

Monthly Policy Review

May 2018

Highlights of this Issue

[GDP growth estimated at 6.7% in 2017-18; fourth quarter 2017-18 growth at 7.7% \(p.2\)](#)

The GDP growth (at constant prices) in the January to March quarter was higher than the 7% growth in the previous quarter of 2017-18. Higher growth was visible across all sectors.

[The Commercial Courts \(Amendment\) Ordinance, 2018 promulgated \(p.2\)](#)

The Ordinance seeks to reduce the pecuniary jurisdiction of commercial courts from a minimum of rupees one crore to a minimum of rupees three lakh. Further, it provides for the establishment of Commercial Appellate Courts.

[The Homoeopathy Central Council \(Amendment\) Ordinance, 2018 promulgated \(p.4\)](#)

The Ordinance supersedes the Central Council. It enables the central government to constitute a Board of Governors, which will exercise the powers of the Council. A new Council has to be constituted within a year.

[The National Sports University Ordinance, 2018 promulgated \(p.3\)](#)

It establishes a National Sports University in Manipur. The University will strengthen sports training and undertake research on physical education. It will have the power to grant degrees, diplomas, and certificates.

[Cabinet approves resolution mechanism for commercial disputes in CPSEs \(p.3\)](#)

The Union Cabinet approved a two-tier resolution mechanism for commercial disputes between Central Public Sector Enterprises (CPSEs), and CPSEs and government departments or organizations, outside the courts.

[University Grants Commission approves UGC \(Online Courses\) Regulations, 2018 \(p.4\)](#)

Higher educational institutions will be able to offer programmes through an online mode in courses if they are already offering similar courses, and at least one batch has graduated in such courses.

[National Clean Air Programme for India released by the Ministry of Environment \(p.8\)](#)

The Programme aims to meet the prescribed annual average ambient air quality standards at all locations in the country in a stipulated timeframe.

[Draft National Digital Communications Policy 2018 released \(p.7\)](#)

The draft Policy includes a National Broadband Mission to ensure universal access, spectrum for 5G, recognise telecom as a critical infrastructure sector, and a data protection regime for digital communications.

[Ministry of New and Renewable Energy releases National Wind-Solar Hybrid Policy \(p.5\)](#)

The policy provides for the promotion of large grid connected wind-solar photovoltaic (PV) hybrid systems. The systems can be integrated depending upon the size of each of the source integrated and the technology type.

[DGCA releases draft guidelines related to airline cancellation and refunds \(p.7\)](#)

The draft guidelines provide for (i) refund of airline tickets to passengers, and (ii) facilities to be provided to passengers by airlines due to denied boarding, cancellation of flights and delays in flights.

[Telecom Commission approved in-flight connectivity \(p.8\)](#)

The Telecom Commission has approved in-flight connectivity where airlines and telecom service providers can offer voice and data services in Indian airspace once an aircraft reaches an altitude of 3000 metres.

June 1, 2018

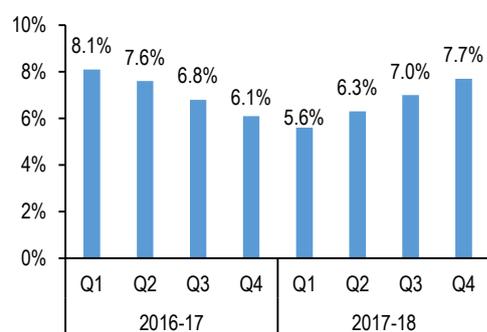
Macroeconomic Development

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GDP estimated to grow at 6.7% in 2017-18; fourth quarter of 2017-18 sees 7.7% growth

Provisional estimates suggest that the Gross Domestic Product (GDP) (at constant prices) of the country is expected to be at 6.7% year-on-year.¹ GDP grew at 7.7% in the fourth quarter of 2017-18, over the corresponding period a year ago.¹ This was higher than the 7% growth in the third quarter of 2017-18. The quarterly trend of GDP growth over the last two financial years is shown in Figure 1.

Figure 1: GDP growth (in %, year-on-year)



Sources: MOSPI; PRS.

GDP growth across economic sectors is measured in terms of Gross Value Added (GVA). The year-on-year growth of services was the same as in the third quarter, while that of other sectors was higher than the growth in third quarter. Details on sectoral GVA growth are shown in Table 1.

