

Monthly Policy Review

December 2024

Highlights of this Issue

[Winter Session of Parliament held from November 25 to December 20, 2024 \(p. 2\)](#)

Four Bills were introduced during the session, of which two Bills providing for simultaneous election were referred to a Joint Parliamentary Committee.

[Bills to introduce simultaneous election introduced in Lok Sabha \(p. 2\)](#)

A Constitutional Amendment Bill has been introduced to provide for simultaneous election to Lok Sabha and all State Assemblies. Another Bill seeks to amend certain laws to extend these provisions to UT Assemblies.

[Parliament passes the Bharatiya Vayuyan Vidheyak, 2024 \(p. 3\)](#)

The Bill replaces the Aircraft Act, 1934. The Bill retains the regulatory structure under the Act. Key changes under the Bill include provisions for regulation of aircraft design and a second level of appeal against penalties.

[Current account deficit at 1.2% of GDP in second quarter of 2024-25 \(p. 3\)](#)

Current account deficit in the second quarter of 2024-25 was marginally lower than the same quarter last year (1.3% of GDP).

[Bill to replace the Merchant Shipping Act, 1958 introduced in Lok Sabha \(p. 5\)](#)

The Bill expands Indian vessels to include vessels partly owned by Indians. It also expands the definition of a vessel to include mobile offshore drilling units, submersibles, and non-displacement crafts.

[Bill to regulate shipping in coastal waters introduced in Lok Sabha \(p. 5\)](#)

The Bill replaces provisions of the Merchant Shipping Act, 1958 related to shipping in coastal waters. It removes license requirements for Indian vessels for engaging in coasting trade.

[First supplementary Demands for Grants for 2024-25 approved by Lok Sabha \(p. 4\)](#)

It proposes expenditure of Rs 87,763 crore, which involves incremental cash outgo of Rs 44,143 crore. Rest will be met through savings. Allocation for fertiliser subsidy and PM-KISAN has been increased.

[Comments invited on Draft Bill to amend the Warehousing Act \(p. 7\)](#)

The draft Bill provides for setting up repositories to record details of warehouse receipt transactions. It also allows intermediaries to function in the warehousing market for inspection, broking, and transaction advising.

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The Act provides for holding back students in classes five and eight. The central government can take this decision for schools it controls. The Amendment Rules permit holding back students in centrally run schools.

[Amendments to the Public Liability Insurance Rules, 1991 notified \(p. 8\)](#)

The Amendments increase the limits on the liability of insurers. They also specify the amount of relief to be paid to persons affected by accidents.

January 02, 2025

Parliament

Atri Prasad Rout (atri@prsindia.org)

Winter Session concludes; four Bills introduced and one passed

The Winter Session of Parliament was held from November 25, 2024 to December 20, 2024. Rajya Sabha met for 19 days and Lok Sabha met for 20 days. Both Houses discussed 75 years of the Constitution for two days each.

Four Bills were introduced during this session. These include, the Coastal Shipping Bill, 2024, the Merchant Shipping Bill, 2024 and two Bills that provide for simultaneous election to Lok Sabha and legislative assemblies of states and Union Territories. The two Bills providing for simultaneous election have been referred to a Joint Parliamentary Committee.

One Bill, the Bharatiya Vayuyan Vidheyak, 2024 was passed by both Houses. Five Bills were passed by one House and are pending in the other. These include the Banking Laws (Amendment) Bill, 2024, the Railways (Amendment) Bill, 2024, the Disaster Management (Amendment) Bill, 2024, the Boilers Bill, 2024, and the Oilfields (Regulation and Development) Amendment, Bill, 2024. During the session, Parliament also approved additional expenditure of Rs 44,143 crore for financial year 2024-25.

For more details on the legislative business transacted during the Winter Session, please see [here](#). For more details on functioning of the Parliament during the session, see [here](#).

