

## PRS Capsule- July 2023

## Key Highlights of PRS

#### Governance

- Bill to amend Jammu and Kashmir Reorganisation Act, 2019, introduced
- IIM (Amendment) Bill. 2023 introduced in the Lok Sabha
- UGC Amends the Minimum Criteria for Direct Recruitment to the Post of Assistant Professor
- <u>UGC released draft Guidelines on Sustainable and Vibrant UniversityIndustry Linkage</u>
   <u>System for Indian Universities.</u>
- Parliament Passes Two Bills to Amend the Constitution (Scheduled Tribes) Order, 1950
- The Constitution (Scheduled Castes) Order (Amendment) Bill, 2023 Introduced in Lok Sabha.
- Two Bills to amend the Scheduled Castes and Scheduled Tribes for Jammu and Kashmir, introduced
- Standing Committee submits report on InterServices Organisations Bill, 2023
- Standing Committee submits report on the functioning of National Akademis
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- o Multi-State Co-operative Societies (Amendment) Bill, 2022 passed by Lok Sabha
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#### Agriculture

- Report on Coastal Aquaculture Authority (Amendment) Bill, 2023 submitted
- Standing Committee Submits Report on Farm Mechanisation for Small Farmers.

#### Environment

Joint Parliamentary Committee submits report on the Forest Bill, 2023

#### Science and Technology

- Draft National Deep Tech Startup Policy, 2023 Released
- ICMR Issues Policy Statement on Controlled Human Infection

#### Internal Security

Standing Committee Submits Report on Cyber Security

#### Governance

#### The Jammu and Kashmir Reorganisation (Amendment) Bill, 2023

- A Bill to amend **Jammu and Kashmir Reorganisation Act, 2019,** introduced The Jammu and Kashmir Reorganisation (Amendment) Bill, 2023 was introduced in Lok Sabha.
- The Bill amends the Jammu and Kashmir Reorganisation Act, 2019.

- The Act **provides for the reorganisation of the state of Jammu and Kashmir** into the union territories of Jammu and Kashmir (with legislature) and Ladakh (without legislature).
- **Number of Seats in the Legislative Assembly:** The Second Schedule of the Representation of the People Act, 1950 provides for the number of seats in legislative assemblies.
  - The 2019 Act amended the Second Schedule of the 1950 Act to specify the total number of seats in the Jammu and Kashmir Legislative Assembly to be 83.
  - It reserved six seats for Scheduled Castes. No seats were reserved for Scheduled Tribes.
  - The Bill increases the total number of seats to 90. It also reserves seven seats for Scheduled Castes and nine seats for Scheduled Tribes.
    - In addition, the Act provides 24 seats to be allocated for constituencies in Pakistanioccupied Jammu and Kashmir.
- Nomination of Kashmiri Migrants: The Bill adds that the Lieutenant Governor may nominate up to two members from the Kashmiri migrant community to the Legislative Assembly. One of the nominated members must be a woman.
  - Migrants are defined as persons who migrated from the Kashmir Valley or any other part of the state of Jammu and Kashmir after November 1, 1989, and are registered with the Relief Commissioner.
  - Migrants also include unregistered individuals who are: in government service at a moving office, have left for work, or possess immovable property at the place from where they migrated but are unable to reside there due to disturbed conditions.

### IIM (Amendment) Bill, 2023 Introduced in the Lok Sabha

- The Indian Institutes of Management (Amendment) Bill, 2023 amends the Indian Institutes of Management Act, 2017.
  - The Act declares Indian Institutes of Management (IIMs) as institutes of national importance and regulates their functioning.
  - IIMs provide post-graduate education in the field of management and allied areas.
- Visitor: The Bill designates the President of India as Visitor of every Institute covered by the Act.
  - The Visitor is granted with powers that include: (i) initiating inquiries into the functioning of IIMs, (ii) taking action against Institutes to ensure compliance, (iii) appointing the Chairperson of the Co-ordination Forum.
- **Appointment and Removal of IIM Directors:** Under the Act, the Director of an IIM is appointed by the Board of Governors, based on the recommendations of a Search-cum-Selection Committee.
  - The Bill mandates the Board to obtain the prior approval of the Visitor before appointing an Institute Director. The procedure for selecting the Director will be prescribed by the central government.
- Under the Act, the Search Committee comprises of the Chairperson of the Board, and three members from among eminent administrators, industrialists, educationists.
  - The Bill reduces these three members to two, and adds another member to be nominated by the Visitor.
- Under the Act, the Board may remove the Director from office on grounds such as: (i) insolvency, (ii) mental and physical incapacity, (iii) conflict of interest.
  - The Bill adds that the Board will require prior approval of the Visitor before removing a Director. The Bill also grants the Visitor the authority to terminate the services of the Director, as may be prescribed.
- Appointment of the Chairperson of the Board of Governors: Under the Act, the Chairperson
  of the Board of Governors of each Institute is appointed by the Board.
  - The **Bill amends this to provide that the Chairperson of the Board** will be nominated by the Visitor.
- NITE, Mumbai: The Bill classifies the National Institute of Industrial Engineering (NITIE),
   Mumbai as IIM, Mumbai.