Table 1: Gross Value Added across sectors in Q4 of 2017-18 (% growth, year-on-year)

Sector	Q4 2016-17	Q3 2017-18	Q4 2017-18
Agriculture	7.1%	3.1%	4.5%
Mining	18.8%	1.4%	2.7%
Manufacturing	6.1%	8.5%	9.1%
Electricity	8.1%	6.1%	7.7%
Construction	-3.9%	6.6%	11.5%
Services	6.3%	7.7%	7.7%
GVA	6.0%	6.6%	7.6%
GDP	6.1%	7.0%	7.7%

Note: GVA is GDP without taxes and subsidies, at basic prices (2011-12 base year).

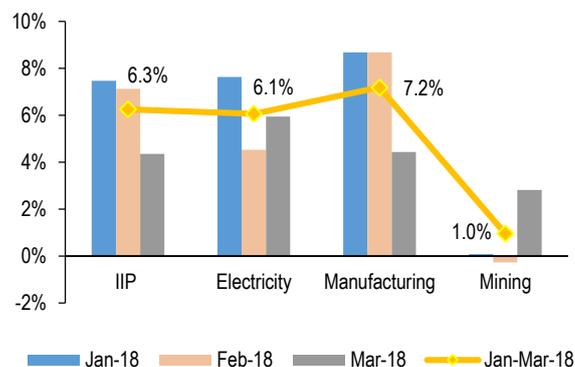
Sources: MOSPI; PRS.

Industrial production grew by 6.3% in the fourth quarter of 2017-18

The Index of Industrial Production (IIP) grew by 6.3% in the fourth quarter (Jan-Mar) of 2017-18,

as compared to the same period in 2016-17.² Manufacturing saw the highest increase of 7.2% in this quarter, followed by an increase of 6.1% in electricity and 1% in mining. Figure 2 shows the change in industrial production in the fourth quarter of 2017-18, and the average for the fourth quarter.

Figure 2: Growth in IIP in fourth quarter of 2017-18 (year-on-year)



Sources: MOSPI; PRS.

Law and Justice

The Commercial Courts (Amendment) Ordinance promulgated

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The Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts (Amendment) Ordinance, 2018 was promulgated on May 3, 2018.³ It amends the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act, 2015.⁴ The Act enables the creation of commercial courts to adjudicate commercial disputes (such as disputes related to construction contracts or contracts for provision of goods). Key features of the Ordinance include:

- **Reduction in pecuniary limits:** Under the Act, commercial courts and commercial divisions in High Courts can decide disputes with a value of at least one crore rupees. The Ordinance reduces this limit to three lakh rupees.
- **Establishment of certain commercial courts:** Under the Act, state governments may constitute commercial courts at the district judge level, after consulting the concerned High Court. District judge level includes judge of a city civil court, sessions judge, and an additional district judge. The Act bars such commercial courts to be constituted in cases where the High

Court has the original jurisdiction to hear commercial cases. (Original jurisdiction refers to when a court has the power to hear a fresh case). The Ordinance removes this bar and allows states to constitute commercial courts where the High Court has original jurisdiction.

- **Commercial Appellate Courts:** In areas where High Courts do not have ordinary original civil jurisdiction, state governments, may notify commercial appellate courts at the district judge level. Appeals against the order of a commercial court (below the level of a district judge) will lie before the Commercial Appellate Court.
- **Mediation:** A provision for mandatory mediation has been provided in those cases where no urgent relief (such as an injunction) is being sought by the parties to the dispute. The mediation process is required to be completed within a period of three months (may be extended by another two months). A signed settlement between the parties will have the same effect as an arbitral award under the Arbitration and Conciliation Act, 1996.

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

Cabinet approves resolution mechanism for commercial disputes in CPSEs

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The Union Cabinet approved a two-tier resolution mechanism for commercial disputes of Central Public Sector Enterprises (CPSEs).⁵ Currently, commercial disputes are resolved through the Permanent Machinery of Arbitration (set up under the Department of Public Enterprises). The new two-tier mechanism will replace this existing system to resolve commercial disputes between CPSEs, and CPSEs and government departments or organisations. This excludes disputes concerning the Railways, Income Tax, Customs and Excise Departments. Key features of the new mechanism include:

- **First level:** Commercial disputes will be referred to a Committee which will comprise of Secretaries of the respective Ministries or Departments to which the disputing parties belong to, and the Secretary of the Department of Legal Affairs. Further, financial advisors of the two concerned Ministries or Departments will represent the issues related to the dispute before the above Committee. At this level, the disputes must be resolved within three months.