Elections

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Constitutional Amendment Bill introduced in Lok Sabha to implement simultaneous election

The Constitution (One Hundred and Twenty-Ninth Amendment) Bill, 2024, was introduced in Lok Sabha on December 17, 2024. The Bill empowers the Election Commission to conduct election for Lok Sabha and all State Assemblies at the same time (referred to as simultaneous election).

- **Commencement of simultaneous election:** The President will issue a notification on the first sitting of Lok Sabha after a general election. The terms of all State Assemblies constituted after the date of the notification will expire with the expiry of the full term of Lok Sabha. Hence, elections to Lok Sabha and all State Assemblies thereafter will be conducted together.
- **Premature dissolution of Lok Sabha or State Assemblies:** If Lok Sabha or a State Assembly is dissolved sooner than its full term of five years,

fresh election will be held for a term equal to the remainder of the five-year term. This will synchronise elections for Lok Sabha and all Assemblies every five years.

- **Deferring a state election:** If the Election Commission is of the opinion that the election for a particular State Assembly cannot be held as part of the simultaneous election, it may make a recommendation to the President. Upon this recommendation, the President may issue an order to conduct election for this State Assembly at a later date. Where the election for a State Assembly is deferred to after the simultaneous election, its term will end with the end of Lok Sabha constituted in that simultaneous election.

The Bill has been referred to a Joint Parliamentary Committee (Chairperson: Mr P.P. Chaudhary) consisting of 39 MPs.

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

Bill introduced to implement simultaneous election for Legislative Assemblies of UTs

The Union Territories Laws (Amendment) Bill, 2024 was introduced in Lok Sabha on December 17, 2024. It seeks to implement simultaneous election to UTs with a legislature and amends the following Acts: (i) the Government of Union Territories Act, 1963, (ii) the Government of National Capital Territory of Delhi Act, 1991, and (iii) the Jammu and Kashmir Reorganisation Act, 2019. These Acts provide for the structure and functioning of the Legislative Assemblies of Puducherry, Delhi, and Jammu and Kashmir (UT Assemblies). The Bill is similar to the Constitution (129th) Amendment Bill, 2024

The Bill has been referred to the JPC along with the Constitution (129th) Amendment Bill, 2024.

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

Election Rules on public access to poll documents amended

The Ministry of Law and Justice issued the Conduct of Elections (Second Amendment) Rules, 2024.¹ These amend the Conduct of Election Rules, 1961 issued under the Representation of the People Act, 1951.^{2,3} Under previous Rules, papers relating to elections other than certain restricted papers were open for public inspection. The restricted papers include packets of: (i) unused and used ballot papers, (ii) marked copy of the electoral roll, and (iii) declarations by electors and attestation of their signatures. The Amendments instead state that those other papers as specified in the Rules will be open for public inspection.

Macroeconomic Development

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Current account deficit at 1.2% of GDP in second quarter of 2024-25

India recorded a current account deficit of 1.2% of GDP (USD 11.2 billion) in the second quarter (July-September) of 2024-25, marginally lower than the same quarter last year (1.3% of GDP).⁴ In the first quarter (April-June) of 2024-25, current account deficit was around 1.1% of GDP.⁵

Merchandise trade deficit increased from USD 64.5 billion in the second quarter of 2023-24 to USD 75.3 billion in the second quarter of 2024-25. Capital account recorded a net inflow of USD 30.5 billion in the second quarter of 2024-25, higher than USD 12.8 billion in the second quarter of 2023-24. In the first quarter of 2024-25, capital account had registered a net inflow of USD 14.7 billion.

Foreign exchange reserves increased by USD 18.6 billion in the second quarter of 2024-25. This was higher than the corresponding quarter of 2023-24 (an increase of USD 2.5 billion). In the first quarter of 2024-25, foreign exchange reserves had increased by USD 5.2 billion.