# **UGC** Amends the Minimum Criteria for Direct Recruitment to the Post of Assistant Professor

■ The University Grants Commission (UGC) released new Regulations for minimum qualifications for

appointment of Assistant Professors in Higher Education Institutions.

- These supersede the 2018 Regulations.
- Earlier, appointees required a P.h.D degree as the minimum qualification to be eligible for recruitment as an Assistant Professor.
- Now, if candidates do not have a P.h.D degree, they may be appointed if they pass the NET/SET/SLET exam conducted by UGC, the Council for Industrial and Scientific Research (in the case of NET), or (iii) bodies accredited by UGC. 34,35 UGC releases draft guidelines on the university-industry linkage system.

# UGC Released Draft Guidelines on Sustainable and Vibrant University Industry Linkage System for Indian Universities

- These guidelines were issued in pursuance of the objectives of the National Education Policy (NEP).
  - Amongst other things, NEP highlights the necessity of a university-industry linkage system to drive innovation and enhance the competence of students.
- The aim of the university-industry linkage system is to:
  - Boost Research and Development (R&D),
  - Enhance student internship and apprenticeship in academic and industrial systems.
- In order to boost R&D, the guidelines propose R&D clusters of industries and universities at the state level.
  - These clusters will help address the technological needs of the region.
- Each industry will establish a University Relations Cell, and each university will establish an Industry Relations Cell.
  - Both bodies will be required to liaison with each other and with other stakeholders in order to assess technological needs of the region and undertake research of regional/local relevance.
- To enhance student internship and apprenticeship systems, the guidelines propose greater integration of industries in university education. This will be done through:
  - appointment of highly experienced industry professionals as professors and members on university boards,
  - organisation of training programmes and workshops with industries, and
  - provision of collaborative degree programmes and research projects between industries and universities.
- Universities may introduce internship and apprenticeship requirements for students irrespective of their fields.
  - They may also provide greater institutional support for linking students with opportunities for the same.

# Parliament Passes Two Bills to Amend the Constitution (Scheduled Tribes) Order, 1950

Parliament passed the Constitution (Scheduled Tribes) Order (Third Amendment) Bill, 2022 and the Constitution (Scheduled Tribes) Order (Fifth Amendment) Bill, 2022.

- These Bills amend the Constitution (Scheduled Tribes) Order, 1950 with respect to its application to Himachal Pradesh and Chhattisgarh.
- The Third Amendment Bill includes the Hattee community of Trans Giri of Sirmour district in the list of Scheduled Tribes in Himachal Pradesh.
- The Fifth Amendment Bill includes the **Dhanuhar**, **Dhanuwar**, **Kisan**, **Saunra**, **Saonra**, and **Binjhia communities in the list of Scheduled Tribes in Chhattisgarh**.
  - The Bill also includes three Devnagari versions of the name of the Pando community.

## The Constitution (Scheduled Castes) Order (Amendment) Bill, 2023 Introduced in Lok Sabha

■ The Constitution (Scheduled Castes) Order (Amendment) Bill, 2023 amends the Constitution

- (Scheduled Caste) Order, 1950, with respect to its application to Chhattisgarh.
- The Bill includes Mahara and Mahra communities as synonyms of the Mehra, Mahar, and Mehar communities in Chhattisgarh.

# Two Bills to amend the Scheduled Castes and Scheduled Tribes for Jammu and Kashmir, introduced

- The Constitution (Jammu and Kashmir) Scheduled Tribes Order Amendment Bill, 2023 and the Constitution (Jammu and Kashmir) Scheduled Castes Order Amendment Bill, 2023 were introduced in Lok Sabha.
- They amend the Jammu and Kashmir Scheduled Tribes Order, 1956 and the Jammu and Kashmir Scheduled Castes Order, 1956, respectively.
- The Constitution (Jammu and Kashmir) Scheduled Tribes Order Amendment Bill, 2023 adds the Gadda Brahmin, Koli, Paddari Tribe, and Pahari Ethnic Group to the list of Scheduled Tribes in Jammu and Kashmir.
- The Constitution (Jammu and Kashmir) Scheduled Castes Order Amendment Bill, 2023 adds Valmiki community as a synonym of Chura, Balmiki, Bhangi, and Mehtar communities. The synonym will apply only in the Union Territory of Jammu and Kashmir

### Standing Committee submits report on InterServices Organisations Bill, 2023

The Standing Committee on Defence submitted its report on the Inter-Services Organisations (Command, Control and Discipline) Bill, 2023.

- The **central government may constitute an Inter-services Organisation,** which has personnel belonging to at least two of the three services: the army, the navy, and the air force.
- The Bill empowers the Commander-in-Chief or Officer-in-Command of Inter-services
  Organisations to exercise disciplinary or administrative control over the service personnel under their command, irrespective of their service. The Committee agreed with the provisions of the Bill.