- **Second level:** If the dispute remains unresolved at the first level, it will be referred to the Cabinet Secretary. The decision of the Cabinet Secretary will be final and binding.

Sports

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The National Sports University Ordinance, 2018 promulgated

The National Sports University Ordinance, 2018 was promulgated on May 31, 2018.⁶ It establishes a National Sports University in Manipur. Note that the National Sports University Bill, 2017 was introduced in Lok Sabha in August 2017 and is currently pending passage.⁷ Key features of the Ordinance include:

- **Establishment of the University:** The National Sports University will be headquartered in Manipur. It may establish outlying campuses, colleges, or regional centres. The University will: (i) undertake research on physical education, (ii) strengthen sports training programmes, and (iii) collaborate internationally in the field of physical education, among others.
- **Functions:** Key powers and functions of the University include: (i) prescribing courses of study and conducting training programmes, (ii) granting degrees, diplomas, and certificates, (iii) providing facilities through a distance education system, and (iv) conferring autonomous status on institutions.
- **Authorities:** The University will have the following authorities: (i) the Court, which will review the policies of the University and suggest measures for its development, (ii) the Executive Council, which will be the principal executive body, (iii) the Academic and Activity Council, which will supervise academic policies, (iv) the Board of Sports Studies, which will approve the subjects for research and recommend measures to improve standards of teaching, and (v) the Finance Committee, which will examine proposals related to creation of posts and recommend limits on the expenditure of the University. Additional authorities may be declared through statutes of the University.

For a PRS Ordinance Summary, see [here](#). For more details on the Bill pending in Parliament, see [here](#).

Health

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Ordinance promulgated to amend the Homoeopathy Central Council Act, 1973

The Homoeopathy Central Council (Amendment) Ordinance, 2018 was promulgated on May 18, 2018.⁸ It amends the Homoeopathy Central Council Act, 1973, which sets up the Central Council of Homoeopathy. The Central Council of Homoeopathy regulates homoeopathic education and practice. Key features of the Ordinance include:

- **Supersession of the Central Council:** The Ordinance amends the 1973 Act to provide for the supersession of the Central Council with effect from May 18, 2018. The Central Council will be reconstituted within one year from the date of its supersession. In the interim period, the central government will constitute a Board of Governors, which will exercise the powers of the Central Council.
- The Board of Governors will consist of up to seven members including: (i) persons of eminence in the field of homoeopathy education, and (ii) eminent administrators, appointed by the central government. The central government will select one of these members as the Chairperson of the Board. With regard to policy decisions, directions of the central government will be final.
- **Permission for existing homoeopathy colleges:** The Ordinance states that: (i) if any person has established a homoeopathy medical college, or (ii) if an established homoeopathy medical college has opened new courses or increased its admission capacity before the Ordinance was promulgated, it will have to seek permission from the central government within one year. If the person or homoeopathy medical college fails to seek such permission, then any medical qualification granted to a student from such medical college will not be recognised under the Act.

For more details on the Ordinance, see [here](#).

Cabinet approves setting up of National Institute of Mental Health Rehabilitation

The Union Cabinet approved the establishment of the first National Institute of Mental Health Rehabilitation in Bhopal.⁹ It will be set up as a society under the Societies Registration Act,

1860. The estimated cost for the first three years of the project is Rs 180 crore.

The main objectives of the institute are: (i) providing rehabilitation services to persons with mental illness, and (ii) policy framing, capacity development, and advanced research in mental health rehabilitation.

The institute will consist of nine departments and will conduct 12 courses in the area of mental health rehabilitation. These courses will lead to the award of diploma, certificate, graduate, post graduate, and M.Phil. degrees.

Cabinet approves setting up of new AIIMS in Deoghar, Jharkhand

The Union Cabinet approved the establishment of a new All India Institute of Medical Sciences (AIIMS) in Deoghar, Jharkhand.¹⁰ It will be set up under the Pradhan Mantri Swasthya Suraksha Yojana (PMSSY). PMSSY was launched in 2006 with the aim of correcting the imbalances in the availability of affordable healthcare facilities in different parts of the country.¹¹

A provision of Rs 1,103 crore has been approved for setting up the new AIIMS. It will consist of: (i) a hospital with a capacity of 750 beds, (ii) trauma center facilities, (iii) a medical college with an intake of 100 MBBS students per year, (iv) nursing college with an intake of 60 B.Sc. (Nursing) students per year, (v) 20 speciality and super-speciality departments including 15 operation theatres, and (vi) an AYUSH department with 30 beds for providing treatment facilities in traditional system of medicine.

