

Monthly Policy Review

July 2017

Highlights of this Issue

[The Banking Regulation \(Amendment\) Bill, 2017 introduced in Lok Sabha \(p. 2\)](#)

The central government may authorise the RBI to direct banks to initiate recovery proceedings in case a borrower defaults on repayment. Further, the RBI may set up committees to advise banks on resolution of stressed assets.

[RS passes the 123rd Constitution Amendment Bill; no constitutional status to NCBC \(p. 5\)](#)

The Bill provides the President the power to specify backward classes. During passage in Rajya Sabha, the provision that made the National Commission for Backward Classes (NCBC) a constitutional body was removed.

[Four Bills passed by Parliament \(p. 3, 4, 7\)](#)

The Bills passed include the Footwear Design and Development Institute Bill, 2017, the Collection of Statistics (Amendment) Bill, 2017, the Admiralty (Jurisdiction and Settlement of Maritime Claims) Bill, 2016, among others.

[The Companies \(Amendment\) Bill, 2016 passed by Lok Sabha with amendments \(p. 3\)](#)

Amendments are in relation to (i) layers of subsidiaries a company can have, (ii) objects of company, (iii) filing of annual returns by small companies, (iv) fee for late filing of documents under the Act, among others.

[The Indian Institutes of Management Bill, 2017 passed by Lok Sabha \(p. 5\)](#)

The Bill declares the Indian Institutes of Management (IIMs) as institutions of national importance. Under the Bill, IIMs have the power to grant degrees, diplomas and other academic distinctions or titles.

[CPI inflation decreased to 1.5% in Q1 of 17-18; food inflation at -2.1% \(p. 2\)](#)

The decrease in CPI inflation was mainly a result of falling prices of fuel and food items such as pulses and vegetables. Food inflation decreased from 0.6% to -2.1%. WPI inflation also decreased from 3.9% to 0.9%.

[Standing Committee submits report on Transgender Persons Bill, 2016 \(p. 4\)](#)

The Committee recommended that the definition of transgender persons be modified to cover all persons whose gender identity differs from gender assigned at birth. They will require a certificate of identity as 'transgender'.

[Law Commission submits report on human DNA profiling \(p. 13\)](#)

The report states the need for the regulation of human DNA profiling by a special law with defined standards, quality controls and quality assurance systems. Further, such profiling would be restricted for certain purposes.

[Ten Bills introduced in Lok Sabha \(p. 10, 11\)](#)

The Bills introduced include the Requisition and Acquisition of Immovable Property (Amendment) Bill, 2017, the the Public Premises (Eviction of Unauthorised Occupants) Amendment Bill, 2017, among others.

[Standing Committee submits reports on Major Ports and Merchant Shipping Bills \(p. 8, 9\)](#)

Recommendations include: (i) addressing concerns regarding privatisation of ports in the Major Ports Bill; and (ii) providing necessary safeguards in the Merchant Shipping Bill to ensure more job opportunities to Indian seafarers.

[CAG submits reports on implementation and performance of various schemes \(p. 7, 12, 16\)](#)

The CAG examined the implementation of Right of Children to Free and Compulsory Education Act, 2009, performance of reproductive and child health programmes and agriculture crop insurance schemes, among others.

[Draft National Guidelines for Stem Cell Research, 2017 released by ICMR \(p. 12\)](#)

The draft guidelines have been laid down by the Indian Council of Medical Research to ensure that all research with human stem cells is conducted in an ethical and scientifically responsible manner.

August 1, 2017

Macroeconomic Development

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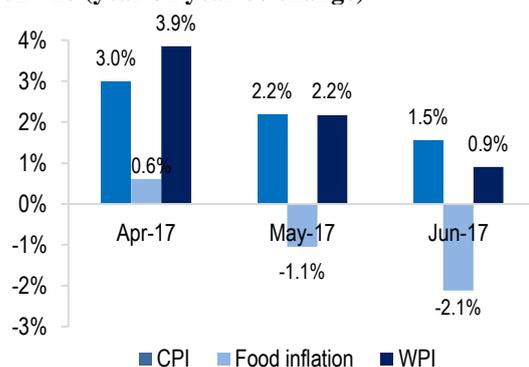
Retail inflation decreased to 1.5% during the first quarter of 2017-18

The Consumer Price Index (CPI) inflation (base year 2011-12) decreased from 3% in April 2017 to 1.5% in June 2017, year-on-year.¹ During the same period, food inflation also decreased from 0.6% to -2.1% year-on-year. The decrease in CPI inflation was mainly a result of falling prices of fuel and food items such as pulses and vegetables.

The Wholesale Price Index (WPI) inflation (base year 2011-12) also decreased from 3.9% year-on-year to 0.9% year-on-year in the first quarter of 2017-18.²

The trends in inflation during the first quarter of 2017-18 are shown in Figure 1.

Figure 1: CPI and WPI inflation in Q1 of 2017-18 (year on year % change)



Sources: Ministry of Commerce and Industry; Ministry of Statistics and Programme Implementation; PRS.

Finance

Three Ordinance related to GST promulgated; Bills replacing them introduced in Parliament

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Three Ordinances related to the Goods and Services Tax (GST) were promulgated.^{3,4,5} Subsequently, Bills to replace these Ordinances were introduced in Lok Sabha by the Minister of Finance, Mr. Arun Jaitley.^{6,7,8} Key features of these Bills are:

- **The Central Goods and Services Tax (Extension to Jammu and Kashmir) Ordinance, 2017:** The Central Goods and Services Tax Act, 2017 provides for the levy of Central GST on supplies of goods

and services within a state. It applies to the whole of India except Jammu and Kashmir. The Ordinance extends the provisions of the Act to Jammu and Kashmir as well.

- **The Integrated Goods and Services Tax (Extension to Jammu and Kashmir) Ordinance, 2017:** The Integrated Goods and Services Tax Act, 2017 allows for the levy of Integrated GST on inter-state supplies of Goods and Services. It applies to the whole of India except Jammu and Kashmir. The Ordinance extends the provisions of the Act to Jammu and Kashmir as well.
- **The Punjab Municipal Corporation Law (Extension to Chandigarh) Amendment Ordinance, 2017:** The Ordinance amends the Punjab Municipal Corporation Law (Extension to Chandigarh) Act, 1994. The 1994 Act regulates the functioning of the Municipal Corporation of Chandigarh.

Under the 1994 Act, the central government has the power to levy Entertainment Tax and Entertainment Duty for Chandigarh. The Ordinance transfers these powers from the central government to the Municipal Corporation of Chandigarh.

This is consequent to the Constitution (101st Amendment) Act, 2016 which subsumes Entertainment Tax with GST, except where it is levied by a panchayat or a municipality.

PRS summaries of these Bills are available [here](#), [here](#), and [here](#), respectively.

The Banking Regulation (Amendment) Bill, 2017 introduced in Lok Sabha

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The Banking Regulation (Amendment) Bill, 2017 was introduced in Lok Sabha.⁹ It replaces an Ordinance, which was promulgated in May 2017. The Bill amends the Banking Regulation Act, 1949, which regulates the functioning of banks and provides details on aspects such as licensing, management, and operations of banks. Key features of the Ordinance are:

- **Insolvency proceedings:** The central government may authorise the Reserve Bank of India (RBI) to issue directions to banks for initiating proceedings in case of a default in loan repayment. These

proceedings will be under the Insolvency and Bankruptcy Code, 2016.

- **Issuing directions to banks on stressed assets:** The RBI may issue directions to banks for resolution of stressed assets (stressed assets include NPAs, and loans that have been restructured). Further, the RBI may specify authorities or committees to advise banks on resolution of these assets. Members on such committees will be appointed or approved by the RBI.