## Standing Committee submits report on the functioning of National Akademis

- The Standing Committee on Transport, Tourism, and Culture submitted its report on the 'Functioning of National Akademis and Other Cultural Institutions'.
- National Akademis are autonomous bodies instituted to promote various art forms and culture. They operate under the administrative supervision of the Ministry of Culture.
  - They are: (i) Sangeet Natak Akademi, (ii) Sahitya Aakdemi, (iii) Lalit Kala Akademi, (iv) The National School of Drama, (v) Centre for Cultural Resources and Training, (vi) The Indira Gandhi National Centre for the Arts, and (vii) Kalakshetra Foundation.
- Key Observations and Recommendations Include:
  - Budgetary Allocation and Issues: The Committee observed that the Ministry of Culture
    has been allocated Rs 3,400 crore for 2023-24, which is only 0.075% of the total Union
    budget.
    - It observed that this was below the global allocation of 2% to 5% for cultural ministeries.
    - Moreover, the Committee noted that the combined budgetary allocation in 2023-24 towards all eight National Akademis at Rs 401 crore was inadequate.
    - It recommended an increase in the budgetary allocation to the National Akademis and other cultural institutions to increase their efficiency and outreach.
    - It also recommended Akademis to explore the option of channelling CSR funds and private partnership for donations and grants.
    - Further, it recommended undertaking fundraising events, galas and exploring the revenue potential of OTT platforms.
  - **Election and Tenure of Heads:** The Committee observed that the process of appointing the Chairman/President of National Akademis and the tenure of these officeholders varies across National Akademis.
    - The composition of the Governing Council of each Akademi is also different.

- To address this issue, the Committee recommended that the government formulate fixed guidelines on the election and tenure of the Chairman/President, as well as the constitution and operation of the Governing Council.
- It also recommended the inclusion of a Member of Parliament on the Governing Councils of each of the Institutions.

## **Draft Rules to Prevent Animal Cruelty Released**

- The Ministry of Fisheries, Animal Husbandry and Dairying has invited comments on the Draft Society for Prevention of Cruelty to Animals Rules, 2023.
- The Draft Rules have been framed under the Prevention of Cruelty to Animals Act, 1960.
- The Draft Rules seek to supersede the Prevention of Cruelty to Animals (Establishment and Regulation of Societies for Prevention of Cruelty to Animals) Rules, 2001.
- The 2001 Rules require state governments to form Societies for Prevention of Cruelty to Animals (SPCAs) in each district.
- Key features of the Draft Rules are as follows:
  - Functions of SPCAs: As per the 2001 Rules, SPCAs would carry out functions such as
    aiding the government, Animal Welfare Board of India, and local authorities in enforcing
    provisions of the Act. In addition to these functions, the Draft Rules specify that SPCAs
    must also:
    - establish a 24x7 helpline number for receiving reports on cruelty to animals,
    - operate an ambulance service for sick, injured, or diseased homeless animals, and
    - aid and assist the implementation of animal birth control programmes in the district.
  - Management Committees of SPCAs: The 2001 Rules specify that the state government or the district local authority is empowered to appoint the Managing Committee of an SPCA.
    - The Draft Rules specify that the Management Committee must have 17 members (including the Chairperson).
    - The Chairperson shall be the Deputy Commissioner/District Magistrate/District Collector.
    - Other members include regional officer of the state pollution control board, representative of the district forest department, district prosecution officer, four members representing animal welfare organisations, and three eminent persons engaged in animal welfare.
    - One member in districts with international borders will be nominated from paramilitary forces or border security forces.
  - Infirmaries: As per the 2001 Rules, SPCAs shall construct infirmaries and animal shelters, which must have a full-time veterinary doctor and an administrator.
    - The Draft Rules specify that infirmaries must have sheds for large animals, kennels, and aviaries. They must also have enclosures for injured/diseased animals.

# Multi-State Co-operative Societies (Amendment) Bill, 2022 passed by Lok Sabha

- The Multi-State Co-operative Societies (Amendment) Bill, 2022, was passed by the Lok Sabha. It amends the Multi-State Co-operative Societies Act, 2002.
  - Multi state co-operative societies operate in more than one state.
- Key Provisions of the Bill:
  - **Election of Board Members:** Under the Act, elections to the board of a multi-state cooperative society are conducted by its existing board.
    - The Bill amends this to specify that the central government will establish the Co-operative Election Authority to:
      - conduct such elections,
      - supervise, direct and control the preparation of electoral rolls, and
      - perform other prescribed functions.