Education

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University Grants Commission approves UGC (Online Courses) Regulations, 2018

The University Grants Commission approved the UGC (Online Courses) Regulations, 2018.¹² As per the regulations, higher educational institutions will be able to offer certificate, diploma and degree programmes through an online mode. Such courses should be in the disciplines in which: (i) they are already offering similar courses at graduation level, and (ii) at least one batch has graduated.

As per the scheme, only those institutions will be eligible to offer online courses that have been: (i) in existence for at least five years, (ii) accredited by National Assessment and Accreditation

Council with a minimum score of 3.26 on a 4-point scale, and (iii) in the top-100 in overall category in the National Institutional Ranking Framework for at least two years in the previous three years.

Scheme to provide holistic education from pre-school to Class 12 launched

The Ministry of Human Resource Development launched a scheme ‘Samagra Shiksha’, which seeks to provide holistic education from pre-school to senior secondary levels.¹³ It subsumes three existing schemes, namely: (i) Sarva Shiksha Abhiyan, (ii) Rashtriya Madhyamik Shiksha Abhiyan, and (iii) Teacher Education. The budget allocation for the scheme is Rs 34,000 crore for 2018-19, and Rs 41,000 crore for 2019-20.

To determine district level interventions, the scheme will focus on learning outcomes and results of the latest National Achievement Survey. Further, it envisages active participation of stakeholders such as parents and school management committee members.

Energy

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National Wind-Solar Hybrid Policy released

The Ministry of New and Renewable Energy released the National Wind-Solar Hybrid Policy.¹⁴ Key features of the policy include:

- **Objective:** The policy provides a framework for the promotion of large grid connected wind-solar photovoltaic (PV) hybrid systems. This would: (i) enable optimal utilisation of power transmission infrastructure and land, (ii) reduce variability in renewable power generation, and (iii) help achieve better grid stability.
- **Wind-solar hybrid systems:** Wind-solar hybrid power plants will include wind turbine generators and solar PV systems, that will be configured to operate at the same point of grid connection. The two systems can be integrated in different ways depending upon the size of each of the source integrated and the technology type. Further, if a particular energy source is stronger at a site, the size of the other source (in terms of capacity) can be kept smaller. However, for a plant to be recognized as hybrid, the rated power capacity of one resource should be at least 25% of the rated power capacity of the other source.
- **New hybrid plants:** The power generated from the hybrid project may be used for: (i) captive purpose (for the plant’s own use), (ii) sale to third party through open access (large consumers buying directly from the power plant instead of through a distribution company), or (iii) sale to the power distribution companies. With regard to the procurement of hybrid power through transparent bidding, the bidding parameters may include: (i) capacity delivered at grid interface point, (ii) effective capacity utilisation factor of the plant, and (iii) unit price of electricity.
- **Battery storage:** Battery storage may be added to the power plant to: (i) reduce the variability of output power from the hybrid plant, (ii) providing higher energy output for a given capacity, and (iii) ensuring availability of continuous power for a particular period.
- **Incentives:** All fiscal and financial incentives available to wind and solar power projects will also be made available to hybrid projects.

Promoting biomass based co-generation in sugar mills, and other industries

The Ministry of New and Renewable Energy has released a scheme to support the promotion of biomass based co-generation in sugar mills, and other industries.¹⁵ Co-generation means generating both electricity and useful heat at the same time, therefore utilising the available energy in more than one form.

The total central financial assistance towards the scheme will be Rs 170 crore for the period 2017-18 to 2019-20. The guidelines for power generation from biomass power plants will be issued separately. Key provisions under the scheme include:

- **Eligibility:** The programme will provide central assistance for projects utilising biomass such as bagasse, agro-based industrial residue, crop residue, weeds, and wood waste produced in industrial operations. Municipal solid waste is not covered under the scheme.
- Firms eligible for financial support under the scheme include registered companies, partnership firms, cooperatives, and public sector companies. To avail such financial support, the applicant must have availed a term loan (for the eligible project) from any

financial institution like public or private sector banks, central or state cooperative banks, or a non-banking financial company.

- **Central Financial Assistance:** Central assistance under the scheme will be Rs 25 lakh/MW for bagasse cogeneration projects, and Rs 50 lakh/MW for non-bagasse cogeneration projects. The assistance will be released to the term loan account to reduce the loan component of the promoter. Biomass based cogeneration projects which intend to add capacity to the existing plants will also be considered for such assistance. However, assistance in such cases will be considered only for the enhanced capacity.
- **Project timeline:** Promoters will have to complete the project within 24 months (with a six-month extension) from the date of sanction of the central assistance. If the project is not completed within the stipulated time, the central assistance will be cancelled.

