Monthly Policy Review
April 2020

Highlights of this Issue

COVID-19 in India: number of cases cross 33,000 by end-April (p. 2)
As of April 30, 2020, there were 33,610 confirmed cases of Coronavirus disease 2019 (COVID-19) in India. Of these, 8,373 had been cured/discharged and 1,075 had died.

National lockdown extended till May 3 to contain COVID-19 (p. 3)
The lockdown was extended beyond the initial 21-day period (which started on March 25, 2020). During this period, only essential services and goods are allowed, with certain relaxations permitted from April 20 onwards.

The Epidemic Diseases (Amendment) Ordinance, 2020 promulgated (p. 2)
The Ordinance amends the Epidemic Diseases Act, 1897 to include protections for healthcare personnel combatting epidemic diseases and expands the powers of the central government to prevent the spread of such diseases.

Ordinances issued to reduce emoluments of MPs and Ministers; MPLADS suspended (p. 3)
Key provisions include 30% reduction in salaries of MPs and Ministers, reduction in office and constituency allowance of MPs and sumptuary allowance of Ministers, and suspension of MPLAD Scheme for two years.

RBI takes several measures to combat the economic situations due to COVID-19 (p. 4)
RBI announced measures related to reduction in reverse repo rate, refinancing of financial institutions NABARD, SIDBI and NHB, freezing dividend payouts by banks, and reducing liquidity coverage ratio requirement for banks.

Retail inflation at 6.7% in the fourth quarter of 2019-20 (p. 2)
Consumer Price Index inflation decreased from 7.6% in January 2020 to 5.9% in March 2020. Food inflation remained high through the quarter, although declining from 13.6% in January 2020 to 8.8% in March 2020.

Ordinances issued to allow centre to regulate certain health education and practices (p. 10)
An Ordinance was issued to allow the central government to regulate the education and practice of the Indian Medicine system. Another extended such regulation for homoeopathic education and practice by one year.

Draft Electricity (Amendment) Bill, 2020 released (p. 12)
It proposes that electricity tariff should reflect the cost of supply and exclude subsidy component, that governments should transfer subsidy directly to consumers, and introduces an Electricity Contract Enforcement Authority.

The Standing Committee submits its report on the Industrial Relations Code, 2019 (p. 13)
Recommendations of the Committee include decreasing the time limit for raising an industrial dispute to one year, and limiting the restriction on strikes to public utility services such as water, electricity, and other essential services.

Export policies regarding diagnostic kits and certain pharmaceuticals revised (p. 6)
Certain pharmaceuticals including paracetamol and erythromycin salts were allowed to be freely exported. Export of diagnostic kits was restricted. Export of hydroxychloroquine was prohibited with some exceptions.

Cigarettes and other Tobacco Products Amendment Rules, 2020 notified (p. 10)
The Rules amend the definition of package, and change the requirements for textual and pictorial health warnings on the packaging of tobacco products.

IMD releases long-range forecast for southwest monsoon rainfall 2020 (p. 15)
The monsoon seasonal rainfall (June–September 2020 period) is estimated to be 100% of the long period average (88 cm), with an error of +/- 5%. Rainfall is considered to be normal if it ranges between 96-104%.
Macroeconomic Development

Saket Surya (saket@prsindia.org)

Retail inflation at 6.7% in the fourth quarter of 2019-20

CPI inflation (base year: 2011-12, year-on-year) decreased from 7.6% in January 2020 to 5.9% in March 2020 (Figure 1). Food inflation remained high throughout the quarter but declined from 13.6% in January 2020 to 8.8% in March 2020. Consumer Price Index (CPI) measures the change in prices of items at the retail level. The CPI basket includes items commonly consumed by households such as food articles, fuel, clothing, housing, and health services. Food and beverages have a share of 46% in the CPI basket.

WPI inflation (base year: 2011-12, year-on-year) decreased from 3.5% in January 2020 to 1% in March 2020. The Wholesale Price Index (WPI) measures the average change in the prices of commodities for bulk sale at the level of early stage of transactions.

Figure 1: Inflation trends in Q4 2019-20 (% change, year-on-year)

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

COVID-19

As of April 30, 2020, there were 33,610 confirmed cases in India. Of these, 8,373 had been cured/discharged and 1,075 had died. For details on the number of daily cases in the country and across states, please see here.

With the spread of COVID-19, the central government has announced several policy decisions to contain the spread, and financial measures to support citizens and businesses who would get affected. For details on the major notifications released by centre and the states, please see here. Key announcements made in this regard in April 2020 are as follows.

The Epidemic Diseases (Amendment) Ordinance, 2020 promulgated

Anya Bharat Ram (anya@prsindia.org)

Keeping in mind the instances healthcare professionals being targeted and attacked during COVID-19 pandemic, the Epidemic Diseases (Amendment) Ordinance, 2020 was promulgated. The ordinance amends the Epidemic Diseases Act, 1897. The Act provides for the prevention of the spread of dangerous epidemic diseases. The Ordinance amends the Act to include protections for healthcare personnel combatting epidemic diseases and expands the powers of the central government to prevent the spread of such diseases. Key features of the Ordinance include:

- The Ordinance specifies that no person can: (i) commit or abet in the commission of an act of violence against a healthcare service personnel, or (ii) abet or cause damage or loss to any property during an epidemic. Contravention of this provision is punishable with imprisonment between three months and five years, and a fine between Rs 50,000 and two lakh rupees. If an act of violence causes grievous harm, the offender will be punishable with imprisonment between six months and seven years, and a fine between one lakh rupees and five lakh rupees.

- The Ordinance defines healthcare service personnel as a person who is at risk of contracting the epidemic disease while carrying out duties related to the epidemic. They include: (i) public and clinical healthcare providers such as doctors, (ii) any person empowered under the Act to take measures to prevent the outbreak of the disease, and (iii) other persons designated as such by the state.

- An ‘act of violence’ includes any of the following acts committed against a healthcare service personnel: (i) harassment that impacts living or working conditions, (ii) harm, injury, hurt, or danger to life, (iii) obstruction in discharge of his duties, and (iv) loss or damage to the property or documents of the healthcare service personnel. Property is defined to include a: (i) clinical establishment, (ii) quarantine facility, (iii) mobile medical unit, and (iv) other property in which a healthcare service personnel has direct interest, in relation to the epidemic.
For a detailed summary of the Ordinance, please see [here](#).

**Reduction in salaries and entitlements of MPs and Ministers**

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To supplement the resources of the centre to fight COVID-19, the government amended the emoluments of MPs and Ministers:

- **Emoluments of MPs:** An Ordinance was promulgated to amend the Salary, Allowances, and Pension of Members of Parliament Act, 1954 to reduce the salaries of MPs by 30% (from one lakh rupees to Rs 70,000 per month). The government also amended the rules under the 1954 Act to reduce certain allowances of MPs. These are the constituency allowance (from Rs 70,000 to Rs 49,000 per month) and office allowance (from Rs 60,000 to Rs 54,000 per month).

