



PHD Research Bureau
PHD Chamber of Commerce and Industry



Decisions taken by the Union Cabinet (27th April 2022)

- **Cabinet approves revised cost estimate on “Setting up of India Post Payments Bank”**

The Union Cabinet chaired by the Hon'ble Prime Minister Shri Narendra Modi has approved the revision of project outlay for setting up of India Post Payments Bank (IPPB) from Rs.1435 crore to Rs.2255 crore as equity infusion to meet regulatory requirement. The Cabinet also granted in principle approval for future fund infusion to the tune of Rs.500 crore for meeting regulatory requirements and technological upgradation.

The objective of the project is to build the most accessible, affordable and trusted bank for the common man; spearhead the financial inclusion agenda by removing the barriers for the unbanked and reduce the opportunity cost for the under banked populace through assisted doorstep banking. The project supplement Government of India's vision of “less cash” economy and at the same time promote both economic growth and financial inclusion.

India Post Payments Bank did a nationwide a launch by on September 1, 2018 with 650 branches/controlling offices. IPPB has enable 1.36 lakh Post Offices to provide banking services and has equipped nearly 1.89 lakh Postmen and Gramin Dak Sevaks with smartphone and biometric device to provide doorstep banking services.

Since the launch of IPPB, it has opened more than 5.25 crore accounts with 82 crore aggregate number of financial transactions with Rs.1,61,811 crore which includes 765 lakh number of AePS transactions worth Rs.21,343 crore. Out of the 5 crore accounts, 77% of accounts are opened in Rural areas, 48% are women customers with around Rs.1000 crore of deposit. Nearly 40 lakh women customers received Direct Benefit Transfer (DBT) into their accounts valued at Rs.2500 crore. More than 7.8 lakh accounts have been opened for school students.

In Aspirational Districts IPPB has opened around 95.71 lakh accounts having 602 lakh aggregate transaction worth Rs.19,487 crore. In Left Wing Extremism (LWE) districts, 67.20 lakh accounts have been opened by IPPB having 426 lakh aggregate transactions worth Rs.13,460 crore.

Total financial expenditure involved under the proposal stands at Rs.820 crore. The decision shall help India Post Payments Bank pursue its objective of furthering financial inclusion across India by leveraging the network of Department of Posts.

- **Cabinet approves opening of Indian Mission in Lithuania**

The Union Cabinet chaired by the Hon'ble Prime Minister Shri Narendra Modi has accorded

approval to the opening of a new Indian Mission in Lithuania in 2022.

Opening of Indian Mission in Lithuania will help expand India's diplomatic footprint, deepen political relations and strategic cooperation, enable growth of bilateral trade, investment and economic engagements, facilitate stronger people-to-people contacts, allow for more sustained political outreach in multilateral fora and help garner support for India's foreign policy objectives. Indian Mission in Lithuania will also better assist the Indian community and protect their interests.

The decision to open a new Indian Mission in Lithuania is a forward-looking step in pursuit of our national priority of growth and development or 'Sabka Saath Sabka Vikas'. Enhancement of India's diplomatic presence will, inter-alia, provide market access for Indian companies and bolster Indian exports of goods and services. This would have a direct impact in augmenting domestic production and employment in line with our goal of a self-reliant India or 'Atmanirbhar Bharat'.

- **Cabinet approves Nutrient Based Subsidy (NBS) rates for Phosphatic and Potassic (P&K) fertilizers for Kharif Season (from 01.04.2022 to 30.09.2022)**

The Union Cabinet chaired by the Hon'ble Prime Minister, Shri Narendra Modi, today has approved the proposal of the Department of Fertilizers for Nutrient Based Subsidy (NBS) rates for Phosphatic and Potassic (P&K) fertilizers for Kharif Season - 2022 (from 01.04.2022 to 30.09.2022).

Financial Implications:

Subsidy approved by Cabinet for the NBS Kharif-2022 (from 01.04.2022 to 30.09.2022) will be Rs. 60,939.23 Crores including support for indigenous fertilizer (SSP) through freight subsidy and additional support for indigenous manufacturing and imports of DAP.

Benefits:

The increase in the international prices of Di-ammonium phosphate (DAP) and its raw materials have been primarily absorbed by the Union Government. The Union Government has decided to provide subsidy of Rs. 2501 per bag on DAP instead of existing subsidy of Rs.1650 per bag which is a 50% increase over the last year's subsidy rates. The increase in the prices of DAP & its raw material is in the range of approx. 80%. It will help farmers to receive notified P&K fertilizers on subsidized, affordable and reasonable rates and support the agriculture sector.