Cabinet approves National Policy on Biofuels, 2018

The Union Cabinet approved the National Policy on Biofuels, 2018.¹⁶ The Ministry of New and Renewable Energy had released a National Policy on Biofuels in 2009. Biofuels are liquid or gaseous fuels produced from biomass resources. These resources include biodegradable fraction of products, wastes and residues from agriculture, forestry and related industries, and the biodegradable fraction of industrial and municipal wastes. Key features of the approved policy include:

- **Categories of biofuels:** The policy creates two categories of biofuels: basic and advanced. Basic biofuels include first generation bioethanol. Advanced biofuels include second generation ethanol, municipal solid waste, third generation biofuels, bio-CNG.
- **Raw materials:** The policy expands the scope of raw material for ethanol production by allowing the use of certain items that are unfit for human consumption. These include: (i) sugarcane juice, (ii) materials containing sugar such as sugar beet, (iii) materials containing starch such as corn, cassava, and (iv) damaged food grains like wheat, broken rice, and rotten potatoes. It also allows the use of surplus food grains for production of ethanol for blending with petrol, with the approval of the National Biofuel Coordination Committee.
- **Financial incentives:** The policy indicates a viability gap funding scheme of Rs 5,000

crore in six years for second generation ethanol bio refineries. Further, advanced biofuels will also get additional tax incentives, and higher purchase price as compared to basic biofuels.

Coal

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Inter-ministerial groups submits recommendations on rationalising coal linkages for independent power producers

The Ministry of Coal had constituted an inter-ministerial group to review the existing sources of coal for independent power producers with coal linkages in October 2017.¹⁷ (Coal linkage is the allocation of coal mines to thermal power plants.) The recommendations made by the group include:

- **Transfer of coal linkage:** Under coal linkage rationalisation, the coal linkage of a thermal power plant of an independent power producer (IPP) may be transferred from one coal company to another. Such transfer will be based on the existing availability of coal and the future coal production plan of the coal company. The objective of such transfer is to allocate coal mines closer to the power plants, reducing coal transportation costs, resulting in lower coal costs for the power producers. These savings have to be passed on to the consumers of power, such as power distribution companies.
- Such rationalisation will be voluntary for the thermal power plants. It is also expected that if coal travel distance is reduced, it will free up railway freight infrastructure for other sectors.
- **Process of rationalisation:** The calling for requests for linkage rationalisation will be a one-time process. It will be undertaken jointly by Coal India Limited, Singareni Collieries Company Limited, and Central Electricity Authority in a transparent manner. Such rationalisation will be considered only for the IPPs that have these linkages through the allotment route (government allotment).
- **Post rationalisation:** Fuel Supply Agreements (agreement between coal company and power plant) of the rationalised source will be implemented only

after the central or state Electricity Regulatory Commission approves the supplementary agreement.

Transport

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DGCA releases draft guidelines related to airline cancellation and refunds

The Director General of Civil Aviation (DGCA) has released draft guidelines related to: (i) refund of airline tickets to passengers, and (ii) facilities to be provided to passengers by airlines due to denied boarding, cancellation of and delays in flights.^{18,19} Key guidelines include:

Refund of airline tickets

- **Lock-in period:** The airlines will provide a 'lock-in' option for 24 hours after booking the ticket. During this time period a passenger can cancel or change the ticket without any additional charges, except for the normal prevailing fare of the changed ticket. This lock-in option will be available to passengers up to 96 hours before the flight's departure.
- **Additional charges:** Airlines will not levy any additional charge for correction in name of the same person. Such error has to be pointed out by the passenger within 24 hours of the booking.
- **Cancellation charges:** Currently, airlines cannot levy cancellation charges that are more than the basic fare plus fuel surcharge. The proposed guidelines extend this provision to travel agents.

Denied boarding, cancellation of and delays in flights

- **Cancellation of flights:** Currently, if an airline informs the passengers of the cancellation less than two weeks before and up to 24 hours of the scheduled time of departure, then it will offer the passenger an alternate flight within two hours of their scheduled departure. The guidelines propose that, in addition, the airline may also refund the price of the ticket, if acceptable to the passenger.
- **Flight delays:** If a flight is expected to be delayed by more than four hours from the scheduled departure time or a previously revised departure time (before 24 hours), airlines will offer an option of full refund of ticket. If the delay is more than 24 hours

and is moved to the next day, the airline will offer the passengers: (i) meals and refreshments in relation to waiting time, and (ii) hotel accommodation when necessary (including transfers). Such facilities will be free of charge.

