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# Parliament passes the Central Educational Institutions (Reservation in Teachers' Cadre) Bill, 2019

The Central Educational Institutions (Reservation in Teachers' Cadre) Bill, 2019 has been passed by the Parliament.

## Details -

The Central Educational Institutions (Reservation in Teachers' Cadre) Bill, 2019 considers the University/College as one unit restoring earlier reservation system based on 200 point roster. No longer will 'Department/Subject' be treated as one unit. This decision will:

- i. Allow up of more than 7000 existing vacancies in Central Educational Institutions and pave the way for filling up 3 lakh vacancies in the Government (Central and State) Educational institutions by direct recruitment in Teacher's Cadre.
- ii. Ensure compliance of the Constitutional Provisions of Articles 14, 16 and 21.
- iii. Ensure full representation of the Scheduled Castes/ Scheduled Tribes, the socially and Educationally Backward Classes and Economically Weaker Sections in direct recruitment in teachers' cadres.

This decision is also expected to improve the teaching standards in the higher educational institutions by attracting all eligible talented candidates belonging to SCs/STs/SEBCs/EWS.

The unit for reservation of posts in direct recruitment in teachers' cadre will be the 'University/Educational Institution' and not the Department Such as approval by the Government will address the long standing demands of persons belonging to SCs/STs/SEBCs and ensure their rights envisaged under the Constitution. It will also ensure providing of 10% reservation to EWS.

## Key Highlights of Economic Survey 2018-19

The Union Minister for Finance and Corporate Affairs, Smt. Nirmala Sitharaman tabled the Economic Survey 2018-19 in the Parliament today. The Key Highlights of Economic Survey 2018-19 are as follows:

### **Shifting gears: Private Investment as the Key Driver of Growth, Jobs, Exports and Demand**

- Survey states that pathways for trickle-down opened up during the last five years; and benefits of growth and macroeconomic stability reached the bottom of the pyramid.
- Sustained real GDP growth rate of 8% needed for a \$5 trillion economy by 2024-25.

- “**Virtuous Cycle**” of savings, investment and exports catalyzed and supported by a favorable demographic phase required for sustainable growth.
- **Private investment**- key driver for demand, capacity, labor productivity, new technology, creative destruction and job creation.
- Survey departs from traditional Anglo-Saxon thinking by viewing the economy as being either in a virtuous or a vicious cycle, and thus never in equilibrium.
- **Key ingredients** for a self-sustaining virtuous cycle:
  - Presenting *data as a public good*.
  - Emphasizing *legal reforms*.
  - Ensuring *policy consistency*.
  - Encouraging *behavior change* using *principles of behavioral economics*.
  - Nourishing MSMEs to create more jobs and become more productive.
  - Reducing the cost of capital.
  - Rationalizing the risk-return trade-off for investments.

#### **Policy for Real People, Not Robots: Leveraging the Behavioral Economics of “Nudge”**

- Decisions by real people deviate from impractical robots theorized in classical economics.
- Behavioral economics provides insights to ‘**nudge**’ people towards desirable behavior.
- Key principles of behavioral economics:
  - Emphasizing the beneficial social norm.
  - Changing the default option.
  - Repeated reinforcements.
- Using insights from behavioral economics to create an aspirational agenda for social change:
  - From ‘Beti Bachao Beti Padhao’ to ‘**BADLAV**’ (*Beti Aapki Dhan Lakshmi Aur Vijay Lakshmi*).
  - From ‘Swachh Bharat’ to ‘**Sundar Bharat**’.
  - From ‘Give it up’ for the LPG subsidy to ‘**Think about the Subsidy**’.
  - From ‘Tax evasion’ to ‘**Tax compliance**’.

#### **Nourishing Dwarfs to become Giants: Reorienting policies for MSME Growth**

- Survey focuses on enabling MSMEs to grow for achieving greater profits, job creation and enhanced productivity.
- Dwarfs (firms with less than 100 workers) despite being more than 10 years old, account for more than 50% of all organized firms in manufacturing by number.
- Contribution of dwarfs to employment is only 14% and to productivity is a mere 8%.
- Large firms (more than 100 employees) account for 75% employment and close to 90% of productivity despite accounting for about 15% by number.
- Unshackling MSMEs and enabling them to grow by way of:
  - Asunset clause of less than 10 years, with necessary grand-fathering, for all size-based incentives.
  - Deregulating labor law restrictions to create significantly more jobs, as evident from Rajasthan.

- Re-calibrating Priority Sector Lending (PSL) guidelines for direct credit flow to young firms in high employment elastic sectors.
- Survey also focuses on service sectors such as tourism, with high spillover effects on other sectors such as hotel & catering, transport, real estate, entertainment etc., for job creation.

#### **Data “Of the People, By the People, For the People”**

- Society’s optimal consumption of data is higher than ever given technological advances in gathering and storage of data.
- As data of societal interest is generated by the people, data can be created as a public good within the legal framework of data privacy.
- Government must intervene in creating data as a public good, especially of the poor and in social sectors.
- Merging the distinct datasets held by the Government already would generate multiple benefits.

#### **Ending Matsyanyaya: How to Ramp up Capacity in the Lower Judiciary**

- Delays in contract enforcement and disposal resolution are arguably now the single biggest hurdle to the ease of doing business and higher GDP growth in India.
- Around 87.5 per cent of pending cases are in the District and Subordinate courts.
- 100 per cent clearance rate can be achieved by filling out merely 2279 vacancies in the lower courts and 93 in High Courts.
- States of Uttar Pradesh, Bihar, Odisha and West Bengal need special attention.
- Productivity improvements of 25 percent in lower courts, 4 percent in High Courts and 18 percent in Supreme Court can clear backlog.

#### **How does Policy Uncertainty affect Investment?**

- Significant reduction in Economic Policy Uncertainty in India over the last one decade, even when economic policy uncertainty increased in major countries, especially the U.S.
- Uncertainty dampens investment growth in India for about five quarters.
- Lower economic policy uncertainty can foster a salutary investment climate.
- Survey proposes reduction in economic policy uncertainty by way of:
  - Consistency of actual policy with forward guidance.
  - Quality assurance certification of processes in Government departments.

#### **India's Demography at 2040: Planning Public Good Provision for the 21st Century**

- Sharp slowdown in population growth expected in next 2 decades. Most of India to enjoy demographic dividend while some states will transition to ageing societies by 2030s.
- National Total Fertility Rate expected to be below replacement rate by 2021.
- Working age population to grow by roughly 9.7mn per year during 2021-31 and 4.2mn per year during 2031-41.
- Significant decline to be witnessed in elementary school-going children (5-14 age group) over next two decades.
- States need to consolidate/merge schools to make them viable rather than build new ones.
- Policy makers need to prepare for ageing by investing in health care and by increasing the retirement age in a phased manner.

## **From Swachh Bharat to Sundar Bharat via Swasth Bharat: An Analysis of the Swachh Bharat Mission**

- Traceable health benefits brought about by Swachh Bharat Mission (SBM).
- 93.1% of the households have access to toilets.
- 96.5% of those with access to toilets are using them in rural India.
- 100% Individual Households Latrine (IHHL) Coverage in 30 states and UTs.
- Financial savings from a household toilet exceed the financial costs to the household by 1.7 times on average and 2.4 times for poorest households.
- Environmental and water management issues need to be incorporated in SBM for sustainable improvements in the long-term.

