

# आत्मनिर्भर भारत

## Part -1 : Businesses including MSMEs

13.05.2020



सत्यमेव जयते  
Government Of India



# Prime Minister's Vision

- Call for **आत्मनिर्भर भारत अभियान** or Self-Reliant India Movement
- **Five pillars of Atmanirbhar Bharat** – Economy, Infrastructure, System, Vibrant Demography and Demand
- **Special economic and comprehensive package of Rs 20 lakh crores** - equivalent to **10% of India's GDP**
- Package to **cater to various sections** including cottage industry, MSMEs, labourers, middle class, industries, among others.
- **Bold reforms** across sectors will drive the country's push towards self-reliance
- It is time to **become vocal for our local products** and **make them global.**



# Pradhan Mantri Garib Kalyan Package (1)

Rs. 1.70 Lakh Crore relief package under Pradhan Mantri Garib Kalyan Yojana for the poor to help them fight the battle against Corona Virus:

- **Insurance cover** of Rs 50 Lakh per health worker
- 80 crore poor people given benefit of **5 kg wheat** or rice per person for next 3 months
- **1 kg pulses for each household** for free every month for the next 3 months
- 20 crore **women Jan Dhan account holders** get Rs 500 per month for next 3 months
- **Gas cylinders, free of cost**, provided to 8 crore poor families for the next 3 months
- **Increase in MNREGA wage** to Rs 202 a day from Rs 182 to benefit 13.62 crore families
- Ex-gratia of Rs 1,000 to 3 crore **poor senior citizen, poor widows and poor Divyang**



# Pradhan Mantri Garib Kalyan Package (2)

- Front-loaded **Rs 2,000** paid to farmers under existing PM-KISAN to benefit 8.7 crore farmers
- **Building and Construction Workers Welfare Fund** allowed to be used to provide **relief to workers**
- **24% of monthly wages to be credited** into their PF accounts for next three months for wage-earners below Rs 15,000 p.m. in businesses having less than 100 workers
- Five crore workers registered under **Employee Provident Fund EPF** to get **non-refundable advance of 75%** of the amount or three months of the wages, whichever is lower, from their accounts
- Limit of collateral free lending to be increased from Rs 10 to Rs 20 lakhs for Women **Self Help Groups** supporting 6.85 crore households.
- **District Mineral Fund (DMF)** to be used for supplementing and augmenting facilities of medical testing, screening etc..



# Other Measures - 1

- On the request of the Government of India, RBI **raised the Ways and Means advance limits** of States by 60% and **enhanced the Overdraft duration limits**.
- Issued all the **pending income-tax refunds up to ₹5 lakh**, immediately benefiting around 14 lakh taxpayers
- Implemented “**Special Refund and Drawback Disposal Drive**” for all pending refund and drawback claims
- Both the above measures amount to **₹18,000 crore** of refund.
- Sanctioned **Rs 15,000 crores** for **Emergency Health Response Package**



# Other Measures – 2

- Provided **Relaxation in Statutory and Compliance matters**, such as –
  - Extending last date for Income Tax Returns to June 30, 2020
  - Extending filing GST returns to end of June 2020
  - 24\*7 custom clearance till 30<sup>th</sup> June, 2020
  - Relaxation for 3 months for debit cardholders to withdraw cash free from any ATMs, etc
  - Allowing payment before 15 May, 2020 for Motor Vehicle and Health Insurance Policies
  - Mandatory Board meetings extended by 60 days till 30 September
  - Allowing Extraordinary General Meetings through Video Conference with e-voting/simplified voting facility



# Measures taken by Reserve Bank of India

- Reduction of Cash Reserve Ratio (CRR) has resulted in liquidity enhancement of **₹1,37,000 crores**
- **Targeted Long Term Repo Operations (TLTROs)** of **₹1,00,050 crore** for fresh deployment in investment grade corporate bonds, commercial paper, and non-convertible debentures.
- **TLTRO of Rs.50,000 crore** for investing them in investment grade bonds, commercial paper, and non-convertible debentures of NBFCs, and MFIs.
- Increased the **banks' limit for borrowing overnight** under the marginal standing facility (MSF), allowing the banking system to **avail an additional ₹1,37,000 crore of liquidity** at the reduced MSF rate.