- If a passenger misses a connecting flight due to delay caused by an airline, the airline must offer: (i) Rs 5,000 for a delay more than three hours, (ii) Rs 10,000 for a delay between four and 12 hours, and (iii) Rs 20,000 for delay more than 12 hours. Such compensation will be paid only if the passenger has informed the airline of the connecting flight at the time of booking.

Communications

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Draft National Digital Communications Policy 2018 released

The Department of Telecommunications released a draft National Digital Communications Policy.²⁰ Key features of the draft policy are:

- **National Broadband Mission:** A National Broadband Mission will be established to secure universal broadband access. This will include implementation of: (i) broadband initiatives such as BharatNet and GramNet, and (ii) a 'Fibre First Initiative' to provide optic fibre cables in tier I, II and III towns, and in rural clusters.
- **Spectrum:** New Spectrum bands will be identified and provided for timely deployment and growth of 5G networks. The draft policy proposes optimal pricing of spectrum and simplifying the process of obtaining permissions from various agencies. Further, it proposes to constitute a spectrum advisory team which will consist of experts from the industry and academia. The team will facilitate the identification of new bands, applications and efficiency measures to catalyse innovation and spectrum management.
- **Investments:** To increase investments in the sector, the draft Policy proposes to (i) recognise telecom infrastructure as critical and essential infrastructure similar to roadways and railways. It also proposes to reform the licensing and regulatory regime by (i) reviewing levies and fees, (ii) rationalising taxes and levies on digital communication equipment, and (iii) simplifying compliance obligations.

- **Data protection:** A comprehensive data protection regime for digital communications will be set up that safeguards the privacy, autonomy and choice of individuals.

In-flight connectivity approved

The Telecom Commission has approved in-flight connectivity as recommended by the Telecom Regulatory Authority of India.²¹ This implies that airlines and telecom service providers can offer voice and data services in Indian airspace once an aircraft reaches an altitude of 3,000 m.

These services will be provided through Indian satellites or satellites approved by the Department of Space. A separate category of licensee called In-Flight Connectivity Provider will be created with a token license fee of one rupee. It is expected that it will take three to four months to operationalise the service.

Cabinet approves provision of mobile connectivity in LWE areas

The Union Cabinet approved Phase II of project to provide mobile services in inhabited uncovered areas affected by Left Wing Extremism (LWE) through Universal Service Obligation Fund. In Phase I of the project, 2,335 towers were made operational. In Phase II of the project, mobile services will be provided at 4,072 tower locations of 96 districts in 10 states.²² The Phase II of the project is estimated to cost Rs 7,330 crore. The network would be used by the security personnel deployed in LWE affected areas. Further, mobile services will also be provided to the residents in unconnected inhabited villages in such regions.

Provision of mobile connectivity in Meghalaya under CTDP approved

The Union Cabinet has approved the implementation of a Comprehensive Telecom Development Plan (CTDP) for the north eastern region in Meghalaya.²³ The project is estimated to cost Rs 3,911 crore and will be funded by the Universal Service Obligation Fund. The Cabinet also approved an increase cost of CTDP Project for north eastern region for an amount of Rs 8,121 crore as compared to Rs. 5,336 crore approved earlier.

Increase in budget for Network for Spectrum for defence services approved

The Cabinet Committee on Economic Affairs approved increase of Rs 11,330 crore towards the Network for Spectrum project.²⁴ This is in addition to Rs 13,334 crore approved in 2012.

The project seeks to develop a dedicated optical fibre network for defence services.²⁵

Environment

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National Clean Air Programme for India released by the Ministry of Environment

The Ministry of Environment, Forest and Climate Change released the National Clean Air Programme for India.²⁶ The National Clean Air Programme (NCAP) aims to meet the prescribed annual average ambient air quality standards at all locations in the country in a stipulated timeframe. To achieve this, the NCAP has set out the following objectives:

- Develop an effective and proficient ambient air quality monitoring network across the country for ensuring a comprehensive and reliable database;
- Create an efficient data dissemination and public outreach mechanism for timely measures for prevention and mitigation of air pollution;
- Involve public participation in both planning and implementation of the programmes and policies of government on air pollution; and
- Create a management plan for prevention, control, and abatement of air pollution.