- **Emoluments of Ministers:** A second Ordinance was promulgated to amend the Salaries and Allowances of Ministers Act, 1952 to reduce the sumptuary allowance (expenditure incurred for entertaining visitors) of various categories of Ministers by 30% for one year. The amendments translate to a reduction for the Prime Minister (from Rs 3,000 to Rs 2,100 per month); for Cabinet Ministers (from Rs 2,000 to Rs 1,400); for Ministers of State (from Rs 1,000 to Rs 700), and for Deputy Ministers (from Rs 600 to Rs 420).

- The government also suspended the MPLAD Scheme for two years. The scheme enables MPs to recommend developmental work in their constituencies.

- **Activities that continue to remain unaffected by the Ordinances (Rs 4 lakh per month).**

For a PRS summary of the Ordinances, see [here](#) and [here](#). For more information on the implications of the reduction of salaries and benefits to MPs, please see [here](#).

**Lockdown extended till May 3, 2020**

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To contain the spread of COVID-19, the National Disaster Management Authority (NDMA) extended the 21-day national lockdown till May 3, 2020. These measures were issued under the provisions of the Disaster Management Act, 2005. The Act sets up the NDMA and state-level Disaster Management Authorities and gives these authorities powers for the effective management of disasters. The Act also provides for a National Executive Committee to assist the NDMA in the performance of its functions.

The Union Home Secretary (as the Chairperson of the National Executive Committee) issued guidelines to all states and union territories on the enforcement of the extended lockdown. Certain relaxations have been permitted after April 20, 2020. Activities that continue to remain prohibited after April 20, 2020 include: (i) all international and domestic travel except for healthcare workers and security purposes, (ii) passenger travel in trains, buses and taxis, (iii) industrial activities and hospitality services (other than those permitted), and (iv) all educational institutions.

Activities that are permitted after April 20, 2020 include: (i) all health services such as hospitals, clinics, and vets, (ii) agricultural operations, fisheries, and plantations, (iii) public utilities including provision of LPG and postal services, (iv) non-banking financial institutions, banks and ATMs, (v) e-commerce for essential goods only, (vi) industrial activities such as oil and gas refineries and manufacturing, and (vii) all shops (except those in malls) outside municipal corporation and municipality limits, and all shops (excluding those in market complexes and malls) within these limits.

The Ministry has also permitted movement of asymptomatic migrant workers, pilgrims, tourists, students and other stranded persons. States and union territories will be required to designate a nodal authority and develop standard protocols for receiving and sending such stranded persons. For inter-state movement, the sending and receiving states can consult each other and mutually agree to movement by road.

Further, the Ministry has permitted the movement of migrant labour within the state in which they are stranded to places of work. These activities include industrial work, manufacturing, and construction. State governments may undertake skill mapping of
migrant labourers and transport them to worksites if they are asymptomatic and willing to work.

States and union territories may not dilute these lockdown guidelines specified by the central government. However, they may implement stricter measures.

**Rs 15,000 crore sanctioned towards the COVID-19 Emergency Response and Health System Preparedness Package**

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The central government has sanctioned Rs 15,000 crore towards the COVID-19 Emergency Response and Health System Preparedness Package. Of this, Rs 7,774 crore will be utilised for immediate COVID-19 response. The remaining funds will be used for medium-term support over the next one to four years. The funds will be used for: (i) developing diagnostics and COVID-19 dedicated treatment facilities, (ii) procuring essential medical equipment and drugs, and (iii) strengthening central and state health systems to prevent and prepare for future disease outbreaks.

**RBI takes several additional measures to combat the economic situation due to COVID-19**

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The Reserve Bank of India (RBI) announced additional measures to address the stress in financial conditions caused by COVID-19. Note that the RBI had also announced some measures in March 2020 to provide financial relief. These included: (i) expanding liquidity in the market to ensure that financial markets and institutions are able to function normally, (ii) relief to borrowers in repayment of loans, and (iii) reduction in policy (repo) rate. Key measures announced in April are:

- **Policy rate and liquidity management:** The reverse repo rate (the rate at which RBI borrows money from banks) is further reduced from 4% to 3.75%. The reverse repo rate was reduced from 4.9% to 4% last month. Further, the RBI will conduct targeted long-term repo operations for an aggregate amount of Rs 50,000 crore.

- **Refinancing of financial institutions:** The RBI noted that all Indian financial institutions such as the National Bank for Agriculture and Rural Development (NABARD), Small Industries Development Bank of India (SIDBI) and National Housing Bank (NHB) are facing difficulty in raising resources from the market currently. The central bank will provide refinance facilities amounting to Rs 50,000 crore for these institutions (Rs 25,000 crore to NABARD, Rs 15,000 crore to SIDBI and Rs 10,000 crore to NHB).

- **Banking system:** Banks should not make any further dividend payouts from the profits of financial year ending March 2020 till further instructions. This is to ensure that banks conserve capital to retain their capacity to support the economy and absorb losses, in view of COVID-19. Further, the liquidity coverage ratio (the ratio of high quality liquid assets to total cash outflows to be maintained for 30 days to undergo stress conditions) is reduced from the current 100% to 80% till September 2020. This ratio will be fully restored by April 2021.

- **Liquidity for mutual funds:** A special liquidity facility for mutual funds worth Rs 50,000 crore has been announced to ease liquidity pressures on mutual funds. This facility is available from April 27 to May 11, 2020, or until the allocated amount is utilised. Funds availed under the facility must be used by banks exclusively for meeting the liquidity requirements of mutual funds by: (i) extending loans, or (ii) purchase of repos against collateral held by mutual funds.

- **Loan to farmers:** RBI has decided to extend the benefits of Interest Subvention and Prompt Repayment Incentive schemes for short term crop loans (up to three lakh rupees) for farmers whose accounts have become due or will become due between March 1, 2020 and May 31, 2020. Under these schemes, farmers (including fisheries and animal husbandry) affected by natural calamities are provided interest subvention of 2%. Further, a 3% incentive is provided for timely repayment of the loan.

**RBI increases the limits for Ways and Means Advances for centre and states**

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RBI increased the limits for Ways and Means Advances (WMA) for the central and state governments. WMA are short-term loans provided by RBI to the central and state governments to meet their imminent expenditure requirements, and are required to be repaid within three months. The WMA limits (limits set on how much governments can borrow) have been increased for the period April-September...
2020. This is aimed towards making additional funds available to the central and state governments for their COVID-19 related and other expenditure.

In case of the central government, the WMA limit for the period Apr-Sep 2020 has been increased from Rs 1.2 lakh crore to two lakh crore rupees.26 In case of state governments, the WMA limits for the period Apr-Sep 2020 for all states have been increased by 60%, over the limits as on March 31, 2020.

Travel bans extended; other travel/transport related extensions issued

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Civil Aviation: With the announcement of the extension of the lockdown, the ban on domestic and international passenger flights was extended till May 3, 2020.27,28 The Director General of Civil Aviation also specified that airlines should not start allowing ticket bookings from May 4, 2020 onwards as there has been no clearance for such activities to commence.29 The Ministry of Civil Aviation ordered that a full refund (without levy of cancellation fee) will be given for flight tickets purchased during the lockdown period for travel before May 3, 2020.30

Railways: With the announcement of the extension of the lockdown, the ban on passenger travel was also extended till May 3, 2020.31

Prior to that, the Ministry of Railways had clarified that the decision on the resumption of passenger services and the protocols for such travel is yet to be taken.32 Further, full refund will be provided for: (i) tickets booked for trains that were cancelled during the lockdown, and (ii) cancellation of advance bookings of tickets for trains not yet cancelled.

