Decisions taken by the Union Cabinet

- **Cabinet approves proposal for Amendment to the Micro, Small and Medium Enterprises Development Act, 2006 to change the criteria of classification and to withdraw the MSMED (Amendment) Bill, 2015 – pending in Lok Sabha**

  The Union Cabinet chaired by Hon'ble Prime Minister Shri Narendra Modi has approved change in the basis of classifying Micro, Small and Medium enterprises from 'investment in plant & machinery/equipment' to 'annual turnover'. This will encourage ease of doing business, make the norms of classification growth oriented and align them to the new tax regime revolving around GST (Goods & Services Tax).

  Section 7 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 will accordingly be amended to define units producing goods and rendering services in terms of annual turnover as follows:

  - A micro enterprise will be defined as a unit where the annual turnover does not exceed five crore rupees;
  - A small enterprise will be defined as a unit where the annual turnover is more than five crore rupees but does not exceed Rs 75 crore;
  - A medium enterprise will be defined as a unit where the annual turnover is more than seventy five crore rupees but does not exceed Rs 250 crore.
  - Additionally, the Central Government may, by notification, vary turnover limits, which shall not exceed thrice the limits specified in Section 7 of the MSMED Act.

  At present the MSMED Act (Section 7) classifies the Micro, Small and Medium Enterprises (MSMEs) on the basis of investment in plant and machinery for manufacturing units, and investment in equipment for service enterprises. The criterion of investment in plant and machinery stipulates self declaration which in turn entails verification if deemed necessary and leads to transaction costs.

  Taking turnover as a criterion can be pegged with reliable figures available e.g. in GST Network and other methods of ascertaining which will help in having a non discretionary, transparent and objective criteria and will eliminate the need for inspections, make the classification system progressive and evolutionary, help in overcoming the uncertainties associated with the classification based on investment in plant & machinery/equipment and employment, and improve the ease of doing business.

  In addition the amendment will provide flexibility to the Government to fine-tune the classification of MSMEs in response to changing economic scenario without resorting to the amendment of MSMED (Micro, Small & Medium Enterprises Development) Act. The change in the norms of classification will enhance the ease of doing business. The consequent growth and will pave the way for increased direct and indirect employment in the MSME sector of the country.

- **Cabinet approves signing of India-Australia Memoranda of Understanding (MoUs) for Secondment Programme**

  The Union Cabinet chaired by Hon'ble Prime Minister Shri Narendra Modi has given its approval for signing of Memoranda of Understanding for Secondment Programme between the Department of Economic Affairs (Indian Economic Service Cadre) and The Treasury, Government of Australia, for a period of three months.

Under the Programme, one officer from the Australian Treasury shall be seconded to the Department of Economic Affairs, Ministry of Finance and one officer from the IES (at Deputy Secretary/Director level) to be nominated by the IES Cadre, Department of Economic Affairs, shall be seconded to the Australian Treasury, Government of Australia, for a period of three months, beginning 15.1.2018 or later. The validity of both the MoUs will terminate at the end of the three months' period of assignment and the same will not be extendable. The programme may be repeated in subsequent years with mutual consultation and after agreement on both sides.

- **Cabinet approves signing and ratification of protocol amending the Agreement between India and China for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion**

The Union Cabinet chaired by Hon'ble Prime Minister Shri Narendra Modi has given its approval for signing and ratification of protocol amending the Agreement between India and China for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to taxes on income.

Besides other changes, the Protocol updates the existing provisions for exchange of information to the latest international standards. Further the Protocol will incorporate changes required to implement treaty related minimum standards under the Action reports of Base Erosion & Profit shifting (BEPS) Project, in which India had participated on an equal footing. Besides minimum standards, the Protocol will also bring in changes as per BEPS Action reports as agreed upon by two sides.