## **Enabling Inclusive Growth through Affordable, Reliable and Sustainable Energy**

- 2.5 times increase in per capita energy consumption needed for India to increase its real per capita GDP by \$5000 at 2010 prices, and enter the upper-middle income group.
- 4 times increase in per capita energy consumption needed for India to achieve 0.8 Human Development Index score.
- India now stands at 4th in wind power, 5th in solar power and 5th in renewable power installed capacity.
- Rs 50,000 crore saved and 108.28 million tonnes of CO2 emissions reduced by energy efficiency programmes in India.
- Share of renewable (excluding hydro above 25 MW) in total electricity generation increased from 6% in 2014-15 to 10% in 2018-19.
- Thermal power still plays a dominant role at 60% share.
- Market share of electric cars only 0.06% in India while it is 2% in China and 39% in Norway.
- Access to fast battery charging facilities needed to increase the market share of electric vehicles.

## **Effective Use of Technology for Welfare Schemes – Case of MGNREGS**

- Survey says that efficacy of MGNREGS increased with use of technology in streamlining it.
- Significant reduction in delays in the payment of wages with adoption of NeFMS and DBT in MGNREGS.
- Demand and supply of work under MGNREGS increased, especially in distressed districts.
- Vulnerable sections of the society viz. women, SC and ST workforce increased under MGNREGS during economic distress.

## **Redesigning a Minimum Wage System in India for Inclusive Growth**

- Survey proposes a well-designed minimum wage system as a potent tool for protecting workers and alleviating poverty.
- Present minimum wage system in India has 1,915 minimum wages for various scheduled job categories across states.
- 1 in every 3 wage workers in India not protected by the minimum wage law.
- Survey supports rationalization of minimum wages as proposed under the Code on Wages Bill.

- Minimum wages to all employments/workers proposed by the Survey.
- **'National Floor Minimum Wage'** should be notified by the Central Government, varying across five geographical regions.
- Minimum wages by states should be fixed at levels not lower than the 'floor wage'.
- Minimum wages can be notified based either on the skills or on geographical region or on both grounds.
- Survey proposes a simple and enforceable Minimum Wage System using technology.
- **'National level dashboard'** under the Ministry of Labour & Employment for regular notifications on minimum wages, proposed by the Survey.
- **Toll-free number** to register grievance on non-payment of the statutory minimum wages.
- Effective minimum wage policy as an inclusive mechanism for more resilient and sustainable economic development.

#### **State of the Economy in 2018-19: A Macro View**

- India still the fastest growing major economy in 2018-19.
- Growth of GDP moderated to 6.8 per cent in 2018-19 from 7.2 per cent in 2017-18.
- Inflation contained at 3.4 per cent in 2018-19.
- Non-Performing Assets as percentage of Gross Advances reduced to 10.1 per cent at end December 2018 from 11.5 per cent at end March 2018.
- Investment growth recovering since 2017-18:
  - Growth in fixed investment picked up from 8.3 per cent in 2016-17 to 9.3 per cent next year and further to 10.0 per cent in 2018-19.
- Current account deficit manageable at 2.1 percent of GDP.
- Fiscal deficit of Central Government declined from 3.5 percent of GDP in 2017-18 to 3.4 percent in 2018-19.
- Prospects of pickup in growth in 2019-20 on the back of further increase in private investment and acceleration in consumption.

#### **Fiscal Developments**

- FY 2018-19 ended with fiscal deficit at 3.4 per cent of GDP and debt to GDP ratio of 44.5 per cent (Provisional).
- As per cent of GDP, total Central Government expenditure fell by 0.3 percentage points in 2018-19 PA over 2017-18:
  - 0.4 percentage point reduction in revenue expenditure and 0.1 percentage point increase in capital expenditure.
- States' own tax and non-tax revenue displays robust growth in 2017-18 RE and envisaged to be maintained in 2018-19 BE.
- General Government (Centre plus states) on the path of fiscal consolidation and fiscal discipline.
- The revised fiscal glide path envisages achieving fiscal deficit of 3 per cent of GDP by FY 2020-21 and Central Government debt to 40 per cent of GDP by 2024-25.

#### **Money Management and Financial Intermediation**

- Banking system improved as NPA ratios declined and credit growth accelerated.

- Insolvency and Bankruptcy Code led to recovery and resolution of significant amount of distressed assets and improved business culture.
  - Till March 31, 2019, the CIRP yielded a resolution of 94 cases involving claims worth INR 1,73,359 crore.
  - As on 28 Feb 2019, 6079 cases involving INR 2.84 lakh crores have been withdrawn.
  - As per RBI reports, INR 50,000 crore received by banks from previously non-performing accounts.
  - Additional INR 50,000 crore "upgraded" from non-standard to standard assets.
- Benchmark policy rate first hiked by 50 bps and later reduced by 75 bps last year.
- Liquidity conditions remained systematically tight since September 2018 thus impacting the yields on government papers.
- Financial flows remained constrained because of decline in the equity finance raised from capital markets and stress in the NBFC sector.
  - Capital mobilized through public equity issuance declined by 81 per cent in 2018-19.
  - Credit growth rate y-o-y of the NBFCs declined from 30 per cent in March 2018 to 9 per cent in March 2019.

#### **Prices and Inflation**

- Headline inflation based on CPI-C continuing on its declining trend for fifth straight financial year remained below 4.0 per cent in the last two years.
- Food inflation based on Consumer Food Price Index (CFPI) also continuing on its declining trend for fifth financial year has remained below 2.0 per cent for the last two consecutive years.
- CPI-C based core inflation (CPI excluding the food and fuel group) has now started declining since March 2019 after increment during FY 2018-19 as compared to FY 2017-18.
- Miscellaneous, housing and fuel and light groups are the main contributors of headline inflation based on CPI-C during FY 2018-19 and the importance of services in shaping up headline inflation has increased.
- CPI rural inflation declined during FY 2018-19 over FY 2017-18. However, CPI urban inflation increased marginally during FY 2018-19. Many States witnessed fall in CPI inflation during FY 2018-19.

#### **Sustainable Development and Climate Change**

- India's SDG Index Score ranges between 42 and 69 for States and between 57 and 68 for UTs:
  - Kerala and Himachal Pradesh are the front runners with a score of 69 amongst states.
  - Chandigarh and Puducherry are the front runners with a score of 68 and 65 respectively among the UTs.
- **Namami Gange Mission** launched as a key policy priority towards achieving the SDG 6, with a budget outlay of INR. 20,000 crore for the period 2015-2020.

- For mainstreaming Resource Efficiency approach in the development pathway for achieving SDGs, a national policy on Resource Efficiency should be devised.
- A comprehensive NCAP launched in 2019 as a pan India time bound strategy for:
  - Prevention, control and abatement of air pollution
  - Augmenting the air quality monitoring network across the country.
- Achievements in CoP 24 in Katowice, Poland in 2018:
  - Recognition of different starting points for developed and developing countries.
  - Flexibilities for developing countries.
  - Consideration of principles including equity and Common but Differentiated Responsibilities and Respective Capabilities.
- Paris Agreement also emphasizes the role of climate finance without which the proposed NDCs would not fructify.
- Though the international community witnessed various claims by developed countries about climate finance flows, the actual amount of flows is far from these claims.
- Scale and size of investments required to implement India's NDC requires mobilizing international public finance and private sector resources along with domestic public budgets.