The NCAP intends to plug the gaps in the ongoing government initiatives towards mitigating air pollution. With reference to augmenting the air quality monitoring network, it proposes to increase the number of monitoring stations from existing 691 to 1,000. It also plans to bring in rural areas under the National Air Quality Monitoring Programme. Towards achieving this, it will set up 50 monitoring stations in rural areas. The NCAP will also develop guidelines and protocols for monitoring and managing indoor air pollution.

The NCAP plans to set up an Accreditation Service which will certify equipment used in environmental monitoring programmes according to the existing ISO standards. It also envisages setting up an Air Quality Forecasting System which will accurately forecast air pollution on daily basis and also expected air pollution exigencies.

Industry

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Directorate General of Trade Remedies created

The Department of Commerce notified the creation of the Directorate General of Trade Remedies (DGTR).²⁷ The DGTR will be the apex national authority for administering all trade remedial measures including anti-dumping, countervailing duties and safeguard measures. Currently these functions are dealt by the Directorate General of Anti-dumping and Allied Duties, Directorate General of Safeguards, and Safeguards (QR) functions of Directorate General of Foreign Trade. The DGTR will merge these into one single national entity.

Agriculture

Third advance estimates of production of major crops for 2017-18 released

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The Ministry of Agriculture and Farmers Welfare released the third advanced estimates of production of major crops.²⁸

- The total foodgrain production in 2017-18 is estimated to grow by 1.6% as compared to final estimates in 2016-17. This increase was contributed by 1.2% growth in the production of cereals and 6% growth in the production of pulses.
- In 2017-18, the production of oilseeds is expected to decline by 2% from 2016-17. Oilseeds include soyabean, groundnut, rapeseed-mustard, and castorseed.
- During the same period, cotton production is expected to grow by 7% and sugarcane production expected to increase by 16%.

Table 2: Third advanced estimates of production of major crops in 2017-18 (in million tonnes)

Crop	Final estimates 2016-17	3rd advance estimates 2017-18	% change over final estimate
Foodgrains	275.1	279.5	1.6%
Cereals	252.0	255.0	1.2%
Rice	109.7	111.5	1.7%
Wheat	98.5	98.6	0.1%
Coarse Cereals	43.8	44.9	2.5%
Pulses	23.1	24.5	6.0%
Gram	9.4	11.2	19.0%
Tur	4.9	4.2	-14.2%
Oilseeds	31.3	30.6	-2.0%
Soyabean	13.2	10.9	-16.9%
Groundnut	7.5	8.9	19.8%
Rapeseed & Mustard	7.9	8.0	1.6%
Cotton*	32.6	34.9	7.0%
Sugarcane	306.1	355.1	16.0%

*Million bales of 170 kgs each

Sources: Directorate of Economics & Statistics, Ministry of Agriculture and Farmers Welfare; PRS.

Cabinet approved continuation of Krishonnati Yojana

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The Union Cabinet approved continuation of Krishonnati Yojana for three years (2017-18 to 2019-20) with an outlay of Rs 33,270 crore.²⁹ Krishonnati Yojana is an umbrella scheme. It includes existing centrally sponsored schemes such as:

- Mission for Integrated Development of Horticulture is a centrally sponsored scheme which aims to promote holistic growth of horticulture sector. The central government has allocated a total of Rs 7,533 crore towards the scheme.
- National Food Security Mission aims to increase production of rice, wheat, pulses, coarse cereals and commercial crops. The central government has allocated Rs 6,893 crore towards the scheme.
- National Mission for Sustainable Agriculture aims at promoting sustainable agriculture practices focusing on integrated farming, soil health and resource conservation technology. The central government has allocated Rs 3,980 crore towards the scheme.

Cabinet approved corpus for Micro Irrigation Fund under PMKSY

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The Union Cabinet approved a corpus of Rs 5,000 crore for a Micro Irrigation Fund under the Pradhan Mantri Krishi Sinchayi Yojana.³⁰ Of this, Rs 2,000 crore will be utilised in 2018-19 and the remaining Rs 3,000 crore will be utilised in 2019-20. The Fund will be set up under the National Bank for Agricultural and Rural Development (NABARD). The Fund was announced in Union Budget 2017-18.³¹

The NABARD will extend loans to state governments which can incentivise micro irrigation through subsidies or invest in cluster-based micro irrigation projects. These loans must be paid back within seven years (including the grace period of two years).