- **Cabinet approves signing of a MoU with United Kingdom of Great Britain and Northern Ireland on Cooperation in the Field of Skill Development, Vocational Education and Training**

The Union Cabinet chaired by Hon'ble Prime Minister Shri Narendra Modi has given its approval for signing of Memorandum of Understanding (MoU) with United Kingdom of Great Britain and Northern Ireland on Cooperation in the Field of Skill Development, Vocational Education and Training.The MoU would pave the way for closer bilateral cooperation between the two countries in the field of vocational education and training and skill development.

The collaboration with foreign countries would help to strengthen the India skill eco-system thereby skilling youth for better employment prospects. The MoU will create the framework for innovative partnership between India and the United Kingdom Industry and training institutes, and will help to scale up skill training efforts in India and enhance their quality. Funding of projects related to the execution of this MoU will be structured in separate individual arrangements, mutually agreed by both parties.

- **Cabinet approves signing of a Memorandum of Cooperation between India and USA on Law Enforcement Training**

The Union Cabinet chaired by Hon'ble Prime Minister Shri Narendra Modi has given its approval for signing of a Memorandum of Cooperation (MoC) between Federal Law Enforcement Training Centers (FLETC),USA and Bureau of Police Research & Development (BPR&D), India on Law Enforcement Training. This has paved the way for enhanced cooperation between the two countries in security related matters under the aegis of the India-US Homeland Security Dialogue.

The MoC will help in improving the standards of training, training materials, quality of trainers etc. which will go a long way in improving the functioning of police forces in the country and realizing the concept of SMART Police.

India and United States share common interest to fight terrorism and transnational crimes in all their forms and manifestations and to prevent the continued growth of terrorist organizations. India and US also share a common interest in protecting the homeland and vital infrastructures and in preventing disruption of global supply chain by terrorist attacks.

- **Cabinet approves Discovered Small Fields (DSF) Policy Bid Round-11 for 60 un-monetised discoveries of ONGC and OIL under Nomination and Relinquished Discoveries under PSC Regime**

  The Union Cabinet chaired by Hon'ble Prime Minister Shri Narendra Modi has given its approval for extending the Discovered Small Field Policy notified on 14.10.2015 to identified 60 discovered small fields / un-monetized discoveries for offer under the Discovered Small Field Policy Bid Round-ll. Out of these, 22 fields/ discoveries belong to of Oil and Natural Gas Corporation (ONGC) Limited, 5 belong to Oil India Limited (OIL) and 12 are relinquished fields / discoveries from the New Exploration and Licensing Policy (NELP) Blocks. In addition, 21 fields / discoveries are remaining from DSF Bid Round-l which were put on offer but could not be awarded due to insufficient response from the investor.

  Details:
- These discoveries are estimated to have 194.65 Million Metric Ton (MMT) Oil and oil equivalent gas in place.
- These fields will be developed and monetized faster thereby augmenting production of oil and gas leading to enhance energy security of the country.
- It is estimated that investments into these fields will lead to generation of over 88,000 jobs as direct, indirect and induced employment.
- This policy has also been extended for future round of bidding. Empowered Committee of Secretaries (ECS) comprising of Secretary (Petroleum & Natural Gas), Secretary (Expenditure) and Law Secretary will finalize and approve Model Revenue Sharing Contract, Notice Inviting Offer (NIO) and other documents for Discovered Small Fields Bid Round-ll.
- The award of contract will be approved by the Minister of Petroleum and Natural Gas and Minister of Finance based on the recommendations of ECS.

- **Cabinet approves Ratification of the Minamata Convention on Mercury**

  The Union Cabinet chaired by Hon'ble Prime Minister Shri Narendra Modi has approved the proposal for ratification of Minamata Convention on Mercury and depositing the instrument of ratification enabling India to become a Party of the Convention. The approval entails Ratification of the Minamata Convention on Mercury along with flexibility for continued use of mercury-based products and processes involving mercury compound up to 2025.

  The Minamata Convention on Mercury will be implemented in the context of sustainable development with the objective to protect human health and environment from the anthropogenic emissions and releases of mercury and mercury compounds. The Convention protects the most vulnerable from the harmful effects of mercury and also protects the developmental space of developing countries. Therefore, the interest of the poor and vulnerable groups will be protected.

