

## Decisions taken by the Union Cabinet

### ❖ Cabinet approves signing of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting by India

The Union Cabinet chaired by the Hon'ble Prime Minister Shri Narendra Modi has given its approval for the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting. The Convention is an outcome of the OECD / G20 BEPS Project to tackle base erosion and profit shifting through tax planning strategies that exploit gaps and mismatches in tax rules to artificially shift profits to low or no-tax locations where there is little or no economic activity, resulting in little or no overall corporate tax being paid.

The Final BEPS Project identified 15 actions to address BEPS in a comprehensive manner. Implementation of the Final BEPS Package requires changes to more than 3000 bilateral tax treaties which will be burdensome and time consuming. In view of the same, the Convention was conceived as a Multilateral instrument which would swiftly modify all covered bilateral tax treaties (Covered Tax Agreements / CTA) to implement BEPS measures. For this purpose, formation of an Ad-hoc Group for the development of such multilateral instrument was endorsed by the G20 Finance Ministers and Central Bank Governors in February 2015.

### ❖ Cabinet approves Faculty Exchange Agreement between National Defence College, New Delhi and National Defence College, Dhaka, Bangladesh

The Union Cabinet chaired by Hon'ble Prime Minister Shri Narendra Modi has given its ex-post facto approval to the Faculty Exchange Agreement signed between the National Defence College, New Delhi and National Defence College, Dhaka, Bangladesh. The objective of the Agreement is to institutionalize regular exchange programs and establish sustainable mechanisms between the two National Defence Colleges with an aim to enhancing mutual cooperation in the field of national security, development and strategic studies.

Given the geographical and cultural closeness between the two countries, there are many common challenges like countering terrorism that needs joint action. Hence, there is a need for better coordination and cooperation among the armed forces. The exchange of faculty members of the premier institutes will help to bring symmetry in the capacities of the armed forces and contribute to countering and managing common threats and challenges much better. The Agreement establishes the framework for enhanced cooperation in the field of military education concerning strategic and operational studies.

### ❖ Cabinet approves Pan-India implementation of Maternity Benefit Program

The Union Cabinet chaired by Hon'ble Prime Minister Shri Narendra Modi has given ex-post facto approval to Pan-India implementation of Maternity Benefit Program which now has been extended to all districts of the country w.e.f. 01.01.2017. The Prime Minister in his address to the nation on 31.12.2016 had announced Pan-India implementation

of Maternity Benefit Program. The Maternity Benefit Program will provide compensation for the wage loss in terms of cash incentives so that the women can take adequate rest before and after delivery and not be deprived of proper nutrition. The total cost of the proposal for the period from 01.01.2017 to 31.03.2020 including Central and State Government share is Rs. 12,661 crore. Government of India's share during the period 01.01.2017 to 31.03.2020 comes to around Rs. 7932 crore.

#### ❖ **Cabinet approves Agreement between India and Tajikistan on Cooperation and Mutual Assistance in Customs Matters**

The Union Cabinet chaired by the Hon'ble Prime Minister Shri Narendra Modi has given its approval for signing and ratifying, an Agreement between India and Tajikistan on Cooperation and Mutual Assistance in Customs Matters. The Agreement will help in the availability of relevant information for the prevention and investigation of Customs offences. The Agreement is also expected to facilitate trade and ensure efficient clearance of goods traded between the countries.

#### ❖ **Cabinet approves amendment of the Public Premises (Eviction of Unauthorized Occupants) Act, 1971 to enable summary eviction proceedings in Residential Accommodation**

The Union Cabinet chaired by Hon'ble Prime Minister Shri Narendra Modi has given its approval for amendment in Section 2 and Section 3 of the Public Premises (Eviction of Unauthorised Occupants) Act, 1971 (PPE Act, 1971), by inserting definition of 'residential accommodation occupation' in a new clause in section 2 of the Act and inserting provisions relating to eviction from 'residential accommodation occupation' in a new sub-section 3B below sub-section 3A of Section 3 of the Act.

The Amendment will enable the Estate officer to apply summary proceedings for evicting unauthorised occupants from residential accommodations allotted for a fixed tenure or for a period he/she holds office on the basis of an order of allotment on licence basis, as non-vacation of such residences leads to unavailability of houses to new incumbents.