Implementation Strategy and targets:

The subsidy on P&K fertilizers will be provided based on the NBS rates for Kharif season - 2022 (applicable from 01.04.2022 to 30.09.2022) to ensure smooth availability of these fertilizers to the farmers at affordable prices.

Background:

Government is making available fertilizers, namely Urea and 25 grades of P&K fertilizers to farmers at subsidized prices through fertilizer manufacturers/ importers. The subsidy on P&K fertilizers is being governed by NBS Scheme w.e.f 01.04.2010. In accordance with its farmer friendly approach, the Govt. is committed to ensure the availability of P&K fertilizers to the farmers at affordable prices. In view of steep increase in the international prices of fertilizers & inputs i.e. Urea, DAP, MOP and Sulphur, Government has decided to absorb the increased prices by increasing subsidy on P&K fertilizers including DAP. The

subsidy would be released to fertilizer companies as per approved rates so that they can make available fertilizers to farmers at an affordable price than it would have been otherwise.

- **Cabinet approves Amalgamation of Consultancy Development Centre (CDC) along with its manpower, moveable assets and liabilities with Council of Scientific and Industrial Research (CSIR) of Department of Scientific and Industrial Research (DSIR)**

The Union Cabinet chaired by the Hon'ble Prime Minister, Shri Narendra Modi, today has approved the following:

- i. The existing 13 employees of CDC shall be accommodated in CSIR by creating thirteen (13) supernumerary posts.
- ii. The premises occupied by CDC at India Habitat Centre, New Delhi will be surrendered to India Habitat Centre for re-allocation and realized amount from re-allocation will be deposited in the Consolidated Fund of India.
- iii. After amalgamation, all moveable assets and liabilities of CDC shall stand transferred to CSIR.

Major impact:

The amalgamation of two societies shall not only streamline in Department but also as per Prime Minister's Mantra of Minimum Government Maximum Governance. CSIR will be benefitted by experienced staff of CDC in the field of consultancy in education, export of technologies etc. The amalgamation is expected to add value to CSIR needs for:

- (i) techno-commercial assessment of projects
- (ii) socio-economic impact analysis of CSIR technologies deployed in the field
- (iii) selection of appropriate consultants for carrying out detailed design and engineering for development of prototypes based on CSIR technologies and translation of CSIR technologies to cater to stakeholder requirements and/or for market readiness.
- (iv) business development activities.

Background:

CSIR and CDC are two separate Autonomous bodies (Abs) under Department of Scientific and Industrial Research (DSIR), Ministry of Science and Technology. CSIR was set up in 1942 under Societies Registration Act XXI of 1860 as a National R&D organization for scientific industrial research for India's economic growth and human welfare.

CDC was set up in 1986 as a society with the support of DSIR for developing, strengthening and promoting consultancy skills and capabilities in the country. CDC was approved as an Autonomous Institution of DSIR by Union Cabinet on 13th October 2004. Memorandum and Articles of Association of CDC as Autonomous Institution was issued on 16th January, 2008. CDC is located in India Habitat Centre, New Delhi, having 1000Sqm. Built up space allocated on 08.03.1990 by Ministry of Housing and Urban Affairs on lease. CDC has total strength of 13 permanent employees.

Based on the recommendations of the 14th Finance Commission, NITI Aayog conducted a reviews of autonomous bodies (Abs) under various Government Departments. Review of

two Abs i.e. CSIR and CDC under DSIR took place in the 10th, 13th and 18th meetings of the Review Committee of NITI Aayog. The Review Committee recommended that “CDC could merge with CSIR and continue, as it has visible potential.” The Committee in its AB’s report further stated that this would result in DSIR having only one AB under Societies Registration Act 1860 (SRA). Based on the recommendations of the Advisory Committee constituted for recommending modalities of amalgamation, the necessary procedure under Section 12 Societies Registration Act 1860, Governing Council of CDC and Governing Body of CSIR, both had approved the proposal of amalgamation of CDC with CSIR.

- **Cabinet approves upgradation of 2G mobile sites to 4G at security sites in Left Wing Extremism (LWE) areas**

The Union Cabinet chaired by the Hon’ble Prime Minister Shri Narendra Modi has approved a Universal Service Obligation Fund (USOF) project for upgrading 2G mobile services to 4G at security sites in LWE areas.

The Project envisages upgrading 2,343 Left Wing Extremism Phase-I sites from 2G to 4G mobile services at an estimated cost of Rs.1,884.59 crore (Excluding taxes and levies). This includes O&M for five years. However, BSNL will maintain the sites for another five years at its own cost. The work will be awarded to BSNL because these sites belong to BSNL.