#### **External Sector**

- As per WTO, World trade growth slowed down to 3 per cent in 2018 from 4.6 per cent in 2017. Reasons:
  - Introduction of new and retaliatory tariff measures.
  - Heightened US-China trade tensions.
  - Weaker global economic growth.
  - Volatility in financial markets (WTO).
- In Indian rupee terms growth rate of exports increased owing to depreciation of the rupee while that of imports declined in 2018-19.
- Net capital inflows moderated in April-December of 2018-19 despite robust foreign direct investment (FDI) inflows, outweighed by withdrawals under portfolio investment.
- India's **External Debt** was US\$ 521.1 billion at end-December 2018, 1.6 per cent lower than its level at end-March 2018.
- The key external debt indicators reflect that India's external debt is not unsustainable.
- The **total liabilities-to-GDP ratio**, inclusive of both debt and non-debt components, has declined from 43 per cent in 2015 to about 38 per cent at end of 2018.
- The share of foreign direct investment has risen and that of net portfolio investment fallen in total liabilities, reflecting a transition to more stable sources of funding the current account deficit.
- The Indian Rupee traded in the range of 65-68 per US\$ in 2017-18 but depreciated to a range of 70-74 in 2018-19.
- The income terms of trade, a metric that measures the purchasing power to import, has been on a rising trend, possibly because the growth of crude prices has still not exceeded the growth of India's export prices.
- The exchange rate in 2018-19 has been more volatile than in the previous year, mainly due to volatility in crude prices, but not much due to net portfolio flows.

- Composition of India's exports and import basket in 2018-19(P):
  - **Exports** (including re-exports): INR23, 07,663 Cr.
  - **Imports**: INR35, 94,373 Cr.
  - **Top export items** continue to be Petroleum products, precious stones, drug formulations, gold and other precious metals.
  - **Top import items** continue to be Crude petroleum, pearl, precious, semi-precious stones and gold.
  - **India's main trading partners** continue to be the US, China, Hong Kong, the UAE and Saudi Arabia.

India has signed 28 bilateral / multilateral trade agreements with various country/group of countries. In 2018-19,

- Exports to these countries stood at US\$121.7 billion accounting for 36.9 per cent of India's total exports.
- Imports from these countries stood at US\$266.9 billion accounting for 52.0 per cent of India's total imports.

### **Agriculture and Food Management**

- Agriculture sector in India typically goes through cyclical movement in terms of its growth.
  - Gross Value Added (GVA) in agriculture improved from a negative 0.2 per cent in 2014-15 to 6.3 per cent in 2016-17 but decelerated to 2.9 per cent in 2018-19.
- Gross Capital Formation (GCF) in agriculture as percentage of GVA marginally declined to 15.2 per cent in 2017-18 as compared to 15.6 per cent in 2016-17.
- The public sector GCF in agriculture as a percentage of GVA increased to 2.7 per cent in 2016-17 from 2.1 per cent in 2013-14.
- Women's participation in agriculture increased to 13.9 per cent in 2015-16 from 11.7 per cent in 2005-06 and their concentration is highest (28 per cent) among small and marginal farmers.
- A shift is seen in the number of operational land holdings and area operated by operational land holdings towards small and marginal farmers.
- 89% of groundwater extracted is used for irrigation. Hence, focus should shift from land productivity to 'irrigation water productivity'. Thrust should be on micro-irrigation to improve water use efficiency.
- Fertilizer response ratio has been declining over time. Organic and natural farming techniques including Zero Budget Natural Farming (ZBNF) can improve both water use efficiency and soil fertility.
- Adopting appropriate technologies through Custom Hiring Centers and implementation of ICT are critical to improve resource-use efficiency among small and marginal farmers.
- Diversification of livelihoods is critical for inclusive and sustainable development in agriculture and allied sectors. Policies should focus on
  - Dairying as India is the largest producer of milk.
  - Livestock rearing particularly of small ruminants.
  - Fisheries sector, as India is the second largest producer.

### **Industry and Infrastructure**

- Overall Index of Eight Core Industries registered a growth rate of 4.3 percent in 2018-19.
- India's ranking improved by 23 to 77th position in 2018 among 190 countries assessed by the World Bank Doing Business (DB) Report, 2019.
- Road construction grew @ 30 km per day in 2018-19 compared to 12 km per day in 2014-15.
- Rail freight and passenger traffic grew by 5.33 per cent and 0.64 per cent respectively in 2018-19 as compared to 2017-18.
- Total telephone connections in India touched 118.34 crore in 2018-19
- The installed capacity of electricity has increased to 3, 56,100 MW in 2019 from 3, 44,002 MW in 2018.
- Public Private Partnerships are quintessential for addressing infrastructure gaps
- Building sustainable and resilient infrastructure has been given due importance with sector specific flagship programmes such as SAUBHAGYA scheme, PMAY etc
- Institutional mechanism is needed to deal with time-bound resolution of disputes in infrastructure sector

### **Services Sector**

- Services sector (excluding construction) has a share of 54.3 per cent in India's GVA and contributed more than half of GVA growth in 2018-19.
- The IT-BPM industry grew by 8.4 per cent in 2017-18 to US\$ 167 billion and is estimated to reach US\$ 181 billion in 2018-19.
- The services sector growth declined marginally to 7.5 per cent in 2018-19 from 8.1 per cent in 2017-18.
  - **Accelerated sub-sectors:** Financial services, real estate and professional services.
  - **Decelerated sub-sectors:** Hotels, transport, communication and broadcasting services.
- Services share in employment is 34 per cent in 2017.
- Tourism:
  - 10.6 million foreign tourists received in 2018-19 compared to 10.4 million in 2017-18.
  - Forex earnings from tourism stood at US\$ 27.7 billion in 2018-19 compared to US\$ 28.7 billion in 2017-18.

### **Social Infrastructure, Employment and Human Development**

- The public investments in social infrastructure like education, health, housing and connectivity is critical for inclusive development.
- Government expenditure (Centre plus States) as a percentage of GDP on
  - Health: increased to 1.5 per cent in 2018-19 from 1.2 per cent in 2014-15.
  - Education: increased from 2.8 per cent to 3 per cent during this period.
- Substantial progress in both quantitative and qualitative indicators of education is reflected in the improvements in Gross Enrolment Ratios, Gender Parity Indices and learning outcomes at primary school levels.
- Encouraging Skill Development by:

- Introduction of the skill vouchers as a financing instrument to enable youth obtain training from any accredited training institutes.
- Involving industry in setting up of training institutes in PPP mode; in curriculum development; provision of equipment; training of trainers etc.
- Personnel of Railways and para-military could be roped in for imparting training in difficult terrains.
- Create a database of Instructors, skill mapping of rural youth by involving local bodies to assess the demand-supply gaps are some of the other initiatives proposed.
- Net employment generation in the formal sector was higher at 8.15 lakh in March, 2019 as against 4.87 lakh in February, 2018 as per EPFO.
- Around 1, 90, 000 km of rural roads constructed under Pradhan Mantri Gram Sadak Yojana (PMGSY) since 2014.
- About 1.54 crore houses completed under Pradhan Mantri Awas Yojana (PMAY) as against a target of 1 crore pucca houses with basic amenities by 31st March, 2019.
- Accessible, affordable and quality healthcare being provided through National Health Mission and Ayushman Bharat scheme for a healthy India.
- Alternative healthcare, National AYUSH Mission launched to provide cost effective and equitable AYUSH healthcare throughout the country to address the issue of affordability, by improving access to these services.
- Employment generation scheme, MGNREGA is prioritized by increasing actual expenditure over the budgetary allocation and an upward trend in budget allocation in the last four years.