# Measures taken by Reserve Bank of India

- Announced **special refinance facilities to NABARD, SIDBI and the NHB** for a total amount of **₹50,000 crore** at the policy repo rate
- Announced the opening of a **special liquidity facility (SLF)** of **₹50,000 crore** for mutual funds to alleviate intensified liquidity pressures.
- **Moratorium of three months on payment of instalments and payment of Interest on Working Capital Facilities** in respect of **all Term Loans**
- **Easing of Working Capital Financing** by reducing margins
- For loans by NBFCs to commercial real estate sector, **additional time of one year** has been given for extension of the date for commencement for commercial operations (**DCCO**)



# Businesses including MSMEs

1. Rs 3 lakh crores Collateral free Automatic Loans for Business, incl MSME
2. Rs 20,000 crore Subordinate Debt for MSMEs
3. Rs 50,000 cr equity infusion through MSME Fund of Funds
4. New definition of MSMEs
5. Global tender to be disallowed upto Rs 200 crores
6. Other interventions for MSMEs
7. Rs 2500 crores EPF support for Businesses and Workers for 3 more months
8. EPF contribution reduced for Business & Workers for 3 months- Rs 6750 crores
9. Rs 30,000 crores Liquidity Facility for NBFC/HCs/MFIs
10. Rs 45,000 cr Partial Credit Guarantee Scheme 2.0 for NBFC
11. Rs 90,000 cr Liquidity Injection for DISCOMs
12. Relief to contractors
13. Extension of Registration and Completion Date of Real Estate Projects under RERA
14. Rs 50,000 cr liquidity through TDS/TCS reductions
15. Other Direct tax Measures
16. Other Direct Tax Measures

# Rs 3 lakh crores Collateral-free Automatic Loans for Businesses, including MSMEs

- Businesses/MSMEs have been badly hit due to COVID19 need additional funding to meet operational liabilities built up, buy raw material and restart business
- **Decision: Emergency Credit Line to Businesses/MSMEs from Banks and NBFCs up to 20% of entire outstanding credit as on 29.2.2020**
  - Borrowers with up to Rs. 25 crore outstanding and Rs. 100 crore turnover eligible
  - Loans to have **4 year tenor** with **moratorium of 12 months** on Principal repayment
  - **Interest** to be **capped**
  - **100% credit guarantee cover** to Banks and NBFCs on **principal and interest**
  - Scheme **can be availed till 31<sup>st</sup> Oct 2020**
  - **No guarantee fee, no fresh collateral**
- **45 lakh units** can resume business activity and safeguard jobs.



# Rs 20,000 crores Subordinate Debt for Stressed MSMEs

- Stressed MSMEs need equity support
- GoI will facilitate provision of **Rs. 20,000 cr** as subordinate debt
- **Two lakh MSMEs** are likely to benefit
- Functioning MSMEs which are **NPA or are stressed** will be eligible
- Govt. will provide a support of **Rs. 4,000 Cr.** to CGTMSE
- CGTMSE will **provide partial Credit Guarantee support to Banks**
- Promoters of the MSME will be given debt by banks, which will then be infused by promoter as equity in the Unit.



# Rs 50,000 cr. Equity infusion for MSMEs through Fund of Funds

- MSMEs face severe shortage of Equity.
- Fund of Funds with **Corpus of Rs 10,000 crores** will be set up.
- Will provide equity funding for **MSMEs with growth potential and viability.**
- FoF will be operated through a **Mother Fund** and few **daughter funds**
- **Fund structure will help leverage Rs 50,000 cr of funds at daughter funds level**
- Will help to expand MSME size as well as capacity.
- Will **encourage MSMEs to get listed** on main board of Stock Exchanges.



