

Decisions taken by the Union Cabinet

- **Union Cabinet approves revival plan of BSNL and MTNL and in-principle merger of the two**

The Union Cabinet approved the proposal for revival of BSNL and MTNL by administrative allotment of spectrum for 4G services, debt restructuring by raising of bonds with sovereign guarantee, reducing employee costs, monetisation of assets and in-principle approval of merger of BSNL & MTNL.

The following was approved by the cabinet:-

- Administrative allotment of spectrum for 4G services to BSNL and MTNL so as to enable these PSUs to provide broadband and other data services. The said Spectrum will be funded by the Government of India by capital infusion in these PSUs at a value of Rs 20,140 crore in addition; the GST amount of Rs 3,674 crore to this spectrum value will also be borne by the Government of India through Budgetary resources. By using this spectrum allotment, BSNL and MTNL will be able to deliver 4G services, compete in the market and provide high speed data using their vast network including in rural areas.
- BSNL and MTNL will also raise long-term bonds of Rs 15,000 crore for which sovereign guarantee will be provided by the Government of India (GoI). With the said resources, BSNL and MTNL will restructure their existing debt and also partly meet CAPEX, OPEX and other requirements.
- BSNL and MTNL will also offer Voluntary Retirement to their employees, aged 50 years and above through attractive Voluntary Retirement Scheme (VRS), the cost of which will be borne by the Government of India through budgetary support. The ex-gratia component of VRS will require R. 17,169 crore in addition, GoI will be meeting the cost towards Pension, Gratuity and Commutation. Details of the scheme will be finalised by BSNL/MTNL.

- BSNL and MTNL will monetise their assets so as to raise resources for retiring debt, servicing of bonds, network upgradation, expansion and meeting the operational fund requirements.
- In-principle merger of BSNL and MTNL

It is expected that with the implementation of said revival plan, BSNL and MTNL will be able to provide reliable and quality services through its robust telecommunication network throughout the country including rural and remote areas.

- **Cabinet approves administrative arrangement on Cooperation in the field of Railways between the Ministry of Railways, India and the Directorate General for Mobility and Transport of the European Commission**

The Union Cabinet chaired by Hon'ble Prime Minister Shri Narendra Modi has approved administrative arrangement on Cooperation in the field of Railways between the Ministry of Railways, India and the Directorate General for Mobility and Transport of the European Commission to strengthen future technical exchanges and cooperation.

Implementation Strategy and targets: The Administrative arrangement has been signed on 3rd September, 2019. This Administrative Arrangement will provide a framework of cooperation for focused approved in following key areas:-

- Rail Reform and Regulations with particular emphasis on impact of EU legislative framework on safety, interoperability, economic governance and financial sustainability of Railways;
 - Railway Safety;
 - The benefits of standardisation as well as harmonized conformity assessment and procurement procedures for economic performance of Railways;
 - Signalling/control systems (including the European ERTMS system);
 - Intermodality and transport infrastructure networks;
 - Innovation and digitalisation;
 - Experience sharing in respect of international rail conventions and standardisation bodies;
 - Sustainable policies in railway including economic, social and environmental aspects.
- **Cabinet approves regulations for conferring/recognizing ownership or mortgage/ transfer rights to 40 lakh residents of unauthorized colonies in Delhi**

The Union Cabinet approved the Regulations for conferring/ recognizing ownership or mortgage/ transfer rights to residents of Unauthorized Colonies (UCs) in Delhi. The Cabinet further approved bringing a Bill in the next session of Parliament to implement the proposal.

Major impact & benefit to the People living in Unauthorised Colonies in Delhi:

- The decision will benefit more than 40 lakh residents of unauthorized colonies spread over around 175 sq kms, as development / redevelopment can now take place in these colonies resulting in a clean, secure and healthy living environment.
 - This landmark initiative will address major issues being faced by the residents of UCs like lack ownership/transfer rights, provision of basic infrastructure and civic amenities.
 - With recognition of property documents, the property holders in these colonies can now enter into valid property transactions. Besides providing a legitimate claim to the property, the decision will encourage property holders to invest in safe structures, thereby improving the living conditions in these colonies substantially.
 - The decision is applicable to 1,797 identified UCs, which are inhabited by lower income group society. The decision does not apply to 69 affluent colonies identified by DDA, including Sainik Farms, Mahendru Enclave and Anant Ram Dairy.
 - The rights will be conferred on payment of nominal charge based on carpet area/plot size. For colonies on Government land, the charge will be 0.5% (for less than 100 sq m), 1% (for 100 - 250 sq m) and 2.5% (for greater than 250 sq m), of the circle rate of highest category of locality of the residential area surrounding the UC.
 - For colonies on private land, the charge will be half of the charge on government land.
- **Cabinet approves MoU between India and Kuwait in the field of accounting, finance and audit knowledge base**

The Union Cabinet chaired by the Hon'ble Prime Minister Shri Narendra Modi has approved the Memorandum of Understanding (MoU) for capacity building and strengthening the accounting, financial and audit knowledge base in Kuwait.

Benefits: The MoU entails that two entities of India and Kuwait which are:

- Institute of Chartered Accountants of India (ICAI) and Kuwait Accountants and Auditors Association (KAAA) will work together to hold and conduct technical events, seminars and

conferences in Kuwait for the benefit of both organizations' members and development of their professional expertise. Costs will be shared as agreed in writing by both parties for each event.

- ICAI and KAAA shall work together for establishing possible cooperation in respect of Corporate Governance, technical research and advice, quality assurance, forensic accounting, issues concerning Small and Medium-sized Practices (SMPs), Islamic Finance, Continuing Professional Development (CPD) and other subjects of mutual interest. Both ICAI and KAAA will implement and support provisions of the MoU for cooperation, advancement of accounting knowledge, collaboration to hold professional development and technical events, seminars and conferences. KAAA will provide venue for such events and will encourage its students and faculty members to attend these events.
- Under the proposed provisions of the MoU, ICAI and KAAA will aspire to discuss potential future developments in the area of mutual collaboration. In the first instance these discussions will be based on gaining an insight into the structure and cooperation, external regulatory and self-regulatory framework and measures governing both the profession and the members of both the organizations. This will be in the interests of improving governance and effectiveness of their respective organizations.
- KAAA and ICAI will collaborate to offer short-term professional courses in the domain of accounting, finance and audit in Kuwait for Kuwaiti nationals and members of the ICAI.
- ICAI and KAAA will take appropriate steps and measures to work together for establishing possible cooperation in the identified areas of mutual interest. ICAI will offer technical programs to employees of Kuwait Government/Ministries/KAAA members and Kuwaiti Nationals in collaboration with KAAA.
- In Kuwait, the Indian Chartered Accountants fraternity is helping the local business community and stakeholders on Financial Reporting matters and is held in high esteem. The proposed MoU is expected to consolidate the trust and help to build a positive image for the Indian Chartered Accountants in Kuwait.

- **Cabinet approves proposal for Agreement on Science and Technology Cooperation between India and the United States of America.**

The Union Cabinet chaired by Hon'ble Prime Minister Shri Narendra Modi has approved the proposal for Agreement on Science and Technology Cooperation between India and the United States of America.

Benefits:

- Agreement will open a new chapter in bilateral relations as both sides will leverage complementary strengths spurred by a significant convergence of mutual interests in science and technology.
- The Agreement would provide an opportunity to promote 'high quality' and 'high impact' research and innovation partnerships as well as broadening and expanding relationships between the extensive scientific and technological communities.

Salient features: The cooperation would be made in the various forms which include the following:

- Exchanges of scientific & technical information and experts.
- Convening of seminars and meetings.
- Training of scientists and technical experts.
- Conduct of cooperative research projects.
- Establishment of science & innovation-based public-private partnerships.
- Use of advance research facilities.

- **CCEA approves Review of Guidelines for Granting Authorization to market Transportation Fuels**

The Cabinet Committee on Economic Affairs (CCEA) chaired by Hon'ble Prime Minister Shri Narendra Modi has approved the Review of Guidelines for Granting Authorization to market Transportation Fuels. This marks a major reform of the guidelines for marketing of petrol and diesel.