The Ministry announced certain incentives for freight traffic.33 These include: (i) non levy of demurrage, wharfage and other ancillary charges (valid from March 22 till May 5, 2020), (ii) non levy of haulage charge for movement of empty containers and empty flats (valid till April 30, 2020), and (iii) relaxation in the minimum distance for rakes. The Ministry also announced that Railways has set targets to produce over 30,000 Personal Protective Equipment covers in April 2020 and 1,00,000 in May 2020.34

The central government proposed some funding for the COVID related activities being carried out by Indian Railways. These include: (i) setting up of isolation wards, (ii) conversion of railway coaches into isolation and quarantine wards, (iii) sanitisation and cleaning, and (iv) PPE kits. These expenditure heads will be added under ‘suspend’ head in Railways accounting.

Shipping: The Ministry of Shipping issued Standard Operating Protocols (SOPs) for sign-on and sign-off of Indian seafarers at Indian Ports.35 The Ministry also extended: (i) the validity of seafarer’s CoC and statutory certificates, ship sanitation certificates, continuous discharge certificates, and (ii) periodical surveys and audits of Indian registered ships.

Road Transport: The Ministry of Road Transport and Highways advised the National Informatics Centre to facilitate states and union territories in limited registration of BS-IV vehicles all over India except Delhi/National Capital Region (NCR).36 This is as per the Supreme Court’s order that allowed limited and conditional sale and registration of up to 10% of pending BS-IV stock with vehicle dealers (except in Delhi/NCR), within 10 days of lifting of the lockdown in a city.37 The stay on sale and registration of such vehicles in Delhi/NCR will continue. In October 2018, the Court had prohibited the sale or registration of BS-IV vehicles post April 1, 2020, and allowed the sale and registration of only BS-VI vehicles.

Inter-Ministerial Committees constituted in WB, MP, Maharashtra and Rajasthan

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The Ministry of Home Affairs has constituted six Inter-Ministerial Central Teams in West Bengal (2), Maharashtra (2), Madhya Pradesh (1), and Rajasthan (1), to assess the implementation of the lockdown in certain areas of these states.38 These areas include Indore (Madhya Pradesh), Mumbai and Pune (Maharashtra), Jaipur (Rajasthan), and Kolkata and Howrah (West Bengal). The Committee will examine: (i) complaints in relation to the implementation of lockdown, (ii) supply of essential commodities, (iii) social distancing, (iv) preparedness of health infrastructure, (v) safety of health workers, and (iv) conditions of relief camps.

FDI Policy revised to curb opportunist takeovers by entities from neighbouring countries

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To curb opportunistic takeovers or acquisitions of Indian companies due to the situation arising out of the spread of COVID-19 pandemic, the central government revised the Foreign Direct Investment (FDI) Policy.39 The revised policy restricts an entity or a citizen of a country, which shares land border with India,
from investing through the automatic route. Such entities or persons can only invest through the government route. Under the automatic route, a foreign investor is not required to take any approval for FDI whereas, under the government route, the government’s approval is mandatory. Transfer of existing or future FDI to entities or persons from such countries will also require approval.

Certain additional restrictions for entities and citizens of Pakistan and Bangladesh remain unchanged. Even earlier, an entity or a citizen of Pakistan and Bangladesh could invest only through the government route. Further, an entity or a citizen of Pakistan is prohibited from investing in certain sectors including defence, space, and atomic energy.

Export policies regarding certain items revised

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The export policy regarding diagnostic kits was changed from free to restricted. The export policy has been revised from restricted to free for certain pharmaceuticals. These include certain Active Pharmaceutical Ingredients (APIs) and formulations made from these APIs, such as Vitamins B1, B6, and B12, metronidazole, and Erythromycin salts. The restricted export policy implies that limitations will be placed by the government on the quantity of goods exported to a specific country or countries.

Paracetamol: On April 17, the export policy regarding formulations made of paracetamol was changed from restricted to free. However, the export of paracetamol APIs will continue to be restricted. On March 3, the export of both formulations made of paracetamol and paracetamol APIs was restricted.

Hydroxychloroquine: The export of Hydroxychloroquine and its formulations was prohibited on March 25 but certain exceptions were allowed. These included: (i) export from special economic zones and export-oriented units to fulfil an export obligation, and (ii) on humanitarian grounds to other countries. On April 4, all such exceptions were removed, and the export was completely prohibited.

However, on April 7, the government announced that the export of Hydroxychloroquine will be allowed in certain cases. These include export to neighbouring countries which depend on India for the drug and to countries which are severely affected by the COVID-19 pandemic.

Scheme introduced for payment of employer contribution in PF accounts

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The Employees’ Provident Funds Scheme, 1952, provides for a contribution-based provident fund (EPF) scheme and pension (EPS) scheme for employees in establishments.

In March 2020, the Finance Minister had announced a relief package under the Pradhan Mantri Garib Kalyan Yojana. Under the package, the central government will pay 24% of monthly wage for the next three months into the provident fund accounts for certain wage-earners towards EPF and EPS entitlement. These will be done for people earning below Rs 15,000 per month in establishments with up to 100 workers.

The Ministry of Labour and Employment notified a scheme for implementing this measure. The Scheme will be effective for a period of three months, starting from March 2020.

Certain deadlines under IBC extended in view of COVID-19

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The Ministry of Corporate Affairs introduced amendments to various regulations notified under the Insolvency and Bankruptcy Code, 2016. The Code provides a time-bound process to resolve insolvency among companies. The Code allows the creditors of the company to initiate an insolvency resolution process, if the amount of default by the debtor company is at least one crore rupees. The Code also makes provisions for liquidation of companies. Key amendments include:

- **Extension of timelines**: Lockdown period during COVID-19 will not be counted towards timeline of activities required during a corporate insolvency resolution or liquidation process (such as, timelines for approval of resolution plan or liquidation process).
- **Relaxation of deadline for fee payment**: Under the Code, Insolvency Professionals (IPs) and Insolvency Professional Entities (IPEs) are required to pay a fee of 0.25% of the professional fee earned (by IPs) and 0.25% of turnover from services (rendered by IPEs) in the previous financial year, by April 30 every year. These Regulations have been amended to extend the application...
fee payment deadline to June 30 for financial year 2019-2020. Further, the timeline for IPEs to report that an individual has either joined or stepped down as a partner or director with the IPE has been extended from seven days to 30 days. An IPE is an entity which provides support to insolvency professionals. This provision will come into effect from March 28, 2020.

- **Extension of deadline for payment of penalties**: Under the Code, Insolvency and Resolution Professionals are required to file forms at various stages of the insolvency and resolution processes, respectively. These forms range from the initial consent of relevant parties to details of the resolution plan or liquidation order. Any forms filed after April 1, 2020 are subjected to penalties for every month of delay thereafter. The date for application of penalties has been pushed to October 1, 2020 instead of April 2020. This provision will come into effect from March 25, 2020.