A PRS analysis of the Bill and the Ordinance is available [here](#) and [here](#), respectively.

State Banks (Repeal and Amendment) Bill, 2017 introduced in Lok Sabha

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The State Banks (Repeal and Amendment) Bill, 2017 was introduced in Lok Sabha.¹⁰ Key features of the Bill are:

- **Repeal:** It seeks to repeal the two Acts: (i) State Bank of India (Subsidiary Banks) Act, 1959, and (ii) State Bank of Hyderabad Act, 1956. These Acts established the State Bank of Bikaner, State Bank of Mysore, State Bank of Patiala, State Bank of Travancore, and State Bank of Hyderabad. These banks were subsidiaries of the State Bank of India (SBI).

This is consequent to the Union Cabinet approval in February 2017 to allow the SBI to acquire these subsidiaries.
- **Amendments to the SBI Act, 1955:** The Bill seeks to amend the State Bank of India Act, 1955 to remove references related to subsidiary banks. These references include: (i) the definition of a subsidiary bank in the 1955 Act, and (ii) powers of SBI to act as an agent of the RBI for a subsidiary bank.

A PRS summary of the Bill is available [here](#).

Corporate Affairs

The Companies (Amendment) Bill, 2016 passed by Lok Sabha

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The Companies (Amendment) Bill, 2016 was passed by Lok Sabha with amendments.¹¹ The Bill amends the Companies Act, 2013 which regulates incorporation, management, functioning and winding up of companies.

During its passage in Lok Sabha, the following amendment were made to the Bill:

- **Layers of subsidiaries:** The Act permits the central government to impose a cap on the number of layers of subsidiaries a company can have. The 2016 Bill sought to remove the restriction on the number of layers of subsidiaries. The Bill as passed restores the position in the Act, i.e., the central government may impose such a cap.
- **Memorandum:** The Act requires the memorandum of association of a company to define the specific objects for which the company is being incorporated, and other related matters. The 2016 Bill allowed a company to declare general objects which state that the company may engage in any lawful act or activity or business. The Bill as passed restores the position of the Act. It requires companies to state specific objects for their incorporation.

Key features of the 2016 Bill are:

- **Independent Directors:** Under the Companies Act, 2013, independent directors of a company should not have monetary (pecuniary) relationship with the company. The Bill seeks to allow independent directors to have pecuniary interest up to 10% of their income. This amount may be further modified by the central government.
- **Managerial remuneration:** Under the Act, if managerial remuneration exceeds prescribed limits, approval of the central government and shareholders must be obtained. The Bill seeks to omit the requirement to obtain approval from the central government.

A PRS analysis of the Bill is available [here](#).

Commerce

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The Footwear Design and Development Institute Bill, 2017 passed by Parliament

The Footwear Design and Development Institute Bill, 2017 was passed by Parliament.¹² The Bill seeks to establish the Footwear Design and Development Institute as an institution of national importance. Currently, there are 12 campuses under this Institute. Key features of the Bill include:

- **Functions of the Institute:** The functions of the Institute include: (i) developing and conducting courses and research related to footwear and leather products' design and development, and (ii) granting degrees, diplomas and certifications.
- **Key authorities of the Institute:** The authorities of the Institute include: (i) a Governing Council, which is responsible for the administration of the Institute and reviewing the work of the Senate; and (ii) a Senate, as the principal academic body, which will specify admission procedures, academic content and calendar.

A PRS summary of the Bill is available [here](#).

Statistics

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The Collection of Statistics (Amendment) Bill, 2017 passed

The Collection of Statistics (Amendment) Bill, 2017 was passed by Parliament.¹³ The Bill seeks to amend the Collection of Statistics Act, 2008. The Act facilitates the collection of statistics related to social, economic, demographic, and other indicators, by central, state and local governments. It also contains provisions to ensure security of the information collected under the Act.

The Bill seeks to achieve the following objectives: (i) extend the jurisdiction of the Act to Jammu and Kashmir, (ii) allow the central government to determine the manner in which the information collected will be used for statistical purposes, and (iii) provide for the appointment of a nodal officer to coordinate and supervise the proposed statistical activities.

A PRS summary of the Bill is available [here](#).

Social Justice

Standing Committee submits report on the Transgender Persons Bill, 2016

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The Standing Committee on Social Justice and Empowerment submitted its report on the Transgender Persons (Protection of Rights) Bill, 2016.¹⁴ The Bill was introduced in Lok Sabha in August 2016 and referred to the Standing Committee in September 2016.

Key recommendations of the Standing Committee include:

- **Definition of 'transgender persons':** Under the Bill, the definition of a transgender person includes one who is: (i) neither wholly female or male; (ii) a combination of female and male; or (iii) neither female nor male. It also requires that such a person's gender should not match the gender assigned at birth, and includes trans-men and trans-women, persons with intersex variations and gender-queers.
- The Standing Committee observed that this definition is against global norms and violates the right to self-determined gender identity. It recommended that the definition be modified to cover those whose gender does not match with the gender assigned at birth and include trans-men, trans-women, gender-queers, and other sociocultural identities. Further, transgender persons may choose to identify as 'man', 'woman' or 'transgender', irrespective of sex reassignment surgery and hormonal therapy.
- **Process of certification as a transgender person:** As per the Bill, a transgender person must obtain a certificate of identity indicating the gender as 'transgender'. This would be granted by the District Magistrate on the recommendation of a Screening Committee. A revised certificate may be obtained if there is any subsequent change in gender. The Committee recommended that the certificate indicate identity *only* as 'transgender', and not 'male' or 'female'. Consequently, the provision for revised certificate should be removed.
- **Other recommendations:** The Standing Committee recommended the inclusion of certain other provisions in the Bill, such as: (i) defining the term 'persons with intersex variations' to cover those who show variations in their sexual characteristics; (ii) granting reservations under the category of socially and educationally backward classes; and (iii) recognition of civil rights like marriage, partnership, divorce and adoption.

A PRS summary of the Standing Committee report is available [here](#).

Rajya Sabha passes 123rd Constitution Amendment Bill; removes provision providing constitutional status to NCBC

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The Constitution (123rd Amendment) Bill, 2017 was passed by Rajya Sabha, with an amendment.¹⁵ Earlier, the Bill had been passed by Lok Sabha in April 2017. It sought to set up the National Commission for Backward Classes (NCBC) under the Constitution, and define socially and educationally backward classes. During voting in Rajya Sabha, the provision that granted the NCBC constitutional status and specified its composition was removed.

This month a Select Committee of Rajya Sabha (Chairperson: Mr. Bhupinder Yadav) also submitted a report on the Bill, recommending for it to be passed.¹⁶

A PRS summary of the Select Committee report is available [here](#).

Education

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The Indian Institutes of Information Technology (PPP) Bill, 2017 passed

The Indian Institutes of Information Technology (Public-Private Partnership) Bill, 2017 was passed by both houses of the Parliament.¹⁷ The Bill declares 15 existing Indian Institutes of Information Technology established through public-private partnership as institutions of national importance. Key features of the Bill include:

- **Definition of public-private partnership (PPP):** PPP is defined as a partnership under a scheme of the centre which provides for establishment of institutes through collaboration between the centre, the state government and industry partners. Industry partners can be individuals, trusts, companies or societies.
- **Establishment of an institute:** In order to establish an institute, the state government will identify at least one industry partner for collaboration and submit a proposal to the centre. The centre will examine the proposal based on certain criteria, which include: (i) the capital investment for establishing the proposed institute, to be borne by the centre, the concerned state government and industry partners (ratio 50:35:15); (ii)

expertise and standing of the industry partners; (iii) the assessment of the capability, financial and other resources of the industry partners to support the institute; and (iv) the availability of adequate physical infrastructure (water, electricity, road connectivity), and land (50 to 100 acres), to be provided by the state government free of cost.

