

Decisions taken by the Union Cabinet

- **Cabinet approves the Foreign Direct Investment policy on Civil Aviation**

To permit foreign investment upto 100% by those NRIs, who are Indian Nationals, in case of M/s Air India Ltd., the Union Cabinet, chaired by the Hon'ble Prime Minister, Shri Narendra Modi has approved to amend the extant FDI Policy to permit Foreign Investment (s) in M/s Air India Ltd by NRIs, who are Indian Nationals, upto to 100% under automatic route.

As per the present FDI Policy, 100% FDI is permitted in scheduled Air Transport Service/Domestic Scheduled Passenger Airline (Automatic upto 49% and Government route beyond 49%). However, for NRIs 100% FDI is permitted under automatic route in Scheduled Air Transport Service/Domestic Scheduled Passenger Airline. Further, FDI is subject to the condition that Substantial Ownership & Effective Control (SOEC) shall be vested in Indian Nationals as per aircraft rules, 1937. However, for M/s Air India Ltd., as per the present policy, foreign investment(s) in M/s Air India Ltd. Including that of foreign Airline(s) shall not exceed 49%, either directly or indirectly, subject to the condition that substantial ownership and effective control of M/s Air India Ltd. shall continue to be vested in Indian Nationals. Therefore, although 100% FDI is permitted under automatic route for NRIs in Scheduled Air Transport Service/Domestic Scheduled Passenger Airline, it is restricted to be only 49% in case of M/s Air India.

Benefits:

In light of the proposed strategic disinvestment of 100% of M/s Air India Ltd. by the Government of India, M/s Air India Ltd. will have no residual Government ownership and will be completely privately owned, it has been decided that foreign investment in M/s Air India Ltd be brought on a level playing field with other scheduled airline operators. The amendment in FDI policy will permit foreign investment in M/s Air India Ltd at par with other Scheduled Airline Operators i.e. upto 100% in M/s Air India Ltd by those NRIs, who are Indian Nationals. The proposed changes in FDI Policy will enable foreign investment by NRIs into M/s Air India Ltd. upto 100%, under automatic route.

Above amendment to the FDI Policy are meant to liberalise and simplify the FDI policy to provide ease of doing business in the country. Leading to largest FDI inflows and thereby contributing to growth of investment, income and employment.

- **Cabinet approves Companies (Second Amendment) Bill, 2019**

The Union Cabinet, chaired by the Hon'ble Prime Minister, Shri Narendra Modi has approved the Companies (Second Amendment) Bill, 2019 to amend the Companies Act, 2013.

The Bill would remove criminality under the Act in case of defaults which can be determined objectively and which, otherwise, lack the element of fraud or do not involve larger public interest. This would also lead to further de-clogging of the criminal justice system in the country. The Bill would also further ease of living for law abiding corporates.

Earlier, the Companies (Amendment) Act, 2015 amended certain provisions of the Act to remove difficulties faced in implementation of various provisions of the Act.

- **Cabinet approves Mega Consolidation in Public Sector Banks {PSBs} with effect from 1.4.2020; Government transforms PSB landscape with consolidation of ten PSBs into four with effect from 1.4.2020; Amalgamations to enable creation of digitally driven consolidated banks with global heft and business synergies**

The Union Cabinet, chaired by the Hon'ble Prime Minister, Shri Narendra Modi has approved the mega consolidation of ten PSBs into four which include the –

- a. Amalgamation of Oriental Bank of Commerce and United Bank of India into Punjab National Bank
- b. Amalgamation of Syndicate Bank into Canara Bank
- c. Amalgamation of Andhra Bank and Corporation Bank into Union Bank of India
- d. Amalgamation of Allahabad Bank into Indian Bank

The amalgamation would be effective from 1.4.2020 and would result in creation of seven large PSBs with scale and national reach with each amalgamated entity having a business of over Rupees Eight lakh crore. The Mega consolidation would help create banks with scale comparable to global banks and capable of competing effectively in India and globally. Greater scale and synergy through consolidation would lead to cost benefits which should enable the PSBs enhance their competitiveness and positively impact the Indian banking system.

In addition, consolidation would also provide impetus to amalgamated entities by increasing their ability to support larger ticket-size lending and have competitive operations by virtue of greater financial capacity. The adoption of best practices across amalgamating entities would enable the banks improve their cost efficiency and risk management, and also boost the goal of financial inclusion through wider reach.

Further, with the adoption of technologies across the amalgamating banks, access to a wider talent pool, and a larger database, PSBs would be in a position to gain competitive advantage by leveraging analytics in a rapidly digitalising banking landscape.

- **Cabinet approves MoU between India and Côte d'Ivoire for cooperation in the field of Health**

The Union Cabinet has approved a Memorandum of Understanding (MoU) between Ministry of Health and Family Welfare of the Republic of India and the Ministry of Health and Public Hygiene of the Republic of Cote d'Ivoire on Cooperation in the field of Health.

The Memorandum of Cooperation covers the following areas of cooperation:-

1. Exchange & training of medical doctors, officials, other health professionals and experts in the field of advanced medical technology, nuclear medicine, renal transplantation, cardiac surgery, nephrology, hemodialysis and medical research;
2. Regulation of drugs and pharmaceutical products;
3. Assistance in development of human resources and setting up of health care facilities;
4. Medical and health research development;
5. Management of healthcare sector and public health services including medical evacuations;
6. Procurement of generic and essential drugs and assistance in sourcing of drug supplies;
7. Collaboration and research in the field of HIV/AIDS;
8. Development and improving the techniques and strategies for epidemiological surveillance;
9. Exchange of best practices in the field of primary health care;
10. Sharing of know-how on management of hospitals and community healthcare centers;
11. The promotion of public health and sharing of experiences in medical waste
12. management;
13. Health promotion and disease prevention;
14. Non-Communicable Diseases;
15. Occupational and Environmental Health;
16. Medical Research; and
17. Any other area of cooperation as may be mutually decided upon.

A Working Group will be set up to further elaborate the details of cooperation and to oversee the implementation of this Memorandum of Understanding.

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