**Functioning of courts during COVID-19**

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In view of the lockdown, the Supreme Court issued a series of directions for the functioning of courts during COVID. It held that the Supreme Court and all High Courts are authorised to adopt measures for functioning of the judiciary through video conferencing technologies. Further, every High Court is authorised to determine the modalities for the use of video conferencing technologies for itself and all subordinate courts falling in its jurisdiction.

**UGC issues guidelines on examinations and academic calendar for Universities**

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The University Grants Commission (UGC) constituted an Expert Committees to look into the issues being faced by universities and colleges in view of the COVID-19 pandemic and the countrywide lockdown. The Committee was tasked with looking into the issues related to examinations and the academic calendar. The Expert Committee has submitted its report. Based on the recommendations of the Committee, UGC issued these guidelines:

- **Academic Calendar**: Classes for even semester in universities were suspended effectively from March 16, 2020. The guidelines prescribe that teaching must continue till May 31 through online or distance learning mode, through social media (WhatsApp / YouTube), emails, or video conferencing. The examinations for the current academic year should be held in July, 2020 and the results for the same should be declared by July 31 (for terminal year students) and by August 14 (for intermediate year students)

- **The Academic Session 2020-21** may commence from August 2020 for old students and from September 2020 for fresh students. The admission process for the fresh students can be done in the month of August. Consequently, the commencement of even semester for 2020-21 can be from January 27, 2021. The commencement of academic session 2021-22 may be from August 2021. The universities may follow a 6-day week pattern to compensate the loss of teaching for the remaining session of 2019-20 and the 2020-21 academic session.

- **Examination**: The universities may conduct semester or yearly examinations in offline or online mode. This has to be done while observing the guidelines of “social distancing” and ensuring fair opportunity for all students. They may adopt alternative, simplified methods of examinations such as MCQ (multiple choice questions) based examinations or open book examination. If examinations cannot be conducted in view of the prevailing situation at the time, grading may be done on the basis of internal assessments and performance in previous semester. The universities may conduct the Ph.D viva examinations through video conferencing.

- **Other guidelines**: Every University should establish a COVID-19 cell for handling student grievances related to examinations and academic activities during the pandemic and notify effectively to the students. Further, a COVID-19 cell will be created in the UGC for faster decision making.

**Relief measures announced for the power sector to mitigate impact of COVID-19 and lockdown**

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**Advisories to state governments**: The Ministry of Power issued guidelines to state governments regarding: (i) allowing operation and maintenance of inter-state transmission network, (ii) construction activities related to the transmission system and generation plants, and (iii) allowing operational continuity of power generation utilities during the extended lockdown period.
Clarification regarding payments by discoms:  
On March 27, the Ministry of Power had provided a moratorium of three months to distribution companies (discoms) for their payments to generation companies. On April 1, the Ministry of New and Renewable Energy issued a clarification regarding payment by discoms to renewable energy generation companies during the moratorium period. The payment to renewable energy generation companies will not be covered under the moratorium. The renewable energy generation has must run status and the same shall continue during the period of lockdown.

Extension for Renewable Energy Projects:  
The Ministry of New and Renewable Energy allowed an extension in the deadline for commissioning of renewable energy projects. The extension will be equivalent to the period of lockdown and additional 30 days after the end of such lockdown.

The effective date for implementation of Approved Lists of Models and Manufacturers (ALMM) of solar PV modules and solar PV cells has been extended by six months. The earlier deadline for implementation was March 31, 2020. The ALMM Order provides for the enlistment of models and manufacturers. The Order stipulates that all solar power projects will mandatorily procure from the manufacturers in the ALMM list after the effective date.

Usance Letter of Credit facility by Coal India Limited (CIL): CIL provides the facility of Usance Letter of Credit to power generation companies for payment of coal instead of cash advance for the fuel supply agreements. This is aimed towards ensuring the availability of working capital for power generation companies. This mechanism has been extended to non-power sector consumers also. This is expected to boost liquidity in the markets and provide relief to coal consumers.

Certain provisions under the Preconception and Pre-natal Diagnostic Techniques Rules, 1996 suspended  
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Due to the lockdown situation, the Ministry of Health and Family Welfare has suspended the implementation of certain rules under the Preconception and Pre-natal Diagnostic Techniques (Prohibition of Sex Selection) Rules,1996. These include rules requiring genetic counselling centres, genetic labs and clinics, ultrasound clinics and imaging centres to: (i) renew registrations, and (ii) file a monthly report on all pre-conception or pregnancy related procedures conducted by them. Rules requiring certain government authorities to file a quarterly report and maintain information on registrations of labs and clinics have also been suspended. The rules will remain suspended from the date of the lockdown i.e., March 24, 2020 (with retrospective effect) until June 30, 2020.

Guidelines on handling of COVID-19 specimen for research issued  
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The Department of Biotechnology has issued guidelines on handling of COVID-19 specimen for DNA research purposes. The guidelines include: (i) procedure to be followed, (ii) risk assessment and mitigation measures, (iii) guidelines for viral isolation, (iv) lab waste management and shipment procedure. Key guidelines include:

- Appropriate personal protective equipment as determined by a detailed risk assessment, should be worn by all laboratory personnel handling these specimens.
- Patient specimens from confirmed or suspected cases should be transported according to WHO Guidance on Regulations for the Transport of Infectious Substances 2017-18.
- The laboratory waste should be handled like other biohazardous waste as per the ‘Regulations and Guidelines on Biosafety of Recombinant DNA Research and Biocontainment’ (2017) notified by the Department of Biotechnology.
- Waste disposal should be in accordance with the ‘Revised Guidelines for Common Biomedical Waste Treatment and Disposal Facilities (2016)’ developed by the Central Pollution Control Board.

UIDAI allows Aadhaar updation facility through Common Services Centres  
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The Unique Identification Authority of India (UIDAI) has allowed Common Service Centres (CSCs) which operate as Banking Correspondents to begin with Aadhaar updation facility (for updating Aadhaar details). This will provide a relief to Aadhaar cardholders in rural areas during the lockdown, as they will not need to visit Aadhaar centres in bank branches or post offices for this work.

CSCs provide web-enabled e-governance services such as filling of application forms,
issue of certificates, and utility payments such as electricity, telephone, and water bills in rural areas. In 2018, an agreement was signed to enable CSCs to operate as banking correspondents or customer service points for the banking system. There are nearly 20,000 CSCs which operate as banking correspondents. This is out of a total of more than three lakh CSCs in the country (as of November 2018).

Advisory issued regarding containing and management of COVID-19 in National Parks, Sanctuaries and Tiger Reserves

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The Ministry of Environment, Forest and Climate Change issued an advisory regarding containment and management of COVID-19 in national parks, sanctuaries, and tiger reserves. This was done as a result of the United States Department of Agriculture's National Veterinary Services Laboratories confirming a tiger in a zoo in New York to be COVID-19 positive.

The Ministry noted that there could be possibilities of the transmission of the COVID-19 virus from humans to animals and vice-versa. The key highlights of the advisory include: (i) constituting a task force with field managers, veterinary doctors, and frontline staff, to manage the situation quickly, (ii) enhancing disease surveillance, mapping and monitoring system, (iii) restricting the movement of people to these places and reducing the interaction between humans and wildlife, and (iv) reporting all action regarding this situation, to the Ministry.