- The centre may reject or accept the proposal with modifications. Upon such acceptance, the centre will enter into a Memorandum of Understanding (MoU) with the concerned state government and the industry partners for the establishment of the proposed institute. The MoU will outline details such as the capital investment proposed and the commitment of the centre, state, and the industry partner in ensuring autonomy of the institutes, among others.
- **Role of the industry partner:** Powers of the industry partner will include: (i) co-creating programs as per the requirements of the industry; (ii) actively participating in the governance of the institute; and (iii) funding and mentoring startups in the institutions.

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

The Indian Institutes of Management Bill, 2017 passed by Lok Sabha

The Indian Institutes of Management (IIMs) Bill, 2017 was passed by Lok Sabha.¹⁸ The Bill was introduced on February 9, 2017. It declares the IIMs as institutions of national importance. IIMs provide post-graduate, doctoral, postdoctoral and research education in the field of management and allied areas of knowledge. Key features of the Bill include:

- **Power to grant degrees:** Under the Bill, IIMs will have the power to grant degrees, diplomas and other academic distinctions or titles. Currently, IIMs can only grant diplomas and fellowships.
- **Board of Governors:** Board of Governors shall be the principal executive body of each institute. Note that the Board will appoint its own Chairman. Other than a nominee each from the central and state governments, the 17 other board members will also be nominated by the Board.
- **Appointment of the Director:** The Director of each IIM shall be recommended by the search-cum-selection Committee to be constituted by the Board

of Governors. If the Board is not satisfied with the recommendation of this Committee, it may ask for fresh recommendations for the post of the Director.

- **Academic Council:** The Academic Council shall be the principal academic body of each institute. Its functions will include: (i) specification of the academic content of the academic programmes and the criteria for admission to courses, (ii) specification of the academic calendar, and (iii) recommendations for the grant of degrees, diplomas and other academic distinctions.

A PRS analysis of the Bill is available [here](#).

The Right of Children to Free and Compulsory Education (Amendment) Bill, 2017 passed by Lok Sabha

The Right of Children to Free and Compulsory Education (Amendment) Bill, 2017 was passed by the Lok Sabha.¹⁹ The Bill amends the Right of Children to Free and Compulsory Education Act, 2009 by extending the deadline for teachers to acquire the prescribed minimum qualifications for their appointment.

Under the Act, if a state does not have adequate teacher training institutions or sufficient number of qualified teachers, the provision to possess minimum qualifications is relaxed for a period not exceeding five years i.e., till March 31, 2015. The Bill further adds to this provision by stating that those teachers who do not possess the minimum qualifications as on March 31, 2015 will acquire the minimum qualifications within a period of four years i.e. by March 31, 2019.

A PRS summary of the Bill is available [here](#).

The Indian Institutes of Information Technology (Amendment) Bill, 2017 passed by Lok Sabha

The Indian Institutes of Information Technology (IIIT) (Amendment) Bill, 2017 was passed by Lok Sabha. It was introduced in March 2017.²⁰ The Bill amends the Indian Institutes of Information Technology Act, 2014. The Act declares certain Institutes of Technology as institutions of national importance. Further, it seeks to (i) develop new knowledge in information technology; and (ii) provide manpower of global standards for the information technology industry. Key features of the Bill are as follows:

- **Appointment of Director:** Under the Act, there is a search-cum-selection

committee which recommends names to the central government for the appointment of the Director of an institute. The Bill modifies the composition of the search-cum-selection committee by replacing the Director of an IIIT with the Director of an Indian Institute of Technology.

- **Appointment for posts of Assistant Professor and above:** The Act permits the Board of Governors of the institutes to appoint Assistant Professors. The Bill permits the Board to appoint Assistant Professors and all the posts above that level as well.
- **Incorporation of an institute:** The Bill seeks to declare the Indian Institute of Technology, Design and Manufacturing, Kurnool as an institution of national importance and adds it to the Schedule of the Act (consists of other institutions of national importance).

A PRS summary of the Bill is available [here](#).

The Indian Institute of Petroleum and Energy Bill, 2017 introduced

The Indian Institute of Petroleum and Energy Bill, 2017 was introduced by Minister of State for Petroleum and Natural Gas, Mr. Dharmendra Pradhan in Lok Sabha.²¹ The Bill establishes and declares the Indian Institute of Petroleum and Energy, Vishakhapatnam, Andhra Pradesh to be an institution of national importance. The Institute aims to provide high quality education and research focussing on the energy sector relating to the conventional and non-conventional hydrocarbons.

A PRS summary of the Bill is available [here](#).

Draft Guidelines for rationalisation of small schools across states for better efficiency released

The Ministry of Human Resource Development has released the draft guidelines for rationalisation of small schools across states for better efficiency.²² The guidelines note that states have observed surplus small schools, in excess of the neighbourhood requirement as mandated by the Right of Children to Free and Compulsory Education (RTE) Act, 2009. The central government notifies such an area or limits of neighbourhood within which a school has to be established.²³

In various states, the resources in terms of infrastructure and teachers available in these small schools are found to be underutilised and

are also non-compliant with the norms and standards of RTE Act, 2009. As a result, it has been noted that the surplus small schools adversely affect the: (i) provisioning of resources, (ii) learning process, and (iii) monitoring and supervision. The analysis done at the state level has revealed that if children and resources spread in two or more small schools are combined together within the same area, it will not only provide a better teaching learning environment but will also make schools RTE compliant. This is defined as the rationalisation of schools. In view of this, the key features of the guidelines include:

- **Rationalisation may not mean closure of existing schools:** The guidelines clarify that rationalisation of schools does not necessarily lead to closing of schools. In fact, it may also lead to opening of new schools as well.
- **Consultative process:** Rationalisation will be undertaken only following a consultation with the immediate stakeholders i.e., the children, teachers, local authorities, parents and the local community.
- **Must adhere to RTE Rules:** The merged schools post the rationalisation process must necessarily adhere to the neighbourhood norms defined in each state's RTE Rules.

CAG submits report on the implementation of RTE Act, 2009

The Comptroller and Auditor General of India (CAG) has released an audit report on the Implementation of Right of Children to Free and Compulsory Education (RTE) Act, 2009.²⁴ RTE guarantees the right to free and compulsory elementary education for children between the ages of six and 14 years in a neighbourhood school.

The CAG audit examined the extent to which central and state governments have complied with the provisions of the Act and utilised the allocated funds. The audit was conducted in 28 states and 7 Union Territories (UTs) for the period between April 2010 and March 2016. The key observations and recommendations of the report are as follows:

- **Financial management:** Retention of huge balances by the state governments was observed which indicates poor internal financial control. It was observed that in 35 states/UTs, the unutilised amounts ranged between Rs 12,259 crore to Rs 17,282 crore over the six-year period. Other observations include: (i)

huge outstanding advances, (ii) diversion/irregular release of funds, (iii) misappropriation of funds, (iv) irregular utilisation of fund grants, and (v) delays in release of funds at various levels.

