



PHD Research Bureau
PHD Chamber of Commerce and Industry



Decisions taken by the Union Cabinet (15th December 2021)

- **Cabinet approves implementation of Pradhan Mantri Krishi Sinchayee Yojana for 2021-26**

The Cabinet Committee on Economic Affairs chaired by the Hon'ble Prime Minister Shri Narendra Modi, has today approved implementation of Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) for 2021-26 with an outlay of Rs.93,068 crore.

The CCEA has approved central support of Rs.37,454 crore to States and Rs.20,434.56 crore of debt servicing for loan availed by Government of India for irrigation development during PMKSY 2016-21.

Accelerated Irrigation Benefit Programme (AIBP), Har Khet ko Paani (HKKP) and Watershed Development components have been approved for continuation during 2021-26.

Accelerated Irrigation Benefit Programme - a flagship programme of Government of India aims for financial support to irrigation projects. Total additional irrigation potential creation targeted during 2021-26 under AIBP is 13.88 lakh hectare. Apart from focused completion of 60 ongoing projects including their 30.23 lakh hectare command area development, additional projects can also be taken up. The inclusion criteria have been relaxed for projects under tribal and drought prone areas.

Central funding of 90% of water component for two national projects, namely Renukaji Dam Project (Himachal Pradesh) and Lakhwar Multipurpose Project (Uttarakhand) has been provisioned. The two projects would provide beginning of storage in Yamuna basin benefitting six states of upper Yamuna basin, augmenting water supply to Delhi as well Himachal Pradesh, Uttarakhand, UP, Haryana, and Rajasthan and a major step towards rejuvenation of Yamuna.

Har Khet Ko Pani (HKKP) aims for enhancement of physical access on the farm and expansion of cultivable area under assured irrigation. Under HKKP, surface minor irrigation and repair-renovation-restoration of water bodies component of PMKSY is targeted to provide additional 4.5 lakh hectare irrigation. In view of importance of rejuvenation of water bodies, the Cabinet has approved a paradigm shift in funding of their rejuvenation in both urban and rural areas, with significant expansion of their inclusion criteria, and

enhancement of central assistance from 25% to 60% in general area. Further, Ground Water component of HKKP, approved provisionally for 2021-22, targets creation of irrigation potential of 1.52 lakh hectare.

Watershed Development component focuses on development of rainfed areas towards soil and water conservation, regeneration of ground water, arresting runoff and promoting extension activities related to water harvesting and management. The approved Watershed Development component of Department of Land Resources envisages completion of sanctioned projects covering 49.5 lakh hectare rainfed/ degraded lands to bring additional 2.5 lakh hectare under protective irrigation, during 2021-26. A specific provision for development of springsheds has been included in the program.

- **Cabinet approves Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India**

In furtherance of the vision of Aatmanirbhar Bharat and positioning India as the global hub for Electronic System Design and Manufacturing, the Union Cabinet chaired by Hon'ble Prime Minister Shri Narendra Modi has approved the comprehensive program for the development of sustainable semiconductor and display ecosystem in the country. The program will usher in a new era in electronics manufacturing by providing a globally competitive incentive package to companies in semiconductors and display manufacturing as well as design. This shall pave the way for India's technological leadership in these areas of strategic importance and economic self-reliance.

Semiconductors and displays are the foundation of modern electronics driving the next phase of digital transformation under Industry 4.0. Semiconductors and display manufacturing is very complex and technology-intensive sector involving huge capital investments, high risk, long gestation and payback periods, and rapid changes in technology, which require significant and sustained investments. The program will give an impetus to semiconductor and display manufacturing by facilitating capital support and technological collaborations.

The programme aims to provide attractive incentive support to companies / consortia that are engaged in Silicon Semiconductor Fabs, Display Fabs, Compound Semiconductors / Silicon Photonics / Sensors (including MEMS) Fabs, Semiconductor Packaging (ATMP / OSAT), Semiconductor Design.

Following broad incentives have been approved for the development of semiconductors and display manufacturing ecosystem in India:

Semiconductor Fabs and Display Fabs: The Scheme for Setting up of Semiconductor Fabs and Display Fabs in India shall extend fiscal support of up to 50% of project cost on pari-passu basis to applicants who are found eligible and have the technology as well as capacity to execute such highly capital intensive and resource incentive projects. Government of India will work closely with the State Governments establish High-Tech Clusters with requisite infrastructure in terms of land, semiconductor grade water, high quality power, logistics and research ecosystem to approve applications for setting up atleasttwo

greenfield Semiconductor Fabs and two Display Fabs in the country.

Semi-conductor Laboratory (SCL): Union Cabinet has also approved that Ministry of Electronics and Information Technology will take requisite steps for modernization and commercialization of Semi-conductor Laboratory (SCL). MeitY will explore the possibility for the Joint Venture of SCL with a commercial fab partner to modernize the brownfield fab facility.

Compound Semiconductors / Silicon Photonics / Sensors (including MEMS) Fabs and Semiconductor ATMP / OSAT Units: The Scheme for Setting up of Compound Semiconductors / Silicon Photonics / Sensors (including MEMS) Fabs and Semiconductor ATMP / OSAT facilities in India shall extend fiscal support of 30% of capital expenditure to approved units. At least 15 such units of Compound Semiconductors and Semiconductor Packaging are expected to be established with Government support under this scheme.