## **Key highlights of Union Budget 2019-20**

The Union Minister for Finance and Corporate Affairs Smt. Nirmala Sitharaman made her maiden Budget Speech today and presented the Union Budget 2019-20 before the Parliament. The key highlights of Union Budget 2019 are as follows:

### **10-point Vision for the decade**

- Building Team India with *Jan Bhagidari*: Minimum Government Maximum Governance.
- Achieving *green Mother Earth* and *Blue Skies* through a pollution-free India.
- Making Digital India reach every sector of the economy.
- Launching *Gaganyaan*, *Chandrayan*, other Space and Satellite programmes.
- Building physical and social infrastructure.
- Water, water management, clean rivers.
- Blue Economy.
- Self-sufficiency and export of food-grains, pulses, oilseeds, fruits and vegetables.

- Achieving a healthy society via **Ayushman Bharat**, well-nourished women & children, safety of citizens.
- Emphasis on MSMEs, Start-ups, defence manufacturing, automobiles, electronics, fabs and batteries, and medical devices under Make in India.

### **Towards a 5 Trillion Dollar Economy**

- “People’s hearts filled with *Aasha* (Hope), *Vishwas* (Trust), *Aakash* (Aspirations)”, says FM.
- Indian economy to become a 3 trillion dollar economy in the current year.
- Government aspires to make India a 5 trillion dollar economy.
- “India Inc. are India’s job-creators and nation’s wealth-creators”, says FM.
- Need for investment in:
  - Infrastructure.
  - Digital economy.
  - Job creation in small and medium firms.
- Initiatives to be proposed for kick-starting the virtuous cycle of investments.
- Common man’s life changed through **MUDRA** loans for ease of doing business.
- **Measures related to MSMEs:**
  - **Pradhan Mantri Karam Yogi Maandhan Scheme**
  - Pension benefits to about three crore retail traders & small shopkeepers with annual turnover less than Rs. 1.5 crore.
  - Enrolment to be kept simple, requiring only Aadhaar, bank account and a self-declaration.
    - Rs. 350 crore allocated for FY 2019-20 for 2% interest subvention (on fresh or incremental loans) to all GST-registered MSMEs, under the **Interest Subvention Scheme for MSMEs**.
    - **Payment platform for MSMEs** to be created to enable filing of bills and payment thereof, to eliminate delays in government payments.
- India’s first indigenously developed payment ecosystem for transport, based on **National Common Mobility Card (NCMC)** standards, launched in March 2019.
- Inter-operable transport card runs on RuPay card and would allow the holders to pay for bus travel, toll taxes, parking charges, retail shopping.
- Massive push given to all forms of physical connectivity through:
  - *Pradhan Mantri Gram Sadak Yojana*.
  - Industrial Corridors, Dedicated Freight Corridors.
  - *Bhartamala* and *Sagarmala* projects, *Jal Marg Vikas* and *UDAN* Schemes.
- State road networks to be developed in second phase of **Bharatmala** project.
- Navigational capacity of Ganga to be enhanced via multi modal terminals at *Sahibganj* and *Haldia* and a navigational lock at *Farakka* by 2019-20, under **Jal Marg Vikas Project**.
- Four times increase in next four years estimated in the cargo volume on Ganga, leading to cheaper freight and passenger movement and reducing the import bill.
- Rs. 50 lakh crore investment needed in **Railway Infrastructure** during 2018-2030.

- Public-Private-Partnership proposed for development and completion of tracks, rolling stock manufacturing and delivery of passenger freight services.
- 657 kilometers of Metro Rail network has become operational across the country.
- Policy interventions to be made for the development of **Maintenance, Repair and Overhaul (MRO)**, to achieve self-reliance in aviation segment.
- Regulatory roadmap for making India a hub for aircraft financing and leasing activities from Indian shores, to be laid by the Government.
- Outlay of Rs. 10,000 crore for 3 years approved for Phase-II of **FAME** Scheme.
- Upfront incentive proposed on purchase and charging infrastructure, to encourage faster adoption of Electric Vehicles.
- Only advanced-battery-operated and registered e-vehicles to be incentivized under FAME Scheme.
- **National Highway Programme** to be restructured to ensure a *National Highway Grid*, using a financeable model.
- Power at affordable rates to states ensured under '**One Nation, One Grid**'.
- Blueprints to be made available for gas grids, water grids, i-ways, and regional airports.
- High Level Empowered Committee (HLEC) recommendations to be implemented:
  - Retirement of old & inefficient plants.
  - Addressing low utilization of gas plant capacity due to paucity of Natural Gas.
- Cross subsidy surcharges, undesirable duties on open access sales or captive generation for industrial and other bulk power consumers to be removed under **Ujjwal DISCOM Assurance Yojana (UDAY)**.
- Package of power sector tariff and structural reforms to be announced soon.
- Reform measures to be taken up to promote **rental housing**.
- **Model Tenancy Law** to be finalized and circulated to the states.
- *Joint development* and *concession* mechanisms to be used for public infrastructure and affordable housing on land parcels held by the Central Government and CPSEs.
  
- **Measures to enhance the sources of capital for infrastructure financing:**
  - **Credit Guarantee Enhancement Corporation** to be set up in 2019-2020.
  - Action plan to be put in place to deepen the market for long term bonds with focus on infrastructure.
  - Proposed transfer/sale of investments by FIIs/FPIs (in debt securities issued by IDF-NBFCs) to any domestic investor within the specified lock-in period.
- **Measures to deepen bond markets:**
  - Stock exchanges to be enabled to allow AA rated bonds as collaterals.
  - User-friendliness of trading platforms for corporate bonds to be reviewed.
- **Social stock exchange:**
  - Electronic fund raising platform under the regulatory ambit of SEBI.
  - Listing social enterprises and voluntary organizations.
  - To raise capital as equity, debt or as units like a mutual fund.
- SEBI to consider raising the threshold for minimum public shareholding in the listed companies from 25% to 35%.

- Know Your Customer (KYC) norms for Foreign Portfolio Investors to be made more investor friendly.
- Government to supplement efforts by RBI to get retail investors to invest in government treasury bills and securities, with further institutional development using stock exchanges.
- **Measures to make India a more attractive FDI destination:**
  - FDI in sectors like aviation, media (animation, AVGC) and insurance sectors can be opened further after multi-stakeholder examination.
  - Insurance Intermediaries to get 100% FDI.
  - Local sourcing norms to be eased for FDI in Single Brand Retail sector.
- Government to organize an annual Global Investors Meet in India, using National Infrastructure Investment Fund (NIIF) as an anchor to get all three sets of global players (pension, insurance and sovereign wealth funds).
- Statutory limit for FPI investment in a company is proposed to be increased from 24% to sectoral foreign investment limit. Option to be given to the concerned corporate to limit it to a lower threshold.
- FPIs to be permitted to subscribe to listed debt securities issued by ReITs and InvITs.
- NRI-Portfolio Investment Scheme Route is proposed to be merged with the Foreign Portfolio Investment Route.
- Cumulative resources garnered through new financial instruments like Infrastructure Investment Trusts (InvITs), Real Estate Investment Trusts (REITs) as well as models like Toll-Operate-Transfer (ToT) exceed Rs. 24,000 crore.
- **New Space India Limited (NSIL)**, a PSE, incorporated as a new commercial arm of Department of Space.
- To tap the benefits of the Research & Development carried out by ISRO like commercialization of products like launch vehicles, transfer to technologies and marketing of space products.