# New Definition of MSMEs

- Low threshold in MSME definition have created a fear among MSMEs of graduating out of the benefits and hence killing the urge to grow.
- There has been a long-pending demand for revisions.

## Announcement:

- Definition of MSMEs will be revised
- **Investment limit** will be **revised upwards**
- **Additional criteria of turnover** also being introduced.
- Distinction between manufacturing and service sector to be eliminated.
- Necessary **amendments to law** will be brought about.



# Existing and Revised Definition of MSMEs

Existing MSME Classification			
Criteria : Investment in Plant & Machinery or Equipment			
Classification	Micro	Small	Medium
Mfg. Enterprises	Investment<Rs. 25 lac	Investment<Rs. 5 cr.	Investment <Rs. 10 cr.
Services Enterprise	Investment<Rs. 10 lac	Investment< Rs. 2 cr.	Investment<Rs. 5 cr.

Revised MSME Classification			
Composite Criteria : Investment And Annual Turnover			
Classification	Micro	Small	Medium
Manufacturing & Services	Investment< Rs. 1 cr. and Turnover < Rs.5 cr.	Investment< Rs. 10 cr. and Turnover < Rs.50 cr.	Investment< Rs. 20 cr. and Turnover < Rs.100 cr.

# Global tenders to be disallowed upto Rs 200 crores

- Indian MSMEs and other companies have often faced unfair competition from foreign companies.
- **Therefore, Global tenders will be disallowed in Government procurement tenders upto Rs 200 crores**
- **Necessary amendments of General Financial Rules will be effected.**
- This will be a step towards **Self-Reliant India (आत्मनिर्भर भारत)** and support **Make in India**
- This will also help MSMEs to increase their business.



# Other interventions for MSMEs

- MSMEs currently face problems of marketing and liquidity due to COVID.
- **e-market linkage** for MSMEs to be promoted to act as a replacement for trade fairs and exhibitions.
- Fintech will be used to **enhance transaction based lending using the data generated by the e-marketplace.**
- Government has been continuously monitoring settlement of dues to MSME vendors from Government and Central Public Sector Undertakings.
- **MSME receivables from Gov and CPSEs to be released in 45 days**



# **Rs. 2500 crore EPF Support for Business & Workers for 3 more months**

- Businesses continue to face financial stress as they get back to work.
- Under Pradhan Mantri Garib Kalyan Package (PMGKP), payment of 12% of employer and 12% employee contributions was made into EPF accounts of eligible establishments.
- This was provided earlier for salary months of March, April and May 2020
- **This support will be extended by another 3 months to salary months of June, July and August 2020**
- This will provide liquidity relief of **Rs 2500 cr** to 3.67 lakh establishments and for 72.22 lakh employees.



# EPF contribution reduced for Business & Workers for 3 months- Rs 6750 crores Liquidity Support

- Businesses need support to ramp up production over the next quarter.
- It is necessary to provide more take home salary to employees and also to give relief to employers in payment of Provident Fund dues,
- Therefore, **statutory PF contribution of both employer and employee will be reduced to 10% each from existing 12% each for all establishments covered by EPFO for next 3 months.**
- CPSEs and State PSUs will however continue to contribute 12% as employer contribution.
- **This scheme will be applicable for workers who are not eligible for 24% EPF support under PM Garib Kalyan Package and its extension.**
- This will provide **relief to about 6.5 lakh establishments** covered under EPFO and about **4.3 crore such employees.**
- This will provide **liquidity of Rs 6750 Crore to employers and employees over 3 months.**



# Rs 30,000 crore Special Liquidity Scheme for NBFCs/HFCs/MFIs

- NBFCs/HFCs/MFIs are finding it difficult to raise money in debt markets.
- Government will launch a **Rs 30,000 crore Special Liquidity Scheme**
- Under this scheme investment will be made in **both primary and secondary market transactions in investment grade debt paper of NBFCs/HFCs/MFIs**
- Will supplement RBI/Government measures to augment liquidity
- Securities will be **fully guaranteed by GoI**
- This will provide liquidity support for NBFCs/HFC/MFIs and mutual funds and create confidence in the market.