Table 1: Balance of payments, Q2 2024-25 (USD billion)

	Q2 2023-24	Q1 2024-25	Q2 2024-25
a. Imports	172.8	176.3	179.3
b. Exports	108.3	111.2	104.0
c. Trade Balance (b-a)	-64.5	-65.1	-75.3
d. Net services	39.9	39.7	44.6
e. Other transfers	13.3	15.2	19.6
f. Current account (c+d+e)	-11.3	-10.2	-11.2
g. Capital account	12.8	14.7	30.5
h. Errors and omissions	1.0	0.8	-0.7
i. Change in reserves (f+g+h)	2.5	5.2	18.6

Sources: RBI; PRS.

Repo rate kept unchanged at 6.5%

The Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI) kept the policy repo rate (the rate at which RBI lends money to banks) unchanged at 6.5%.⁶ Other decisions of the Committee include:

- The standing deposit facility rate (the rate at which RBI borrows from 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 (rate at which RBI buys bills of exchange) have been retained at 6.75%.

The MPC decided to continue with a neutral stance. It decided to continue to focus on maintaining inflation within target of 4% while supporting growth.

Civil Aviation

Anirudh TR (anirudh@prsindia.org)

Parliament passes the Bharatiya Vayuyan Vidheyak, 2024

The Bharatiya Vayuyan Vidheyak, 2024 was passed by Parliament.⁷ The Bill seeks to replace the Aircraft Act, 1934.⁸ The Act regulates civil aviation. The Bill retains the regulatory structure and most of the provisions under the 1934 Act. Key changes include:

- **Authorities:** It sets up three authorities: (i) Directorate General of Civil Aviation (DGCA) for performing regulatory functions and overseeing safety, (ii) Bureau of Civil Aviation Security (BCAS) for overseeing security, and (iii) Aircraft Accidents Investigation Bureau for investigation of aircraft accidents. The central government may issue directions to these authorities and also review their orders, if necessary, in public interest.
- **Regulation of design of aircrafts:** The Act regulates various activities related to aircrafts including manufacturing, possession, use, operation, and trade. The Bill retains this and also provides for regulation of design of aircrafts.
- **Powers to make Rules:** The Act empowers the central government to frame rules on several matters. These include: (i) specified activities related to aircrafts, (ii) regulation of air transport services, and (iii) implementation of convention relating to International Civil Aviation of 1944. The Bill retains these provisions and adds that the central government may frame Rules on radio telephone operator certificate and licences under the International Telecommunication Convention.
- **Appellate mechanism:** The Act empowers the central government to designate an officer to adjudicate penalties. Decisions of the Adjudicating Officer may be appealed before an Appellate Officer. The Bill adds one more level of appeal. The appeal against decisions of the First Appellate Officer will lie before the Second Appellate Officer. An order of DGCA or BCAS can be appealed before the central government.
- **Offences and Penalties:** The Bill specifies several offences and penalties. Following offences will be punishable with imprisonment up to two years, a fine up to one crore rupees, or both: (i) violating rules on carriage of certain prohibited goods in aircrafts such as arms and explosives, (ii) flying aircraft in a manner to cause danger to a person or property, and (iii) failure to comply

with directions of DGCA and BCAS. Violation of Rules prohibiting slaughter and deposit of rubbish near airports will be punishable with imprisonment up to three years, a fine up to one crore rupees, or both.

For a PRS analysis of the Bill, see [here](#).

Amendments to aircraft security rules notified

The Ministry of Civil Aviation notified amendments to the Aircraft (Security) Rules, 2023.^{9,10} The 2023 Rules specify the framework for security of airports and aircrafts. Key amendments include:

- **Reserved right of admission in aircraft:** The Act establishes the Bureau of Civil Aviation Security (BCAS) for regulating security. The 2023 Rules empower the Director General of BCAS and the airport operator to: (i) refuse any person entry in the airport, and (ii) require any person to leave the airport. They also empower the chief security officer in-charge of the airport, to assist aircraft pilots in removing unruly passengers from an aircraft in the interest of safety and security of passengers and crew.¹¹ The Amendments empower the Director General to also: (i) refuse a person or group of persons entry in an aircraft, and (ii) require any person or groups of persons to leave an aircraft. Such an action may be taken if it is necessary or expedient in the interest of security.
- **Prohibition on communicating false information:** The Amendments prohibit a person from communicating false information which: (i) jeopardises safety of an aircraft, an airport, or a civil aviation facility, (ii) causes panic among passengers, crew, and ground personnel, or general public, or (iii) disrupts operation of civil aviation.
- **Penalties:** Contravention of above provisions will be punishable with a civil penalty of one lakh rupees for individuals, and between Rs 50 lakh and one crore rupees for organisations.