- The CAG recommended reviewing the timelines of the RTE budgeting exercise to be in line with the budget formulation exercise at the centre and the state levels.
- **Compliance with the RTE Act, 2009:** Certain areas of deviance from the provisions of the RTE Act, 2009 were observed. These include: (i) non-maintenance of a record of the number of children eligible for elementary education, (ii) children above the age of 14 years being retained in elementary classes in violation of the Act, (iii) schools being run without recognition, and (iv) inadequate pupil teacher ratio due to poor mobilisation of teachers and deployment of existing teachers for non-educational purposes.
- The CAG recommended that state governments must correctly identify the eligible children and enrol them. Further, the state governments must re-evaluate the requirement of teachers and other infrastructural requirements to bring them in line with the Act.

A PRS summary of the report is available [here](#).

Transport

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Parliament passes the Admiralty (Jurisdiction and Settlement of Maritime Claims) Bill, 2016

The Admiralty (Jurisdiction and Settlement of Maritime Claims) Bill, 2016 was passed by Parliament.²⁵ The Bill was introduced in Lok Sabha in November 2016. The Bill seeks to consolidate the existing laws on civil matters of admiralty jurisdiction of courts, admiralty proceedings on maritime claims, and arrest of ships. Admiralty laws deal with cases of accidents in navigable waters, or contracts related to commerce on such waters. The Bill repeals laws such as the Admiralty Court Act, 1861, and the Colonial Courts of Admiralty Act, 1890. Key features of the Bill include:

- **Admiralty jurisdiction:** The jurisdiction with respect to maritime claims under the Bill will vest with the respective High Courts and will extend up to the territorial

waters of their respective jurisdictions. The central government may extend the jurisdiction of these High Courts. Currently, admiralty jurisdiction applies to the Bombay, Calcutta and Madras High Courts. The Bill further extend this to the High Courts of Karnataka, Gujarat, Orissa, Kerala, Hyderabad, and any other High Court notified by the central government.

- **Maritime claims:** The High Courts may exercise jurisdiction on maritime claims arising out of conditions including: (i) disputes regarding ownership of a vessel, (ii) disputes between co-owners of a vessel regarding employment or earnings of the vessel, (iii) mortgage on a vessel, (iv) construction, repair, or conversion of the vessel, (v) disputes arising out of the sale of a vessel, (vi) environmental damage caused by the vessel, etc. The Bill defines a vessel as any ship, boat, or sailing vessel which may or may not be mechanically propelled.
- **Priority of claims:** Among all claims in an admiralty proceeding, highest priority will be given to maritime claims, followed by mortgages on the vessel, and all other claims. Within maritime claims, the highest priority will be given to claims for wages due with regard to employment on the vessel. This would be followed by claims with regard to loss of life or personal injury in connection with operation of the vessel. Such claims will continue to exist even with the change of ownership of the vessel.

A PRS summary of the Bill is available [here](#).

The Central Road Fund (Amendment) Bill, 2017 introduced in Lok Sabha

The Central Road Fund (Amendment) Bill was introduced in Lok Sabha.²⁶ The Bill amends the Central Road Fund Act, 2000. The Act regulates the Central Road Fund (CRF), that is credited with the cess collected on high speed diesel oil and petrol. This collected amount is then released to National Highways Authority of India, and to the state/union territory governments for the development of national and state highways. The Bill seeks to allocate a share of this cess towards the development of inland waterways. Key features include:

- **Inclusion of inland waterways:** The Bill defines national waterways as those that have been declared as ‘national waterways’ under the National Waterways Act, 2016. Currently, 111 waterways are specified under the 2016 Act.

- **Utilisation of fund:** Under the 2000 Act, the fund can be utilised for various road projects including: (i) national highways, (ii) state roads including roads of inter-state and economic importance, and (iii) rural roads. The Bill provides that in addition to these the fund will also be used for the development and maintenance of national waterways.
- **Powers of central government:** Under the Act, the central government has the power to administer the fund. The central government will make decisions on the: (i) investments on national highways and expressways projects, (ii) raising funds for the development and maintenance of national highways, and rural roads, and (iii) disbursement of funds for national highways, state roads and rural roads. The Bill provides that central government will make all the above decisions for national waterways as well.
- **Allocation of cess:** Under the Act, the cess on high speed diesel oil and petrol is allocated towards different types of roads. The Bill seeks to decrease the allocation of cess towards the development and maintenance of national highways from 41.5% to 39%. It allocates 2.5% of the cess towards the development and maintenance of national waterways.

A PRS summary of the Bill is available [here](#).

Standing Committee submits report on the Major Port Authorities Bill, 2016

The Standing Committee on Transport, Tourism and Culture (Chairperson: Mr. Mukul Roy) submitted its report on the Major Port Authorities Bill, 2016.²⁷ The Bill seeks to repeal the Major Port Trusts Act, 1963. Key observations and recommendations of the Committee include:

- **Change in governance structure:** Under the Act, all major ports are managed by the respective Board of Trustees. The Bill provides for the creation of a Board of Major Port Authority for each major port, which will succeed the existing Boards. The Committee noted that the Bill provides the government more flexibility and power to allow private players in the port sector. However, it noted that private players may, in future, take full control over port activities. It recommended that the Ministry must address concerns regarding privatisation of ports. Further, it must ensure that the administrative,

managerial and financial control of the port remains with the port management.

- **Composition of Board:** The proposed Board of Port Authorities will comprise of three to four independent members, and one member representing the interests of employees of the Major Port. The Committee noted that employees of the port are important stakeholders and need better representation on the Board. It recommended appointing a minimum of two labour representatives, one of whom should be a serving employee. It also noted that the independent posts can be used to perpetuate certain business interests, and therefore must be reduced to two and these members must be experts in port activities.
- **Raising loans:** Under the Bill, the Board can raise loans to meet its capital and working expenditure. It can raise loans from any (i) Indian scheduled bank or financial institution, or (ii) any financial institution outside India that is compliant with all the laws. However, for loans above 50% of its capital reserves, the Board will require prior sanction of the central government.
- The Committee noted that raising loans from private or foreign financial entities may give such entities control over the port management. It recommended that the provision should be amended to ensure that the administrative control of the Port Authority must always remain with the central government.

A PRS summary of the report is available [here](#).

Standing Committee submits report on the Merchant Shipping Bill, 2016

The Standing Committee on Transport, Tourism and Culture (Chairperson: Mr. Mukul Roy) submitted its report on the Merchant Shipping Bill, 2016.²⁸ The Bill seeks to repeal the Merchant Shipping Act, 1958, and the Coasting Vessels Act, 1838. Key observations and recommendations of the Committee are:

- **Trade unions:** The Committee recommended that the role of trade unions must be clearly recognised in the Bill. This would be in the mutual interest of both seafarers and ship owners.
- **Safety of fishermen:** The Committee noted that there have been instances of killing of fishermen of small fishing boats or collision of small boats along Indian shores. It recommended that the

government must address these issues through a proper policy, and appropriate punishments must be provided in the Bill.

- **Employment opportunities:** The Bill seeks to provide that every shipping master (person managing a shipping office at a port) or ship-owner, for the purpose of engagement of seafarer, can enter into an agreement with the seafarer. A seafarer is any person who is employed or works in any capacity on board a sea-going vessel. It also specifies certain provisions for the engagement of a foreign seafarers. The Committee noted that this provision may be misinterpreted, and could result in unemployment of Indian seafarers. It recommended that necessary safeguards may be provided to ensure maximum job opportunities to Indian seafarers.
- **Grievance redressal:** The Committee observed that there are several probabilities of grievance arising at any stage of the salvage operation, wreck removal, etc. It recommended that the necessary provisions for grievance redressal must be incorporated in the Bill.
- **Issues to be addressed through rules:** The Committee recommended several issues that must be clarified or addressed through rules or delegated legislation. These include: (i) rights of a mortgagee in case of sale of vessels, (ii) documentary evidence required for obtaining certificates, (iii) recruitment and placement service for seafarers, and (iv) complaint lodging forum for seafarers.