# Rs 45,000 crore Partial Credit Guarantee Scheme 2.0 for NBFCs

- NBFCs, HFCs and MFIs with low credit rating require liquidity to do fresh lending to MSMEs and individuals
- Existing PCGS scheme to be extended to **cover borrowings** such as primary issuance of Bonds/ CPs (liability side of balance sheets) of such entities
- **First 20% of loss will be borne by the Guarantor ie., Government of India.**
- AA paper and below including unrated paper eligible for investment (esp. relevant for many MFIs)
- This scheme will result in **liquidity of Rs 45,000 crores**



# Rs. 90,000 Cr. Liquidity Injection for DISCOMs

- Revenues of Power Distribution Companies (DISCOMs) have plummeted.
- **Unprecedented cash flow problem** accentuated by demand reduction
- DISCOM payables to Power Generation and Transmission Companies is currently ~ Rs 94,000 cr
- **PFC/REC to infuse liquidity of Rs 90,000 cr to DISCOMs against receivables**
- Loans to be given **against State guarantees** for exclusive purpose of discharging liabilities of Discoms to Gencos.
- **Linkage to specific activities/reforms:** Digital payments facility by Discoms for consumers, liquidation of outstanding dues of State Governments, Plan to reduce financial and operational losses.
- Central Public Sector Generation Companies shall give **rebate to Discoms** which shall be passed on to the final consumers (industries)



# Relief to Contractors

- **Extension of up to 6 months** (without costs to contractor) to be provided by all Central Agencies (like Railways, Ministry of Road Transport & Highways, Central Public Works Dept, etc)
  - Covers construction/ works and goods and services contracts
  - Covers obligations like completion of work, intermediate milestones etc. and extension of Concession period in PPP contracts
- **Government agencies to partially release bank guarantees**, to the extent contracts are partially completed, to ease cash flows



# Extension of Registration and Completion Date of Real Estate Projects under RERA

- Adverse impact due to COVID and projects stand the risk of defaulting on RERA timelines. Time lines need to be extended.
- Ministry of Housing and Urban Affairs will advise States/UTs and their Regulatory Authorities to the following effect:
  - Treat COVID-19 as an **event of ‘Force Majeure’** under RERA.
  - Extend the **registration and completion date** suo-moto by 6 months for all registered projects expiring on or after 25<sup>th</sup> March, 2020 without individual applications.
  - Regulatory Authorities may extend this for another period of upto 3 months, if needed
  - Issue **fresh ‘Project Registration Certificates’** automatically with revised timelines.
  - Extend timelines for various statutory compliances under RERA concurrently.
- These measures will de-stress real estate developers and ensure completion of projects so that homebuyers are able to get delivery of their booked houses with new timelines.



# **Rs 50,000 crores liquidity through TDS/TCS rate reduction**

- In order to provide more funds at the disposal of the taxpayers, the rates of Tax Deduction at Source (TDS) for non-salaried specified payments made to residents and rates of Tax Collection at Source (TCS) for the specified receipts shall be reduced by 25% of the existing rates.
- Payment for contract, professional fees, interest, rent, dividend, commission, brokerage, etc. shall be eligible for this reduced rate of TDS.
- This reduction shall be applicable for the remaining part of the FY 2020-21 i.e. from tomorrow to 31<sup>st</sup> March, 2021.
- **This measure will release Liquidity of Rs. 50,000 crore.**



# Other Direct Tax Measures

- **All pending refunds to charitable trusts and non-corporate businesses & professions** including proprietorship, partnership, LLP and Co-operatives shall be issued immediately.
- **Due date of all income-tax return** for FY 2019-20 will be extended from 31<sup>st</sup> July, 2020 & 31<sup>st</sup> October, 2020 **to 30th November, 2020** and **Tax audit** from 30<sup>th</sup> September, 2020 **to 31st October, 2020.**



# Other Direct Tax Measures

- **Date of assessments** getting barred on 30th September,2020 extended to 31st December,2020 and those getting barred on 31st March,2021 will be extended to 30th September,2021.
- Period of **Vivad se Vishwas Scheme** for making payment without additional amount will be **extended to 31st December,2020**.