Finance

First Supplementary Demands for Grants for 2024-25 approved

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Lok Sabha approved the first Supplementary Demands for Grants (DFG) for 2024-25.¹² It proposes expenditure of Rs 87,763 crore. This involves incremental cash outgo of Rs 44,143 crore. The remaining Rs 43,618 crore will be financed through savings from the expenditure already approved under the Union Budget. The proposed incremental cash outgo is an increase of 1% over the initial budget estimate of Rs 48.2 lakh crore. Key allocations under the supplementary demands include:

- **Transfers to farmers:** The government sought approval of an additional Rs 3,500 crore for transfers under the PM Kisan Samman Nidhi (PM-KISAN) scheme. In the 2024-25 budget, Rs 60,000 crore was allocated for the scheme. Under this scheme, Rs 6,000 per year is transferred to farmers.¹³ The scheme was introduced in 2019 to offer assistance to cultivable landholding farmers.
- **Fertiliser subsidy:** The government sought approval for additional Rs 6,594 crore for subsidy on phosphatic and potassic (P&K) fertilisers. The 2024-25 Budget had allocated Rs 45,000 crore for the same. For 2024-25, the government has also provided a special package of Rs 3,500 per metric ton for sale of di-ammonium phosphate (a P&K fertiliser) to fertiliser companies.¹⁴

SEBI approves various decisions at board meeting

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The Securities and Exchange Board of India (SEBI) approved various decisions at its board meeting.¹⁵ Key decisions include:

- **Listing framework for SMEs:** SEBI has amended the listing framework for small and medium enterprises (SMEs). Such entities can now list their shares only if they have an operating profit of one crore rupees. They must meet the profit threshold in two out of three previous financial years at the time of filing their listing prospectus. Listing will not be permitted where funds are being raised for repayment of loan from promoter, promoter group, or any related party.
- **Use of AI tools:** SEBI has introduced a framework for use of artificial intelligence tools by regulated entities such as stock exchanges and clearing corporations. These entities will be solely responsible for: (i) privacy, security, and integrity of investors' data, (ii) output generated from AI tools, and (iii) compliance with applicable laws.
- **Governance of high-value debt listed entities:** Entities that have debt securities listed on a stock exchange have certain obligations if the amount is above a threshold. This threshold will be increased from Rs 500 crore to Rs 1,000 crore. Such entities will also be counted for the limit of companies on whose board a person may be a director. Until now, only companies whose equity shares were listed were counted for the purpose.¹⁶

SEBI issues consultation paper on retail participation in algorithmic trading

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The Securities and Exchange Board of India (SEBI) released a consultation paper on participation of retail investors in algorithmic trading.¹⁷ Algorithmic or algo trading provides for timed and programmed order execution. Currently, institutional investors are allowed to trade through algorithms. SEBI noted that there has been an increasing demand for algo trading by retail investors. To facilitate this, SEBI proposed a regulatory framework. Key features include:

- **Responsibilities of stock brokers:** Algo trading will be provided by stock brokers only after obtaining permission of the stock exchange for every algorithm. All algo orders must have a unique identifier provided by the stock exchange to establish an audit trail.
- **Use of APIs:** In cases of algo trading through APIs (application programming interface), the algo provider or vendor will act as an agent of the stock brokers. APIs allow software applications to exchange data with each other. Algorithms developed by retail investors must also be registered with the exchange through their brokers.
- **Responsibilities of stock exchanges:** The responsibilities of stock exchanges include: (i) post-trade monitoring of algorithmic orders, (ii) building capability to halt orders from a particular algo id, and (iii) defining roles and responsibilities of brokers and empanelled vendors.