### **Direct Taxes**

- Tax rate reduced to 25% for companies with annual turnover up to Rs. 400 crore
- Surcharge increased on individuals having taxable income from Rs. 2 crore to Rs. 5 crore and Rs. 5 crore and above.
- India's Ease of Doing Business ranking under the category of 'paying taxes' jumped from 172 in 2017 to 121 in the 2019.
- Direct tax revenue increased by over 78% in past 5 years to Rs. 11.37 lakh crore

### **Tax Simplification and Ease of living** - making compliance easier by leveraging technology:

- **Interchangeability of PAN and Aadhaar**
  - Those who don't have PAN can file tax returns using Aadhaar.
  - Aadhaar can be used wherever PAN is required.
- **Pre-filling of Income-tax Returns** for faster, more accurate tax returns

- Pre-filled tax returns with details of several incomes and deductions to be made available.
- Information to be collected from Banks, Stock exchanges, mutual funds etc.
- **Faceless e-assessment**
  - Faceless e-assessment with no human interface to be launched.
  - To be carried out initially in cases requiring verification of certain specified transactions or discrepancies.

#### **Affordable housing**

- Additional deduction up to Rs. 1.5 lakhs for interest paid on loans borrowed up to 31st March, 2020 for purchase of house valued up to Rs. 45 lakh.
  - Overall benefit of around Rs. 7 lakh over loan period of 15 years.

#### **Boost to Electric Vehicles**

- Additional income tax deduction of Rs. 1.5 lakh on interest paid on electric vehicle loans.
- Customs duty exempted on certain parts of electric vehicles.

#### **Other Direct Tax measures**

- Simplification of tax laws to reduce genuine hardships of taxpayers:
  - Higher tax threshold for launching prosecution for non-filing of returns
  - Appropriate class of persons exempted from the anti-abuse provisions of Section 50CA and Section 56 of the Income Tax Act.

#### **Relief for Start-ups**

- Capital gains exemptions from sale of residential house for investment in start-ups extended till FY21.
- 'Angel tax' issue resolved- start-ups and investors filing requisite declarations and providing information in their returns not to be subjected to any kind of scrutiny in respect of valuations of share premiums.
- Funds raised by start-ups to not require scrutiny from Income Tax Department
  - E-verification mechanism for establishing identity of the investor and source of funds.
- Special administrative arrangements for pending assessments and grievance redressal
  - No inquiry in such cases by the Assessing Officer without obtaining approval of the supervisory officer.
- No scrutiny of valuation of shares issued to Category-II Alternative Investment Funds.
- Relaxation of conditions for carry forward and set off of losses.

#### **NBFCs**

- Interest on certain bad or doubtful debts by deposit taking as well as systemically important non-deposit taking NBFCs to be taxed in the year in which interest is actually received.

#### **International Financial Services Centre (IFSC)**

- Direct tax incentives proposed for an IFSC:
  - 100 % profit-linked deduction in any ten-year block within a fifteen-year period.
  - Exemption from dividend distribution tax from current and accumulated income to companies and mutual funds.
  - Exemptions on capital gain to Category-III Alternative Investment Funds (AIFs).

- Exemption to interest payment on loan taken from non-residents.

### **Securities Transaction Tax (STT)**

- STT restricted only to the difference between settlement and strike price in case of exercise of options.

### **Indirect Taxes**

#### **Make In India**

- Basic Customs Duty increased on cashew kernels, PVC, tiles, auto parts, marble slabs, optical fibre cable, CCTV camera etc.
- Exemptions from Custom Duty on certain electronic items now manufactured in India withdrawn.
- End use based exemptions on palm stearin, fatty oils withdrawn.
- Exemptions to various kinds of papers withdrawn.
- 5% Basic Custom Duty imposed on imported books.
- Customs duty reduced on certain raw materials such as:
  - Inputs for artificial kidney and disposable sterilised dialyser and fuels for nuclear power plants etc.
  - Capital goods required for manufacture of specified electronic goods.

#### **Defence**

- Defence equipment not manufactured in India exempted from basic customs duty

#### **Other Indirect Tax provisions**

- Export duty rationalised on raw and semi-finished leather
- Increase in Special Additional Excise Duty and Road and Infrastructure Cess each by Rs. 1 per litre on petrol and diesel
- Custom duty on gold and other precious metals increased
- Legacy Dispute Resolution Scheme for quick closure of pending litigations in Central Excise and Service tax from pre-GST regime

#### **Grameen Bharat / Rural India**

- **Ujjwala** Yojana and **Saubhagya** Yojana have transformed the lives of every rural family, dramatically improving ease of their living.
- Electricity and clean cooking facility to all willing rural families by 2022.
- **Pradhan Mantri Awas Yojana – Gramin** (PMAY-G) aims to achieve "Housing for All" by 2022:
  - Eligible beneficiaries to be provided 1.95 crore houses with amenities like toilets, electricity and LPG connections during its second phase (2019-20 to 2021-22).
- **Pradhan Mantri Matsya Sampada Yojana (PMMSY)**
  - A robust fisheries management framework through PMMSY to be established by the Department of Fisheries.
  - To address critical gaps in the value chain including infrastructure, modernization, traceability, production, productivity, post-harvest management, and quality control.
- **Pradhan Mantri Gram Sadak Yojana (PMGSY)**

- Target of connecting the eligible and feasible habitations advanced from 2022 to 2019 with 97% of such habitations already being provided with all weather connectivity.
- 30,000 kilometers of PMGSY roads have been built using Green Technology, Waste Plastic and Cold Mix Technology, thereby reducing carbon footprint.
- 1,25,000 kilometers of road length to be upgraded over the next five years under PMGSY III with an estimated cost of Rs. 80,250 crore.
- **Scheme of Fund for Upgradation and Regeneration of Traditional Industries' (SFURTI)**
  - Common Facility Centres (CFCs) to be setup to facilitate cluster based development for making traditional industries more productive, profitable and capable for generating sustained employment opportunities.
  - 100 new clusters to be setup during 2019-20 with special focus on Bamboo, Honey and Khadi, enabling 50,000 artisans to join the economic value chain.
- **Scheme for Promotion of Innovation, Rural Industry and Entrepreneurship' (ASPIRE) consolidated.**
  - 80 Livelihood Business Incubators (LBIs) and 20 Technology Business Incubators (TBIs) to be setup in 2019-20.
  - 75,000 entrepreneurs to be skilled in agro-rural industry sectors.
- Private entrepreneurship to be supported in driving value-addition to farmers' produce from the field and for those from allied activities.
- Dairying through cooperatives to be encouraged by creating infrastructure for cattle feed manufacturing, milk procurement, processing & marketing.
- 10,000 new **Farmer Producer Organizations** to be formed, to ensure economies of scale for farmers.
- Government to work with State Governments to allow farmers to benefit from e-NAM.
- **Zero Budget Farming** in which few states' farmers are already being trained to be replicated in other states.
- **India's water security**
  - New Jal Shakti Mantralaya to look at the management of our water resources and water supply in an integrated and holistic manner
  - Jal Jeevan Mission to achieve Har Ghar Jal (piped water supply) to all rural households by 2024
  - To focus on integrated demand and supply side management of water at the local level.
  - Convergence with other Central and State Government Schemes to achieve its objectives.
  - 1592 critical and over exploited Blocks spread across 256 District being identified for the Jal Shakti Abhiyan.
  - Compensatory Afforestation Fund Management and Planning Authority (CAMPA) fund can be used for this purpose.
- **Swachh Bharat Abhiyan**
  - 9.6 crore toilets constructed since Oct 2, 2014.