Further, the Central Zoo Authority under the Ministry of Environment, Forest and Climate Change also issued an advisory to zoos in the country. The advisory included: (i) keeping continuous surveillance of animals using CCTV for any abnormal symptoms, (ii) restricting the entry of handlers in the vicinity without safety gear, (iii) isolating and quarantining sick animals, and (iv) having least contact while providing feed to animals.

Advisory issued for ensuring safe drinking water during lock down

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The Ministry of Jal Shakti issued an advisory to state governments to ensure that safe potable water is available to all citizens. The advisory is in compliance of a Supreme Court order on the provision of clean water to all persons in the country to fight against COVID-19. The key highlights of the advisory are:

- Taking measures to expand supply in areas where water supply is deficient. Special care may be given to relief camps, hospitals, quarantine facilities, old age homes, slums, and the poor strata of the society.
- Using chemical treatment for enhancing the safety of potable water.
- Arranging for round the clock vigil to ensure functionality of water supply systems from source to delivery points.
- Providing personal safety measures such as masks and sanitisers to Public Health Engineering Department officials, particularly those who are managing the operation and maintenance of the water supply systems in the field.

Extension of deadline for data updation under Jal Jeevan Mission

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The Ministry of Jal Shakti has extended the deadline for data updation under Jal Jeevan Mission from April 22, 2020 to May 5, 2020, in view of the prevailing condition due to COVID-19 pandemic. The deadline for the same was earlier extended from March 31, 2020 to April 22, 2020.

The Jal Jeevan Mission aims to provide safe and adequate drinking water through individual household tap connections to all households in rural India, by 2024. The data under it includes population and household data for all habitations, information on habitation coverage and quality-affected, verification of baseline data, and monthly physical and financial progress.

The Ministry has stated that no further requests for extension of the deadline will be considered. Further, it stated that the delay in updation of data may adversely impact the planning process under the programme. This is because data such as number of households without tap connections, and population living in water quality-affected habitations is taken into account while releasing the funds.

The delay may also lead to a loss of funds under the programme. This is because, as per existing instructions, maximum of 5% of the budgetary allocation for the programme can be released every month. Further, in the first quarter of the financial year, the Department can only utilise maximum of 15% of its budget allocation.
Relaxation in terms and conditions for work from home facility extended
Saket Surya (saket@prsindia.org)

In March, the Department of Telecommunications had granted certain relaxations in the terms and conditions for work from home facility till April 30, 2020. These relaxations are now extended until May 31, 2020. These terms and conditions apply to Other Service Providers for extending work from home facility to their employees. OSPs are companies which provide various application services such as tele-banking, telecommerce, call centre, and other IT-enabled services. Key relaxations include: (i) exemption from requiring prior permission, and (ii) exemption from requirements of security deposit and agreement.

Fact check unit established to counter fake news related to COVID-19
Saket Surya (saket@prsindia.org)

A fact check unit has been established under the Press Information Bureau (PIB) to counter fake news related to COVID-19. A daily bulletin covering government measures, and progress on COVID-19 is being published by PIB from April 1 onwards. The Ministry of Information and Broadcasting designated a nodal officer for dealing with all COVID-19 related grievances related to the Ministry.

Health
Anya Bharat Ram (anya@prsindia.org)

The Indian Medicine Central Council (Amendment) Ordinance, 2020 promulgated

The Indian Medicine Central Council (Amendment) Ordinance, 2020 was promulgated. The Ordinance amends the Indian Medicine Central Council Act, 1970. The Act provides for the constitution of a Central Council which regulates the education and practice of the Indian Medicine system (includes Ayurveda, Yoga, Naturopathy).

- Supersession of the Central Council: The Ordinance amends the 1970 Act to provide for the supersession of the Central Council. The Central Council will be reconstituted within one year from the date of its supersession. In the interim period, the central government will constitute a Board of Governors, which will exercise the powers of the Central Council.

- Board of Governors: The Board of Governors (Board) will consist of up to ten members. The members must be persons of eminence in the field of Indian Medicine, and eminent administrators. They may be either nominated members or ex officio members, appointed by the central government. The central government will select one member to be the Chairperson of the Board.

The Board will exercise the powers and discharge the functions of the Central Council set up under the 1970 Act. These include regulating the practice and education of Indian Medicine.

For a detailed summary of the Ordinance, please see here.

The Homoeopathy Central Council (Amendment) Ordinance, 2020 promulgated

The Homoeopathy Central Council (Amendment) Ordinance, 2020 was promulgated. The Ordinance amends the Homoeopathy Central Council Act, 1973. The Act sets up the Central Council of Homoeopathy to regulate homoeopathic education and practice.

The 1973 Act was amended in 2018 to provide for the supersession of the Central Council. The Central Council was required to be reconstituted within one year from the date of its supersession. This time period was amended in 2019 to require the reconstitution of the Central Council in two years. In the interim period, the central government constituted a Board of Governors, to exercise the powers of the Central Council. The Ordinance amends the Act to increase the time period for supersession of the Central Council from two years to three years.

For a detailed summary of the Ordinance, please see here.

Cigarettes and other Tobacco Products (Packaging and Labelling) Amendment Rules, 2020 notified

The Ministry of Health and Family Welfare notified the Cigarettes and other Tobacco Products (Packaging and Labelling) Amendment Rules, 2020. The Rules amend the Cigarettes and other Tobacco Products (Packaging and Labelling) Rules, 2008 which were notified under the Cigarettes and other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and
Distribution) Act, 2003. Key features of the 2020 Rules include:

- **Definitions:** The 2008 Rules define package as any type of pack in which cigarette and other tobacco products are packaged for consumer sale. Package does not include wholesale, or semi-wholesale packages if such packages are not intended for consumer use. The 2020 Rules amend the definition of package to conform with the definition provided in the Act. The Act defines package as a wrapper, box, carton, tin, or other container.

- **Labelling:** The 2008 Rules require packages containing tobacco to reflect certain textual warnings such as “tobacco causes cancer” and “tobacco causes painful death”. The 2020 Rules removes the requirement of the warning label of “tobacco causes cancer” to be represented on the packaging.

- Further, the 2008 Rules require the packaging of tobacco products to include a pictorial health warning that covers 60% of the display area of the packaging. The 2020 Rules remove the specification of the percentage of display area the pictorial health warning should cover on the packaging. The pictorial health warnings must be images as provided by the central government. The 2020 Rules change which images may be used as pictorial health warnings for tobacco.

### Finance

**Suyash Tiwari (suyash@prsindia.org)**

**Task force on National Infrastructure Pipeline submits its report**

The Ministry of Finance had constituted a task force in September 2019 to draw up a National Infrastructure Pipeline (NIP) of projects costing more than Rs 100 crore for the period 2019-25. The task force submitted its report on the NIP. The aim of the NIP is to adequately prepare projects to operationalise the plan of Rs 100 lakh crore investment in infrastructure over the next five years. Key observations and recommendations of the task force include:

- **Spending on infrastructure:** The task force has projected a capital expenditure of Rs 111 lakh crore in infrastructure sectors in India during the period 2019-20 to 2024-25. Of the total capital expenditure on NIP, 79% is expected to be made by the government (39% by the centre and 40% by states), and the rest 21% by the private sector.