The Cabinet also approved funding of operations and maintenance cost of LWE Phase-I 2G sites by BSNL for an extended period beyond the contractual period of five years at an estimated cost of Rs.541.80 crore. The extension will be up to 12 months from the date of approval by the Cabinet or commissioning of 4G sites, whichever is earlier.

Government chose BSNL for a prestigious project to indigenous 4G telecom equipment so as to achieve self-reliance in the telecom gear segment to fulfil domestic market needs apart from exporting to other markets. This 4G equipment will be deployed in this project also.

The upgradation will enable better internet and data services in these LSW areas. It meets the requirements of Ministry of Home Affairs and the state governments. It shall also fulfil the communication needs of the security personnel deployed in these areas. The proposal is in line with the goal of providing mobile connectivity in rural areas. In addition, delivery of various e-governance services, banking services, tele-medicine; tele-education etc. through mobile broadband shall be possible in these areas.

- **Cabinet approves signing of the Memorandum of Understanding between India and Chile for cooperation in Disability Sector**

The Union Cabinet chaired by the Hon’ble Prime Minister, Shri Narendra Modi, today has approved the signing of the Memorandum of Understanding between India and Chile for cooperation in Disability Sector.

The bilateral Memorandum of Understanding will encourage cooperation between the Department of Empowerment of Persons with Disabilities, Government of India and Government of Chile through joint initiatives in the disabilities sector. It will strengthen bilateral ties between India and Chile.

A joint Letter of Intent was signed between the countries expressing desire for

cooperation in disability sector especially in the following areas:

- i. Sharing of information on disability policy and delivery of services.
- ii. Exchange of information and knowledge.
- iii. Cooperation in assistive device technology.
- iv. Development of projects of mutual interest in disability sector.
- v. Early identification and prevention of disability.
- vi. Exchange of experts, academicians and other administrative staff.

MoU provides the mechanism for funding to cover expenses for the activities under it. The expenses for such activities will be mutually decided by both the Government on a case to case basis subject to availability of funds and resources. The cost towards international travel/accommodation for joint activities will be taken care of by the visiting country whereas the cost towards holding meeting will be borne by the host country.

India Chile relations are warm and friendly based on commonality of views on a wide range of issues. The year 2019-20 marked 70th year of diplomatic relations between the two countries. Bilateral relations have strengthened over the years with exchange of high-level visits, which include two visits of the Hon'ble President of Chile in 2005 and 2009.

- **Cabinet approves continuation of Prime Minister Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi) beyond March 2022 till 2027-28**

The Cabinet Committee on Economic Affairs chaired by the Hon'ble Prime Minister, Shri Narendra Modi, today has approved the continuation of lending under the Prime Minister Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi) beyond March 2022 till December 2024, with focus on enhanced collateral free affordable loan corpus, increased adoption of digital transactions and holistic socio-economic development of the Street Vendors and their families.

Through the Scheme, affordable collateral-free loans are being facilitated to the Street Vendors. The Scheme had envisaged to facilitate loans for an amount of Rs. 5,000 crore. Today's approval has increased the loan amount to Rs. 8,100 crore, thereby providing the Street vendors working capital to further expand their business and making them AtmaNirbhar.

The budget for promotion of digital payments including cashback to the vendors has also been enhanced.

The approval is expected to benefit nearly 1.2 crore citizens of Urban India.

Under PM SVANidhi, significant achievements have already been made. As on April 25, 2022, 31.9 lakh loans have been sanctioned and 29.6 lakh loans amounting to Rs. 2,931 crore have been disbursed. As regards 2nd loan, 2.3 lakh loans have been sanctioned and 1.9 lakh loans amounting to Rs.385 crore have been disbursed. The beneficiary Street Vendors have conducted more than 13.5 crore digital transactions and have been given a cashback of Rs.10 crore. An amount of Rs.51 crore has been paid as Interest Subsidy.

The proposed extension of the Scheme has been necessitated as the circumstances that led to the launch of the Scheme in June 2020 i.e. the pandemic and related stress on the small businesses, have not fully retracted. The extension of lending till December 2024, would assist in institutionalizing the access to formal credit channels, provide an assured source of credit to help them plan their business expansion, increasing the adoption of digital transactions, reducing the impact of potential NPAs on the Lending Institutions and

providing holistic socio-economic upliftment for the Street Vendors and their families.

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Warm Regards,

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