Semiconductor Design Companies: The Design Linked Incentive (DLI) Scheme shall extend product design linked incentive of up to 50% of eligible expenditure and product deployment linked incentive of 6% - 4% on net sales for five years. Support will be provided to 100 domestic companies of semiconductor design for Integrated Circuits (ICs), Chipsets, System on Chips (SoCs), Systems & IP Cores and semiconductor linked design and facilitating the growth of not less than 20 such companies which can achieve turnover of more than Rs.1500 crore in the coming five years.

India Semiconductor Mission: In order to drive the long-term strategies for developing a sustainable semiconductors and display ecosystem, a specialized and independent "India Semiconductor Mission (ISM)" will be set up. The India Semiconductor Mission will be led by global experts in semiconductor and display industry. It will act as the nodal agency for efficient and smooth implementation of the schemes on Semiconductors and Display ecosystem.

Comprehensive Fiscal Support for Semiconductors and Electronics

With the approval of the programme for development of semiconductors and display manufacturing ecosystem in India with an outlay of Rs.76,000 crore (>10 billion USD), Government of India has announced incentives for every part of supply chain including electronic components, sub-assemblies, and finished goods. Incentive support to the tune of Rs.55,392 crore (7.5 billion USD) have been approved under PLI for Large Scale Electronics Manufacturing, PLI for IT Hardware, SPECS Scheme and Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme. In addition, PLI incentives to the quantum of Rs.98,000 crore (USD 13 billion) are approved for allied sectors comprising of ACC battery, auto components, telecom & networking products, solar PV modules and white goods. In total, Government of India has committed support of Rs. 2,30,000 crore (USD 30 billion) to position India as global hub for electronics manufacturing with semiconductors as the foundational building block.

In the current geopolitical scenario, trusted sources of semiconductors and displays hold strategic importance and are key to the security of critical information infrastructure. The

approved program will propel innovation and build domestic capacities to ensure the digital sovereignty of India. It will also create highly skilled employment opportunities to harness the demographic dividend of the country.

Development of semiconductor and display ecosystem will have a multiplier effect across different sectors of the economy with deeper integration to the global value chain. The program will promote higher domestic value addition in electronics manufacturing and will contribute significantly to achieving a USD 1 Trillion digital economy and a USD 5 Trillion GDP by 2025.

- **Cabinet approves an incentive scheme for promotion of RuPay Debit Cards and low-value BHIM-UPI transactions (P2M)**

The Union Cabinet, chaired by the Hon'ble Prime Minister Shri Narendra Modi, today has approved an incentive scheme to promote RuPay Debit cards and low-value [upto Rs. 2,000] BHIM-UPI transactions (Person-to-Merchant (P2M)) in the country.

Under the scheme, the acquiring banks will be incentivised by the Government, by way of paying percentage of value of transactions (P2M) done through RuPay Debit cards and low-value BHIM-UPI modes of payments, at an estimated financial outlay of Rs.1,300 crore for a period of one year w.e.f. April 01, 2021.

This scheme will facilitate acquiring Banks in building robust digital payment ecosystem and promoting RuPay Debit card and BHIM-UPI digital transactions, across all sectors and segments of the population and further deepening of digital payments in the country.

It will also help in making accessible digital modes of payments to unbanked and marginalized populations, who are outside of the formal banking and financial system.

India today is one of the most efficient payments markets in the world. These developments have been the outcome of the initiatives of the Government of India and innovation by various players in the digital payment ecosystem. The scheme will further spur research and development and innovation in fintech space, and will help the Government in further deepening of digital payments in various part of countries.

- **Cabinet approves Treaty between India and Poland concerning Mutual Legal Assistance in Criminal Matters**

The Union Cabinet chaired by the Hon'ble Prime Minister Shri Narendra Modi has approved the Treaty on Mutual Legal Assistance in Criminal Matters between the Government of the Republic of India and the Republic of Poland with a view to enhance capability and effectiveness of both countries in investigation and prosecution of crimes, including crimes related to terrorism through mutual legal assistance.

Benefits:

The Treaty aims to enhance effectiveness of both the countries in investigation and

prosecution of crime, through cooperation and mutual legal assistance in criminal matters. In the context of transnational crime and its linkages to terrorism, the proposed Treaty will provide a broad legal framework for bilateral cooperation with Poland in investigation and prosecution of crime as well as in tracing, restraint and confiscation of proceeds and instruments of crime as well as the funds meant to finance terrorist acts.

After signing and ratification of the Treaty, suitable Gazette Notifications will be issued under the relevant provisions of Cr.P.C. 1973 to give effect to the provisions of the Treaty in India. The Gazette notification is accessible to general public outside the Government domain and it will provide increased awareness and transparency on mutual cooperation between India and Poland in the field of mutual legal assistance in criminal matters.

It will increase effectiveness of India in tackling criminal activities involving Poland. Once in operation, the Treaty will be instrumental in gaining better inputs and insights in the modus operandi of organized criminals and terrorists. These in turn can be used to fine tune policy decisions in the field of internal security.

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Warm Regards,

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