The existing policy for granting authorization to market transportation fuels had not undergone any changes for the last 17 years since 2002. It has now been revised to bring it in line with the changing market dynamics and with a view to encourage investment from private players, including foreign players, in this sector. The new Policy will give a fillip to 'Ease of Doing Business', with transparent policy guidelines. It will boost direct and indirect employment in the sector. Setting up of more retail outlets (ROs) will result in better competition and better services for consumers.

Salient features & Major Impact:

- Much lower entry barrier for private players - the entities seeking authorisation would need to have a minimum net worth of Rs.250 crore vis-à-vis the current requirement of Rs. 2000 crore prior investment.
 - Non – Oil Companies can also invest in the retail sector. Requirement of prior investment in Oil and Gas Sector, mainly in exploration and production, refining, pipelines/terminals etc., has been done away with.
 - The entities seeking market authorisation for petrol and diesel are allowed to apply for retail and bulk authorisation separately or both
 - The companies have been given flexibility in setting up a Joint Venture or Subsidiary for market authorisation.
 - In addition to conventional fuels, the authorized entities are required to install facilities for marketing at least one new generation alternate fuel, like CNG, LNG, biofuels, electric charging, etc. at their proposed retail outlets within 3 years of operationalization of the said outlet
 - More private players, including Foreign players, are expected to invest in retail fuel marketing leading to better competition and better services for consumers
- **CCEA approves MSP for Rabi Crops of 2019-20 to be marketed in Rabi Marketing Season 2020-21**

The Cabinet Committee on Economic Affairs (CCEA) chaired by Hon'ble Prime Minister Shri Narendra Modi has approved the increase in the Minimum Support Prices (MSPs) for all mandated Rabi Crops of 2019-20 to be marketed in Rabi Marketing Season (RMS) 2020-21.

Benefits and Major Impact:

The increase in MSP for Rabi Crops for RMS 2020-21 is in line with the principle of fixing the MSPs at a level of at least 1.5 times of the all India weighted average cost of production (CoP), which was announced in the Union Budget 2018-19.

This MSP policy whereby the farmers are assured of a minimum of 50% as margin of profit is one of the important and progressive steps towards doubling farmers' income by 2022 and improving their welfare substantively.

For the Rabi crops of RMS 2020-21, the highest increase in MSP has been recommended for lentil (Rs. 325 per quintal) followed by safflower (Rs. 270 per quintal) and gram (Rs. 255 per

quintal) which is a major step towards increasing the income of farmers.

The MSP of Rapeseed & Mustard has been increased by Rs. 225 per quintal. For both wheat and barley, the MSP has been increased by Rs. 85 per quintal. Wheat farmers will hence get a return over cost of 109 percent (refer table below).

Cost of production is one of the important factors in the determination of MSPs. This year's increase in MSP of Rabi crops for RMS 2020-21 provides higher than 50 per cent return (except safflower) over all India weighted average cost of production. The return over all India weighted average cost of production is 109 per cent for wheat; 66 per cent for barley; 74 per cent for gram; 76 per cent for lentil; 90% for rapeseed & mustard and 50 per cent for safflower.

- **Cabinet approves proposed Memorandum of Understanding (MoU) between India and St. Vincent & the Grenadines on cooperation in the field of Traditional Systems of Medicine**

The Union Cabinet chaired by the Hon'ble Prime Minister Shri Narendra Modi has given ex post-facto approval to the proposed Memorandum of Understanding (MoU) between India and St. Vincent & the Grenadines on cooperation in the field of Traditional Systems of Medicine. The MoU was signed at New Delhi on 11th September 2019.

Benefits: The MoU will provide a framework for cooperation between India and St. Vincent & the Grenadines for the promotion of traditional systems of medicines and will mutually benefit the two countries in the said field. It will lead to promotion and propagation of Traditional Systems of Medicine in St. Vincent & the Grenadines. Activities mentioned in the MoU will boost the importance of AYUSH Systems of Medicine in St. Vincent & the Grenadines. As a consequence of the MoU, exchange of experts for training of the practitioners and Scientists undertaking collaborative research in Traditional Systems of Medicine are expected to lead to new innovations in drug development and practice of Traditional Medicine.

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