- More than 5.6 lakh villages have become Open Defecation Free (ODF).
- Swachh Bharat Mission to be expanded to undertake sustainable solid waste management in every village.
- **Pradhan Mantri Gramin Digital Saksharta Abhiyan,**
  - Over two crore rural Indians made digitally literate.
  - Internet connectivity in local bodies in every Panchayat under Bharat-Net to bridge rural-urban divide.
  - Universal Obligation Fund under a PPP arrangement to be utilized for speeding up Bharat-Net.

### **Shahree Bharat/Urban India**

- **Pradhan Mantri Awas Yojana – Urban (PMAY-Urban)-**
  - Over 81 lakh houses with an investment of about Rs. 4.83 lakh crore sanctioned of which construction started in about 47 lakh houses.
  - Over 26 lakh houses completed of which nearly 24 lakh houses delivered to the beneficiaries.
  - Over 13 lakh houses so far constructed using new technologies.
- More than 95% of cities also declared Open Defecation Free (ODF).
- Almost 1 crore citizens have downloaded Swachhata App.
- Target of achieving Gandhiji's resolve of **Swachh Bharat** to make India ODF by 2nd October 2019.
  - To mark this occasion, the **Rashtriya Swachhta Kendra** to be inaugurated at Gandhi Darshan, Rajghat on 2nd October, 2019.
  - **Gandhipedia** being developed by National Council for Science Museums to sensitize youth and society about positive Gandhian values.
- Railways to be encouraged to invest more in suburban railways through SPV structures like Rapid Regional Transport System (RRTS) proposed on the Delhi-Meerut route.
- Proposal to enhance the metro-railway initiatives by:
  - Encouraging more PPP initiatives.
  - Ensuring completion of sanctioned works.
  - Supporting transit oriented development (TOD) to ensure commercial activity around transit hubs.

### **Youth**

- **New National Education Policy** to be brought which proposes
  - Major changes in both school and higher education
  - Better Governance systems
  - Greater focus on research and innovation.
- **National Research Foundation (NRF)** proposed
  - To fund, coordinate and promote research in the country.
  - To assimilate independent research grants given by various Ministries.
  - To strengthen overall research eco-system in the country
  - This would be adequately supplemented with additional funds.

- Rs. 400 crore provided for “**World Class Institutions**”, for FY 2019-20, more than three times the revised estimates for the previous year.
- ‘**Study in India**’ proposed to bring foreign students to study in Indian higher educational institutions.
- Regulatory systems of higher education to be reformed comprehensively:
  - To promote greater autonomy.
  - To focus on better academic outcomes.
- Draft legislation to set up **Higher Education Commission of India (HECI)**, to be presented.
- **Khelo India Scheme** to be expanded with all necessary financial support.
- **National Sports Education Board** for development of sportspersons to be set up under Khelo India, to popularize sports at all levels
- To prepare youth for overseas jobs, focus to be increased on globally valued skill-sets including language training, AI, IoT, Big Data, 3D Printing, Virtual Reality and Robotics.
- Set of four labour codes proposed, to streamline multiple labour laws to standardize and streamline registration and filing of returns.
- A television program proposed exclusively for and by start-ups, within the DD bouquet of channels.
- **Stand-Up India Scheme** to be continued for the period of 2020-25. The Banks to provide financial assistance for demand based businesses.

### **Ease of Living**

- About 30 lakh workers joined the **Pradhan Mantri Shram Yogi Maandhan Scheme** that provides Rs. 3,000 per month as pension on attaining the age of 60 to workers in unorganized and informal sectors.
- Approximately 35 crore LED bulbs distributed under **UJALA Yojana** leading to cost saving of Rs. 18,341 crore annually.
- Solar stoves and battery chargers to be promoted using the approach of LED bulbs mission.
- A massive program of railway station modernization to be launched.

### **Naari Tu Narayani/Women**

- Approach shift from women-centric-policy making to women-led initiatives and movements.
- A Committee proposed with Government and private stakeholders for moving forward on Gender budgeting.
- SHG:
  - Women SHG interest subvention program proposed to be expanded to all districts.
  - Overdraft of Rs. 5,000 to be allowed for every verified women SHG member having a Jan Dhan Bank Account.
  - One woman per SHG to be eligible for a loan up to Rs. 1 lakh under MUDRA Scheme.

## **India's Soft Power**

- Proposal to consider issuing Aadhaar Card for NRIs with Indian Passports on their arrival without waiting for 180 days.
- Mission to integrate traditional artisans with global markets proposed, with necessary patents and geographical indicators.
- 18 new Indian diplomatic Missions in Africa approved in March, 2018, out of which 5 already opened. Another 4 new Embassies intended in 2019-20.
- Revamp of Indian Development Assistance Scheme (IDEAS) proposed.
- 17 iconic Tourism Sites being developed into model world class tourist destinations.
- Present digital repository aimed at preserving rich tribal cultural heritage, to be strengthened.

## **Banking and Financial Sector**

- NPAs of commercial banks reduced by over Rs. 1 lakh crore over the last year.
- Record recovery of over Rs. 4 lakh crore effected over the last four years.
- Provision coverage ratio at its highest in seven years.
- Domestic credit growth increased to 13.8%.
- **Measures related to PSBs:**
  - Rs. 70,000 crore proposed to be provided to PSBs to boost credit.
  - PSBs to leverage technology, offering online personal loans and doorstep banking, and enabling customers of one PSBs to access services across all PSBs.
  - Steps to be initiated to empower accountholders to have control over deposit of cash by others in their accounts.
  - Reforms to be undertaken to strengthen governance in PSBs.
- **Measures related to NBFCs:**
  - Proposals for strengthening the regulatory authority of RBI over NBFCs to be placed in the Finance Bill.
  - Requirement of creating a Debenture Redemption Reserve will be done away with to allow NBFCs to raise funds in public issues.
  - Steps to allow all NBFCs to directly participate on the TReDS platform.
- Return of regulatory authority from NHB to RBI proposed, over the housing finance sector.
- Rs. 100 lakh crore investment in infrastructure intended over the next five years. Committee proposed to recommend the structure and required flow of funds through development finance institutions.
- Steps to be taken to separate the NPS Trust from PFRDA.
- Reduction in Net Owned Fund requirement from Rs. 5,000 crore to Rs. 1,000 crore proposed:
  - To facilitate on-shoring of international insurance transactions.
  - To enable opening of branches by foreign reinsurers in the International Financial Services Centre.