- **Sector-wise breakup:** 71% of the total investment projected in infrastructure projects in the NIP is across four sectors. These are: (i) energy (24% of the total investment), (ii) roads (18%), (iii) urban infrastructure (17%), and (iv) railways (12%). Other major sectors with projects in the NIP include irrigation (8%) and rural infrastructure (7%).

- **Project implementation status:** Of all the projects in the NIP, Rs 44 lakh crore (40%) worth of projects are under implementation and Rs 34 lakh crore (30%) worth of projects are at the conceptualisation stage (announced recently but detailed plans and feasibility studies pending). Rs 22 lakh crore (20%) worth of projects are under development, between the stages of conceptualisation and implementation. The status is not available for rest of the projects, which are worth Rs 11 lakh crore (10%).

- **Financing the NIP:** 18%-20% of the NIP is expected to be financed through direct allocations made in the central government’s budget and 24%-26% through allocations in state budgets. 31% of the funds required for NIP would be raised through debt from bond markets, banks, and NBFCs. Equity from private developers, external aid from multilateral and bilateral agencies, and internal accruals of PSUs would comprise 4%-10% of the funds. In addition to using these existing sources, which would finance 83%-85% of the NIP, the task force has suggested other sources of financing such as new development finance institutions and asset monetisation by the centre and states.

- **Reforms:** The task force recommended a set of reforms to scale up infrastructure investments in various sectors. These include: (i) improving project preparation process, (ii) enhancing execution capacity of the private sector, (iii) providing all key clearances and approvals upfront to avoid undue delays, (iv) ensuring sanctity and enforcement of contracts, and fair contracts, and (v) institutionalising dispute resolution mechanisms. In addition, the task force also recommended various sector-wise reforms.
Power
Saket Surya (saket@prsindia.org)

Draft Electricity (Amendment) Bill, 2020 released


Key features of the Draft Bill are:

- **Tariff determination:** The Act provides that when determining tariff for retail sale of electricity, the State Electricity Regulatory Commission must ensure that the tariff reflects the cost of supply progressively. This implies that revenue recovery can be deferred over a multi-year period. The Commission can also specify different tariffs for different consumer segments based on criteria such as load factor, and purpose of consumption. The draft Bill amends this to provide that tariff should reflect the cost of supplying electricity. Further, any cross-subsidy will be provided as per the National Electricity Tariff Policy prescribed by the central government.

- **Treatment of government subsidy:** Under the Act, state governments may provide a subsidy to keep electricity prices affordable. The subsidy must be paid in advance in a manner specified by the State Commission. The Draft Bill provides that the Commission will fix the tariff without accounting for subsidy. The government will be required to provide subsidy directly to the consumer.

- **Electricity Contract Enforcement Authority:** The Bill provides for constitution of the Electricity Contract Enforcement Authority. The Authority will adjudicate over matters related to the performance of contracts of transmission, supply and purchase of electricity between generation companies and other licensees.

- **Selection Committee:** The Act provides for selection committees at the state level to select members of the state regulatory commissions. A selection committee at the national level selects members of central regulatory commission and appellate tribunal. The Draft Bill removes the provisions for the state selection committees and proposes a single selection committee for all appointments under the Act.

(/regulatory commissions, Electricity Contract Enforcement Authority, and appellate tribunal).

Social Justice and Empowerment

Anya Bharat Ram (anya@prsindia.org)

Draft Transgender Persons (Protection of Rights) Rules, 2020 released

The draft Transgender Persons (Protection of Rights) Rules, 2020 were released for public comments.93 The Rules are to be notified under the Transgender Persons (Protection of Rights) Act, 2019. The Act provides for the welfare and protection of transgender persons. Key features of the draft Rules include:

- **Issuance of certificate of identity:** Under the Act a transgender person must make an application to the District Magistrate to receive a certificate of identity. The Rules require the submission of a report from a psychologist along with the application form. In the case of a minor, such application shall be made by a parent or guardian of such child.

- The certificate must be issued within 60 days. The District Magistrate will also issue a transgender identity card. The gender and name (if required) of the transgender person must be changed in all official documents within 15 days of receipt of the certificate of identity. Transgender persons will continue to enjoy all rights they were entitled to prior to the issuance of the certificate. The District Magistrate may issue certificates to applicants only if they have been residents of the area under his/her jurisdiction for one year on the date of application.

- If a person undergoes sex change surgery, a certificate by the Medical Superintendent or Chief Medical Officer of the institution in which the surgery took place, must be submitted. A revised certificate of identity must be issued indicating the gender of the person as male or female within 15 days of receipt of application.

- **Appeals:** If an application for certificate of identity is rejected, the applicant may appeal the decision within 30 days from the date of rejection. Appeals will be directed to the appellate authority designated by the appropriate government.
Labour and Employment

Anya Bharat Ram (anya@prsindia.org)

**Standing Committee submits report on Industrial Relations Code, 2019**

The Standing Committee on Labour and Employment submitted its report on the Industrial Relations Code, 2019.** The Code replaces the Trade Unions Act, 1926; the Industrial Disputes Act, 1947; and the Industrial Employment (Standing Orders Act), 1946. It provides for recognition of trade unions, certification of standing orders, and resolution of industrial disputes. Key observations and recommendations of the Committee include:

- **False application:** In case an applicant makes an application for certificate of identity with an intention to falsely obtain the status of a transgender person, such applicant may face penalties.

- **Welfare of transgender persons:** The Rules state that all existing welfare schemes such as educational and health schemes, and legislation must be reviewed to include transgender persons. Further, the appropriate government should take measures to reduce discrimination against transgender persons. The appropriate Government must create facilities, such as rehabilitation centres and separate wash rooms for transgender persons, within two years from notification of these rules.

For a detailed report summary, please see [here](#).

Corporate Affairs

Roshni Sinha (roshni@prsindia.org)

**Committee of Experts submits its report on framework for valuation professionals**

The Committee of Experts (Chair: M.S. Sahoo) submitted its report on an institutional framework for valuation professionals (who determine the value of an asset).** Based on its recommendations, the Committee also recommended a draft Valuers Bill, 2020 which aims to protect the interest of stakeholders, regulates the valuation profession, and develops a market for valuation services. Key features of the Draft Bill include:

- **Registration of service providers:** The Institute can register individual valuers, valuer institutes (VIs) and valuation professional organisations (VPOs), based on an asset class (such as plant and machinery, or land and building). A VI will offer educational courses and conduct exams. A VPO will be responsible for the development of the valuation profession. The Bill also sets out other eligibility conditions for registration. For example, to register as a valuer, a person must have
completed higher secondary examination and a national valuation programme of the relevant asset class.

- **National Institution of Valuers**: The Bill sets up the National Institute of Valuers. The Institute will be governed by a Governing Council comprising of: (i) a Chairperson, (ii) three whole time members including a person with a degree and professional experience in law, (iii) two ex-officio members representing the government and regulators, and (iv) eight part-time members. The Council will constitute a committee to recommend valuation standards. The Institute will specify valuation standards for valuers based on the recommendations of the Committee.

- **Functions of the Institute**: Key functions include: (i) development and regulation of practices of service providers under the Act, (ii) registering service providers and monitoring their performance, and (iii) specifying model bye-laws for VPOs.