A PRS summary of the report is available [here](#).

CAG releases audit report on the electrification of Railways

The Comptroller and Auditor General of India released an audit report on the electrification projects in Indian Railways.²⁹ Trains on Indian Railways are hauled either by diesel locomotives or electric locomotives. As on March 31, 2016, 42% of the total railway route length (66,687 kilometres) has been electrified. The audit looked at the project implementation and management, and post project utilisation of electrified lines. Key findings and recommendations of the audit report include:

- **Project delays:** It was noted that delays in the completion of projects led to an increase in the capital cost of the projects both in terms of time and cost overruns. Several projects saw a cost overrun between 2% and 77%. Delays in completion also led to non-achievement of

the projected savings. In 21 projects, projected savings of Rs 3,006 crore could not be achieved due to such delays. CAG recommended that delays in execution of works may be controlled through better project monitoring. Further, project teams should be adequately empowered to make decisions within reasonable time limits.

- **Tendering process:** It was observed that the time taken by the Railway Board to assign the Central Organisation for Railway Electrification (CORE) and Rail Vikas Nigam Limited (RVNL) as the implementing agencies for electrification works, was up to 337 days and 202 days respectively. It was also observed that the tenders were processed without giving due regard to the objective of timely project completion. CAG recommended implementing e-tendering, and conducting various activities of tender evaluation in parallel. It also recommended that timelines for various activities in tender processing may be prescribed to complete the tender evaluation process within a reasonable time.
- **Due diligence:** While accepting tenders, CORE examined the work experience and turnover of the firms, but did not assess their financial soundness. It also did not assess the likely impact of the workload of the firm on its ability to complete the assigned work. Both CORE and RVNL did not assess the past performance of the bidders while evaluating the bids. CAG recommended that the assessment of contractors must include evaluation of: (i) technical resources (personnel, machinery), (ii) work experience, (iii) past performance, and (iv) financial resources (including working capital).

A PRS summary of the report is available [here](#).

Ministry of Shipping releases reforms on the cruise tourism industry

The Ministry of Shipping, along with the Ministry of Tourism, released reforms to the regulatory processes governing the cruise tourism industry.³⁰ The reforms seek to simplify the rules and procedures pertaining to various aspects of cruise port operations, such as security, immigration, and customs. Key reforms recommended include:

- Creating a single window system for all pre-cruise requirements for cruise operators. These include entry of vehicles, electronic checking of registration, and license papers of vehicles, and

- Creating uniform and consistent security procedures by CISF at all ports.

A committee has been set up to work out the modalities to implement these recommendations in a time bound manner. Further, five potential cruise circuits for international, domestic and river cruise, that can be immediately taken up for development have been identified. Specific ports or terminals would also be considered for development for international cruise tourism as per a suggested Model Terminal Design. These terminals would be developed on a suitable regulatory framework based on international best practices.

Ministry of Road Transport notifies amendments on emission standards

The Ministry of Road Transport and Highways notified amendments to the Central Motor Vehicles Rules, 1989 regarding emission standards for certain vehicle categories.³¹ The amendments provide that the mass emission standards applicable to Compressed Natural Gas (CNG) dedicated vehicles will be applicable to vehicles with gross vehicle weight of more than 3.5 tonnes, and running on liquefied natural gas (LNG).

The LNG composition must meet the fuel specifications as notified by the Ministry of Petroleum and Natural Gas, or Bureau of Indian Standard, for automotive application from time to time.

Urban Development

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The Requisitioning and Acquisition of Immovable Property (Amendment) Bill, 2017 introduced in Lok Sabha

The Requisitioning and Acquisition of Immovable Property (Amendment) Bill, 2017 was introduced in Lok Sabha.³² The Bill amends the Requisitioning and Acquisition of Immovable Property Act, 1952. The Act provides for the central government to requisition for its own purpose, which further must be a public purpose. Under certain conditions it can also acquire such property. Key features of the Bill are:

- **Retrospective application:** The Bill will be deemed to have come into force on March 14, 1952, the date of the enactment of the Act.

- **Re-issue of notice:** Under the Act, when acquiring a requisitioned property, the central government has to issue a notification with regard to such an acquisition. Before issuing such notice, the government has to provide the property owner (or any person interested in the property) an opportunity to be heard. The property owner at such hearing has to provide reasons for why the property should not be acquired.
- The Bill provides that the government may re-issue the acquisition notice to the property owner (or a person interested in the property) to give them adequate opportunity for a hearing. This re-issue would be irrespective of any past court orders or judgments setting aside any past notices for acquisition. However, the re-issue of notice will not apply to cases where the compensation has already been awarded and accepted by the claimants.
- **Interest payable on compensation:** In cases where a notice has been re-issued, the property owner (or a person interested in the property) will be entitled to an interest on the compensation payable to them. The interest will be calculated for the period from when the first notice was issued till the date of the final payment of compensation. This interest will be the same as the annual rate of interest, prevalent at any relevant time, on the domestic fixed deposit offered by the State Bank of India.
- **Applicability of enhanced compensation:** The Bill provides that such enhanced compensation will be awarded only if: (i) the acquisition notice has been re-issued, and (ii) the land is being acquired for the purpose of national security and defence.
- **Residential accommodation:** The Bill defines ‘residential accommodation occupation’ as the occupation of public premises by a person on the grant of a license for such occupation. The license must be given for a fixed tenure, or for the period the person holds office. Further, the occupation must be allowed under the rules made by the central, state or union territory government, or a statutory authority (such as Parliament Secretariat, or a central government company, or premises belonging to a state government).
- **Notice for eviction:** The Bill adds a provision laying down the procedure for eviction from residential accommodation. It requires an estate officer (an officer of the central government) to issue a written notice to a person if he is in unauthorised occupation of a residential accommodation. The notice will require the person to show cause of why an eviction order should not be made against him, within three working days. The written notice must be fixed to a conspicuous part of the accommodation.
- **Order of eviction:** After considering the cause shown, and making any other inquiries, the estate officer will make an order for eviction. If the person fails to comply with the order, the estate officer may evict such person from the residential accommodation, and take possession of it. For this purpose, the estate officer may also use such force as necessary.
- **Payment of damages:** If the person in unauthorised occupation of the residential accommodation challenges the eviction order in any court, he will pay damages for every month of such occupation.

A PRS summary of the Bill is available [here](#).

A PRS summary of the Bill is available [here](#).

The Public Premises (Eviction of Unauthorised Occupants) Amendment Bill, 2017 introduced in Lok Sabha

The Public Premises (Eviction of Unauthorised Occupants) Amendment Bill, 2017 was introduced by the Minister of Housing and Urban Affairs, Mr. Narendra Singh Tomar, in Lok Sabha.³³ The Bill amends the Public Premises (Eviction of Unauthorised Occupants) Act, 1971. The Act provides for the eviction of unauthorised occupants from public premises in certain cases. Key features of the Bill include:

Culture

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Amendments to the Ancient Monuments Act, 1958 introduced in Lok Sabha

The Ancient Monuments and Archaeological Sites and Remains (Amendment) Bill, 2017 was introduced in Lok Sabha.³⁴ The Bill amends the Ancient Monuments and Archaeological Sites and Remains Act, 1958.