- **Measures related to CPSEs:**
  - Target of Rs. 1, 05,000 crore of disinvestment receipts set for the FY 2019-20.
  - Government to reinstate the process of strategic disinvestment of Air India, and to offer more CPSEs for strategic participation by the private sector.
  - Government to undertake strategic sale of PSUs and continue to consolidate PSUs in the non-financial space.
  - Government to consider going to an appropriate level below 51% in PSUs where the government control is still to be retained, on case to case basis.
  - Present policy of retaining 51% Government stake to be modified to retaining 51% stake inclusive of the stake of Government controlled institutions.
  - Retail participation in CPSEs to be encouraged.
  - To provide additional investment space:
- Government to realign its holding in CPSEs
- Banks to permit greater availability of its shares and to improve depth of its market.
  - Government to offer an investment option in ETFs on the lines of Equity Linked Savings Scheme (ELSS).
  - Government to meet public shareholding norms of 25% for all listed PSUs and raise the foreign shareholding limits to maximum permissible sector limits for all PSU companies which are part of Emerging Market Index.
- Government to raise a part of its gross borrowing program in external markets in external currencies. This will also have beneficial impact on demand situation for the government securities in domestic market.
- New series of coins of One Rupee, Two Rupees, Five Rupees, Ten Rupees and Twenty Rupees, easily identifiable to the visually impaired to be made available for public use shortly.

### **Digital Payments**

- TDS of 2% on cash withdrawal exceeding Rs. 1 crore in a year from a bank account
- Business establishments with annual turnover more than Rs. 50 crore shall offer low cost digital modes of payment to their customers and no charges or Merchant Discount Rate shall be imposed on customers as well as merchants.

### **Mega Investment in Sunrise and Advanced Technology Areas**

- Scheme to invite global companies to set up mega-manufacturing plants in areas such as Semi-conductor Fabrication (FAB), Solar Photo Voltaic cells, Lithium storage batteries, Computer Servers, Laptops, etc
  - Investment linked income tax exemptions to be provided along with indirect tax benefits.

### **Achievements during 2014-19**

- 1 trillion dollar added to Indian economy over last 5 years (compared to over 55 years taken to reach the first trillion dollar).
- India is now the 6th largest economy in the world, compared to 11th largest five years ago.

- Indian economy is globally the 3rd largest in Purchasing Power Parity (PPP) terms.
- Strident commitment to fiscal discipline and a rejuvenated Centre-State dynamic provided during 2014-19.
- Structural reforms in indirect taxation, bankruptcy and real estate carried out.
- Average amount spent on food security per year almost doubled during 2014-19 compared to 2009-14.
- Patents issued more than trebled in 2017-18 as against the number in 2014.
- Ball set rolling for a New India, planned and assisted by the NITI Aayog.

#### **Roadmap for future**

- Simplification of procedures.
- Incentivizing performance.
- Red-tape reduction.
- Making the best use of technology.
- Accelerating mega programmes and services initiated and delivered so far.

## **Amendment to POCSO Act, 2012**

In a historic decision to protect the children from Sexual offences, the Union Cabinet chaired by Prime Minister Narendra Modi has approved the Amendments in the Protection of Children from Sexual Offences (POCSO) Act, 2012.

It will make punishment more stringent for committing sexual crimes against children including death penalty. The amendments also provide for levy of fines and imprisonment to curb child pornography.

#### **Impact**

- The amendment is expected to discourage the trend of child sexual abuse by acting as a deterrent due to strong penal provisions incorporated in the Act.
- It intends to protect the interests of vulnerable children in times of distress and ensures their safety and dignity.
- The amendment is aimed to establish clarity regarding the aspects of child abuse and punishment thereof.

#### **Background**

The POCSO Act, 2012 was enacted to Protect the Children from Offences of Sexual Assault, Sexual harassment and pornography with due regard for safeguarding the interest and well-being of children. The Act defines a child as any person below eighteen years of age, and regards the best interests and welfare of the child as matter of paramount importance at every stage, to ensure the healthy physical, emotional, intellectual and social development of the child. The act is gender neutral.

## **Inter-State River Water Disputes (Amendment) Bill, 2019**

The Union Cabinet chaired by Prime Minister Narendra Modi has approved the Inter-State River Water Disputes (Amendment) Bill, 2019 for adjudication of disputes relating to waters of inter-State rivers and river valley thereof.

It will further streamline the adjudication of inter-State river water disputes. The Bill seeks to amend the Inter State River Water Disputes Act, 1956 with a view to streamline the adjudication of inter-state river water disputes and make the present institutional architecture robust.

### **Impact -**

- Constitution of a single tribunal with different benches along with fixation of strict timelines for adjudication will result expeditious resolution of disputes relating to inter-state rivers. The amendments in the Bill will speed up the adjudication of water disputes referred to it.
- When any request under the Act is received from any State Government in respect of any water dispute on the inter-State rivers and the Central government is of the opinion that the water dispute cannot be settled by negotiations, the Central Government constitutes a Water Disputes Tribunal for the adjudication of the water dispute.

## **Pradhan Mantri Gram Sadak Yojana - III**

In a major boost to rural road connectivity across the country, the Cabinet Committee on Economic Affairs, chaired by the Prime Minister Shri Narendra Modi, has given its approval for the launch of Pradhan Mantri Gram Sadak Yojana-III (PMGSY-III). It involves consolidation of Through Routes and Major Rural Links connecting habitations to Gramin Agricultural Markets (GrAMs), Higher Secondary Schools and Hospitals.

Under the PMGSY-III Scheme, it is proposed to consolidate 1,25,000 Km road length in the States. The Scheme will also include Through Routes and Major Rural Links that connect habitations to Gramin Agricultural Markets (GrAMs), Higher Secondary Schools and Hospitals.

### **Impact**

- This would facilitate easy and faster movement to and from Gramin Agricultural Markets (GrAMs), Higher Secondary Schools and Hospitals.
- Roads constructed under PMGSY would also be maintained properly.

### **Financial Implications**

- It will entail an estimated cost of Rs 80,250 crore (Central Share-Rs. 53,800 crore, State Share- Rs 26,450 crore).
- The funds would be shared in the ratio of 60:40 between the Centre and State for all States except for 8 North Eastern and 3 Himalayan States (Jammu & Kashmir, Himachal Pradesh & Uttarakhand) for which it is 90:10.

### **Implementation**

- Project period: 2019-20 to 2024-25.
- Selection of candidate roads based on the sum total of the marks obtained by particular road on the basis of parameters of population served, market, educational and medical facilities, etc.
- Construction of bridges upto 150 m in plain areas and 200 m in Himalayan and NE States proposed, as against the existing provisions of 75 m and 100 m in plain areas and Himalayan and NE States respectively.
- The States shall be asked to enter into a Memorandum of Understanding (MoU) before launching of PMGSY-III in the concerned State for providing adequate funds for maintenance of roads constructed under PMGSY post 5-year construction maintenance period.

### **Progress under PMGSY**

A total of 5,99,090 Km road length has been constructed under the scheme since inception till April, 2019 (inclusive of PMGSY-I, PMGSY-II and RCPLWEA Scheme).

### **Background**

PMGSY-III scheme was announced by the Finance Minister in Budget Speech for the year 2018-19.

The CCEA in its meeting held on 9th August, 2018 approved continuation of PMGSY-I & II beyond 12th Five Year Plan and covering of balance eligible habitations under PMGSY-I by March 2019, PMGSY-II, and habitations under identified LWE blocks (100-249 population) by March 2020.