- **Investigations**: An individual can inform the Institute if he is unhappy with the services of service providers under the Act. The Institute can direct an inspection or investigation (in serious cases) against the service provider based on this information or any other information on its record. The Bill specifies categories of scheduled offences. Based on the nature of violations, the orders against the service provider may range from warnings to cancellation of license. Appeals from these decisions can be made to the High Court within 30 days.

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**Petroleum and Natural Gas**

*Anurag Vaishnav (anurag@prsindia.org)*

**Biofuel Coordination Committee allows use of surplus rice for making ethanol**

The National Biofuel Coordination Committee approved utilisation of the surplus rice available with the Food Corporation of India for making ethanol.96 The ethanol thus produced will be used for making alcohol-based hand sanitizers and for blending with petrol under the Ethanol Blended Petrol (EBP) programme. The EBP programme was launched in 2003 to promote the use of alternative and environment friendly fuels. Blending ethanol with petrol helps reduce vehicle exhaust emissions and reduces the import burden for petroleum.

According to the National Biofuel Policy 2018, if an over-supply of food grains is anticipated during an agriculture crop year, the surplus quantities of food grains can be converted to ethanol, based on the approval of the National Biofuel Coordination Committee.97

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**Transport**

*Prachee Mishra (prachee@prsindia.org)*

**Railway Board approves assigning works to PSUs on competition basis**

The Railway Board has approved assigning some Railway works (projects) to public sector utilities (PSUs) on competition basis.98 Various Directorates under the Railway Board such as Railway Electrification, Signalling, Bridges, and Works have identified the works which can be assigned to PSUs. These works may include Railway electrification, signalling, telecom, road over bridges, and rolling stock.

**Terms and conditions for employment of seafarers on Indian ships released**

The Directorate General of Shipping released the terms and conditions for employment of seafarers on Indian flag ships as per the requirements under the Merchant Shipping Act, 1958.99 Key terms and conditions include the following:

- **Coastal ships**: These are defined to include: (i) ships under 6,000 gross tonnage (GT) and under 8,000 KW main propulsion power, (ii) dredgers under 10,000 GT and under 10,000 KW main propulsion power operating in Indian ports, (iii) certain oil tankers, (iv) ships carrying bulk chemicals or gas in any form, and (v) military and government ships not used for any commercial purposes.

- **Collective bargaining agreement**: The Merchant Shipping (Maritime Labour) Rules, 2016 provide for a collective bargaining agreement. This contains detailed terms and conditions of employment for seafarers which has been agreed upon between ship-owners associations and seafarers’ representative unions. The released terms provide that this agreement should provide for a welfare fund contribution to be made by shipping companies to Seafarers Welfare Fund Society and Seamen’s Provident Fund Organisation. Ship-owners may provide additional benefits than these. However,
these should not be a part of the collective bargain agreement. Further such welfare fund contribution to be made by shipping companies will not be deducted from wages payable to the seafarer.

- The agreement should be gender neutral, and also follow provisions under the Maternity Benefit Act, 1961. The disability compensation should be over and above the cost of treatment and the wages payable. Disability of 50% or more will be considered as full disability.

- **Liability of ship-owners:** The agreement should specify the liability of the ship-owner to provide legal support and bear legal expenses. It should also specify the means to cover this liability if a seafarer is stranded, detained or arrested at a port during the course of employment on a ship.

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**Home Affairs**

*Roshni Sinha (roshni@prsindia.org)*

**AFSPA to continue to apply to certain districts and police stations in Arunachal Pradesh**

The Ministry of Home Affairs has extended the application of the Armed Forces (Special Powers) Act, 1958 (AFSPA) in three districts of Arunachal Pradesh (i.e., Tirap, Changlang, and Longding) for a further period up to September 30, 2020. It has also extended the application of the Act to the jurisdiction of four police stations. These are: (i) Namsai and Mahadevpur stations in Namsai district, (ii) Roing station in Lower Dibang Valley district, and (iii) Sunpura station in Lohit district.

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**Agriculture**

*Suyash Tiwari (suyash@prsindia.org)*

**IMD releases long-range forecast for southwest monsoon rainfall 2020**

The India Meteorological Department (IMD) released its first long-range (seasonal) forecast for southwest monsoon rainfall in 2020. The monsoon seasonal rainfall during the period June-September 2020 is estimated to be 100% of the long period average (LPA), with an error of +/- 5%. LPA is the average rainfall in a region during the period 1961 to 2010, which is 88 cm for the country. Rainfall is considered to be normal if it ranges between 96-104%.

In 2019, the southwest monsoon rainfall was estimated to be 96% of the LPA, whereas the actual rainfall was 110% of the LPA.

**Cabinet approves revised nutrient-based subsidy rates for P&K fertilisers**

The Union Cabinet approved revised nutrient-based subsidy rates for P&K fertilisers for the year 2020-21. Under the Nutrient Based Subsidy scheme, the subsidy is provided to fertiliser manufacturers and importers for sale of Phosphatic and Potassic (P&K) fertilisers based on their nutrient content. The subsidy rates approved for 2020-21 are lower than the 2019-20 subsidy rates for all four nutrients (Table 1).

**Table 1: Nutrient-based subsidy rates for P&K fertilisers for 2020-21 (in Rs per kg)**

<table>
<thead>
<tr>
<th>Nutrient</th>
<th>2019-20</th>
<th>2020-21</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nitrogen (N)</td>
<td>18.901</td>
<td>18.789</td>
<td>-0.6%</td>
</tr>
<tr>
<td>Phosphatic (P)</td>
<td>15.216</td>
<td>14.888</td>
<td>-2.2%</td>
</tr>
<tr>
<td>Potassic (K)</td>
<td>11.124</td>
<td>10.116</td>
<td>-9.1%</td>
</tr>
<tr>
<td>Sulphur (S)</td>
<td>3.562</td>
<td>2.374</td>
<td>-33.4%</td>
</tr>
</tbody>
</table>

Sources: Ministry of Chemicals and Fertilisers; PRS.

The cost of providing subsidy for P&K fertilisers is estimated to be Rs 22,187 crore in 2020-21, a 3% decrease from Rs 22,876 crore in 2019-20.

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**Media and Broadcasting**

*Saket Surya (saket@prsindia.org)*

**Recommendations of TRAI on reserve price for auction of FM radio channels**

Telecom Regulatory Authority of India (TRAI) released recommendations on reserve price for auction of FM radio channels. In October 2019, TRAI had released a consultation paper in this regard. Currently, the permission for operating FM radio channels is given city-wise and is granted through a one-time entry fee. This fee is a successful bid amount arrived at through an auction process. This is being done under the latest phase (Phase-III) of the FM radio broadcasting policy announced in 2011.

Under the policy, a city-wise reserve price is announced before auction. This is the minimum price acceptable for sale of an item under auction. In addition, the operators also pay an annual license fee, which is equal to 4% of annual gross revenue, or 2.5% of the entry fee, whichever is higher. The phase-III policy seeks to enable setting up of private FM Radio
channels in all cities with a population of more than one lakh, and certain specified cities in border areas including Jammu and Kashmir and the north-eastern region.\textsuperscript{106}

The Ministry of Information and Broadcasting intends to conduct the latest round of auction for FM radio channels in 283 such cities.\textsuperscript{106} Hence, the Ministry sought recommendations from TRAI on determining reserve prices for auction.\textsuperscript{106} Key recommendations of TRAI on the auction of FM radio channels are:

- ** Reserve price**: Reserve price for radio channels in a city should be set at 0.8 times the valuation of FM radio channel in that city. However, for cities situated in North-East, Jammu and Kashmir, and Andaman and Nicobar Islands, the price should be set at 0.4 times. Reserve price for 10 border cities should be Rs 5 lakh per channel.

