

Union Cabinet Decisions - Year End Review, 2017 - Part II

Memorandum of Understanding

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The Union cabinet approved the following MoUs for bilateral co-operation that the Indian government or its departments have entered into:

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- **Afghanistan** - in Police Training and Development

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- **Armenia** - in Disaster Management

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- **Bangladesh** - for cyber security cooperation

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- **Belarus** - in the oil and gas sector and “Vocational Education and Training”

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- **Brazil** - in Zebu Cattle Genomics and Assisted Reproductive Technologies

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- **Canada** - for jointly issue of postage stamps on the theme of Diwali (signed between India’s department of Posts and Canada Post).

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- **Colombia** - in the field of agriculture and fisheries

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- **Cuba** - in Health and Medicine

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- **Gibraltar** - Technical assistance on financial matters (to be signed between SEBI and Financial Services Commission (FSC) of Gibraltar)

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- **Israel** - on Indo-Israel Industrial R&D and “Technological Innovation Fund”

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- **Italy** - in Agriculture and Phytosanitary issues.

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- **Italy** - in Health and Medicine

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- **Japan** - for collaborative research in the field of silkworm and silk industries

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- **Kuwait** - Technical assistance on financial matters (to be signed between SEBI and Capital Markets Authority (CMA), Kuwait).

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- **Morocco** - in health and water resources.
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- **Myanmar** - for the Conservation of Earthquake-Damaged Pagodas at Bagan, Myanmar and “upgradation of the Women’s Police Training Centre” at Yamethin, Myanmar
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- **Nepal** - on Drug Demand Reduction and Prevention of Illicit Trafficking in Narcotics and Psychotropic Substances and precursor chemicals and related matters.
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- Also, MoU for construction of a new Bridge over Mechi River near the border was approved.
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- **Netherlands** - in space technology
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- **Palestine** - in Health and Medicine, IT, Electronics, youth affairs and sports
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- **Philippines** - on agriculture and related fields
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- **Poland** - for the promotion of Civil Aviation Cooperation
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- **Spain** - in renewable energy
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- **Sweden** - on cooperation in Intellectual Property Rights (IPRs).
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- **Switzerland** - on Technical Cooperation in Rail Sector
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Other International Engagements

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During the same period, the cabinet also approved the following international engagements that India entered into or plans to enter in the near future:

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Bilateral Deals

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- **Armenia** - Agreement on mutual assistance in customs matters
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- **Bangladesh** - Joint Declaration of Intent for Promotion and Protection of Investments

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- **Belarus** - Agreement on Scientific and Technological Cooperation for mutual benefit in the areas of science, technology, agriculture, etc.

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- Also, a “Bilateral Investment Treaty” (BIT) between on investments

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- **Brazil** - “Investment Cooperation and Facilitation Treaty” (ICFT).

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- **Colombia** - Approval for “Joint Interpretative Declaration” regarding the Promotion and Protection of Investments.

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- **Ethiopia** - Agreement on Cooperation in Information, Communication and Media and trade for promoting economic co-operation.

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- **Germany** - Joint Declaration of Intent on Health care and establishment of Indo-German “Centre for Sustainability”

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- **Hong Kong Special Administrative Region** - Cabinet approved entering into a “Double Taxation Avoidance and the Prevention of Fiscal Evasion”.

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- **Japan** - Cabinet has approved the signing of "Memorandum of Cooperation (MoC)" with Japan on the "Technical Intern Training Program (TITP)".

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- Also, Memorandum of Cooperation on establishing a Liquid, Flexible LNG Market was signed.

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- **Kyrgyzstan** - Approval for amending the “Double Taxation Avoidance Agreement” DTAA, and “Prevention of Fiscal Evasion w.r.t. incomes”.

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- **Lithuania** - Cabinet approves the Extradition Treaty between India and Lithuania

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- **Philippines** - Approval for signing an agreement on co-operation and mutual assistance in customs matters.