#### ❖ **Cabinet approves setting up of Indian Agricultural Research Institute (IARI) in Assam**

The Cabinet Committee on Economic Affairs, chaired by the Hon'ble Prime Minister Shri Narendra Modi, has approved the setting up of Indian Agricultural Research Institute (IARI) in Assam. The proposal of Department of Agriculture Research and Education (DARE) / Indian Council for Agricultural Research (ICAR) under the scheme, the establishment of the "Indian Agricultural Research Institute (IARI)-Assam" seeks to set up the Institute on 587 acre of land provided by the Govt. of Assam. IARI-Assam would be a Post-Graduate Institution of higher learning in Agricultural Education. It will have the hallmark identity of an IARI including all sectors of agriculture like field crops, horticultural crops, agro-forestry, animal husbandry, fisheries, poultry, piggery, silk rearing, honey production, etc.

It will be an off-campus of IARI, New Delhi and integrated multi-disciplinary research would be undertaken in school mode i.e. Schools of Crop Sciences, Natural Resource Management, and Animal Sciences & Fisheries. IARI-Assam would work on the agrarian challenges and complexities of North Eastern India in tandem with all existing Central and State Government R&D Institutions and Private sector enterprises. It would undertake research, education, extension programs in its mission towards developing quality human resource, generation of farmer-friendly technologies to enhance productivity, quality and profitability, promote agro-based industries and generate employment opportunities for holistic and sustainable development of the agriculture sector in the North Eastern region.

#### ❖ **Cabinet approves Restructuring plan for Hindustan Organic Chemicals Ltd.**

The Cabinet Committee on Economic Affairs, chaired by the Hon'ble Prime Minister Shri Narendra Modi, has approved a restructuring plan for Hindustan Organic Chemicals Ltd. (HOCL), a loss making and sick Central Public Sector Enterprise (CPSE) under the Department of Chemicals & Petrochemicals. The company, having units at Rasayani (Maharashtra) and Kochi (Kerala), has been making continuous cash losses since 2011-12 resulting in acute shortage of

working capital. Most of its plants have remained shut down during the last few years. It could not pay regular salary and statutory dues to the employees since February, 2015.

❖ **Cabinet approves Industry-Academia Collaborative Mission for accelerating discovery research to early development for biopharmaceuticals - "Innovate in India (13) empowering biotech entrepreneurs & accelerating inclusive innovation"**

The Cabinet Committee on Economic Affairs chaired by the Hon'ble Prime Minister Shri Narendra Modi has given its approval for Industry-Academia Collaborative Mission for accelerating discovery research to early development for biopharmaceuticals - "Innovate in India (13) empowering biotech entrepreneurs & accelerating inclusive innovation" to be funded by the Government of India. The Mission will be implemented by Biotechnology Industry Research Assistance Council (BIRAC) - a Public Sector Undertaking of Department of Biotechnology (DBT).

The Mission Program would be a Pan-India program. The key focus areas of the program would aid in preparing India's technological and product development capabilities in the biopharmaceutical sector to a level that it is globally competitive over the next 10-15 years and will transform the health standards of India's population through affordable product development. Total project cost to be funded by Government of India is Rs. 1500 crore for five years. 50% cost for the Mission Programme will be arranged through the World Bank loan. For the implementation, a Programme Management Unit will be set up at BIRAC which will work as an operational and functional arm that oversees and monitors program implementation and progress.

The Mission will focus on Development of specific products - vaccines, biotherapeutics, medical devices and diagnostics; establishment of shared infrastructure and facilities; building and strengthening domain specific knowledge and management skills; creating and enhancing technology transfer capabilities in public and private sector. The Mission will provide a holistic and integrated approach to strengthen and support the entire product development value chain for accelerating the research leads to product development. This will help not only in immediate product development addressing public health needs, but will also help to create an ecosystem which will facilitate development of a continuous pipeline of products.

❖ **Cabinet Signing of Fuel Supply Agreement (FSA) with Letter of Assurance (LoA) holders of Thermal Power Plants(TPPs)**

The Cabinet Committee on Economic Affairs chaired by Hon'ble Prime Minister Narendra Modi has approved the signing of Fuel Supply Agreement (FSA) with the Letter of Assurance (LoA) holders. Allocation of linkages for power sector shall be based on auction of linkages or through Power Purchase Agreement (PPA) based on competitive bidding of tariffs except for the State and the Central Power Generating companies and the exceptions provided in Tariff Policy, 2016. Coal drawal will be permitted against valid Long Term PPAs and to be concluded Medium Term PPAs.

The approved framework ensures that all projects with linkages are supplied coal as per their entitlement. This will ensure the rights of coal supplies for FSA holders and signing of FSA with LoA holders. Allocation of linkages in future will be transparent and bidding based, barring some exceptions as per Tariff Policy. Future allocation/grant of linkages will be based on auction and/or tariff based bidding. It attempts to make optimal allocation of the vital natural resource across the power units.

