

Decision taken by the Union Cabinet

- **Cabinet approves the Memorandum of Understanding (MoU) on Cooperation between India and Iran in the field of Traditional Systems of Medicine**

The Union Cabinet chaired by Hon'ble Prime Minister Shri Narendra Modi has approved the Memorandum of Understanding (MOU) between India and Iran in the field of Traditional Systems of Medicine. The MoU will enhance bilateral cooperation between the two countries in the areas of Traditional Systems of Medicine. This will be of immense importance to both countries considering their shared cultural heritage.

- **Cabinet approves Agreement for the Avoidance of Double Taxation and Prevention of Fiscal Evasion between India and Iran**

The Union Cabinet, chaired by Hon'ble Prime Minister Shri Narendra Modi has approved an Agreement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to taxes on income between India and Iran. The Agreement will stimulate flow of investment, technology and personnel from India to Iran & vice versa, and will prevent double taxation. The Agreement will provide for exchange of information between the two Contracting Parties as per latest international standards. It will thus improve transparency in tax matters and will help curb tax evasion and tax avoidance.

The Agreement is on similar lines as entered into by India with other countries. The proposed Agreement also meets treaty related minimum standards under G-20 OECD Base Erosion & Profit Shifting (BEPS) Project, in which India participated on an equal footing. In so far as India is concerned, the Central Government is authorized under Section 90 of the Income Tax Act, 1961 to enter into an Agreement with a foreign country or specified territory for avoidance of double taxation of income for exchange of information for the prevention of evasion or avoidance of income-tax chargeable under the Income-tax Act, 1961.

- **Cabinet apprised of an MoU signed between India and Sri Lanka for promoting cooperation in the field of Information Technology and Electronics**

The Union Cabinet chaired by Hon'ble Prime Minister Shri Narendra Modi has been apprised of a Memorandum of Understanding (MoU) between India and Sri Lanka for promoting cooperation in the field of Information Technology and Electronics. The MoU was signed on 15th January, 2018 during the visit of Minister of Law & Justice and Electronics & Information Technology, Shri Ravi Shankar Prasad to Sri Lanka.

The MoU intends to promote closer co-operation in the areas of e-Governance, m-Governance, e-Public Services Delivery, cyber security, software technology parks, start-ups ecosystem etc. The MoU shall be implemented by establishing a Working Group on IT&E composed of representatives of the two Parties. Bilateral Cooperation in ICT domain both B2B and G2G will be enhanced.

- **Cabinet approves MoU between India and Iran for cooperation in the field of agriculture and allied sectors**

The Union Cabinet chaired by Hon'ble Prime Minister Shri Narendra Modi has given its ex-post-facto approval for the Memorandum of Understanding (MoU) between India and Iran for cooperation in the field of agriculture and allied sectors. The MoU was

signed on 17th February, 2018 during the visit of the President of Iran to India.

The MoU provides for cooperation in the areas of agricultural crops, agricultural extension, horticulture, machinery, post harvest technology, plant quarantine measures, credit and cooperation. It also provides for cooperation in soil conservation and water management, integrated nutrients management, seed technology and agricultural marketing. Livestock improvement, dairy development, animal health and other fields as mutually agreed upon fall within the scope of this MoU. Cooperation will also be effected through exchange of experts, materials and information, exchange of trainees and scientists on study visits/training programmes, facilitation of relevant conferences and workshops and any other means as may be mutually agreed upon.

Under the MoU, a Joint Working Group (JWG) will be formed to monitor the activities carried out in fulfillment of this MoU. The JWG will hold its meeting alternately in India and Iran once in every two years. The MoU will be valid initially for a period of five years and will be automatically extended for a subsequent period of five years unless either party notifies the other party of its intent of terminating it.

- **Cabinet approves MoU between India and Iran on cooperation in the field of Health and Medicine**

The Union Cabinet chaired by Hon'ble Prime Minister Shri Narendra Modi has given its ex-post-facto approval for the Memorandum of Understanding (MoU) between India and Iran on cooperation in the field of Health and Medicine. The MoU was signed on 17th February, 2018 during the visit of the President of Iran to India.

The MoU will encourage cooperation between the two countries and strengthen bilateral ties between them.

The MoU covers the following areas of cooperation:-

1. Exchange experience in training of medical doctors and other health professionals;
2. Assistance in development of human resources and setting up of health care facilities;
3. Regulation of pharmaceuticals, medical devices and cosmetics and exchange of information thereon;
4. Cooperation in the field of medical research, new technologies and knowledge based initiatives;
5. Public health, Sustainable Development Goals (SDGs), and cooperation in international health; and
6. 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 MoU.

- **Cabinet approves continuation of ongoing urea subsidy scheme beyond 12th Five Year Plan**

The Cabinet Committee on Economic Affairs, chaired by Hon'ble Prime Minister Shri Narendra Modi has approved the proposal of Department of Fertilizers to continue Urea Subsidy Scheme upto 2019-20 at a total estimated cost of Rs. 1,64,935 crore and for disbursement of fertilizer subsidy. This decision implies that there will be no increase in price of urea, till 2020.

Details:

Urea Subsidy is a part of Central Sector Scheme of Department of Fertilizers w.e.f 1st April, 2017 and is wholly financed by the Government of India through Budgetary Support. The continuation of Urea Subsidy Scheme will ensure the timely payment of subsidy to the urea manufacturers resulting in timely availability of urea to farmers. Urea subsidy also includes Imported Urea subsidy which is directed towards import to bridge the gap between assessed demand and indigenous production of urea in the

country. It also includes freight subsidy for movement of urea across the country.

This is in continuation to farmer-friendly policies of the Central Government. Earlier, 100% Neem Coated Urea was made mandatory in 2015. A study conducted by the Department of Agriculture, Cooperation & Farmers Welfare (DAC&FW) had found the effects of Neem Coating of Urea as follows:

- i. Improvement in soil health.
- ii. Reduction in costs with respect to plant protection chemicals.
- iii. Reduction in pest and disease attack.
- iv. An increase in yield of paddy to an extent of 5.79 per cent.
- v. An increase in yield of sugarcane to extent of 17.5 per cent.
- vi. An increase in yield of maize to the extent of 7.14 per cent.
- vii. An increase in yield of Soybean to the extent of 7.4 per cent.
- viii. An increase in yield of Tur/Red Gram to the extent of 16.88 per cent.

Neem Coating also had an additional positive impact – plugging the diversion of the subsidized Urea towards non-agricultural purposes. In light of the increased efficiency of Urea due to Neem Coating, Government had recently decided to bag Urea in 45kg bags. This will effectively help reduce the cost of fertilizers to the farmers.

Government had earlier notified New Urea Policy, 2015, with the objectives of maximizing indigenous urea production; promoting energy efficiency in urea production; and rationalizing subsidy burden on the government. This led to the highest ever production of 245 LMT during 2015-16. In effect, 20 LMT of Urea during was additionally produced without adding additional any capacity. These steps have ensured continued easy availability of Urea to the farmers at an affordable price. Today's decision reiterates the commitment of the present Government towards the welfare of the farmers.

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Warm regards,

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