



PRS Capsule- April 2023

Key Highlights of PRS

▪ **Governance**

- [Budget Session 2023 concludes](#)
- [Revised domestic gas pricing guidelines.](#)
- [Draft Sagarmala Innovation and Startup Policy.](#)
- [Central Sector Scheme for Promoting Northeastern Products Launched.](#)
- [Indian Wireless Telegraphy \(Cell Broadcasting Service for Disaster Alerts\) Rules, 2023 notified.](#)
- [Assisted Reproductive Technology Regulations notified](#)

▪ **Economy**

- [Repo rate kept unchanged.](#)
- [Draft Electricity \(Amendment\) Rules, 2023.](#)

▪ **Biodiversity & Environment**

- [Coastal Aquaculture \(Authority\) Amendment Bill, 2023 introduced in Lok Sabha](#)

Governance

Budget Session 2023 Concludes

▪ **Bills Introduced:**

- During this session, Parliament introduced three Bills and passed one.
 - [The Inter-Services Organisations \(Command, Control and Discipline\) Bill, 2023,](#)
 - The Coastal Aquaculture Authority (Amendment) Bill, 2023
 - [The Forest \(Conservation\) Amendment Bill, 2023](#)
- These bills were referred to Committees.
- [The Competition \(Amendment\) Bill, 2022](#) was passed.

Revised Domestic Gas Pricing Guidelines

What are the Amendments to the New Domestic Gas Pricing Guidelines of 2014?

▪ **Applicability:**

- Nomination fields of Oil and Natural Gas Corporation/Oil India Limited (ONGC/OIL).
- [New Exploration Licensing Policy \(NELP\)](#) blocks.
- Pre-NELP blocks where the Production Sharing Contract (PSC) requires government approval for prices.

▪ **Pricing Mechanism:**

- **Administered Price Mechanism:**
 - [Administered Price Mechanism \(APM\)](#) price for gas produced by ONGC/OIL is subject to an initial floor and ceiling price:
 - Floor price: \$4/Metric Million British Thermal Units (MMBTU).
 - Ceiling price: \$6.5/MMBTU.

- The ceiling price will be maintained for two financial years and then increased by \$0.25/MMBTU annually.
- **Pricing for New Wells or Well Intervention:**
 - Gas produced by new wells or well intervention in nomination fields can be priced at a 20% premium on APM prices.
 - APM prices are calculated as the monthly average of daily prices of the Indian Crude Basket price.
 - Monthly prices will be declared by the Petroleum Planning and Analysis Cell (PPAC).
- **Comparison with Previous Guidelines:**
 - Under the 2014 guidelines, prices were determined based on volume weighted prices of four gas trading hubs:
 - Henry Hub.
 - Albenia.
 - National Balancing Point (UK).
 - Russia.
 - The previous pricing structure had significant time lag and was highly volatile.
 - The new guidelines link gas prices to the Indian crude, which is more relevant to India's consumption basket.

Draft Sagarmala Innovation and Startup Policy.

- The Ministry of Ports, Shipping and Waterways released a draft of the **Sagarmala Innovation and Startup Policy**.
- **Maritime Startups:**
 - The Policy seeks to develop an ecosystem to support maritime startups to:
 - Encourage technological self-sufficiency in the sector,
 - Make the industry competitive, and
 - Provide employment.

What are the Key Features of the Policy?

