 3.25 lakh.

Agriculture

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MSP of Rabi crops for 2014-15 declared

The government approved Minimum Support Prices (MSPs) for the Rabi crops of 2014-15.³⁶ The Commission for Agricultural Costs and Prices had recommended the MSPs in August.³⁷ The table below shows the change in MSPs of Rabi crops over the last year.

Table 1: Change in MSPs from 2013-14

Commodity	MSP for 2013-14	MSP for 2014-15	Increase over last year	% Change
Wheat	1400	1450	50	3.6
Barley	1100	1150	50	4.5
Gram	3100	3175	70	2.4
Masur (Lentil)	2950	3075	125	4.2
Rapeseed/ Mustard	3050	3100	50	1.6
Safflower	3000	3050	50	1.7

Source: Press Information Bureau; PRS.

India to import potatoes to curb prices

India is planning to import potatoes in order to increase domestic availability and curb rising prices. Potato prices in the country have risen to Rs 35-40 per kg due to the festive season, and the stock of stored potatoes is decreasing.³⁸

The government had asked the National Agricultural Cooperative Marketing Federation of India Limited (NAFED) and Small Farmers Agribusiness Consortium (SFAC) to float tenders regarding the import of potatoes last week, so that the imports can come in by the end of November. NAFED, on October 24, 2014 said that it had invited an expression of interest from global suppliers for the import of 25,000 tonnes of potatoes. It will be floating tenders based on the response of suppliers.³⁹

The Minimum Export Price (MEP) of potatoes had been increased to USD 450 per metric tonne in June, in order to increase domestic supply.³⁸

Environment

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HLC on environmental laws adds the Indian Forest Act, 1927 to list of laws to be reviewed

The High Level Committee (Chair: Mr. TSR Subramanian) to review five environmental laws will also review the Indian Forest Act, 1927.⁴⁰

The Indian Forest Act, 1927 allows the government to declare certain areas as reserved forests and regulate the activity that may be undertaken in these areas.

Thus, the Committee will review the following six laws: (i) Wild Life (Protection) Act, 1972

(ii) Water (Prevention and Control of Pollution) Act, 1974, (iii) Forest (Conservation) Act, 1980, (iv) Air (Prevention and Control of Pollution) Act, 1981, (v) Environment (Protection) Act, 1986, and (vi) Indian Forests Act, 1927.

For more information on the Committee, please see the Monthly Policy Review for September 2014, [here](#).

¹⁴ “Index Numbers of Wholesale Price in India (BASE: 2004-05=100), Review for the Month of September, 2014”, Press Information Bureau, Ministry of Commerce and Industry, October 14, 2014.

²⁴ “Consumer Price Index Numbers on Base 2010=100 for Rural, Urban and Combined for the Month of September, 2014”, Press Information Bureau, Ministry of Statistics and Programme Implementation, October 13, 2014.

³⁴ “Quick Estimates of Index of Industrial Production and Use-Based Index for the Month of July, 2014 (BASE: 2004-05=100)”, Press Information Bureau, Ministry of Statistics and Programme Implementation, September 12, 2014.

⁴ The Coal Mines (Special Provisions) Ordinance, 2014, The Gazette of India, October 21, 2014, <http://www.egazette.nic.in/WriteReadData/2014/161329.pdf>.

⁵ Manohar Lal Sharma vs. The Principal Secretary & Ors., Write Petition (CRL.) No. 120 of 2012, Supreme Court of India, August 25, 2014, <http://judis.nic.in/supremecourt/imgs1.aspx?filename=41841>.

⁶ Manohar Lal Sharma vs. The Principal Secretary & Ors., Write Petition (CRL.) No. 120 of 2012, Supreme Court of India, September 24, 2014, <http://judis.nic.in/supremecourt/imgs1.aspx?filename=41955>.

⁷⁴ “Deregulation of Diesel Prices”, Press Information Bureau, Ministry of Petroleum and Natural Gas, October 18, 2014.

⁸⁴ “Revision of Domestic Gas Prices”, Press Information Bureau, Ministry of Petroleum and Natural Gas, October 18, 2014.

⁹⁴ “Modified direct benefit transfer scheme to be relaunched in the country”, Press Information Bureau, Ministry of Petroleum and Natural Gas, October 18, 2014.

¹⁰⁴ “Policy framework for relaxations, extensions and clarifications at the development and production stage under psc regime for early monetization of hydrocarbon discoveries”, Press Information Bureau, Ministry of Petroleum and Natural Gas, October 18, 2014.

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