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Multilateral Engagements

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- **BRICS** - to set up BRICS Agriculture Research Platform

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- **BRICS Interbank Cooperation** - cabinet approved the signing of “Inter-bank Local Currency Credit Line Agreement” and MoC relating to “Credit Ratings by EXIM Bank”.

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- **BRICS MOC** - Memorandum of Cooperation (MOC) was approved in tax matters between India and BRICS countries (Brazil, Russia, China and South Africa) and India.

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- **Election Management Bodies** - Cabinet approved the MoU signed by the Election Commission of India with the Election Management Bodies of other countries and International Agencies.

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- **European Bank for Reconstruction & Development** - Cabinet has approved India's Membership for “EBRD”.

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- **IRDAI's admission to IAIS** - The admission of “Insurance Regulatory and Development Authority of India” (IRDAI) admission to International Association of Insurance Supervisors (IAIS), has been approved.

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- **Status of IALA** - Cabinet has approved for “International Association of Marine Aids to Navigation and Lighthouse Authorities” (IALA) to change its status from Non-Governmental Organization (NGO) to Inter-Governmental Organization (IGO).

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Research and Industry

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Cabinet approvals relating to setting up educational/research institutions and industry specific initiatives have been enlisted here:

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- **International Rice Research Institute** - Cabinet granted approval for the establishment of IRRI's "South Asia Regional Centre" at the campus of "National Seed Research and Training Centre" in Varanasi.

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- **International Training Centre for Operational Oceanography** - Cabinet approved the signing of an agreement with the UNESCO for the establishment of "ITCOO" in Hyderabad.

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- **Leather and Footwear Sector** - Cabinet has approved the special package for employment generation in leather and footwear sector for employment generation.

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- The package involves implementation of Central Sector Scheme "Indian Footwear, Leather & Accessories Development Programme" with Rs. 2600 Crore funds till 2020.

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- **National Rail and Transportation University** - Cabinet has approved the initiative of the Ministry of Railways to set up the first ever NTRU at Vadodara.

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- **National Ayush Mission (NAM)** - Cabinet has approved the continuation of Centrally Sponsored Scheme of National Ayush Mission (NAM) till 2020.

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- The scheme has an outlay of Rs. 2400 crore over the 3 year period.

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Legislations

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The following legislations were approved by the Union cabinet. These will subsequently have to be passed by the parliament to take effect:

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- **CGST (Extension to J&K) Amendment Bill** - Cabinet has approved a bill for the replacement of the “Central Goods and Services Tax” (extension to J&K) ordinance with a CGST (Amendment) Bill, 2017.
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- **IGST (Extension to J&K) Amendment Bill** - Cabinet has approved a bill for the replacement of the “Integrated Goods and Services Tax” (extension to J&K) ordinance with a CGST (Amendment) Bill, 2017.
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- **Legislative order for J&K** - Cabinet has given its approval for amendment of the Constitution (Application to J&K) Order, 1954.
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- This was done to pave the way for GST implementation and is done by a presidential order after getting the approval of the J&K assembly.
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- **GST Compensation Ordinance** - Cabinet approves promulgation of GST (Compensation to States) Ordinance, 2017
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- **Dentists (Amendment) Bill, 2017** - Cabinet has given its approval for introduction of the Bill in Parliament to amend the Dentists Act, 1948 to reduce redundancies.
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- **Payment of Gratuity (Amendment) Bill, 2017** - Cabinet approved the introduction of this bill in the Parliament.
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- **National Council for Teacher Education (Amendment) Act, 2017** - Cabinet has given its approval for introduction of a Bill in Parliament to amend the National Council for Teacher Education Act, 1993.
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- This is to grant recognition to the Central/State/Universities that are found to be conducting teacher education courses without NCTE permission.
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Schemes

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The following schemes got cabinet clearance -

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- **Sovereign Gold Bonds (SGB) Scheme** - was approved after revision of guidelines to achieve its intended objectives.
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- **Scheme of Modernisation of Police Forces** - The Union has given its approval for implementation of the umbrella scheme for years 2017-18 to 2019-20.

