

14 July 2021: PIB Summary & Analysis

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1. MoU between India and Denmark

Context:

Cabinet approves Memorandum of Understanding (MoU) between India and Kingdom of Denmark on Cooperation in the field of Health and Medicine.

Details:

- The bilateral MoU will encourage cooperation between the Ministry of Health and Family Welfare of India and the Ministry of Health of Denmark through joint initiatives and technology development in the health sector.
- It will strengthen bilateral ties between India and Denmark.

2. MoU between India and Russia

Context:

Cabinet approves Memorandum of Understanding (MoU) between India and the Russian Federation on cooperation regarding Coking Coal, which is used for steel making.

Details:

- The objective of the MoU is to strengthen the steel sector cooperation between the governments of India and Russia.
- The MoU shall benefit the entire steel sector by reducing their input cost. This may lead to a reduction in the cost of steel in the country and promote equity and inclusiveness.
- The MoU will provide an institutional mechanism for co-operation in the coking coal sector between India and Russia.

Also read: [India – Russia relations](#)

3. Commission to examine sub-categorisation within OBC

Context:

The Cabinet has approved the extension of the term of the Commission to examine the issue of Sub-categorization of Other Backward Classes, by 6 months i.e. up to 31.1.2022.

Details:

- The Communities in the existing list of OBCs which have not been able to get any major benefit of the scheme of reservation for OBCs for appointment in Central Government posts and for admission in Central Government Educational Institutions are expected to be benefitted upon implementation of the recommendations of the Commission.
- The Commission is likely to make recommendations for benefit of such marginalized communities in the Central List of OBCs.

Background:

- The Commission was constituted under Article 340 of the Constitution with the approval of the President in October 2017.
- It is chaired by Justice (Retd.) Smt. G. Rohini and the Commission is commonly known as the Rohini Commission.

Also read: [Sub-categorisation for OBCs](#)

4. Scheme for promotion of flagging of merchant ships in India

Context:

The Union Cabinet approved a scheme for the promotion of flagging merchant ships in the country.

Details of the scheme:

- The Cabinet approved a scheme to provide subsidies to merchant ships in India, approved in accordance with the Atmanirbhar Bharat goals.
- Subsidy will be provided to the Indian shipping companies in global tenders floated by Ministries and Central Public Sector Enterprises (CPSEs).
- The Centre will provide Rs. 1,624 crore over 5 years as a subsidy. This will be provided to shipping companies in global tenders floated by Ministries and CPSEs for importing government cargo.
- A ship that is flagged in India after February 1, 2021, and which is between 10 and 20 years at the time of flagging in India will get extended subsidy support at the rate of 10% of the quote offered by the L1 foreign shipping company, or, the actual difference between the quote offered by the Indian

flag vessel exercising the right of the first refusal (ROFS) and the quote offered by the L1 foreign shipping company, whichever is less.

- The rate at which the subsidy support is extended would be reduced by 1% every year, till it falls to 10% and 5% respectively.

Benefits of the scheme:

- Increase in Indian fleet will provide direct employment to Indian seafarers since Indian ships are required to employ only Indian seafarers.
- Cadets who wish to become seafarers are required to obtain on-board training on ships. Indian ships will therefore provide training slots for young Indian cadet boys and girls.
- This will enhance the share of Indian seafarers in global shipping, and thus Indian supply of seafarers to the world will increase manifold.
- Further, an increase in Indian fleet will also generate indirect employment in the development of ancillary industries such as shipbuilding, ship repair, recruitment, banking, etc. and contribute to the Indian GDP.

Significance of the scheme:

- India's shipping industry and its national fleet is proportionately small when compared with its global counterparts despite:
 - Having a 7,500 km long coastline
 - A significant national EXIM trade that is steadily growing on an annual basis
 - 100% FDI policy in shipping since 1997
- Currently, the Indian fleet comprises a meagre 1.2% of the world fleet in terms of capacity.
- The share of Indian ships in EXIM trade has also reduced from 40.7% in 1987-88 to about 7.8% in 2018-19 which has caused a hike in the foreign exchange outgo on account of freight bill payments to foreign shipping companies.
- The operating costs of Indian ships are much higher than foreign ships. This difference in operating costs arises on account of higher costs of debt funds, shorter tenure of loans, taxation on wages of Indian seafarers engaged on Indian ships, IGST on import of ships, blocked GST tax credits, discriminatory GST on Indian ships providing services between two Indian ports; all of which are not applicable to foreign ships providing similar services. (Indian ships have to mandatorily employ Indian crew and follow Indian taxation and corporate laws).
- Hence, importing a shipping service by an Indian charterer is cheaper than contracting the services of a local shipping company.
- Since Indian ships are less competitive while compared to their foreign peers, the Right of First Refusal (ROFR) policy has not been able to fuel the growth of Indian tonnage.
- A policy to promote the growth of the Indian shipping industry is also necessary because having a bigger national fleet would provide economic, commercial, and strategic advantages to India.
- The subsidy offered under the scheme will help offset the higher operating costs of Indian ships and make them more competitive. It would enable more government imports to be carried on Indian flag ships.

5. RoSCTL Scheme

Context:

Government approved continuation of Rebate of State and Central Taxes and Levies (RoSCTL) on Export of Apparel/Garments and Made-ups.

Details:

- The Centre has extended the rebate of state and central taxes and levies (RoSCTL) on export of apparel and garments for another three years.
- The move critically reduces the price of Indian products in the global market because manufacturers don't have to add the cost of state and central taxes on it.
- The Centre clarified that textile products not covered under the RoSCTL shall be eligible to avail the benefits under [RoDTEP scheme](#).

Benefits:

- The move would help the struggling textile industry by making the pricing of Indian apparels more competitive in the global market.
- This would help increase exports and create more jobs.

RoSCTL Scheme:

- Under the RoSCTL scheme, exporters are issued a duty credit scrip for the value of embedded taxes and levies contained in exported products. Exporters can use this scrip to pay tax while importing equipment, machinery.
- It is a globally accepted principle that taxes and duties should not be exported, to enable a level playing field in the international market for the exporters.
- Realizing the importance of refund of embedded taxes, cesses and duties, the Ministry of Textiles first launched a scheme by the name of Rebate of State Levies (ROSL) in 2016.
 - In this scheme the exporters of apparel, garment and made-ups were refunded embedded taxes and levies through the budget of the Ministry of Textiles.
- The RoSCTL scheme was notified in 2019 under which exporters are issued a duty credit scrip for the value of the embedded taxes in the exported products.

7. Chemotaxis

What is chemotaxis?

- Chemotaxis is a phenomenon that refers to the migration of cells toward attractant chemicals or away from repellents.

- Virtually, every motile (capable of motion) organism exhibits some type of chemotaxis.
- Many organisms in nature respond to the chemical signal received from their environment by showing bodily motion or as chemotaxis.
- A sperm cell finds the ovum using chemotaxis. White blood cells that are needed for healing injuries find the site of injury or inflammation by chemotaxis. Butterflies also track flowers, and male insects reach their targets by using chemotaxis. *coli* in the human intestine moves towards or away from chemicals using chemotaxis.
- Understanding chemotaxis involves how it is affected by various conditions present inside the cell or in the environment.

8. Centrally Sponsored Scheme (CSS) for Development of Infrastructure Facilities for Judiciary

Context:

Cabinet approved continuation of the Centrally Sponsored Scheme (CSS) for Development of Infrastructure Facilities for Judiciary for further five years.

Details:

- The scheme has been extended from 01.04.2021 to 31.03.2026 at a total cost of Rs.9000 crore, out of which the central share will be Rs.5357 crore including Rs.50 crore for the Gram Nyayalayas Scheme and their implementation in a Mission Mode through National Mission for Justice Delivery and Legal Reforms.
- This proposal will help in construction of 3800 court halls and 4000 residential units (both new and ongoing projects) for judicial officers of District and Subordinate Courts, 1450 lawyer halls, 1450 toilets complexes and 3800 digital computer rooms.
- This will help in improving the functioning and performance of the Judiciary in the country and will be a new step towards building better courts for a new India.
- This scheme has been in operation since 1993-94.
- **Importance of the scheme:** Several courts are still functioning in rented premises with insufficient space and some in a dilapidated condition without basic amenities. Lack of residential accommodation to all the judicial officers also adversely affects their working and performance.

Read previous PIB [here](#).