- **Maritime Innovation Hubs:**
 - These hubs will be established with facilities for incubators, accelerators, fabrication space for prototypes, and rental co-working spaces.
 - Initially, the National Technology Centre for Ports, Waterways and Coasts (IIT Madras) will develop the first such hub.
 - These hubs are expected to come up in other educational institutes in the near future.
 - They are required to attract investment in addition to the financial assistance offered in the Policy.
- **Funding Support:**
 - Annual financial support for startups will be decided by an Apex Committee and will be subject to revisions.
 - Funding will be available in various forms such as:
 - (i) seed fund scheme – up to Rs 50 lakh to create a minimum viable product/service, and
 - (ii) tech pilot grant – upto Rs 100 lakh for commercialisation of proprietary technology. The Policy also specifies the eligibility criteria and the selection procedure for startups.
- **Startup Monitoring and Evaluation Group:**
 - Each hub will be governed by the Startup Monitoring and Evaluation Group which will be responsible for operationalising the startup policy, driving necessary approvals, setting up evaluation criteria for startups, and suggest policy interventions to the Ministry.
- **Apex Committee:**
 - A Committee will be formed which will provide guidance and approval to the programme.
 - The Committee will review the progress made by hubs of various institutes.
 - The Committee may also specify the eligibility and evaluation criteria for startups.
 - It will have ten members, chaired by the Secretary of the Ministry.
- **Sagarmala Startup Portal:**
 - The Ministry must develop and implement a portal which will act as a single window solution for all startup related activities.
 - These include publishing problem statements, application processes, and also knowledge

Central Sector Scheme for Promoting Northeastern Products Launched

- The Ministry of Tribal Affairs launched a central sector scheme Marketing and Logistics Development for Promotion of Tribal Products from North-Eastern Region.

What are the Key Features of the Scheme?

- The scheme seeks to assist tribal craftsmen in increasing their revenue.
- Rs 143 crore has been allocated for the implementation of the scheme.
- The scheme will provide incubation support, skill development, sourcing and procurement support, marketing, transportation, and publicity for products created by tribal craftsmen.
- It also seeks to empanel tribal artisans/producers by organising tribal artisan melas.
- National and international marketing linkages will be provided for the tribal products of the northeastern region through offline and online mode.

Indian Wireless Telegraphy (Cell Broadcasting Service for Disaster Alerts) Rules, 2023

- The Ministry of Communications notified the Indian Wireless Telegraphy (Cell Broadcasting Service for Disaster Alerts) Rules, 2023.
 - The Rules have been notified under the Indian Wireless Telegraphy Act, 1933.

What are the Key features of the Rules?

- **Obligations on Phone Manufacturers:**
 - Six months after commencement of the Rules, phone manufacturers before selling or manufacturing shall ensure certain facilities in smart phones or feature phones.
 - These include:
 - Mandatory support to receive cell broadcast messages in English and Hindi languages,
 - Alert sound, vibration, and light duration for at least thirty seconds,
 - Maintaining cell broadcast messages on the screen until acknowledged by the user.
 - Cell broadcast refers to sending messages to multiple mobile telephone users in a defined area at the same time in a broadcast manner.
 - Further, after 12 months of the commencement of the Rules, all smart phones or feature phones must have support to receive cell broadcast messages and automatically read them out.
 - The messages should be read out in Indian accent, in all languages as per the Eighth Schedule to the Constitution of India, subject to the memory of the feature phone.
- **Cell Broadcast in Existing Smart Phones:**
 - Manufacturer of mobile phones and the operating system developer shall explore the possibility of providing the facility of receiving cell broadcast messages and automatically reading them out, in all languages as per the Eighth Schedule to the Constitution.
 - This will be applicable on smart phones sold in India within four years prior to the commencement of the Rules.
 - All manufacturers and developers shall attempt to fulfil this obligation within six months of the commencement of the Rules.

Assisted Reproductive Technology Regulations notified

- The National Assisted Reproductive Technology and Surrogacy Board (National Board) notified the Assisted Reproductive Technology (ART) Regulations, 2023, under the Assisted Reproductive Technology (Regulation) Act, 2021.
- The 2021 Act provides for the regulation of ART services, which it defines as any technique that seeks to obtain a pregnancy by handling the sperm or the oocyte (immature egg cell) outside the human body and transferring the gamete or embryo into a woman's reproductive system.

- Examples include gamete donation and in-vitro fertilisation.
- The 2023 regulations specify that the oocyte must be retrieved from the donor with their consent.

Economy

Repo Rate Kept Unchanged

- The [Monetary Policy Committee \(MPC\)](#) of the Reserve Bank of India (RBI) retained the policy **repo rate** (the rate at which RBI lends money to banks) at 6.5%.
- **Other decisions of the Committee:**
 - Standing deposit facility rate (the rate at which the RBI borrows from the banks without giving collateral) has been retained at 6.25%. ■
 - The marginal standing facility rate (the rate at which banks can borrow additional money from RBI), and the bank rate (the rate at which RBI buys bills of exchange) have been retained at 6.75%.
 - The MPC decided to remain focused on withdrawal of accommodation to ensure that inflation progressively aligns with the target, while supporting growth.