Comments are invited by January 3, 2025.

RBI increases limit for giving collateral free agricultural loans

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The Reserve Bank of India (RBI) increased the limit for giving collateral free agricultural loans from Rs 1.6 lakh per borrower to two lakh rupees per borrower.¹⁸ This also includes loans for allied agricultural activities. RBI noted that the revision is to adjust for inflation and increase in agriculture input costs. The revised limit will be applicable from January 1, 2025.

RBI constitutes a committee to recommend framework for responsible use of AI

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The Reserve Bank of India constituted a committee (Chair: Dr. Pushpak Bhattacharyya) to recommend a framework for responsible and ethical use of Artificial Intelligence (AI) in the financial sector.¹⁹ The Committee has members from academia, private sector, and government.

Terms of reference of the Committee include: (i) assessing the level of adoption of AI in financial services, (ii) identifying risks associated with use of AI and recommending frameworks for risk management by financial institutions such as banks and payment service providers, and (iv) recommending a governance framework for responsible and ethical use of AI.

The Committee is required to submit its report within six months from the date of its first meeting.

Shipping

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The Coastal Shipping Bill, 2024 introduced in Lok Sabha

The Coastal Shipping Bill, 2024 was introduced in Lok Sabha.²⁰ It seeks to regulate vessels engaged in trade within Indian coastal waters. Under the Bill, coastal waters mean territorial waters of India, along with adjoining maritime zones. Territorial waters extend up to 12 nautical miles from the coast (about 22 km). Adjoining maritime zones extend up to 200 nautical miles (about 370 km).

The Bill seeks to repeal Part XIV of the Merchant Shipping Act, 1958, which regulates ships other than sailing vessels engaged in trade within coastal waters. The Bill seeks to regulate all types of vessels, including ships, boats, sailing vessels, and mobile offshore drilling units, regardless of the type of propulsion. Key features of the Bill include:

- **Services to be also covered under coasting trade:** Under the Act, coasting trade refers to the carriage of goods and passengers from one place or port in India to another. The Bill expands this definition to include provision of services. Services include exploration, research, and any other commercial activity, except fishing.
- **Licence for coasting trade:** The Act requires licence for all vessels engaging in coasting trade. The Bill states that vessels wholly owned by Indian persons will not need a licence.
- **Revocation of licences:** The Act empowers the Director General of Shipping to modify or revoke licences. The Bill specifies the grounds for modification, suspension, or revocation of licences. These include: (i) violation of terms of licence or an existing law, or (ii) failure to comply with directions of the Director General.

For a PRS summary of the Bill, see [here](#).

The Merchant Shipping Bill, 2024 introduced in Lok Sabha

The Merchant Shipping Bill, 2024 was introduced in Lok Sabha.²¹ It seeks to replace the Merchant

Shipping Act, 1958.²² The Act regulates the shipping sector. Key features of the Bill include:

- **Mandatory registration of vessels:** Under the Act, all sea going Indian vessels must be registered, except certain vessels which are: (i) not mechanically propelled, or (ii) weighing below 15 tons and used only for navigating Indian coasts. The Act defines vessels to include any ships, boats, sailing vessels, or other vessels used in navigation. The Bill instead requires all vessels to be registered regardless of type of propulsion or weight. It also expands the definition of vessels to include types such as mobile offshore drilling units, submersibles, and non-displacement crafts.
- **Ownership of Indian vessels:** The Act specifies criteria for ownership of Indian vessels. Under the Act, an Indian vessel means a vessel wholly owned by a: (i) citizen of India, (ii) company or body established by or under Indian laws with its principal place of business in India, or (iii) registered co-operative society. The Bill relaxes the criteria to also include: (i) vessels which are partly owned by above persons, and (ii) vessels wholly or partly owned by Overseas Citizens of India (OCIs). The thresholds for ownership will be specified by the central government. The Bill also clarifies that it will not be mandatory for vessels wholly owned by OCIs to register in India.
- **Registration of certain foreign vessels:** The Bill adds that a foreign vessel chartered by an Indian person may be registered as an Indian vessel. This will apply where the ownership is intended to be transferred to the charterer after a specified period.
- **Authorities for regulation of shipping:** The Act empowers the central government to appoint the Director-General of Shipping. The government may delegate its powers and functions under the Act to the Director-General. The Bill retains these provisions. It renames the Director-General as the Director-General of Marine Administration. The Act establishes Boards to advise the central government: (i) the National Shipping Board for matters related to shipping, and (ii) the National Welfare Board for Seafarers, to advise on welfare of seafarers. The Bill retains these provisions.