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- The financial outlay for the scheme over the three year's period is Rs.25,060 crore, out of which the Central Government share will be Rs.18,636 crore.

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- **Credit Linked Subsidy Scheme** - Cabinet approves the increase in the carpet area of houses eligible for interest subsidy under the CLSS

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- This scheme is focused on the Middle Income Group (MIGs) under Pradhan Mantri Awas Yojana (PMAY).

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- **Scheme for Capacity Building in Textiles Sector** - Cabinet Committee on Economic Affairs, has given its approval for this new skill development scheme.

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- It covers the entire value chain of the textile sector excluding Spinning & Weaving in organized Sector and has an outlay for the next 3 years is Rs. 1300 crore.

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- The scheme will have National Skill Qualification Framework (NSQF) compliant training courses.

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- **National Nutrition Mission** - Cabinet has approved setting up of NNM with a three year budget of Rs.9046.17 crore.

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- **NLCPR scheme** - Cabinet has approved the continuation of the "Non Lapsable Central Pool of Resources" (NLCPR) scheme for the North East till 2020.

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- The funding pattern of 90:10 and an outlay of Rs.5300.00 crore will also be retained and the ongoing projects would be completed.

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- **Judicial Infrastructure Enhancement** - Cabinet has approved the continuation of the Centrally Sponsored Scheme (CSS) for Development of Infrastructure Facilities for Judiciary beyond 12th Five Year Plan.

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- These are to be implemented in a Mission Mode through National Mission for Justice Delivery and Legal Reforms with an estimated outlay of Rs.3,320 crore.
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- **Scheme on Indian Institute of Corporate Affairs** - Cabinet has given its approval for continuation of the scheme beyond the 12th 5 year plan.
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- It has also provided a Grants-in-aid of Rs.18 crore to the Institute, which will make the Institute self-sustainable by the end of FY 2019-20.
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- **Revamped Khelo India Programme** - Approval for revamped “Khelo India programme” at a cost of Rs.1,756 crore for a 3 year period was given.
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- This marks a watershed moment as the Programme aims at mainstreaming sport as a tool for individual, community and national development.
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- **National Rural Drinking Water Programme** - approval for restructuring of “NRDWP” to make it outcome-based and competitive was given.
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- Focus is expected to be on better monitoring and sustainability of schemes to ensure good quality service delivery to the rural population.
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Structural Changes

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The following are the important structural changes that got cabinet approval:

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- **Creating Equivalence** - Cabinet approves equivalence of posts in Central PSUs like Banks, Insurance Institutions with Posts in Government.
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- This will help children of those serving in lower categories in PSUs and other institutions to get their deserved benefit of OBC reservations.
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- This will also prevent children of those in senior PSU positions, who’ve got OBC status by virtue of non existence of parallel government postings.
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- **National Anti-profiteering Authority** - Cabinet approves the establishment of the “NAPA” under GST
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- NAPA is mandated to ensure that the benefits of the reduction in GST rates are passed on to the ultimate consumers.
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- **Commission of Railway Safety** - Cabinet has approved the creation of the post of “Commissioner of Metro Railway Safety”.
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- The post would aid the functioning of “Commission on Railway Safety” as envisaged in the "Metro Railways (Operations and Maintenance) Act, 2002".
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- Notably, the “Commission of Railway Safety” falls under the Ministry of Civil Aviation.
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- **Railway Convention Committee (2014) Report** - Cabinet has accepted the suggestions in its 6th Report on "Rate of Dividend payable by the Railways to the General Revenues and other ancillary matters".
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- Payable revenues have been given a onetime waiver.
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- **Banks Consolidation** - Cabinet gives in-principle approval for Public Sector Banks to amalgamate through an Alternative Mechanism (AM)
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- The decision would facilitate consolidation among the Nationalised Banks to create strong and competitive banks.
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- **BSNL’s Tower Assets** - Cabinet approves hiving off mobile tower assets of Bharat Sanchar Nigam Limited into a separate company, fully owned by BSNL.
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- **Shared Communication Towers** - Cabinet approves revision of policy for providing certain Defence land to Communication Operators.
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- This will be based on “Department of Telecom” guidelines, for construction of Shared Communication Towers and allied Infrastructure
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- **Productivity Linked Bonus (PLB)** - Cabinet approved Productivity Linked Bonus for Railway Employees Payment before Festival seasons to Improve Productivity and Efficiency.
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- **National Testing Agency (NTA)** - Approval for Creation of “NTA” to conduct entrance examinations for higher educational institutions.
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- It is to be an autonomous and self-sustained premier testing organization to conduct entrance examinations for higher educational institutions.
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Fund Approvals