❖ **Cabinet approves construction of electrified third line between Manmad-Jalgaon in Maharashtra**

The Cabinet Committee on Economic Affairs, chaired by the Hon'ble Prime Minister Shri Narendra Modi, has approved the construction of electrified third line between Manmad-Jalgaon in Maharashtra. The total length of the Manmad-Jalgaon line will be 160 km. The estimated cost of the Project will be Rs.1035.16 crore with expected completion cost of Rs.1198.92 crore. The project is likely to be completed in next five years. Construction of third line will greatly ease the ever increasing passenger and freight traffic on Manmad-Jalgaon route thereby increasing the revenue of

Railways. Jalgaon and Nashik districts of Maharashtra will be covered by this route.

❖ **Cabinet approves construction of electrified doubling line between Phephana-Indara and Mau-Shahganj in Uttar Pradesh**

The Cabinet Committee on Economic Affairs, chaired by the Hon'ble Prime Minister Shri Narendra Modi, has approved the construction of double line with electrification between Phephana-Indara and Mau-Shahganj (excluding Indara-Mau) totaling 150 km approximately in Uttar Pradesh. The respective length of the Phephana-Indara and Mau-Shahganj lines will be 50.53 km and 99.75 km. The estimated cost of the Project will be Rs.1028.95 crore with expected completion cost of Rs.1190.98 crore. The project is likely to be completed in next five years. The doubling of these lines will remove the pressure over the congested North Central Railway route by providing an alternative route. Also, more number of goods/passenger trains could be run after doubling. It will lead to economic prosperity and development of the areas.

❖ **Cabinet approves construction of double line with electrification between Guntur-Guntakal in Andhra Pradesh**

The Cabinet Committee on Economic Affairs, chaired by the Hon'ble Prime Minister Shri Narendra Modi, has approved the construction of double line with electrification between Guntur-Guntakal in Andhra Pradesh. The total length of the line will be 401.47 km. The anticipated cost of the Project will be Rs.3631 crore which will be funded through cost sharing of 50:50 by State Government and Ministry of Railway. The project is likely to be completed in five years. The project fulfils the commitment given in the Andhra Pradesh Bifurcation Act regarding the increased rail connectivity to the Rayalaseema region to the Amravati, the capital of Andhra Pradesh. There is significant amount of cross traffic moving on Guntur-Guntakal section besides the scope for further increase in additional originating and terminating traffic once the line is doubled. Besides travelling people. Industries in and around Guntur-Guntakal route will have additional transport capacity to meet their requirements.

❖ **Cabinet approves four laning of Porbandar-Dwarka Section of NH-8E in Gujarat**

The Cabinet Committee on Economic Affairs, chaired by the Hon'ble Prime Minister Shri Narendra Modi, has approved the development of four laning of Porbandar-Dwarka Section of NH-8E in Gujarat. The cost is estimated to be Rs.1958.88 crore including cost of land acquisition, resettlement and rehabilitation and other pre-construction activities. The total length of the road to be developed is approximately 118 kms. This work will be done under the National Highways Development Project (NHDP) Phase IV on Hybrid Annuity Mode.

The project will help in expediting the improvement of infrastructure in Gujarat and in reducing the time and cost of travel for traffic, particularly heavy traffic, plying between Porbandar-Dwarka section. The development of this stretch will also help in uplifting the socio-economic condition of this region in the State. It would also increase employment potential for local labourers for project activities. It has been estimated that a total number of 4,076 mandays are required for construction of one kilometre of highway. As such, employment potential of 4,80,000 (approx.) mandays will be generated locally during the construction period of this stretch.

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❖ **Cabinet approves MoU between India and Australia on Cooperation in Combating International Terrorism and Transnational Organized Crime**

The Union Cabinet chaired by the Hon'ble Prime Minister Shri Narendra Modi has given ex-post facto approval to the

Memorandum of Understanding (MoU) between India and Australia on Cooperation in Combating International Terrorism and Transnational Organized Crime.

The proposed MoU would strengthen the relationship between India and Australia for building peace and stability in the region through exchange of information, expertise, experience and capacity building. The MoU is an effective framework to deal with all issues requiring interaction and cooperation in the areas identified. The mutual cooperation would facilitate the institutional interactions between the two countries. The MoU, once in force, would help in curbing combating International Terrorism and Transnational Organized Crime.

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Warm regards,

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