  The Minamata Convention on Mercury will further urge enterprises to move to mercury-free alternatives in products and non-mercury technologies in manufacturing processes. This will drive research & development, and promote innovation.

- **Cabinet approves placing the new Instrument adopted by International Labour Organization (ILO) Recommendation concerning "The Employment and Decent Work for Peace and Resilience (No.-205)" before the Parliament**

  The Union Cabinet chaired by Hon'ble Prime Minister Shri Narendra Modi has given its approval for placing the new Instrument adopted by International Labour Organization (ILO) Recommendation concerning "The Employment and Decent Work for Peace and Resilience (No.-205)" before the Parliament. The International Labour Conference of ILO at its 106th Session held in Geneva in June, 2015 adopted the Recommendation. India supported the adoption of Recommendation.

Each member state of ILO is required to submit the instruments so adopted before the competent authority (the Parliament in case of India). The adoption and placing of the Instrument for the information of the Parliament does not create any immediate obligation. An ILO Recommendations is a non-binding instrument which seeks to serve as a guiding principle for national policy process.

The Recommendation provides guidance to member States on the measures to be taken to generate employment and decent work for the purposes of prevention, recovery, peace and resilience with respect to crisis situations arising from conflicts and disasters. It also emphasizes the need to ensure respect for all human rights and the rule of law, including respect for fundamental principles and rights at work and for international labour standards, in particular those rights and principles relevant to employment and decent work.

The Recommendation affirms the need to develop and strengthen measures of social protection, as a means of preventing crises, enabling recovery and building resilience. It states that Members should adopt a phased multi-track approach implementing coherent and comprehensive strategies for promoting peace, preventing crises, enabling recovery and building resilience. The approach should include promoting local economic recovery for employment and decent work opportunities and socio-economic reintegration, social protection and social inclusion, sustainable development, the creation of sustainable enterprises (in particular small and medium-sized enterprises); ensuring consultation and encouraging active participation of employers' and workers' organizations in planning, implementing and monitoring measures for recovery and resilience.

The Recommendation No. 205 is applicable to all workers and jobseekers, and to all employers, in all sectors of the economy affected by crisis situations arising from conflicts and disasters and to workers engaged in crisis response, including in the immediate response.

- **Cabinet approves Implementation of 'Prime Minister Research Fellows (PMRF)**

The Union Cabinet approved implementation of 'Prime Minister's Research Fellows (PMRF)' scheme at a total cost of Rs.1650 crore for a period of seven years beginning 2018-19. Hon'ble Prime Minister has emphasized the importance of innovation and technology for the progress and development of the nation. This fellowship scheme is key to realizing his vision of development through innovation. The scheme has been announced in the Budget Speech 2018-19.

Under this scheme, the best students who have completed or are in the final year of B. Tech or Integrated M.Tech or M.Sc. in Science and Technology streams from IISc/IITs/NITs/IISERs/IIITs will be offered direct admission in PhD programme in the IITs/IISc. Such students, who fulfill the eligibility criteria, and shortlisted through a selection process, as laid down in the PMRF Guidelines, will be offered a fellowship of Rs.70,000/- per month for the first two years, Rs.75,000/- per month for the 3rd year, and Rs.80,000/- per month in the 4th and 5th years. Apart from this, a research grant of Rs.2.00 lakh will be provided to each of the Fellows for a period of 5 years to cover their foreign travel expenses for presenting research papers in international conferences and seminars. A maximum of 3000 Fellows would be selected in a three year period, beginning 2018-19.

The scheme will go a long way in tapping the talent pool of the country for carrying out research indigenously in cutting edge science and technology domains. The research under the Scheme will address our national priorities at the one hand and shortage of quality faculty in the premier educational institutions of the country, on the other.

