



PRS Capsule - January 2023

Key Highlights of PRS

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Governance

Key Achievements of the Government

- Recently, [President of India](#) in a joint sitting of both [Houses of Parliament](#), outlined the major achievements of the government.

What are the Major Achievements?

- **Economy:**
 - India has become the **fifth largest economy in the world.**
 - Measures such as [Direct Benefit Transfer \(DBT\)](#), [Goods and Services Tax \(GST\)](#), and faceless assessment have **improved financial transparency and accountability.**
- **Health:**
 - More than 50 crore individuals have received **free treatment under [PM Ayushman Bharat Yojana](#)**, 50% of whom are women.
- **Environment:**
 - The **target of non-fossil fuels accounting for 40% of the electricity generation capacity was achieved** nine years ahead of its scheduled year-2023.
- **External Affairs:**
 - India has **assumed presidency of the [G-20](#)**, and will work towards finding collective solutions to global problems.
 - G-20 meetings will be held across the country throughout the year.

Draft Amendments to IT Rules for Regulating Fake News and Online Gaming

- The MeitY released **draft Amendments to the [Information Technology \(Intermediary Guidelines and Media Ethics Code\) Rules, 2021 \(IT Rules\)](#)** notified under the **[Information Technology Act, 2000](#)**.
 - The Act protects intermediaries from liability for third-party content if they comply with certain requirements and the 2021 Rules specify certain due diligence requirements of the intermediaries.

What are the Amendments Proposed?

- **Regulating False Information and Online Games:**
 - The **IT Rules, 2021** specify restrictions on the types of content that users are allowed to create, upload, or share.
 - The draft **Amendments add that all intermediaries (including online gaming intermediaries) must take reasonable efforts** to ensure that users do not:
 - **Publish any information that is identified as false or fake** by the fact-check unit of the Press Information Bureau or any agency authorised by the central government, or
 - **Host an online game not in conformity with any law.**
- **Online Games:**
 - The draft Amendments **define an [online game](#) as a game that is offered on the internet and is accessible** if the user makes a deposit with the expectation of earning financial winnings.
 - The central government **may notify any other game as an online game.**
 - An online gaming intermediary is defined as an **intermediary that offers at least one online game. Obligations for online gaming intermediaries include:**
 - **Registering their games** with a self-regulatory body,
 - **Obtaining and displaying a random number generation certificate** and a no-bot certificate,
 - **Informing users of the Know-Your-Customer (KYC) procedure** for user registration, the risk of financial loss and addiction associated with the game, and the measures taken to protect the user's money, and
 - **Verifying identity of users as per Reserve Bank of India (RBI) procedures** for account-based relationships.
 - Such intermediaries **must have a physical address in India.**

Biodiversity and Environment

National Green Hydrogen Mission

- Recently, the Union Cabinet approved the **[National Green Hydrogen Mission \(NGHM\)](#).**
 - **[Green hydrogen](#) addresses the issue of high carbon emissions generated due to current methods** of large-scale hydrogen production by using solar or wind energy to produce hydrogen.

What are the Salient Features of the Mission?

- **About:**
 - It seeks to **facilitate the production, demand creation, usage and export of green hydrogen** and its derived products such as green ammonia and green methanol.
 - It is expected that **by 2030**, the initiatives under NGHM **would result in production capacity of at least 5 MMT/year.**
 - The associated **renewable energy capacity addition will be around 125 Gigawatts.**
- **Nodal Ministry:**
 - The **Ministry of New and Renewable Energy (MNRE)** will be responsible for formulating regulations and implementing the Mission.
- **Phases:**
 - **Phase 1 (2023-24 to 2025-26):**
 - It will focus on **creating demand (through utilisation in refineries, fertilisers and city gas sectors) and increasing the manufacturing capacity** of domestic electrolyzers.
 - Pilot projects will be undertaken to **initiate the use of green hydrogen in steel production, long-distance transport and shipping.**
 - **Regulatory frameworks and standards** will also be established for **proper engagement with international norms.**

- **Phase 2 (2026-27 to 2029-30):**
 - Depending on the cost structure and market demand, the **feasibility of green hydrogen-based projects in steel production, transport and shipping** sectors on a commercial scale will be explored.
 - **New pilot projects** will be undertaken in **other potential sectors such as railways and aviation.**
 - Other projects will **focus on scaling up research and development activities to develop products.**

Economy

Economic Survey 2022-23

- Recently, the [Economic Survey 2022-23](#) was released.