Key amendments proposed by the Bill include:

- **Construction in ‘prohibited areas’:** The Act defines a ‘prohibited area’ as an area of 100 meters around a protected monument or area. The central government can extend the prohibited area beyond 100 meters. The Act does not permit construction in such prohibited areas, except under certain conditions. The Act also prohibits construction in ‘prohibited areas’ even if it is for public purposes.
- The Bill amends this provision to permit construction of public works in ‘prohibited areas’ for public purposes.
- **Definition of ‘public works’:** The Bill introduces a definition for ‘public works’, which includes the construction of any infrastructure that is financed and carried out by the central government for public purposes. This infrastructure must be necessary for public safety and security and must be based on a specific instance of danger to public safety. Also, there should be no reasonable alternative to carrying out construction in the prohibited area.
- **Procedure for seeking permission for public works:** As per the Bill, the relevant central government department, that seeks to carry out construction for public purposes in a prohibited area, should make an application to the competent authority.
- If there is any question related to whether a construction project qualifies as ‘public works’, it will be referred to the National Monuments Authority. This Authority, will make its recommendations, with written reasons, to the central government. The decision of the central government will be final. If the decision of the central government differs from that of the Authority, it should record its reasons in writing.

A PRS summary of the Bill is available [here](#).

Health

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Draft National Guidelines for Stem Cell Research, 2017 released

The Indian Council of Medical Research and the Department of Biotechnology have released the draft National Guidelines for Stem Cell Research, 2017.³⁵ The draft guidelines

seek to ensure that all research with human stem cells is conducted in an ethical and scientifically responsible manner. Use of stem cells has the potential for improving human health by restoring the function of cells and tissues damaged due to degeneration and/or injury. Thus, stem cell biology has emerged as an important area of biomedical research with potential applications in developmental biology, disease modelling and drug development. Key features of the draft guidelines include:

- **Applicability:** The draft guidelines are applicable to various stakeholders, including individual researchers, sponsors, and oversight/regulatory committees associated with both basic and clinical research involving human stem cells. The guidelines will not apply to research concerning non-human stem cells.
- **Consent from the donor:** Prior to the procurement of biological material for the isolation of stem cells, it is mandatory to obtain informed consent from the voluntary donor.
- **Intellectual Property Rights associated with stem cells:** Intellectual Property Rights (IPRs) associated with the outcome of research on stem cells may have commercial value. The option of sharing such IPRs should be indicated in the informed consent form which must be procured before the commencement of the research. Further, it is expected that a proportion of the benefit accruing from commercial use of donated tissue/cells will be returned to the donor and the community at large, which has directly or indirectly contributed to the product.
- **Compliance with guidelines:** A National Apex Committee for Stem Cell Research and Therapy currently monitors and oversees research activities at the national level. The Institutional Committee for Stem Cell Research approves and monitors stem cell research (both basic and clinical research) at the institutional level. These oversight committees will ensure that review, approval and monitoring process of all research projects related to stem cells is carried out in compliance with the national guidelines.

CAG submits report on Reproductive and Child Health under NRHM

The Comptroller and Auditor General of India (CAG) submitted an audit report on the Reproductive and Child Health (RCH)

programme under the National Rural Health Mission (NRHM).³⁶ The audit was conducted between 2011-12 and 2015-16. The NRHM was launched in April 2005 to provide accessible, affordable and quality health care to the rural population. The RCH programme is a sub component of NRHM which focuses on maternal health, child health, immunisation and family planning. The key findings of the audit are as follows:

- **Financial management:** Unsatisfactory financial management of the RCH programme has been observed at both central and state levels. The Report highlights substantial unspent balances with the State Health Societies every year. In 27 states, the unspent amount increased from Rs 7,375 crore in 2011-12 to Rs 9,509 crore in 2015-16. Delays were also noted in the transfer of funds from state treasuries to State Health Societies, with delays ranging from 50 to 271 days.
- **Physical infrastructure:** A shortfall ranging between 24%-38% was observed in the availability of Sub-Centres (SCs), Primary Health Centres (PHCs), and Community Health Centres (CHCs) in 28 states/Union Territories. The shortfall was more than 50 % in five states (Bihar, Jharkhand, Sikkim, Uttarakhand and West Bengal).
- **Availability of human resources:** A shortage of doctors and paramedical staff was observed in almost all selected facilities. In the selected CHCs of 27 states, the average shortfall of specialists ranged between 77% -87 %. Further, only 1,303 nurses were posted against the required 2,360. It was also noted that medical equipment in some states was lying unutilised due to non-availability of doctors and trained manpower to operate them. The CAG recommended that the Ministry of Health and Family Welfare must follow up with states to ensure that sanctioned posts of health care professionals are filled up.

A PRS summary of the report is available [here](#).

Law Commission submits report on human DNA profiling

The Law Commission of India (Chairman: Dr. Justice B. S. Chauhan) submitted a report on 'Human DNA Profiling'.³⁷ The report also proposes a draft Bill for the use and regulation of DNA based technology. DNA profiling is a scientific technique used for disaster victim identification, investigation of crimes,

identification of missing persons and human remains, and for medical research purposes. The report states the need for the regulation of human DNA profiling by a special law with defined standards, quality controls and quality assurance systems. Further, such profiling would be restricted to certain purposes only. Key features of the report include:

- **Need for a legislation:** The Code of Criminal Procedure (Amendment) Act, 2005 added explanations to clarify the scope of medical examination with respect to extraction of bodily substances. This includes the examination of blood, sputum, hair samples, etc. by scientific techniques including DNA profiling. The Report notes that DNA analysis offers substantial information which if misused may cause serious harm to individuals and the society. Its misuse may result in disclosure of personal information affecting the privacy of the person concerned. In this context, the Report highlights the absence of an appropriate regulatory mechanism for the handling of DNA samples and profiles.
- **The Draft DNA Based Technology (Use and Regulation) Bill, 2017:** The 2017 Draft Bill provides for a mechanism which permits processing of DNA samples which would not violate the privacy of a person and would only aid in identification of a particular person. The aim of such profiling is to eliminate the possibility of revealing genetic traits.
- Key features of the Draft Bill include: (i) **Only for identification:** DNA profiling would be undertaken exclusively for identification of a person and would not be used to extract any other information. Further no bodily substances will be taken from a person unless the consent is given for the same; (ii) **DNA Profiling Board:** A DNA Profiling Board will be constituted as a statutory body which will be responsible to supervise, monitor, inspect and assess DNA laboratories; (iii) **DNA Data Bank:** The Bill proposes a National DNA Data Bank and Regional DNA Data Banks (for the states). The Data Banks will be responsible for storing DNA profiles received from the accredited laboratories; and (iv) **Penalties:** The violators of the provisions would be liable for punishment of imprisonment, which may extend up to three years and also a fine which may extend up to Rs two lakhs.

Coal

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Ministry of Coal releases Coal Block Allocation Rules, 2017

The Ministry of Coal released the Coal Block Allocation Rules, 2017.³⁸ As per the Mines and Minerals (Development and Regulation) Act, 1957, the central government may make rules for granting mining licenses. It may also make rules regarding the terms and conditions of auction by competitive bidding. Key features of the Rules include:

- **Allocation of coal blocks:** The central government will identify the coal blocks for allocation as per the standard technical parameters. It will also specify the manner of allocation through: (i) auction, (ii) allotment to a government company, or (iii) allotment to a private company. The central government will also specify the purpose of allocation of coal blocks.
- **Documentation:** The central government will prepare the tender document for the auction process. The tender document may include information such as: (i) the block report with details of the coal block, (ii) terms and conditions of the auction (including the ceiling, floor or reserve price depending on the type of bidding), and (iii) agreements proposed to be entered into with the successful bidder.
- **Auction:** The auction process will have two stages: (i) technical bid, and (ii) financial bid. The technical bid will determine qualification and financial bid will determine the successful bidder.
- **Allotment:** The allotment document will specify several norms including: (i) progress of development of coal blocks by the applicant in the past, (ii) financial details and technical capabilities of the applicant, and (iii) the coal demand-supply gap. The central government will constitute a committee (to be chaired by a person of a Joint Secretary's rank) consisting of members from government ministries and departments, and technical experts. This committee will assess the applicants, and recommend the preferred allottees to the central government.
- The central government may relax the allotment rules for a government company: (i) that is owned, managed or controlled by the central government, or (ii) for the utilisation of coal in the linked power project to be awarded on the basis

of competitive bid for tariff (including Ultra Mega Power Projects). In the second case, prior to the competitive bidding for tariff, the government will have to issue an in-principle allotment letter for the coal block to the company as recommended by the Ministry of Power.