An interest subvention of 3% is provided under the Fund. The financial implication of such interest subvention comes to about Rs 750 crore. This cost will be met from the Pradhan Mantri Krishi Sinchayi Yojana-Per Drop More Crop by amending the existing guidelines.

Cabinet approves financial assistance to sugar mills for clearing sugarcane dues

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The Union Cabinet approved financial assistance to sugar mills to offset the cost of sugarcane, in order to clear the dues of farmers.³² The assistance will be at the rate of Rs 5.5 per quintal of sugarcane crushed in 2017-18 which will be paid directly to the farmers on behalf of the mills. This amount will be adjusted against the sugarcane price payable to the farmers against the Fair and Remunerative Price, including arrears relating to previous years. This step was taken due to an accumulation of sugarcane dues of over Rs 19,000 crore.

Minority Affairs

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CCEA approves restructuring of Multi-Sectoral Development Programme

The Cabinet Committee on Economic Affairs approved the restructuring and renaming of the Multi-sectoral Development Programme (MsDP) as Pradhan Mantri Jan Vikas Karyakaram.³³ Further, the scheme has been approved for continuation till 2019-20 with an allocation of Rs

3,972 crore. MsDP was launched in 2008 with an aim to address the development gaps in minority concentrated areas by providing basic amenities and creating socio-economic infrastructure. Key features of the restructured programme include:

- **Criteria:** The criteria for identification of minority concentration areas has been rationalised by lowering the population percentage criteria. Previously, towns that were backward in terms of both basic amenities and socio-economic parameters were taken up under the scheme. Under the restructured scheme, towns backward in either or both of these criteria will be considered under the scheme.
- In case of villages, previously only those villages were considered that had at least 50% population belonging to the minority community. Under the restructured scheme, this criterion has been lowered to 25%.
- **Coverage of the scheme:** The existing MsDP covers 196 districts in 27 states/union territories which is being extended to a total of 308 districts in 32 states/union territories. The restructured scheme will include minority concentration district headquarters along with minority concentration towns, blocks, and cluster of villages.
- **Earmarking of funds:** Rs 3972 crore has been allocated to the scheme for a three-year period (2017-2020). Of the total funds, 80% will be earmarked for projects related to education, health, and skill development.

Statistics

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Draft National Policy on Official Statistics released

The Ministry of Statistics and Programme Implementation released a draft National Policy on Official Statistics.³⁴ The draft Policy seeks to provide reliable, timely and credible social and economic statistics. Key features of the draft policy are:

- **Core statistics:** The draft policy proposes to focus on certain statistics of national importance as core statistics. These core statistics will be regulated for quality and timeliness. This includes eight domains including national income, money and banking, demography, social and environment sectors.

- The Union List in the Seventh Schedule of the Constitution will be amended to include (i) censuses of subjects other than population, and (ii) statistics of national importance (as declared by Parliament). The central government would regulate, and bear the cost of producing and disseminating such core statistics.
- **National Statistical Commission:** The draft policy proposes that a National Statistical Commission (NSC) be constituted to regulate and audit core statistics and advise the central government on improving other official statistics. A Bill will be introduced in the Parliament to constitute the NSC as a public corporation.
- A National Statistical Appraisal and Assessment Organisation will be set up under NSC to conduct statistical audits. A National Statistical Development Council will be set up under the Chairmanship of the Prime Minister to provide guidance to the NSC on policy matters,
- An initial endowment fund of Rs 500 crore will be provided to the NSC. Further, certain share of the budget on official statistics would be devolved to the NSC every year.
- **All-India Indian Statistical Service:** Currently, there are several statistical cadres

such as the Indian Statistical Service, State Statistical Services, and other Group A Statistical posts or cadres. The draft policy seeks to combine such services to constitute an all-India Indian Statistical Service to unify statistical cadres in the country.

External Affairs

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Visit of Prime Minister to Indonesia

The Prime Minister visited Indonesia and signed 15 agreements for cooperation in various fields including: (i) defence, (ii) exploration of outer space, and (iii) health cooperation.³⁵

Visit of Prime Minister of Netherlands to India

The Prime Minister of Netherlands visited India on a two-day visit. 52 MoUs were signed between the countries in various sectors including: (i) water management and port and waterways related projects, (ii) agrifood and horticulture, (iii) life sciences and health, (iv) business, and (v) information technology.³⁶

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¹⁰ “Cabinet approves setting up of new AIIMS in Deoghar, Jharkhand”, Press Information Bureau, Cabinet, May 16, 2018.

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