What are the Key Highlights of Survey?

- **Gross Domestic Product (GDP):**
 - The Survey has estimated **real GDP growth in 2023-24 at 6.5%**, however, the actual growth rate would lie in the range of 6-6.8%, (depending on the global economic and political development trajectories).
- **Inflation:**
 - In 2022-23, **retail inflation is estimated at 6.8%, higher than 2021-22 (5.5%)** that has been **driven by international crude oil prices and food inflation.**
- **Debt:**
 - **Total liabilities of the central government are estimated to decline** from 59.2% of GDP in 2020-21 to 56.7% of GDP in 2021-22.
 - Outstanding liabilities of the general government are estimated to be 86.5% in 2022-23.
 - The Survey noted that **India's public debt profile is relatively stable.**
 - 95% of it is held by residents and is denominated in rupees.
- **Sectoral growth:**
 - India's **agriculture sector** has grown at an average **annual rate of 4.6% during the last six years.** In 2022-23, the **industrial sector** and the **services sector** are **estimated to grow by 6.7% and 9.1% respectively.**
- **Infrastructure:**
 - **Capital expenditure in 2022-23 is targeted at 7.5 lakh crore,** 35.4% higher than 2021-22.
 - To sustain the investment drive, the **National Infrastructure Pipeline (NIP)** has provided a forward-looking roadmap of investible projects of around Rs 111 lakh crore between 2019-20 and 2024-2025.

Scheme to Promote RuPay debit cards and BHIM UPI Transactions

- Recently, the Union Cabinet approved a **scheme to incentivize RuPay Debit Cards and low value BHIM-UPI transactions.**
 - The scheme will be **applicable to banks having operations in India and transactions done in India,** and for the financial year 2022-23.

What are the Key Features of Scheme?

- **Acquiring banks will be provided financial incentive** for promoting:
 - Point of sale and e-commerce transactions using RuPay Debit Cards, and
 - Person to merchant transactions of value up to Rs 2,000 on BHIM UPI platform.
- **MeitY and National Payments Corporation of India (NPCI)** may add or omit merchant categories included in industry programmes.
- The **total outlay** under the scheme is **expected to be Rs 2,600 crore.**

Draft Amendments to IBC 2016

- The Ministry of Corporate Affairs has invited **comments on the draft amendments to the [Insolvency and Bankruptcy Code \(IBC\), 2016](#)**.
 - IBC provides a **framework for time-bound resolution of insolvency** among companies as well as individuals.

What are the Key Amendments to IBC?

- **Pre-packaged Insolvency Resolution Process (PIRP):**
 - **MSMEs can apply for insolvency** resolution under a faster framework called PIRP, which **resolves within 120 days, subject to approval by 66% of financial creditors**.
 - The proposed amendments **seek to widen the scope of PIRP to cover other types of corporate debtors, to be specified**.
 - Additionally, the **approval threshold is proposed to be lowered to 51%** to speed up decision-making.
- **Real Estate Insolvency Cases:**
 - In real estate insolvency cases, **people who have paid for a property in a project will be treated as creditors**. They want to own the property, not just the repayment of their money. Sometimes, the **whole company is declared insolvent because of one project's failure**.
 - The proposed amendment **would allow for the resolution process to only apply to the specific project in default**, instead of the entire company.
- **Multiple Resolution Plans for Corporate Debtors:**
 - Currently, the committee of creditors **can only approve one resolution plan during corporate insolvency resolution process**.
 - Proposed amendments **would allow them to approve multiple plans for individual or collective assets**, as finding one applicant to take over the entire corporate debtor can be difficult.
 - However, **at least one approved plan must provide for the resolution of the corporate debtor as a going concern**.
- **Distribution of Proceeds:**
 - The Ministry observed that **many disputes are raised related to distribution of proceeds between creditors**.
 - Proposed amendments **suggest that creditors will receive proceeds up to the liquidation value for their claims**, and any **surplus above that value will be distributed among all creditors** based on the ratio of their unsatisfied claims.