- **Choice of broadcasting technology**: Auction of channels under Phase-III should not restrict the choice of technology for broadcasting. Where broadcasters choose digital technology, they should be permitted to broadcast more than one channel subject to technical feasibility on single frequency.

- **Withdrawal of limit on owning frequency**: Currently, no entity is allowed to hold more than 15% of total FM radio channels allocated in the country. TRAI recommended withdrawing this limit.

**TRAI releases recommendations on interoperability of set-top box**

TRAI released recommendations on interoperability of set-top box.\textsuperscript{108} In November 2019, TRAI had released a consultation paper in this regard.\textsuperscript{108} A set-top box is a device that receives digital signal, decodes and displays it on television. At present, a set-top box of one service provider cannot be used for accessing television broadcasting services of another service provider. If a subscriber wants to change one’s service provider, a new set-top box has to be purchased.

Interoperability of set-top box will provide consumers with the freedom to change their service provider without changing their set-top boxes. Key recommendations of TRAI on interoperability of set-top boxes are:

- **Interoperability to be mandatory**: All set-top boxes in the country should support technical interoperability. The Ministry of Information and Broadcasting may amend rules and licensing terms related to cable television to mandate interoperability of set-top boxes. Due to technical constraints, the interoperability of set-top boxes will apply within the Direct to Home segment and within the cable segment. The operators will be required to adopt interoperable set-top boxes within six months of the date of notification by the Ministry.

- **Interoperability through digital TV**: TRAI recommended mandating the provision of (i) USB port based common interface, and (ii) built-in tuners to enable reception of TV content through both satellite and cable platforms, for all digital TV sets in India.

- **Coordination and Implementation Committee**: A coordination committee may be set up by the Ministry with members from: (i) Ministry of Electronics and Information Technology, (ii) TRAI, (iii) Bureau of Indian Standards, and (iv) representatives of TV manufacturers.

**TRAI releases recommendations on television audience management and rating system**

TRAI released recommendations on Television Audience Measurement and Rating System, also known as the TRP measurement system.\textsuperscript{110} Currently, Broadcast Audience Research Council (BARC), an industry-led body, is the sole provider of television rating services on a commercial basis in the country. TRAI observed that structural reforms are required in BARC to mitigate the potential risk of conflict of interest, improve creditability, and bring transparency in the TRP measurement system. Key recommendations of TRAI are:

- **Composition of the BARC board**: The BARC board should have at least 50% independent members, including: (i) one member as a measurement technology expert, (ii) one statistician of national repute, and (iii) two representatives from government/regulator. Further, its constituent industry associations should have equal voting rights irrespective of their proportion of equity holding. The chairmanship should be rotated among the constituent industry associations in every two years.

- **Functions of BARC**: Multiple data collection and data processing agencies should be encouraged. Functions of BARC should be limited to publishing the ratings, framing methodology and audit mechanism.

- **Sample size for rating**: The sample size (represents the number of homes where the audience measurement device is placed)
should be increased from the existing 44,000 to 60,000 by the end of 2020, and to one lakh by the end of 2022. TRAI observed that a larger sample size improves the robustness of measurement rating.

- **Data practices**: BARC should keep all relevant data for at least one year. BARC should automate data processing in such a manner that no manual intervention is required in determining the final TRP rating. BARC should get an annual audit conducted by an independent agency to ensure conformance with rating methodology and sample size requirements.

### Communications

*Saket Sarya (saket@prsindia.org)*

**TRAI invites comments on spectrum usage charges in case of spectrum sharing**

Telecom Regulatory Authority of India (TRAI) released a consultation paper on the methodology of assessment of spectrum usage charges (SUC) in cases of spectrum sharing. Licensees providing mobile access services are required to pay SUC which is as a percentage of Adjusted Gross Revenue (AGR). These charges vary between 3% to 8% depending on quantum


9 “Cabinet approves Non-operation of MPLADs for two years (2020-21 and 2021-22) for managing COVID 19”, Press Information Bureau, Cabinet, April 6, 2020.


16 Governor’s Statement, Press Releases, Reserve Bank of India, April 17, 2020.

In case of spectrum sharing, the SUC rate of each of the licensees sharing spectrum is increased by 0.5% of AGR. This increased rate applies to all the spectrum bands owned by the licensees. Department of Telecommunications had received representations which contested that the increased rate should apply only to the bands being shared, as the spectrum sharing is allowed for a particular spectrum band. In this context, TRAI sought views on the following:

- whether the increased rate should only apply on the spectrum band which is shared and not on all the spectrum bands owned by the licensees,
- whether increment in SUC rate is a deterrent in spectrum sharing, and such increment should be abolished, and
- any other changes required in spectrum sharing guidelines.

Comments on the consultation paper are invited until May 20, 2020.
“Publication of media reports on travel protocol etc of trains passengers on resumption of train services: Advisory for Media”, Press Information Bureau, Ministry of Railways, April 10, 2020.


“In big boost to provide protection to Health Care professionals in fight against COVID 19, Indian Railways plans to produce over 30,000 coveralls (PPEs) in April 2020”, Press Information Bureau, Ministry of Railways, April 15, 2020.

“SOPs issued for sign-on and sign-off of Indian Seafarers at Indian Ports and their movement”, Press Information Bureau, Ministry of Shipping, April 22, 2020.

“Limited registration of BS-IV vehicles to be allowed as per Apex Court order dated 27.3.2020”, Press Information Bureau, Ministry of Road Transport and Highways, April 1, 2020.


“Finance Minister announces Rs 1.70 Lakh Crore relief package under Pradhan Mantri Garib Kalyan Yojana for the poor to help them fight the battle against Corona Virus”, Press Information Bureau, Ministry of Finance, March 26, 2020.

“A Scheme to implement the PMGKY package for credit of employees’ and employer’s share of EPF and EPS contributions (24% of wages) for three months by Govt. of
Expression of interest, Railways Board, Ministry of Railways, April 1, 2020.

“PIB sets up COVID19 Fact Check Unit”, Ministry of Information and Broadcasting, Press Information Bureau, April 1, 2020.


“Surplus rice available with FCI allowed to be converted to ethanol for utilization in making alcohol-based hand sanitizers and for blending in petrol”, Press Information Bureau, Ministry of Petroleum and Natural Gas, April 20, 2020.


Cabinet approves fixation of Nutrient Based Subsidy (NBS) rates for Phosphatic and Potassic (P&K) fertilizers for the year 2020-21”, Press Information Bureau, Cabinet Committee on Economic Affairs, April 22, 2020.

Cabinet approves Nutrient Based Subsidy (NBS) rates for Phosphatic and Potassic (P&K) fertilizers for the year 2019-20”, Press Information Bureau, Cabinet Committee on Economic Affairs, July 31, 2019.


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