- The Authority will **consist of a chairperson, vice-chairperson, and up to three members** appointed by the central government on the recommendations of a selection committee.
- Redressal of Complaints: As per the Bill, the central government will appoint one or more Cooperative Ombudsman with territorial jurisdiction.
  - The Ombudsman shall **inquire into complaints made by members of co- operative societies regarding:** their deposits, equitable benefits of the society's functioning, or issues affecting the individual rights of the members.
  - The Ombudsman shall **complete the process of inquiry and adjudication within three months** from the receipt of the complaint.
  - Appeals against the directions of the Ombudsman may be filed with the Central Registrar (who is appointed by the central government) within a month.
- **Amalgamation of Co-operative Societies:** The Act provides for the amalgamation and division of multi-state co-operative societies.
  - This can be done by passing a resolution at a general assembly. It requires at least two-thirds of the members, present and voting.
  - The Bill allows co-operative societies (registered under state laws) to merge into an existing multi-state co-operative society.
  - At least two-thirds of the members of the co-operative society present and voting at a general meeting must pass a resolution to allow such a merger.

## **International Relations**

## Standing Committee Report on India's Neighbourhood First Policy

- The Standing Committee on External Affairs submitted its report on 'India's Neighbourhood First Policy".
  - The concept of the Neighbourhood First Policy was introduced in 2008. It was conceived to bolster relations with certain priority countries such as Afghanistan, Bangladesh, Maldives, Myanmar, Nepal, Pakistan and Sri Lanka.
- Key Observations and Recommendations include:
  - Terrorism and Illegal Migration: The Committee noted that over the last three decades India has faced threats, tension, and possibility of terrorist and militant attacks from its immediate neighbourhood.
    - Challenges of illegal migration and smuggling of weapons and drugs require improved security infrastructure at borders.
    - The Committee recommended the monitoring of demographic changes caused by illegal migration at border areas.
    - The Ministry of External Affairs should work in close coordination with the Ministry of Home Affairs and state governments to address illegal migration.
  - **Relations with China and Pakistan:** India's bilateral relations with China and Pakistan have been plagued by contentious issues.
    - Terrorism emanating from Pakistan is a core concern.
    - The Committee recommended engaging with regional and multilateral organisations to sensitise them of the role of Pakistan in fostering terrorism.
    - Efforts should be made to establish a common platform for countering terrorism under the Neighbourhood First Policy.
    - It also recommended the government to establish economic ties with Pakistan.
  - **Investment in Border Infrastructure:** The Committee noted the deficiency in India's border infrastructure and the need to stabilise and develop border regions.
    - For engagement with India's neighbors, connectivity infrastructure such as cross-border roads, railways, and inland waterways and ports needs improvement.
    - It recommended **exploring the feasibility of setting up a regional development fund for connectivity infrastructure** under regional frameworks.

## **Economy**

### SEBI Releases a Consultation Paper on FPI Investment in Corporate Bonds

- The Securities and Exchange Board of India (SEBI) issued a consultation paper on investment by foreign portfolio investors (FPI) in corporate bonds.
  - SEBI noted that secondary market (for buying and selling of existing securities) transactions in corporate bonds mainly occur offline. This involves price negotiation on a bilateral basis.
- The paper proposes mandating FPIs to undertake at least 10% of their secondary market trades in corporate bond through the request for quote (RFQ) platform. The mandate is proposed to be implemented quarterly.
  - The RFQ platform is a **centralised online trading platform.** It helps in price discovery and provides transparency in transactions.

### **SEBI Releases Framework for Regulation of ESG Rating Providers**

- SEBI notified the SEBI (Credit Rating Agencies) (Amendment) Regulations, 2023.
- It amends the SEBI (Credit Rating Agencies) Regulations, 1999.
- These **provide for the regulation of credit rating agencies.** Such agencies provide ratings to securities which are proposed to be listed or already listed on stock exchanges.
- The 2023 amendment provides a framework for agencies providing environmental, social, and governance (ESG) ratings.
- These ratings offer opinions about the profile of governance risk, social risk, or climatic risks related to a company or its securities.
- Key Features include:
  - Registration: ESG rating providers must register with SEBI. For SEBI to grant a registration certificate, certain conditions must be fulfilled. The applicant must:
    - be incorporated as a company under the Companies Act, 2013,
    - · have ESG rating as its main activity,
    - and submit their business plan to SEBI.
  - **Responsibilities of the Agencies:** The ESG rating provider has to take certain steps to ensure transparency and prevent a conflict of interest. These include disclosures related to:
    - ESG ratings and their types on a website,
    - · the methodology for providing ESG ratings,
    - any changes in ESG rating methodology, and
    - the general nature of compensation arrangements with clients.
    - In addition, **they must identify, disclose, and avoid/mitigate** (to the extent feasible) potential conflicts of interest.
  - **Review of ESG rating:** The rating provider should review each of the published ESG ratings annually. This can be done more frequently, if required.
    - An ESG rating must not be withdrawn unless the issuer (whose security is rated) is wound up, merged, or amalgamated with another company.