Government Of India

# Thank You

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## Part-2 : Poor, including migrants and farmers

14.05.2020



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# **Direct Support to Farmers & Rural Economy provided post COVID**

- **3 crore farmers** with agricultural loans of Rs. 4.22 lakhs crore availed the benefit of 3 months loan moratorium.
- **Interest Subvention and Prompt Repayment Incentive** on crop loans, due from 1<sup>st</sup> March, **extended up to 31<sup>st</sup> May, 2020**
- **25 lakh new Kisan Credit Cards** sanctioned with a loan limit of Rs. 25,000 cr.



# Liquidity Support to Farmers & Rural Economy provided post COVID

- **63 lakh loans of Rs. 86,600 crore** approved in Agriculture between 1.3.2020 to 30.04.2020.
- Refinancing of **Rs.29,500 crore** provided by NABARD, to Cooperative Banks & Regional Rural Banks in March,2020.
- Support of **Rs. 4,200 crore** provided under **Rural Infrastructure Development Fund to States** during March, 2020 for rural infrastructure
- Working capital limit of **Rs. 6,700 crore** sanctioned for procurement of agriculture produce **to State Government entities** since March, 2020



# Support for Migrants and Urban Poor during last 2 months

- Government of India has **permitted State Governments to utilise State Disaster Response Fund (SDRF)** for setting up **shelter for migrants and providing them food and water etc.**
- **Central Government also released Rs 11002 crore** of its contribution in advance to all States on 3rd April, to augment funds in their SDRF.
- Hygienically prepared **three meals a day provided for the residents of Shelters for Urban Homeless (SUH)** during the lockdown w.e.f March 28, 2020.
- 12,000 SHGs have produced **3 crore masks and 1.20 lakh litres of sanitizers**. This gave additional employment opportunity to the urban poor.
- Disbursal of Revolving Fund (RF) to Self Help Groups was on-boarded on **PAiSA Portal** in April 2020 on a pilot basis in Gujarat and is now being rolled out across all the States in May 2020.
- **7,200 new Self Help Groups of urban poor have been formed** during the period starting 15<sup>th</sup> March, 2020.



# MGNREGS support to returning Migrants

- 14.62 crore person-days of work generated till 13<sup>th</sup> May 2020
- **Actual Expenditure till date is around Rs. 10,000 Cr**
- **Work offered to 2.33 Crore wage seekers yesterday in 1.87 Lac Gram Panchayats**
- **40-50% more persons enrolled, compared to May last year**
- **Average wage rate rose to Rs. 202 from Rs. 182 in last FY**
- **Drive being undertaken to enroll returning migrants**
- States/UTs advised to provide works to migrant workers as per the provisions of the Act
- Planning for continuing MNREGA works in Monsoon as well: plantations, horticulture, livestock related sheds



# Labour Codes - Benefits for Workers

- Universalization of right of minimum wages and timely payment of wages to all workers including unorganized workers – presently minimum wages applicable to only 30% of workers.
- Statutory concept of National Floor Wage introduced: will reduce regional disparity in minimum wages.
- Fixation of minimum wages simplified, leading to less number of rates of minimum wages and better compliance.
- Appointment letter for all workers- this will promote formalization.
- Annual Health Check-up for employees.
- Occupational Safety & Health (OSH) Code also applicable to establishments engaged in work of hazardous nature even with threshold of less than 10 workers.



# Labour Codes - Benefits for Workers

- Definition of inter-state migrant worker modified to include migrant workers employed directly by the employer, workers directly coming to destination State of their own besides the migrant workers employed through a contractor.
- **Portability of welfare benefits** for migrant workers.
- **Extension of ESIC coverage pan-India to all districts** and all establishments employing 10 or more employees as against those in notified districts/areas only.
- Extension of ESIC coverage to employees working in establishments with less than 10 employees on voluntary basis.
- Mandatory ESIC coverage through notification by the Central Government for employees in hazardous industries with less than 10 employees.