- **Cabinet approves Insolvency and Bankruptcy Code (Amendment) Bill, 2017 to replace the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2017**

  The Union Cabinet chaired by Hon'ble Prime Minister Shri Narendra Modi has given Ex-post facto approval to the modifications carried out in the replacement Bill, which replaced the Insolvency and Bankruptcy Code (Amendment) Bill 2017, and which has been passed by the Parliament as the Insolvency and Bankruptcy Code (Amendment) Act, 2018. The amendment will bring clarity and ensure that the prohibition of certain persons in the resolution process of an insolvent corporate person does not include unintended persons and the opportunity given to a person whose account is classified as non-performing asset is more equitable.

- **Cabinet apprised of an MoU signed between India and Tunisia for cooperation on Youth matters**

  The Union Cabinet chaired by Hon'ble Prime Minister Shri Narendra Modi has been apprised of a Memorandum of Understanding (MoU) signed between India and Tunisia to promote cooperation in the field of youth matters The MoU was signed on 30.10.2017 in New Delhi. The objective of the MoU is to create international perspective among the Indian Youth, to promote exchange of ideas, values and culture and to involve them in promoting peace and understanding.

  - ✓ The MoU shall be valid for a period of five years. The areas of cooperation under the MoU shall include: organization of youth exchange programmes;
  - ✓ exchange of invitations to international conferences and seminars;
  - ✓ exchange of printed materials, films, experiences, research and other information;
  - ✓ participation in youth camps, youth festivals and other cooperative youth events, study visits and small workshops and seminars on youth related issues, etc.

- **Cabinet approves rationalization of Autonomous Bodies under Department of Health & Family Welfare**

  The Union Cabinet chaired by Hon'ble Prime Minister Shri Narendra Modi has approved the proposal for closure of Autonomous Bodies, namely, Rashtriya Arogya Nidhi (RAN) and Jansankhya Sthirata Kosh (JSK) and the functions are proposed to be vested in Department of Health & Family Welfare (DoHFW). The rationalization of Autonomous Bodies under Department of Health & Family Welfare will involve inter-ministerial consultations and review of existing bye laws of these bodies. The time frame for implementation is one year,

  Rashtriya Arogya Nidhi (RAN) was set up as a registered society to provide financial medical assistance to poor patients receiving treatment in designated central government hospitals. An advance is placed with the Medical Superintendents of such hospitals who then provide assistance on a case to case basis. Since the DoHFW provides funds to the hospitals, the grants can be given from the Department to the hospital directly. RAN functions can, therefore, be vested in DoHFW. Managing Committee of RAN Society will meet to dissolve the Autonomous Body (AB) as per provisions of Societies Registration Act, 1860 (SRA). In addition to this, Health Minister's Cancer Patient Fund (HMCPF) shall also be transferred to the Department. The timeline required for this is one year.

  Jansankhya Sthirata Kosh (JSK) was set up with a corpus grant of Rs.100 crores in the year 2003 to raise awareness for population stabilization strategies. JSK organizes various activities with target populations as a part of its mandate. There has been no continuous funding to JSK from the Ministry. Population stabilization strategies require private and corporate funding, which can be accessed through JSK. Although, JSK will continue to play a significant role in population stabilization strategies, its existence as an Autonomous Body is not necessary. Hence, JSK as an Autonomous Body can be closed as it can be administered by the Department as a fund.

- **Cabinet approves changes in the Major Port Authorities Bill 2016**

The Union Cabinet chaired by Hon'ble Prime Minister Shri Narendra Modi has approved the incorporation of the Official Amendments to the Major Port Authorities Bill 2016, which is pending in the Parliament. The Amendments are based on the recommendations of the Department-related Parliamentary Standing Committee. Following changes are being incorporated:

(i) The number of the Labour representatives to be appointed in the Port Authority Board among the serving employees of the Port has been increased from one to two.

(ii) The Member representing the interest of the employees shall hold office for a term of three years and shall not hold office for more than two consecutive terms and his Board membership is co-terminus with his retirement.

(iii) The number of Independent Members in the Port Authority Board would be minimum two to maximum four.