## SEBI Issues Consultation Paper on Cybersecurity and Cyber Resilience Framework

- The SEBI released a consultation paper on the consolidated cybersecurity and cyber resilience framework for SEBI regulated entities. These entities include brokers, mutual funds, and stock exchanges.
  - The paper noted that use of information technology has rapidly grown and is critical for SEBI regulated entities.
  - At the same time, the protection of IT infrastructure and data has become a key concern.
- The framework has been drafted to strengthen the mechanism to deal with cyber threats and incidents.
- Key Features of the Framework:
  - **Identification of Assets:** The regulated entities must identify and classify critical assets. These assets should be based on:
    - their sensitivity and criticality for business operations,
    - services, and

- data management.
- Protection of Cyber Infrastructure: Regulated entities will have to implement network segmentation techniques (dividing the network in multiple segments to control the flow of traffic). This would restrict access to sensitive information and services.
  - An auditor, empanelled by CERT-In (Indian Computer Emergency Response Team), shall conduct a periodic audit of compliance to standards prescribed under the framework.
- **Detection of Cyber Threats:** Regulated entities shall establish appropriate security mechanisms through a security operation centre.
  - It would **monitor security events** and ensure timely detection of anomalous activities.
  - The functional efficiency of the centre must be measured every six months.
  - All regulated entities must formulate an up-to-date cyber crisis management plan.

## RBI Issues Draft Circular for Issuance of Debit, Credit, and Prepaid Cards

- The Reserve Bank of India (RBI) has released a draft circular on arrangements by card issuers with card networks for issuing debit, credit, and prepaid cards.
- Authorised card networks tie-up with banks and nonbanks (card issuers) for issuance of debit, credit, and prepaid cards.
  - Authorised card networks include MasterCard, Visa, Rupay, and American Express.
- The choice of a card network is decided by the card issuer.
- RBI observed that existing arrangements between card networks and card issuers are not conducive to providing choices to customers. RBI has proposed that:
  - card issuers shall not enter into any arrangements with card networks, restraining them from issuing the services of other card networks,
  - card issuers must issue cards across multiple card networks, and
  - eligible customers should have the choice to choose from the multiple card networks.
  - Issuing cards across multiple networks and providing the option to choose to the customer will be effective from October 1, 2023.

### **RBI Releases Report on Internationalisation of Rupee**

- The RBI released a report of the inter-departmental group on the internationalisation of the rupee.
- The report noted that due to recent geopolitical developments, the use of currencies such as the rupee for international trade could be explored.
- Key Recommendations:
  - Standardised Approach for Trade Agreements: The report noted that RBI has been receiving proposals from various jurisdictions for trade arrangements in local currencies.
    - It **recommended adopting a uniform template** for examining proposals involving multilateral/bilateral trade agreements.
      - Such agreements may entail invoicing, settlement, and payment in rupees and the local currencies of counterpart countries.
  - **Opening Rupee Accounts by Non-Residents:** The report observed that the ability to open accounts outside the country of the currency is important for its internationalisation.
    - It recommended that **nonresidents may initially be allowed to open rupee accounts** with overseas branches of authorised dealers.
    - Such dealers are authorised by RBI to deal in foreign exchange. Later, **non-residents may be allowed to open a rupee account with any overseas bank.**
  - **Use of RTGS for International Transactions:** Real Time Gross Settlement (RTGS) provides for interbank funds transfer without any limit on the amount of funds.
    - The report recommended that the use of RTGS for international transactions may be explored.
    - It also recommended expanding the use of UPI for cross-border settlements.

### Civil Aviation National Civil Aviation Policy, 2016 Amended

- The Ministry of Civil Aviation notified amendments to the National Civil Aviation Policy, 2016.
- The Policy provides for the upgrade and modernisation of air navigation services.
- As per the Policy, all Indian registered aircrafts from January 1, 2019 onwards must be enabled with GPS Aided GEO Augmented Navigation (GAGAN).
  - GAGAN uses ground stations to augment the navigation system.
- The amendment exempts two categories of aircrafts from having GAGAN. These include:
  - aircrafts that cannot be made GAGAN compliant due to technology challenges,
  - aircrafts that have been manufactured prior to July 1, 2021.

## Standing Committee Submits Report on the Development of Airports

- The Standing Committee on Transport, Tourism and Culture submitted its report on 'Development of Greenfield and Brownfield Airports and Issues pertaining to Civil Enclaves in Defence Airports,'.
  - Greenfield airports are developed on empty/ undeveloped land and their commissioning is done from scratch.
  - Brownfield airports have existing infrastructure for airport development such as runways and terminal buildings.
- Key observations and recommendations of the Committee include:
  - Comprehensive Policy for Brownfield Airports: The Committee observed it is necessary to revamp, expand, and modernise brownfield airports.
    - However, they face constraints in terms of site expansion, design limitations, and execution risks.
    - While there is no specific policy for brownfield airports, the Ministry of Civil Aviation highlighted that the National Civil Aviation Policy, 2016, and the Airports Authority of India Act, 1994 contain guiding principles for the development of brownfield airports.
    - The Committee noted the need to formulate a policy that specifies parameters for deciding whether to develop a greenfield or brownfield airport.
  - Coordination Challenges and Project Delays: The Committee observed that the Ministry faces several challenges in coordinating with state governments for establishing airports.
    - These delays include land acquisition and allotment, as well as delays in submitting in-principle approvals where the central government has already provided site clearance.
    - For instance, while 13 greenfield airports have received in-principle approval, four were operationalised after 10 years, and one was operationalised after 20 years.
    - Delays are also caused due to rehabilitation and resettlement issues that lead to various litigations.