# Labour Codes - Benefits for Workers

- Social Security Scheme for Gig workers and Platform workers.
- Re-skilling fund introduced for retrenched employees.
- All occupations opened for women and permitted to work at night with safeguards.
- Provision for Social Security Fund for unorganised workers.
- Gratuity for Fixed Term Employment - Provision of gratuity on completion of one year service as against 5 years.



# Measures announced Yesterday



A number of measures were announced yesterday for Businesses in general and MSMEs in particular. The measures which will help all businesses are listed again for your understanding:

- **Rs 3 lakh crore Emergency Working Capital Facility** for Businesses, **including MSMEs**
- No Global tenders for Government tenders of upto Rs 200 crore
- Extending EPF Support for business and organised workers for another 3 months for salary months of June, July and August 2020 - **will provide liquidity for workers in MSME and other Businesses**
- EPF Contribution reduced for Employers and Employees for 3 months to 10% from 12% for all establishments for next 3 months for workers not covered by Govt support under PMGKP and its extension – will also help middle class employees - **will provide liquidity for workers in MSME and other Businesses**
- Relief to Contractors given by extension of up to six months for completion of contractual obligations, including in respect of EPC and concession agreements
- Tax relief to business as pending income tax refunds to charitable trusts and non-corporate businesses and professions to be issued immediately
- Reduction in Rates of ‘Tax Deduction at Source’ and ‘Tax Collected at Source’ by 25% for the remaining period of FY 20-21 and Due Dates for various tax related compliances extended - **will benefit all businesses**



**Poor, including Migrants and Farmers**

# Free Food grain Supply to Migrants for 2 months

- Migrants in various states require food-grain assistance
- Migrants who are **neither NFSA or State Card beneficiaries in the state they are stationed** will be provided **5 kg of grains per person and 1 kg Chana per family per month for two months**
- About **8 crores migrants** are expected to benefit.
- **Rs. 3500 Crore** will be spent on this intervention for 2 months
- **Cost will be fully borne by Government of India**
- State Governments responsible for implementation, identification of migrants and full distribution and providing detailed guidelines.



# **Technology Systems to be used enabling Migrants to access Public Distribution System (Ration) from any Fair Price Shop in India by March 2021 - One Nation One Ration Card**

- Migrant families are not able to access food in other states.
- This scheme will enable a migrant beneficiary to access Public Distribution System from any Fair Price Shop in the country (Intra-State portability introduced in 20 States)
- Part of the **PM's Technology Driven System Reforms**
- **67 crore beneficiaries in 23 states covering 83% of PDS population will be covered by national portability by August, 2020**
- **100% National portability will be achieved by March, 2021**
- **All the States/UTs will complete full FPS automation by March, 2021**



# Rs. 1500 crores Interest Subvention for MUDRA-Shishu Loans

- Small businesses under MUDRA have been disrupted the most & has also impacted their capacity to pay EMIs.
- Loan moratorium has already been granted by RBI
- **The current portfolio of MUDRA-Shishu loans is ~ Rs 1.62 Lakh crore (Maximum loan amount of 50,000 Rs).**
- Government of India will provide **Interest subvention of 2% for prompt payees** for a period of **12 months**.
- **Relief of Rs 1500 cr to MUDRA-Shishu loanees**



# Rs 5000 cr Special Credit Facility for Street Vendors

- Adverse impact on the livelihoods of the street vendors due to COVID-19
- Government will launch a special scheme **within a month** to facilitate easy access to credit to street vendors.
- Initial **working capital up to Rs. 10,000.**
- Digital payments will be incentivized through monetary rewards and enhanced working capital credit would be made available for good repayment behavior.
- Will support nearly **50 lakh street vendors**
- Will provide **liquidity of Rs 5000 crores**



# Affordable Rental Housing Complexes (ARHC) for Migrant Workers / Urban Poor

Migrant labour/urban poor face challenges in getting houses at affordable rent.