Environment

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Supreme Court stays implementation of rules on livestock trading

The Supreme Court issued an interim stay on implementation of rules under the Prevention of Cruelty to Animals Act, 1960.³⁹ These rules were issued by the central government on May 23, 2017 to regulate trading of animals in animal markets. They prohibit sale and purchase of cattle for slaughter and religious purposes in such markets.

On May 30, 2017, the Madras High Court had issued a stay order on implementation of these rules in Chennai.⁴⁰ The Supreme Court has extended this stay to the rest of the country.

Petroleum and Natural Gas

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Cabinet approves ONGC to buy 51% stake in HPCL

The Cabinet Committee on Economic Affairs gave an in-principle approval to the sale of 51.11% of the paid up equity shareholding in Hindustan Petroleum Corporation Limited (HPCL) to Oil and Natural Gas Corporation (ONGC).⁴¹ This sale would also include transfer of management control. Post the acquisition, HPCL will continue to be a public sector enterprise under the central government, having become a subsidiary of ONGC.

The proposed acquisition seeks to create a vertically integrated public sector 'oil major' company with presence across the entire value chain. To oversee this transaction, CCEA has approved setting up of an alternative mechanism, headed by the Finance Minister. It will help in decision making with regard to the timing, price, terms and conditions, and other related issues to the transaction.

Central government orders penalty on ONGC, RIL, and Shell

The central government ordered a penalty of US \$3 billion on Reliance Industries (RIL), Royal Dutch Shell (Shell) and Oil and Natural Gas Corp. (ONGC).⁴² The penalty was awarded following an arbitration in the Panna Mukta Tapti (PMT) oil field dispute. RIL and Shell have further appealed the arbitration award in a court in the United Kingdom. ONGC has not been a part of the arbitration or the subsequent appeal. The arbitration was initiated in December 2010.

The dispute was regarding the government's share of profit petroleum (the total value of petroleum produced and saved from the contract area in a particular period) and royalty from the PMT fields. The arbitration panel ruled that the government's share of profit from the oil fields will be deductible at the current tax rate of 33% as opposed to the previous rate of 50%.

Following the arbitration, the government calculated the amount owed by the companies. RIL and Shell own a 30% stake each in the PMT oil fields. ONGC owns the remaining 40% stake. The companies have to pay a penalty proportional to their stake.

Energy

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NITI Aayog releases draft National Energy Policy

The NITI Aayog released the draft National Energy Policy.⁴³ The draft policy seeks to provide the way to achieve the government's energy targets, which include: (i) universal electrification and 24x7 electricity by 2022, (ii) reducing oil imports by 10% from 2014-15 levels by 2022, (iii) reducing carbon emissions by 33%-35% by 2030 from 2005 levels, (iv) achieving a 175 GW renewable capacity by 2022, and (v) increasing the share of renewable capacity in the electricity mix to 40% by 2030. Key features of the draft policy include:

- **Energy demand:** India has a heavy dependence on oil and gas imports despite low level of energy consumption. The demand for energy can be better managed by demand-side interventions, which include energy conservation and energy efficiency. These can be achieved through strategies such as: (i) revising current efficiency standards, and setting such

standards across all buildings, (ii) expanding fuel efficiency standards to all modes of transport, and (iii) developing innovative financing mechanisms that capture future energy savings.

- **Oil and gas:** In India, the share of oil and gas in energy consumption in 2015-16 was 26% and 6.5%, respectively. While the consumption of each has registered a sharp increase, production has increased only moderately. In order to improve the supply of oil and gas, the government must encourage capacity expansion and setting up of new refineries, preferably at coastal locations. Further, the existing hydrocarbons regime (based on nominations or production sharing) must be migrated to the emerging framework of market-determined prices.
- **Coal:** The share of coal in India's commercial primary energy supply was 55% in 2015-16 and is expected to remain high at 48-54% in 2040. A careful assessment of demand for coal-based power must be done so that the \$1 billion annual investment being made by Coal India Limited to raise production capability is not left stranded. Power companies must not be sold coal at subsidised rates as it leads to inefficient utilisation of coal.
- **Renewable:** To compete with conventional power, performance linked incentives that do not involve upfront payment but encourage generation of renewable energy, must be promoted. The current financing models place a large burden on the distribution companies. The government must develop suitable financing mechanisms to support them, including building the cost into the price of renewable energy.

Water Resources

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CAG submits report on schemes for flood control and flood forecasting

The Comptroller and Auditor General (CAG) of India submitted a report on 'Schemes for Flood Control and Flood Forecasting'.⁴⁴ The audit covered flood management projects, and river management activities, including dams in 17 states and union territories from 2007-08 to 2015-16. The salient observations and recommendations of the CAG include:

- **Financial management of flood management programmes:** Delays in release of first instalment of central assistance to state governments was observed in 48 projects. The central government was unable to recover a loan of Rs 600 crore, with an interest of Rs 18 crore from state governments. This was on account of not releasing the central assistance received by them to the programme implementing agencies in the first 15 days. Rs 171 crore of funds were not utilised, and Rs 37 crore were diverted by implementing agencies towards unapproved projects.
- The CAG recommended that funds should be released by the Ministry of Water Resources in a timely manner as per the programme guidelines. The Ministry should also ensure that state governments release funds to implementing agencies in a time bound manner. Proper utilisation of funds should be ensured through strict vigilance. In addition, funds should be released by the Ministry only after receiving utilization certificates and other requisite documents.
- **Execution of flood management programmes:** Flood management was not taken up in an integrated manner, i.e., covering the entire river or a tributary or a major segment of it and Detailed Project Reports (DPRs) were not prepared in eight states. Delay in approval of DPRs led to delays in completion of projects, resulting in technical designs becoming irrelevant at the time of actual funding of the project.
- CAG recommended that the Ministry of Water Resources should ensure that all projects approved by it are formulated in an integrated manner. The Benefit Cost ratio for such projects should be correctly worked out as per the scheme guidelines.

A PRS summary of the report is available [here](#).