#### Power Electricity (Amendment) Rules, 2023 Notified

- The Ministry of Power notified the Electricity (Amendment) Rules, 2023. They amend the Electricity Rules, 2005 made under the Electricity Act, 2003.
- The Act regulates licenses and tariffs for power.
- Key Changes in the Rules Include:
  - Qualification Criteria for Captive Generators: Under the Rules, a power plant may
    qualify to be a captive generation plant if the captive user owns at least 26% of the
    generation plant.
    - A captive generation plant means a power plant set up for one's own use.
      The Amendment adds that, in cases where the plant is established by a captive
      user's affiliate company, the captive user must own at least 51% of that
      company.
    - Further, a subsidiary company of an existing captive user will also be considered a captive user.
  - Validity of Licenses: Under the Act, central or state commissions may grant licenses to

transmit, distribute or trade electricity.

- Entities such as central or state transmission utilities and government companies are considered deemed licensees.
- The Amendment specifies that: (i) validity of licenses in the first category will be specified in the license itself and (ii) deemed licenses will be valid for 25 years.
- Other licenses will be valid and renewed as per the existing agreements.
- Deemed licenses will be automatically renewed for another 25 years after expiry, unless revoked.
- The renewal period may be lower if requested by the licensee.
- These rules do not apply to transmission developers selected through tariff-based bidding.
- Uniform RE Tariff: Under the Rules, renewable energy (RE) tariff is calculated on the basis of the actual energy supplied to the discom.
  - The Amendment changes the basis of tariff calculation from energy supplied to energy scheduled.
  - Also, the RE tariff will be set by the intermediary between the discom and the generation company (genco).
  - Earlier it was set by an implementing agency notified by the central government.
  - RE tariff was earlier applicable only to RE gencos.
  - The Amendment specifies that **RE tariff will only be applicable to discoms and open access providers.**
  - Further, changes in fuel costs will be included to calculate fuel and power purchase adjustment surcharge.

## White Paper on the Introduction of Distributed System Operators Released

- The Department of Science and Technology released a white paper on the introduction of Distribution System Operators (DSO) in the power sector.
- The paper observed that the adoption of distributed energy resources such as rooftop solar panels, wind farms, and electric vehicles is crucial for the transition to cleaner sources of energy.
  - However, integrating them presents new challenges for managing the grid due to increased uncertainty in generation and load patterns.
- With rooftop solar panels, many consumers can also act as producers and inject electricity into the grid.
- With these changes, the distribution system needs to be transformed with a two-way flow of information between operators and consumers, and increased automation.
- The paper observed the need to introduce an entity called Distribution System Operator to manage these concerns for the distribution system.
- Key Observations and Recommendations are as follows:
  - Functions of DSOs: (i) forecasting of distributed energy resources as well as overall load,
     (ii) network planning, operation, and control, (iii) scheduling of supply, and (iv) billing and collection.
    - The exact functions will depend on the adopted regulatory framework. Currently, many of these functions are performed by:
      - distribution utilities (discoms), which purchase power from generators and supply it to consumers, and
      - State Load Despatch Centres (SDLCs) which schedule and despatch supply from generators, and are responsible for integrated operation of the grid.
    - With the wider adoption of distributed energy resources, peer-to-peer and localised electricity markets may flourish. DSOs could also facilitate such markets.
  - Approaches to Introducing DSOs: The paper observed that DSOs may be introduced as: (i) a separate entity, or (ii) entrusting discoms or arealevel load despatch centres with the distribution system operation functions.
    - It observed that the introduction of DSOs should be possible without segregating network and supply businesses in the distribution segment. Currently, a single entity owns the distribution network and business of supply to