Government will launch a **scheme under PMAY for migrant labour/urban poor** to provide ease of living at affordable rent by,

- i. Converting government funded housing in the cities into Affordable Rental Housing Complexes (ARHC) under PPP mode through concessionaire;**
- ii. Incentivizing manufacturing units, industries, institutions, associations to develop Affordable Rental Housing Complexes (ARHC) on their private land and operate; and**
- iii. Incentivizing State Government Agencies / Central Government Organizations on the similar lines to develop Affordable Rental Housing Complexes (ARHC) and operate.**

Ministry will issue detailed guidelines.



# Rs 6000 crore employment push using CAMPA funds

- There is need to create job opportunities for our citizens
- Compensatory Afforestation Management & Planning Authority (CAMPA) set up under *Compensatory Afforestation Fund Act, 2016*
- Plans worth **Rs 6000 crores** will be approved shortly.
- Funds to be used by State Governments for-
  - **Afforestation and plantation works**, including in urban areas
  - Artificial regeneration, assisted natural regeneration
  - Forest management, soil & moisture conservation works
  - Forest protection, forest and wildlife related infrastructure development, wildlife protection and management etc
- Will create **job opportunities** in **urban, semi-urban and rural areas**.
- Will create job opportunities for Tribals /Adivasis



# Rs 30,000 crores Additional Emergency Working Capital Funding for farmers through NABARD

- Inadequate financial resources with Small and Marginal Farmers
- RRBs and Rural Cooperative banks are main source for credit
- **NABARD will extend additional refinance support of Rs. 30,000 crore for crop loan requirement of Rural Co-op Banks & RRBs.**
- This is **over and above Rs 90,000 crore** to be provided by NABARD through the **normal refinance route** during this year
- **Front-loaded on-tap facility** to 33 State Co-operative banks, 351 District Co-operative banks and 43 RRBs available on tap based on their lending .
- To **benefit around 3 crore farmers** - mostly small and marginal farmers.
- To meet **post harvest (Rabi) & current Kharif** requirement in May/June



## **Rs 2 lakh crore Concessional credit boost to 2.5 crore farmers through Kisan Credit Cards**

- **Special drive** to be undertaken to provide concessional credit to PM-KISAN beneficiaries through Kisan Credit Cards
- **Fishermen and Animal Husbandry farmers** will also be included in this drive.
- This will enable such farmers to gain access to institutional credit at concessional interest rate
- **2.5 crore farmers** will be covered and will benefit from credit flow of about **Rs 2 lakh crores**



# **Rs 70,000 crore boost to housing sector and middle income group through extension of CLSS**

- Credit Linked Subsidy Scheme for Middle Income Group (Annual Income: Rs 6–18 lakhs) was operationalized from May 2017.
- CLSS was extended up to 31<sup>st</sup> March 2020
- Scheme has benefitted 3.3 lakh middle class families so far.
- **Government will extend the CLSS Scheme up to March 2021.**
- **2.5 lakhs middle income families** will benefit during 2020-21
- Will lead to Investment of over **Rs. 70,000 Crores** in housing
- Will **create jobs**
- Will stimulate demand for steel, cement, transport and other construction materials.



# Thank You

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## Part-3: Agriculture

15.05.2020



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# Yesterday's announcements related to farmers

## 1. Rs 30,000 crore Additional Emergency Working Capital for farmers through NABARD

- NABARD will extend additional re-finance support of **Rs 30,000 crore** over and above the Rs 90,000 already being provided by NABARD for meeting crop loan requirement of **Rural Cooperative Banks and RRBs**.
- Will benefit **3 crore farmers**, mostly small and marginal.