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Cabinet sanctioned the following regarding the allocation of funds:

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- **Indian Community Welfare Fund guidelines** - Cabinet has approved revision of the ICWF guidelines.

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- **Long term Irrigation Fund** - Cabinet approves raising Extra Budgetary Resources up to Rs. 9020 crore for Long Term Irrigation Fund for 2017-18.

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- This will be by NABARD through issuance of Bonds for ensuring lending rate of 6% per annum, in respect of borrowings for implementation of Accelerated Irrigation Benefits Programme (AIBP).

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- Works of 99 ongoing prioritized irrigation projects along with their command area development (CAD) works under PMKSY.

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- **Madhyamik and Uchchatar Shiksha Kosh** - The Non-lapsable corpus fund for Secondary and Higher education from the proceeds of Cess for Secondary and Higher Education levied under Finance Act, 2007

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- **15th Finance Commission** - Cabinet approves the setting up the 15th finance commission under article 280 of the constitution.

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- **MDR charges** - Cabinet has approved subsidising the Merchant Discount Rate (MDR) applicable on all debit cards, BHIM, UPI or Aadhaar enabled Payment System (AePS) transactions up to Rs. 2000.

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- The cost of such transactions would be borne by the Government for a period of two years from January, 2018 by reimbursing the banks.

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- **2nd National Judicial Pay Commission** - Approval for setting up of the Second NJPC for Subordinate Judiciary was given.

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Infrastructure Related Sanction

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- **Inland Waterways Authority of India** - Got the approval for IWAI to revalidate permissions to raise Extra Budgetary Resource (EBRs) of Rs. 660 crore through Government of India Bonds.

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- **North Koel Reservoir** - Approval to complete the balance works of the North Koel Reservoir Project in Jharkhand and Bihar was given.

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- While work was stalled in 1993, the estimated expenditure is Rs.1622.27 crore during three financial years from now.

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- **New Metro Rail Policy** - Was approved with focus on compact urban development, cost reduction and multi-modal integration

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- The policy seeks to enable realization of growing metro rail aspirations of a large number of cities in a responsible manner.

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Miscellaneous Issues

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The following domains also got cabinet approval:

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- **Vision Dwarka** - Cabinet has approved the following proposals of the “Department of Industrial Policy and Promotion” (DIPP) for Dwarka.

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- These include the development of Exhibition-cum-Convention Centre (ECC), Dwarka and allied infrastructure in PPP and non-PPP Mode.

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- The envisionments are estimate at 25,000 crores by 2025, and include an arena, trunk-infrastructure, Metro/NHAI connectivity, hotels, and office.

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- Incorporation of a new Government company as a Special Purpose Vehicle (SPV) for the implementation and development of the project.

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- **FM Phase-III e-auctions** - Cabinet has approved auctioning of 683 FM radio channels in 236 cities in subsequent batches.

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- It will usher in new/enhanced experience of FM radio in more cities.
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- **Renaming of Kandla Port** - Cabinet approves renaming of Kandla Port as Deendayal Port.
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- **OBC Sub-categorization Commission** - Cabinet approved a proposal for setting up of a Commission under article 340 of the Constitution.
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- This is to examine the issue of sub-categorization within the Other Backward Classes (OBCs).
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Source: PIB

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