Agriculture

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CAG submits report on performance of agriculture crop insurance schemes

The Comptroller and Auditor General (CAG) submitted a report on ‘Performance of Agriculture Crop Insurance Schemes’.⁴⁵ The report examines the performances of crop insurance schemes in nine states, between the

period 2011-12 and 2015-16. These schemes include the National Agriculture Insurance Scheme, the Modified National Agriculture Insurance Scheme, and the Weather Based Crop Insurance Programme. Crop insurance schemes aim to provide insurance cover to farmers against yield losses. The Department of Agriculture, Cooperation and Farmers’ Welfare is responsible for implementation of these schemes. The Agriculture Insurance Company of India (AIC) and private insurance companies are the implementing agencies of the schemes. Key findings and recommendations of the audit report include:

- **Coverage of farmers:** The CAG noted that the number of farmers covered under the scheme was low when compared to the population of farmers as per Census 2011. Share of farmers covered under all schemes ranged between 8% to 22% of the total farmers. The CAG noted that under the National Agriculture Insurance Scheme, which provides subsidy for small and marginal farmers, coverage ranged between 2% to 13%.
- The CAG recommended that effective measures need to be taken by the Department of Agriculture Cooperation and Farmers’ Welfare to ensure coverage of a larger number of farmers, including both with and without loans.
- **Data on beneficiary farmers:** The CAG noted that data on beneficiary farmers was not maintained by the AIC, and the central and state governments. Further, schemes like Modified National Agriculture Insurance Scheme, and the Weather Based Crop Insurance Programme do not require the central and state government to maintain databases of insured farmers.
- The CAG recommended that the central and state governments should maintain databases of beneficiary farmers for monitoring and implementation purposes.

A PRS summary of the report is available [here](#).

Law and Justice

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Law Commission submits report on Compulsory Registration of Marriages

The Law Commission of India submitted its 270th Report on the ‘Compulsory Registration of Marriages’.⁴⁶ The report makes recommendations related to draft amendments

proposed to the Registration of Births and Deaths Act, 1969 by the Law Ministry.

Currently, there are certain provisions for registration of marriages under different personal laws such as the Hindu Marriage Act, 1955, the Special Marriage Act, 1954, the Parsi Marriage and Divorce Act, 1936 and the Indian Christian Marriage Act, 1872. Further, the Births, Deaths and Marriages Registration Act, 1886 provided for voluntary registration only for certain classes and communities such as Christians and Parsis. However, the Law Commission has observed that there is no law that provides for simple record keeping of all marriages regardless of religion, region or customs.

The Law Commission has noted that making registration of marriage compulsory would prevent marriage fraud, denial of marital status to women and to children born out of wedlock. In light of this, the Law Commission has made the following recommendations:

- **Compulsory registration of marriages:** All marriages must be compulsorily registered under the Registration of Births and Deaths Act, 1969. The Registrar who is responsible for the registration of births and deaths should be responsible for the registration of marriages as well.
- **Penalties:** The Act should specify penalties for: (i) delay in registration of a marriage without 'reasonable cause'; (ii) providing false information regarding the registration of marriage; and (iii) refusal to furnish certain information, such as name and address. However, the penalty imposed should not exceed Rs 100.
- **Access to such records:** Such records could be accessed through a central civil registration portal that consists of records of birth, marriage and death.

External Affairs

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India signs agreements with Israel

Prime Minister Narendra Modi visited Israel.⁴⁷ This was the first visit of an Indian Prime Minister to Israel. During the visit, India and Israel signed seven agreements.⁴⁸ These include agreements on: (i) setting up a fund for research and development and technological innovation, (ii) cooperation on water conservation in India, (iii) agricultural

cooperation, and (iv) space cooperation (regarding small satellites).

¹ “Consumer Price Index Numbers on Base 2012=100 for Rural, Urban and Combined for the month of March 2017”, Press Information Bureau, Ministry of Statistics and Programme Implementation, April 12, 2017;

² “Index Numbers of Wholesale Price in India (Base: 2004-05=100) Review for the month of March 2017”, Press Information Bureau, Ministry of Commerce and Industry, April 17, 2017.

³ The Central Goods and Services Tax (Extension to Jammu and Kashmir) Ordinance, 2017, <http://www.prsindia.org/uploads/media/GST%20Ordinance/CGST%20extension%20to%20J&K%20Ordinance.%202017.pdf>.

⁴ The Integrated Goods and Services Tax (Extension to Jammu and Kashmir) Ordinance, 2017, <http://www.prsindia.org/uploads/media/GST%20Ordinance/IGST%20Extension%20to%20J&K%20Ordinance%202017.pdf>.

⁵ The Punjab Municipal Corporation Law (Extension to Chandigarh) Amendment Ordinance, 2017, <http://www.prsindia.org/uploads/media/GST%20Ordinance/Punjab%20Municipal%20Corporation%20Law%20Amendment%20Ordinance%202017.pdf>.

⁶ The Central Goods and Services Tax (Extension to Jammu and Kashmir) Bill, 2017, <http://www.prsindia.org/uploads/media/CGST%20Bill.%202017/CGST%20%28Extension%20to%20Jammu%20and%20Kashmir%29%20Bill.%202017.pdf>.

⁷ The Integrated Goods and Services Tax (Extension to Jammu and Kashmir) Bill, 2017, <http://www.prsindia.org/uploads/media/IGST%20Bill.%202017/IGST%20%28Extension%20to%20Jammu%20and%20Kashmir%29%20Bill.%202017.pdf>.

⁸ The Punjab Municipal Corporation Law (Extension to Chandigarh) Amendment Bill, 2017, <http://www.prsindia.org/uploads/media/Punjab%20Municipal%20Corporation%20Law%20%28Extension%20to%20Chandigarh%29%20Bill.%202017.pdf>.

⁹ The Banking Regulation (Amendment) Bill, 2017, <http://www.prsindia.org/uploads/media/Banking%20Regulation%20Bill/Banking%20Regulation%20%28Amendment%29%20Bill.%202017.pdf>.

¹⁰ The State Bank (Repeal and Amendment) Bill, 2017, <http://www.prsindia.org/uploads/media/State%20Bank/Therpeal%20State%20Banks%20%28Repeal%20and%20Amendment%29%20Bill.%202017.pdf>.

¹¹ The Companies (Amendment) Bill, 2016, <http://www.prsindia.org/billtrack/the-companies-amendment-bill-2016-4232/>.

¹² The Footwear Design and Development Scheme, Ministry of Commerce and Industry, March 14, 2017, <http://www.prsindia.org/billtrack/the-footwear-design-and-development-institute-bill-2017-4670/>.

¹³ The Collection of Statistics (Amendment) Bill, 2017, Ministry of Statistics and Programme Implementation, March 20, 2017, <http://www.prsindia.org/billtrack/the-collection-of-statistics-amendment-bill-2017-4680/>.

¹⁴ “43rd Report: The Transgender Persons (Protection of Rights) Bill, 2016”, Department Related Standing Committee on Social Justice and Empowerment, July 19, 2017, <http://www.prsindia.org/uploads/media/Transgender/SCR%20Transgender%20Persons%20Bill%202016.pdf>.

¹⁵ The Constitution (123rd Amendment) Bill, 2017, <http://www.prsindia.org/billtrack/the-constitution-one->

[hundred-and-twenty-third-amendment-bill-2017-4725/](http://www.prsindia.org/uploads/media/hundred-and-twenty-third-amendment-bill-2017-4725/); Rajya Sabha Parliamentary Bulletin Part I, July 31, 2017, <http://164.100.47.5/Bullitensessions/sessionno/243/31072017.pdf>.

¹⁶ Report of the Select Committee on the Constitution (123rd Amendment) Bill, 2017, July 19, 2017, [http://www.prsindia.org/uploads/media/Constitution%20123rd%20bill/Select%20Comm%20-%20123rd%20\(A\)%20bill.%202017.pdf](http://www.prsindia.org/uploads/media/Constitution%20123rd%20bill/Select%20Comm%20-%20123rd%20(A)%20bill.%202017.pdf).

¹⁷ The Indian Institutes of Information Technology (Public-Private Partnership) Bill, 2017, <http://www.prsindia.org/uploads/media/IIT%20bill.%202017/IIT%20%28Public-Private%20Partnership%29%20Bill.%202017.pdf>.

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