### **PMGSY-I**

PMGSY was launched in December, 2000 with an objective to provide single all-weather road connectivity to eligible unconnected habitation of designated population size (500+ in plain areas and 250+ in North-East, hill, tribal and desert areas as per Census, 2001) for overall socio-economic development of the areas. 97% of the eligible and feasible habitations have already been connected by all-weather road.

### **Road Connectivity Project for Left Wing Extremism Area (RCPLWEA)**

Government launched Road Connectivity Project for Left Wing Extremism affected Areas in the year 2016 as a separate vertical under PMGSY to provide all-weather road connectivity with necessary culverts and cross-drainage structures in 44 districts (35 are worst LWE affected

districts and 09 are adjoining districts), which are critical from security and communication point of view. Under the Scheme, 5,066 Km road length has been sanctioned.

## **Draft Model Tenancy Act 2019**

The Draft MTA will also promote growth of rental housing and investment in the sector and promote entrepreneurial opportunities and innovative mechanism of sharing of space. This MTA will be applicable prospectively and will not affect the existing tenancies.

### **Features -**

- MTA stipulates a robust grievance redressal mechanism comprising of Rent Authority, Rent Court and Rent Tribunal.
- It has been proposed to cap the security deposit equal to a maximum of two month's rent in case of residential properties and, a minimum of one month's rent in case of non-residential property.
- After coming into force of this Act, no person shall let or take on rent any premises except by an agreement in writing.
- The Model Act provides for its applicability for the whole of the State i.e. urban as well as rural areas in the State.
- Within two months of executing rental agreement both landowner and tenant are required to intimate to the Rent Authority about the agreement and within seven days a unique identification number will be issued by the Rent Authority to both the parties.
- A digital platform will be set up in the local vernacular language of the State for submitting tenancy agreement and other documents.
- Once finalized the Model Act will be shared with the States/Union Territory (UTs) for adoption.

## **Code on Wages Bill, 2019**

The Minister of State (I/C) for Labour and Employment introduced The Code on Wages Bill, 2019 in Lok Sabha to amend and consolidate the laws relating to wages and bonus and matters connected therewith.

### **Details -**

The Code on Wages Bill, 2019 subsumes relevant provisions of The Minimum Wages Act, 1948, The Payment of Wages Act, 1936, The Payment of Bonus Act, 1965 and The Equal

Remuneration Act, 1976. **After the enactment of the Code on Wages, all these four Acts will get repealed.**

### **Features -**

The salient features of the Code are as following -

- The Code on Wage universalizes the provisions of minimum wages and timely payment of wages to all employees irrespective of the sector and wage ceiling.
- At present, the provisions of both Minimum Wages Act and Payment of Wages Act apply on workers below a particular wage ceiling working in Scheduled Employments only.
- This would ensure "Right to Sustenance" for every worker and intends to increase the legislative protection of minimum wage from existing about 40% to 100% workforce.
- This would ensure that every worker gets minimum wage which will also be accompanied by an increase in the purchasing power of the worker thereby giving fillip to growth in the economy.
- Introduction of statutory Floor Wage to be computed based on minimum living conditions, will extend qualitative living conditions across the country to about 50 crore workers.
- It is envisaged that the states to notify payment of wages to the workers through digital mode.

## **Protection of Human Rights (Amendment) Bill, 2019**

### **Details -**

The Protection of Human Rights (Amendment) Bill, 2019, inter alia, provides -

- that a person who has been a Judge of the Supreme Court is also made eligible to be appointed as Chairperson of the Commission in addition to the person who has been the Chief Justice of India;
- to increase the Members of the Commission from two to three of which, one shall be a woman;
- to include Chairperson of the National Commission for Backward Classes, Chairperson of the National Commission for the Protection of Child Rights and the Chief Commissioner for Persons with Disabilities as deemed Members of the Commission;
- to reduce the term of the Chairperson and Members of the Commission and the State Commissions from five to three years and shall be eligible for re-appointment;
- to provide that a person who has been a Judge of the High Court is also made eligible to be appointed as Chairperson of the State Commission in addition to the person who has been the Chief Justice of the High Court; and,

- to confer upon State Commissions, the functions relating to human rights being discharged by the Union territories, other than the Union territory of Delhi, which will be dealt with by the Commission.

## Paramarsh

The Union Ministry for Human Resource Development has launched '**Paramarsh**' – a University Grants Commission (UGC) scheme for Mentoring National Accreditation and Assessment Council (NAAC) Accreditation Aspirant Institutions to promote Quality Assurance in Higher Education.

### Details -

- The scheme will be a paradigm shift in the concept of mentoring of institution by another well performing institution to upgrade their academic performance and enable them to get accredited by focusing in the area of curricular aspects, teaching-learning & evaluation, research, innovation, institutional values & practices etc. The scheme is expected to have a major impact in addressing a national challenge of improving the quality of Higher Education in India.
- This "**Paramarsh**" scheme will target 1000 Higher Education Institutions for mentoring with a specific focus on quality as enumerated in the UGC "Quality Mandate". Mentor-Mentee relationship will not only benefit both the institutions but also provide quality education to the 3.6 crore students who are enrolling to Indian Higher Education system at present.

## Unlawful Activities (Prevention) Amendment Bill, 2019

Lok Sabha has recently passed the amendments to the UAPA.

### The amendments -

- Currently as per section 25 of the UAPA, forfeiture of property representing proceeds of terrorism can only be made with prior approval in writing by the DGPs of the state wherein such property is located. This Amendment empowers DG NIA to forfeit a property which represents proceeds of terrorism in relation to an investigation being conducted by NIA.
- As per section 43 of UAPA, an officer not below the rank of DSP or equivalent is competent to investigate offences under Chapter IV and Chapter VI of the UAPA. The

amendments to this section are being proposed to make the inspectors of NIA competent to investigate offences punishable under Chapter IV and Chapter VI of UAPA.

## **Atal Communication Innovation Centres** **launched**

ACIC is a new initiative of Atal Innovation Mission to support community innovation drive in the country. The program is directed to encourage the spirit of innovation through solution driven design thinking to serve the society. It will focus on underserved/ unserved regions of the country which at present lack a vibrant start-up and innovation ecosystem. ACIC will be established either in PPP mode or with support of PSUs and other agencies. The maximum grant-in-aid support from AIM will be up to 2.5 crores subject following compliance to ACIC guidelines and contributing matching from the host institutions and their funding partner(s).

### **Features -**

Following are the distinguishing features of the program:

1. Enabling infrastructure for building innovation ecosystem in above proposed areas.
2. Community oriented approach to innovation by enabling solutions through advanced tinkering
3. Offer opportunities to innovators to ideate in areas of societal importance
4. Capacity building of communities in evolving technologies and taking their solutions from ideation to prototype.
5. Promoting design thinking process to spur innovation
6. Providing a framework to engage local industries to facilitate the offering of innovative solutions in their products, services and processes
7. Public Private Partnership (PPP) mode to ensure financial sustainability and participation of central agencies, PSUs etc. to mobilize resources for running the program
8. Offer an opportunity for everyone to innovate, ideate and design impactful solutions, irrespective of their age.
9. One of the unique features of this program wherein talented students and youth of ITI and Diploma will be offered opportunity to display their and build innovative solutions through ACIC.
10. The program will offer a big leapfrog jump towards establishing Indian for further scale up the ranking in Global Innovation Index.