## **Agriculture**

## Report on Coastal Aquaculture Authority (Amendment) Bill, 2023 submitted

- The Standing Committee on Agriculture, Animal Husbandry and Food Processing submitted its report on the 'Coastal Aquaculture Authority (Amendment) Bill, 2023.
- The Bill amends the Coastal Aquaculture Authority Act, 2005.
  - The Act regulates coastal aquaculture and establishes an Authority for such regulation.
  - Coastal aquaculture refers to rearing and cultivating fish under controlled conditions.
- Key Observations of the Committee:
  - Permitting Certain Aquaculture Activities in CRZ Areas: The Bill permits
    hatcheries, nucleus breeding centres and brood stock multiplication centres to be
    established in no-development zones of seas and in buffer zones of creeks/rivers/
    backwaters.
    - The Department noted that while the CRZ permitted such activities, the **National Green Tribunal did not allow them to be carried out** due to the absence of an explicit provision in law.
    - The Committee noted that these activities were granted exemption under the Coastal Regulation Zone (CRZ) Notifications of 1991 and 2011, and that the Bill provides a statutory backing for such exemptions. The Committee Accepted the Proposed Amendment.
  - Power to Enter Premises: The Act empowers an authorised person to enter and inspect/survey/ demolish any coastal aquaculture land/enclosure, with a minimum 24-hour notice.
    - The Bill waives the notice requirement provided that the reasons be recorded in writing.
    - The Committee observed that the **Bill did not define the reasons or causes** under which an officer would be authorised to enter without prior notification.
    - The Department replied that approval would only be given in exceptional
      cases where prior notice would defeat the purpose of the inspection (such as illegal
      antibiotic use).
    - While the Committee accepted the proposed amendment, it highlighted that the **Department should put in adequate safeguards to prevent its misuse.**

## **Standing Committee Submits Report on Farm Mechanisation for Small Farmers**

- The Standing Committee on Agriculture, Animal Husbandry and Food Processing presented its report on 'Research and Development in Farm Mechanization for Small and Marginal Farmers in the Country'.
  - Mechanisation of agriculture improves productivity, ensures judicious input use, and enables farmers to undertake commercial agriculture instead of subsistence farming.
- Key Observations and Recommendations include:
  - Status of Farm Mechanisation: As of August 2022, 47% of agricultural activities are mechanised in India. This is lower than other developing countries such as China (60%) and Brazil (75%).
    - Further, small and marginal agricultural holdings (less than two hectares) account for 86% of total operational holdings. The Committee highlighted that unless machines appropriate for small holdings are made available or substantial farm land consolidation takes place, small farmers will find it difficult to purchase their own machinery.
    - It also noted that it would take about 25 years for the country to achieve 75-80% mechanisation.
    - The Committee highlighted that there is an urgent need to enable farmers to take on additional crops, to make agriculture attractive and profitable.
    - While noting various initiatives such as the SubMission on Agricultural Mechanisation, the Committee recommended that the government must

prioritise mechanisation of small farms and that the government achieve 75% mechanisation in less than 25 years.

Mechanisation level across crops

Mechanisation level across crops					
Crop	Rice	Wheat	Pulses	Sugarcane	Overall
Level	53%	69%	41%	35%	47%

- **Portability of Farm Equipment:** Since farm machinery is expensive, small farmers find it difficult to purchase this equipment.
  - The Committee observed that the **government has introduced custom hiring centres and farm machinery banks**, where farmers can share machines. So 17,727 farm machinery banks have been established.
  - A well-established centre provides mechanisation to about 100-200 farmers.
  - The Committee noted that farm machinery banks have been established in almost all states. However, their benefits have not percolated to the district, taluka, panchayat, and gram sabha levels. It recommended that the government widely publicise such schemes and develop an app to locate and contact nearby centres/banks.

### **Environment**

## The Forest (Conservation) Amendment Bill, 2023 was Passed by Lok Sabha

- The Forest (Conservation) Act, 1980 requires central government permission for using forest land for non-forest purposes.
- The Forest (Conservation) Amendment Bill, 2023 defines forest land, and exempts certain categories of land from the purview of the Act.
  - Exemptions include land up to 10 hectares for constructing security related infrastructure.
  - The Bill also permits running zoos, safaris, and eco-tourism facilities inside forests.
- The Joint Committee on the Bill presented its report in Parliament.
- Key Highlights of the Bill and Recommendations of Committee are:
  - Land under the purview of the Act: As per the Bill, the Act will apply to two types of land: land notified as a forest under any law, and land recorded as a forest as on or after October 25, 1980 in a government record.
    - The Committee noted that the Supreme Court (1996) held that the Act applies to any area recorded as a forest in government records.
    - This would include land recorded as forests before October 25, 1980.
  - According to a dissent note, large tracts of forest land were transferred to the forest department in the 1950s-70s (abolishment of zamindari).
    - These were not notified as forests under any law, and are biodiversity hotspots that are currently protected under the Act.
    - It noted that excluding such forest land would dilute the Supreme Court's judgement.
    - The Ministry of Environment, Forest and Climate Change clarified that the second applicability condition in the Bill includes all such lands recorded as forests before October 25, 1980.
  - Lands Exempted: Exempted categories of land include forest land within 100 km along international borders, LoC, or LAC for linear projects of strategic national importance or security.
    - A dissent note highlighted that the **Bill exempts Himalayan and north eastern forests from the Act,** which are rich with endemic biodiversity.
      - It noted that **such blanket exemptions will impact biodiversity** and the infrastructure itself due to resulting extreme weather events.