(iv) Every person who was receiving any retirement benefit from the Board of Trustees under the Major Port Trust Act, 1963 immediately before such date, shall continue to receive the same benefit from the Board.

(v) The Board of each Major Port shall be entitled to create specific master plan in respect of any development or infrastructure established or proposed to be established within the port limits and the land appurtenant thereto and such master plan shall be independent of any local or State Government regulations of any authority whatsoever.

(vi) After commencement of the Act, for PPP projects, the concessionaire shall be free to fix the tariff based on market conditions.

(vii) All moneys received by or on behalf of the Board under the provision of this Act shall be credited to such general account or accounts of the Ports which the Board may from time to time generally open with any Nationalised Bank or any Scheduled Bank as per the guidelines of Ministry of Finance, Government of India.

(viii) Presiding Officer and Members of the Adjudicatory Board shall be appointed by the Central Government on the recommendations of the Selection Committee.

(ix) Central Government shall have the power to remove the Presiding Officer or any member of the Adjudicatory Board from the office following the prescribed manner.

(x) A saving clause has been kept under repeal and saving so that the existing benefit enjoyed by Mumbai and Kolkata Port in respect of municipal assessment of property under the Bombay Port Trust Act, 1879 and the Calcutta Port Trust Act, 1890 would continue.

- **Cabinet approves enhancement of target under Pradhan Mantri Ujjwala Yojana**

The Cabinet Committee on Economic Affairs, chaired by Hon'ble Prime Minister Shri Narendra Modi, has approved to enhance of the target of Pradhan Mantri Ujjwala Yojana (PMUY) from five crore to eight crore with an additional allocation of Rs. 4,800 crore. The decision comes in the wake of huge response to Pradhan Mantri Ujjwala Yojana (PMUY) from the women particularly in rural areas and to cover such households not having LPG connection. The revised target of Pradhan Mantri Ujjwala Yojana (PMUY) will be achieved by 2020.

While expanding the target, the Government has also addressed the practical difficulty faced in PMUY implementation, namely, genuinely poor households left out of Socio Economic Caste Survey (SECC) list. The Cabinet approved to expand the Scheme to cover all SC/ST households, beneficiaries of PMAY (Gramin), Antyoday Anna Yojana (AAY), Forest dwellers, Most Backward Classes (MBC), Tea and Ex-Tea Garden Tribes, people residing in Islands and rivers etc. in addition to SECC identified households.

The Government does not only announce schemes but is committed to their time-bound implementation. Under the PMUY, the original target was to release 3 crore connections by the end of FY 2017-18, but as a result of efficient scheme implementation and monitoring, more than 3.35 crore connections have been released till date across all States/UTs, largely benefitting SC/ST communities. In all, more than 4.65 crore applications have been received. In order to ensure smooth implementation of the Scheme, as the number of applications touches the 5 crore mark and on account of huge response from women, particularly in rural areas, the Cabinet has decided to enhance the target from 5 crore to 8 crore with an additional allocation of Rs. 4800 crore.

- **Cabinet approves scheme for augmenting human resources for health and medical education**

Giving a boost to Health and Medical Education, the Cabinet Committee on Economic Affairs, chaired by the Hon'ble Prime Minister Shri Narendra Modi, has given its approval for continuation and taking up additional phases of Human Resources for Health and Medical Education schemes, at a total estimated cost of Rs.14,930.92 crore upto 2019-20.

Salient Features:

A) New Medical Colleges:

· Continuation of ongoing scheme to establish 58 new medical colleges attached with existing District/Referral hospitals already approved under Phase-l by 2019-20.

· selection and establishment of 24 new medical colleges attached with existing District/ Referral hospitals under Phase-ll by 2021-22.

· The locations of proposed 24 new medical colleges in Phase-ll will be selected within the identified underserved areas in Challenge Mode.

An amount of Rs. 5,587.68 crore is proposed for the ongoing scheme under Central share during Phase-I. Phase-II entails an amount of Rs.3,675 crore to be spent till 2021-22 as central share out of which an amount of Rs.2,600 crore is proposed to be spent till 2019-2020.