For a PRS summary of the Bill, see [here](#).

Education

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RTE rules amended to allow holding back students in central government schools

The Ministry of Education notified the Right of Children to Free and Compulsory Education (Amendment) Rules, 2024.²³ These amend the rules

issued under the Right of Children to Free and Compulsory Education Act, 2009.^{24,25} The Act guarantees free and compulsory elementary education to children aged between six and 14.

The Act requires schools to conduct a regular examination for classes fifth and eighth at the end of an academic year.²⁴ Students failing this exam can appear for a re-examination within two months. The Act empowers the state and central governments to allow schools to hold back students if they fail the re-examination.²⁴ The central government may take this decision for the schools it controls, or has established.²⁴

The 2024 Rules require holding back students in classes five or eight if they fail the re-examination.²³ During the period in which they are held back, schools must guide the student and his parents by identifying learning gaps and providing necessary resources. The head of the school will maintain a list of students who are held back, and will monitor their progress. Annual exams and re-exams must test competency and not memorisation or procedural skills.²³

UGC issues Draft guidelines on recognition of prior learning

The University Grants Commission issued draft Guidelines for “Implementation of Prior Learning in Higher Education”.²⁶ Prior learning refers to existing skills and knowledge gained by a person before joining a higher education course. The National Education Policy, 2020 (NEP) recommends recognising prior learning to re-integrate dropouts into formal education.²⁷ The National Credit Framework for Higher Education provides for recognising and assigning credits to prior learning.²⁸ The draft Guidelines provide a framework for the assessment, recognition, and assignment of credit for prior learning. A candidate may use this recognition to partly complete a course. Key features of the draft Guidelines include:

- **Applicability:** The draft Guidelines recognise prior learning through formal, informal and non-formal training. Formal learning includes academic degrees, professional certification, and continuous education programs. Informal learning includes work experience, volunteering, self-taught skills and hobbies. Non-formal learning includes, workshops, short courses, professional development programmes and community education.
- **Assessment criteria:** To be recognised as prior learning, a candidate must demonstrate that his learning: (i) is relevant to the qualification or program he is seeking, and (ii) has made him competent for this qualification or program. He must also furnish proof of his learning, and pass the necessary assessment of competence.
- **Bodies for assessment:** The government will identify centres for assessing prior learning.

These may be chosen from state, central, deemed or private universities.

- **Credits for prior learning:** Higher education institutions must formulate learning outcomes for all programmes offered by them. They must not recognise prior learning for a programme whose outcomes are not clearly defined. In early phases, HEIs are recommended to not allow over 30% of a program to be completed through the recognition of prior learning.

Agriculture

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Comments invited on the Draft Bill to amend the Warehousing Act, 2007

The Department of Food and Public Distribution invited comments on the draft Bill to amend the Warehousing (Development and Regulation) Act, 2007.²⁹ The Act establishes the Warehousing Development and Regulatory Authority (WDRA).³⁰ It regulates warehousing business and receipts, defines duties and liabilities of warehousemen, and defines the powers and functions of the WDRA. Key changes under the draft Bill include:

- **Setting up of a Repository:** Warehouse receipts are issued to acknowledge the storage of goods in a warehouse. The draft Bill provides for the setting up of repositories for recording the details of warehouse receipt transactions. The repository must be registered and authorised to act as a repository under the Act. It adds that the WDRA may discharge the functions of a repository itself or through a subsidiary or a special purpose entity.
- **Intermediaries:** The draft Bill allows intermediaries to operate in the warehousing market. These are persons who perform functions such as inspection, broking, transferring, or transaction advising.
- **Composition of the WDRA:** Under the 2007 Act, the WDRA consists of a Chairperson and two other members appointed by the central government. The draft Bill changes this composition to include: (i) a chairperson, (ii) two whole-time members appointed by the central government, and (iii) three part-time ex-officio members nominated from the Ministry of Finance and SEBI.
- **Decriminalisation of offences:** The draft Bill decriminalises several offences by replacing the punishment of imprisonment and fines with a monetary penalty. These include offences such as delayed delivery and false declaration of the value of stores goods. It further specifies offences such

as: (i) failure to furnish information to the WDRA, and (iii) indulging in unfair trade practices.

Comments are invited until January 7, 2025.

Credit guarantee scheme for warehousing receipt-based pledge financing launched

The Ministry of Consumer Affairs, Food, and Public Distribution launched the Credit Guarantee Scheme for e-NWR based pledge financing (CGS-NPF).³¹ An electronic negotiable warehousing receipt (e-NWR) is issued for commodities kept in warehouses accredited by the Warehousing Development and Regulatory Authority. Farmers/traders can use the e-NWR to avail loans against the commodities.³²

The new scheme will provide a guarantee cover for the loans availed against e-NWR. It has a total corpus of Rs 1,000 crore and will cover loans up to Rs 75 lakh for agricultural purposes and up to two crore rupees for non-agricultural purposes. Eligible borrowers include: (i) small and marginal farmers, (ii) women/SC/ST/PwD farmers, and (iii) farmer cooperatives. The guarantee cover ranges from 75% to 85%, depending on the loan amount and the type of borrower.

Guidelines for National Mission on Natural Farming released

The Ministry of Agriculture and Farmers Welfare notified the guidelines for the National Mission on Natural Farming.³³ The Mission aims to promote sustainable systems of farming and improve soil health. It aims to initiate natural farming in 7.5 lakh hectare of land by 2026. Key features of the guidelines include:

- **Priority Areas:** The Mission will be implemented in priority areas such as: (i) regions of five kilometre corridor along river Ganga, (ii) districts on the banks of major rivers, (iii) districts with high and low fertiliser input sale in states, and (iv) districts with tribal areas.
- **Training:** The Mission aims to create a support ecosystem for farmers to transition to natural farming. This will include training for farmers. Training will be extended through: (i) Centres of Natural Farming, (ii) Krishi Vigyan Kendras, (iii) State Agricultural Universities, and (iv) Local Natural Farming Institutions. In addition, 2,060 natural farming model demonstration farms will be set up. The Mission will also deploy 30,000 community resource persons (or Krishi Sakhis) for scaling up of natural farming practices.
- The National Institute of Agricultural Extension Management will work towards capacity development of scientists and officials.

Environment

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The Public Liability Insurance (Amendment) Rules, 2024 notified

The Ministry of Environment, Forest and Climate Change notified the Public Liability Insurance (Amendment) Rules, 2024.³⁴ These amend the Public Liability Rules, 1991 issued under the Public Liability Insurance Act, 1991.^{35,36} The Act provides a framework for compensation to persons affected by accidents in handling of hazardous substances. Key changes under the Amendment Rules include:

- **Increase in limit on liability of insurers:** Under the Act, an owner of an undertaking handling hazardous substance must take insurance for their liability to provide relief in the event of an accident. Under the 1991 Rules, in case of an accident, the maximum liability of an insurer was five crore rupees. The 2024 Rules increase this to Rs 250 crore. In case of more than one accident within one year or the duration of policy, whichever is less, the maximum liability of the insurer was Rs 15 crore under the 1991 Rules. The 2024 Rules increase this to Rs 500 crore.
- **Reimbursements to be provided by the owner:** The 2024 Rules specify the amount of relief to be provided by the owner to the affected persons in specified cases. For instance, relief of five lakh rupees per person must be provided in the event of death. For damage to private property, relief must cover actual damage, and is subject to a maximum of Rs 50 lakh.
- **Allocation of funds from the Environmental Relief Fund:** The Jan Vishwas Act, 2023 amended the 1991 Act to allow use of the Environmental Relief Fund for restoration of damage in certain cases. This applies where activities related to hazardous substances such as manufacturing and transportation lead to a damage to the environment. The 2023 Act empowers the Central and State Pollution Control Boards to file an application to the central government in this regard. The Rules give effect to these provisions. The Rules provide that upon the receipt of application, the central government will scrutinise the extent of damage and determine the amount to be allocated. The Rules also state that the allocation will not exceed 10% of the amount available in the Fund.
- **Duty to publicise right to claim for relief:** In case of an accident, the Amendment Rules require industrial units to publicise among the affected persons the right to claim relief.

Comments invited on Draft Rules on recycling of certain packaging materials

The Ministry of Environment, Forest and Climate Change invited comments on the Draft Environment Protection (Extended Producer Responsibility for Packaging made from paper, glass, and metal as well as sanitary products) Rules, 2024.³⁷ The draft Rules have been issued under the Environment (Protection) Act, 1986.³⁸ Key features of the Draft Rules include:

- **Recycling targets:** Draft Rules lay down the targets for producers, importers, and brand owners for recycling packaging waste generated from the specified materials. These include packaging made from paper, glass, metal, and those for sanitary products. In 2026-27, a minimum 50% of waste generated must be recycled. From 2029-30 and beyond, a minimum 80% of waste generated must be recycled. Only the waste which cannot be recycled will be sent for end-of-life disposal.
- **Issuance of certificates:** An entity will be granted a certificate for recycling above the target. The certificate may be used to offset any shortfall in previous or subsequent years. These certificates may be purchased by other obligated entities to meet their obligation in the event of a shortfall.
- **Environmental Compensation:** Entities will be liable to pay a compensation in the event of failure to meet recycling targets. The Central Pollution Control Board (CPCB) will lay down guidelines for imposition and collection of compensation. Unmet obligations will be carried forward for up to three years, even after the compensation is paid. If the shortfall is addressed within these three years, compensation paid will be returned.

Comments are invited until February 4, 2025.

Comments invited on the draft rules on solid waste management

The Ministry of Environment, Forest and Climate Change released the draft Solid Waste Management Rules, 2024.³⁹ The draft rules have been framed under the Environment (Protection) Act, 1986.⁴⁰ They seek to replace the Solid Waste Management Rules, 2016.⁴¹ The 2016 Rules specify a framework for management of solid waste, and duties of various entities such as government departments, local bodies, industries, and commercial establishments. Key features of the Draft Rules include:

- **Applicability:** The 2016 Rules apply to urban local bodies, outgrowths in urban agglomerations, census towns, and industrial townships, and specified areas such as certain religious places, airports, and government establishments. The draft Rules also apply to rural local bodies.
- **Bulk waste generators:** Under the 2016 Rules, bulk waste generators include entities (except residential societies) with average waste generation

of more than 100 kg per day. The Draft Rules expand the definition of bulk waste generators to also include entities with: (i) floor area of at least 20,000 square meters, or (ii) water consumption of at least 5,000 litres per day. The Draft Rules also cover residential societies. Bulk waste generators will have certain obligations such as: (i) registering with the concerned local body, and (ii) making necessary arrangements for segregation of waste, and (iii) decentralised processing of wet waste.

- **Management of horticultural waste and agri-residue:** The Draft Rules add that local bodies must facilitate establishment of facilities for collection and storage of agri-residue. The local bodies must ensure that such waste is not burned openly. They may levy penalties for open burning of waste.

Comments are invited until February 7, 2025.

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