Draft Electricity (Amendment) Rules, 2023

- The Draft Rules seek to amend the Electricity Rules, 2005 issued under the [Electricity Act, 2003](#).
- The 2005 Rules specify several requirements regarding the operation of various entities in the power system.

What are the Key Amendments Proposed?

- **Framework for Financial Stability:**
 - The State Electricity Regulatory Commissions determine loss reduction trajectory for distribution licensees while determining tariff.
 - The Draft Rules propose to add that this trajectory should be as per the trajectory agreed by the state government and approved by the central government under any national scheme.
- **AT&C Loss Reduction Strategy:**
 - The Draft Rules also add that two-thirds of any additional gains from any deviation from the approved AT&C (Aggregate Technical and Commercial)
 - loss reduction strategy will be passed on to consumers in tariff, and the rest will be retained by the licensee.
 - Half of any additional losses from any deviation will be borne by the licensee and the rest will be passed on to consumers.
 - [Aggregate Technical and Commercial \(AT&C\)](#) loss is the ratio of power for which the licensee did not receive any payment to the total electricity procured.
- **State Commissions:**
 - The Draft Rules require the state commission to consider all prudent costs of power procurement while determining tariff.
 - All costs incurred towards asset creation for the development and maintenance of the distribution system will be passed on to the consumers.
- **Accounting of Subsidy:**
 - The 2005 Rules provide that accounting of subsidy for retail distribution of power will be done by the distribution licensee.
 - The draft Rules add that the state commission will issue a quarterly report for each distribution licensee.
 - This report should provide details on the subsidy bill raised, the subsidy paid by the state government, and dues.
 - The report should be prepared within 45 days from the end of the respective quarter.
 - The state commission may act against the concerned officers for non-compliance concerning raising bills for subsidy and payment.

Biodiversity & Environment

Coastal Aquaculture (Authority) Amendment Bill, 2023

▪ About:

- The Coastal Aquaculture Authority (Amendment) Bill, 2023 was introduced in Lok Sabha.
- It amends the Coastal Aquaculture Authority Act, 2005.
- The Act established the Coastal Aquaculture Authority for regulating coastal aquaculture, which refers to rearing and cultivation of fish under controlled conditions.

What are the Key features of the Bill?

▪ Regulation of Allied Coastal Aquaculture Activities:

- The Act regulates coastal aquaculture farms which carry out activities such as culturing of shrimp, prawns or any other aquatic life under controlled conditions in saline or brackish water.
- The Bill adds that any facility that is engaged in coastal aquaculture or any allied activity will be regulated as a coastal aquaculture unit.
- Allied activities include nucleus breeding centres, hatcheries, brood stock multiplication centres and farms. The Bill provides for the registration and regulation of such units.

▪ Activities to be Allowed in Certain Protected Areas:

- The Act prohibits coastal aquaculture:
 - Within 200 metres from high tide lines and
 - In creeks, rivers, and backwaters within Coastal Regulation Zones under the Environment (Protection) Act, 1986.
- These prohibitions do not apply to:
 - Coastal aquaculture farms which existed in such areas as on February 19, 1991 and
 - Non-commercial and experimental farms operated by government research institutes.

▪ The Bill Replaces This to Prohibit Coastal Aquaculture Activities:

- Ecologically sensitive areas or in geo-morphological features such as mountains, valleys, or volcanoes,
- No development zones in seas and buffer zones in creeks, rivers, and backwaters, and
- Creeks, rivers, and backwaters within Coastal Regulation Zones.
- Allied activities are provided certain exemptions. For instance:
 - Hatcheries, nucleus breeding centres and brood stock multiplication centres will be allowed in no-development zones, and
 - Seaweed culture, pen culture, raft culture, and cage culture activities will be allowed in Coastal Regulation Zones.
 - This will apply from December 16, 2005