## **Science and Technology**

## Draft National Deep Tech Startup Policy, 2023 Released

• The Draft National Deep Tech Startup Policy, 2023 was released by the Office of Principal Scientific

Advisor.

- A deep tech startup uses early-stage technologies which are yet to be developed for commercial applications.
  - It involves extended development timelines and is highly capital intensive.
- Key features of the policy include:
  - **Research and Development:** The policy proposes to increase the expenditure on research and development.
    - It also seeks to enhance technology commercialisation by creating:
      - partnerships between academic institutions and industry, and
      - guidelines for commercialisation of publicly funded research.
    - For strategic sectors, deep tech startups have restricted access to test sites for demonstration and testing.
      - For these sectors, the policy proposes to create a network of standardised, field test and experimentation sites.
  - Intellectual Property (IP) Rights: In order to strengthen India's IP regime, the policy aims to:
    - establish a single window platform for a unified IP framework,
    - strengthen cross border IP protection, and
    - streamline the patent application process.
  - **Funding:** The draft policy noted that it is necessary to facilitate targeted long-term funding of deep tech startups. It aims to:
    - create a platform to capture the lifecycle of government grant payments,
    - direct corporate social responsibility funds to science-based research institutions,
    - create a fund of funds dedicated to deep tech investments, and
    - use Technology Impact Bonds to get investments from public and philanthropic entities.
  - Free Trade Agreements: The policy aims to enable Indian deep tech startups to penetrate global markets by their inclusion in free trade agreements.
    - It also proposes to mitigate import dependencies and supply chain vulnerabilities for raw materials used by deep tech startups.

## **ICMR Issues Policy Statement on Controlled Human Infection**

- The Indian Council of Medical Research (ICMR) released a draft consensus policy statement on 'The Ethical Conduct of Controlled Human Infection Studies in India'.
- These studies involve intentionally exposing healthy human volunteers to a specific pathogen under controlled conditions.
- This helps in understanding the nature of a pathogen, immune responses to its exposure, and assists in developing vaccines and treatments.
- Despite the scientific benefits of such studies, there are some ethical issues such as deliberate harm, disproportionate payment, and research with vulnerable participants. The draft Policy aims to address ethical concerns while ensuring that such research can be conducted.
- Key Highlights of the Policy include:
  - Responsible Conduct of Research: Controlled Human Infection Studies must be carried out by institutions with extensive experience in clinical trials and proven academic/ research excellence.
    - Researchers must be trained in accordance with existing ICMR ethical guidelines for health research on humans.
    - Since the research area is complex, **collaboration between various researchers and institutions** is highly encouraged.
  - **Ethical Safeguards:** Participants must be provided with detailed information of the study, and **written informed consent must be taken** before conducting any study.
    - Further, the **participants must be healthy adults aged 18-45**, who are participating out of altruistic motives.
    - Graduates may be preferred. Individuals belonging to **vulnerable social**, **economic and physiological conditions should be excluded currently.**
    - Since the data collected from such studies is sensitive, its use should be limited to the purpose of the study.

- These studies must be **reviewed for compliance by the Ethics Committee constituted** under the ICMR National Ethical Guidelines, 2017.
- **Compensation for Participation:** Researchers may reimburse participants, taking medical discomfort and any other inconveniences into account.
  - In case of unknown risks/harms associated with the study, there must be adequate insurance provisions.

## **Internal Security**

## **Standing Committee Submits Report on Cyber Security**

- The Standing Committee on Finance submitted its report on 'Cyber Security and Rising Incidence of Cyber/White Collar Crimes'.
- Key Observations and Recommendations of the Committee:
  - Cyber Protection Authority: The Committee noted that the current regulatory landscape for cyber security involves multiple agencies and bodies.
    - This requires a high level of interministerial coordination.
    - There is no central authority or agency solely dedicated to cyber security.
       The Committee recommended establishing a centralised Cyber Protection Authority (CPA).
    - The authority would develop and implement robust cyber security policies, guidelines, and best practices in collaboration with states and private sector entities.
  - Sharing Data: Expanding digital landscapes along with the presence of search engines and big tech companies has increased the vulnerability of digital ecosystems to cybercrime.
    - This **requires a clear delineation of responsibilities for search engines** and global tech companies.
    - The Committee recommended that application stores should be mandated to share exhaustive metadata and information on all applications that they host on their platform.
    - This data repository will empower regulators to identify potential security vulnerabilities and take needed measures.
    - In addition, tech companies should: (i) regularly update and patch their operating systems and (ii) enforce a stringent vetting process for approvals within their application stores.
  - **Regulation of Service Providers:** The Committee noted that there have been challenges in exerting sufficient control over third-party service providers on cyber security matters.
    - It recommended enhancing regulatory powers to oversee and control such service providers including big tech and telecom companies.
    - It also noted that big tech companies should consider inputs from regulators such as the Reserve Bank of India (RBI) to make their systems more secure

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