B) Increase of Medical Seats: Continuation of Centrally Sponsored Scheme for Up-gradation of existing State Government/Central Government Medical colleges resulting in:

· increase of 10,000 UG seats by 2020-21 and

· 8,058 PG seats (4,058 in Phase-l by 2018-19 and 4,000 in Phase-ll by 2020-21).

Increase of UG seats entails an amount of Rs.7,795 crore as central share and is likely to be spent till 2021-22 out of which an amount of Rs.4,536 crore is proposed to be spent till 2019-20.

Increase of PG seats under Phase-II entail an amount of Rs.3,024 crore as central share to be spent till 2021-22 out of which an amount of Rs.1,700 crore is proposed to be spent till 2019-20 while Rs.317.24 crore as balance central share will be spent for Phase-I of PG seats.

C) Nursing Scheme: Continuation and completion of scheme for setting up of:

· 112 Auxiliary Nursing and Midwifery (ANM) Schools and

· 136 General Nursing Midwifery (GNM) Schools by 2019-20 in under-served districts of the country.

This Nursing Scheme will be implemented and completed with an amount of Rs.190 crore till 2019-20 for the schools where work has already been started.

Impact:
The establishment of new medical colleges and increase of MBBS and PG seats would:
i) increase the availability of health professionals,
ii) check the existing geographical distribution of medical colleges in the country,
iii) promote affordable medical education in the country,
iv) utilise the existing infrastructure of district hospitals, and
v) improve tertiary care in the Government sector.

It has been planned to ensure at least one medical college for every 3-5 Parliamentary Constituencies and at least one Government medical colleges in the State. It was worked out that we need to sanction 24 new Medical Colleges in the Phase II of the scheme to have one medical college for three Parliamentary constituencies which will facilitate covering the underserve areas. The location of new medical colleges in Phase-II of the scheme will be selected by the State Government within the identified blocks in a 'Challenge Mode'.

Benefits:
The scheme will serve to:
Create additional 10,000 MBBS and 8,000 PG seats in the country,
Bridge the gap in number of seats available in government and private sector,
Mitigate the shortage of Doctors/specialists/medical faculty in the country by increasing the number of eats and to achieve the desired doctor population ratio,
Upgrade PG teaching facilities in Government Medical Colleges,
Introduce new and higher courses of study,
Improve the quality of medical education, medical research and clinical treatment.

- **Cabinet approves hike in MSP for Copra for 2018 season**

The Cabinet Committee on Economic Affairs, chaired by Hon'ble Prime Minister Shri Narendra Modi, has given its approval for increase in the Minimum Support Price (MSP) for Fair Average Quality (FAQ) of "Milling Copra" to Rs.7500/- per quintal for 2018 season from Rs. 6500/-per quintal in 2017. The MSP for FAQ of "Ball Copra" has been increased to Rs.7750/- per quintal for 2018 season from Rs. 6785/- per quintal in 2017. The MSP of Copra is expected to ensure appropriate minimum prices to the farmers and step up investment in Coconut cultivation and thereby production and productivity in the country.

The approval is based on recommendations of Commission for Agricultural Costs and Prices (CACP). CACP, an expert body, which takes into account the cost of production, trends in the domestic and international prices of edible oils, overall demand and supply of copra and coconut oil, cost of processing of copra into coconut oil and the likely impact of the recommended MSPs on consumers, while recommending the MSPs.

The National Agricultural Cooperative Marketing Federation of India Limited (NAFED) and National Cooperative Consumer Federation of India Limited (NCCF) would continue to act as Central Nodal Agencies to undertake price support operations at the Minimum Support Prices in the Coconut growing states.

Please contact for any query related to this mail to Ms. Areesha, Research Associate at areesha@phdcci.in with a cc to Dr. S P Sharma, Chief Economist at spsharma@phdcci.in and Ms. Megha Kaul, Associate Economist, megha@phdcci.in, PHD Chamber of Commerce & Industry.

Warm regards,

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