## 2. Rs 2 lakh crore credit boost to 2.5 crore farmers under Kisan Credit Card Scheme

- A special drive to provide concessional credit to PM-KISAN beneficiaries through Kisan Credit Cards.
- Fisherman and Animal Husbandry Farmers will also be included in this drive.
- Will inject **additional liquidity of Rs 2 lakh crore to 2.5 crore farmers**



## Agriculture : Additional Steps during COVID

- A number of measures supporting farmers was explained yesterday.
- Additional measures taken during last 2 months are below
- During lockdown period **Minimum Support Price (MSP) purchases** of amount more than **Rs 74,300 crores**
- **PM KISAN fund Transfer** of **Rs 18,700 crores**
- **PM Fasal Bima Yojana** claim payment of **Rs 6,400 crores**



# Animal Husbandry : Additional Steps during COVID

- During Lockdown, Demand of Milk reduced by 20-25%.
- 560 Lakh litre per day(LLPD) procured by cooperatives against daily sale of 360 LLPD.
- Total 111 Crore Litres extra procured ensuring payment of Rs 4100 Cr.
- A new scheme to provide **interest subvention @2% per annum** to dairy cooperatives for 20-21.
- Additional 2% p.a interest subvention on prompt payment/interest servicing.
- This scheme will **unlock 5000 Cr additional liquidity, benefitting 2 Cr farmers.**



# Fisheries: Additional Steps during COVID

- **All 4 COVID related announcements for fisheries implemented**
  - Validity of Sanitary Import Permits (SIPs) for import of Shrimp Broodstock extended by 3 months
  - Condoned delay up to 1 month in arrival of Brood stock consignments
  - Allowed rebooking of Quarantine cubicles for cancelled consignments with no additional charges
  - Verification of documents and grant of NOC for Quarantine relaxed from 7 days to 3 days
- **Registration of 242 Registered Shrimp hatcheries and Nauplii Rearing Hatcheries expiring on 31.03.2020 extended for 3 months**
- **Operations of Marine Capture Fisheries and Aquaculture relaxed to cover Inland Fisheries**



# Agriculture



**Measures to  
strengthen  
Infrastructure  
Logistics and  
Capacity Building**

# Rs 1 lakh crore Agri Infrastructure Fund for farm-gate infrastructure for farmers

- Lack of adequate cold chain & Post Harvest Management infrastructure in the vicinity of farm-gate causing gaps in value chains.
- Focus has been on short term crop loans while investment in long term agriculture infrastructure has often not been enough.
- **Financing facility of Rs. 1,00,000 crore** will be provided for funding Agriculture Infrastructure Projects at farm-gate & aggregation points (Primary Agricultural Cooperative Societies, Farmers Producer Organisations, Agriculture entrepreneurs, Start-ups, etc.)
- Impetus for development of farm-gate & aggregation point, affordable and financially viable Post Harvest Management infrastructure
- Fund will be created immediately.



# Rs 10,000 crores scheme for Formalisation of Micro Food Enterprises (MFE)

- Scheme promotes vision of Hon. PM: *‘Vocal for Local with Global outreach’*
- Unorganised MFEs units *need* technical upgradation to attain FSSAI food standards, build brands and marketing
- A Scheme will be launched to **help 2 lakh MFEs attain above goals**
- Existing micro food enterprises, Farmer Producer Organisations, Self Help Groups and Cooperatives to be supported
- **Cluster based approach** (e.g. Mango in UP, Kesar in J&K, Bamboo shoots in North-East, Chilli in Andhra Pradesh, Tapioca in Tamil Nadu etc.)
- **Expected outcomes:** Improved health and safety standards, integration with retail markets, improved incomes
- Will also help in reaching untapped export markets in view of improved health consciousness.



# **Rs 20,000 crores for Fishermen through Pradhan Mantri Matsya Sampada Yojana (PMMSY)**

- **Critical gaps** in fisheries value chain
- **Government will launch the PMMSY for integrated, sustainable, inclusive development of marine and inland fisheries.**
- **Rs 11,000 Cr for activities** in Marine, Inland fisheries and Aquaculture
- **Rs. 9000 Cr for Infrastructure** - Fishing Harbours, Cold chain, Markets etc.
- Cage Culture, Seaweed farming, Ornamental Fisheries as well as New Fishing Vessels, Traceability, Laboratory Network etc. will be key activities.
- Provisions of Ban Period Support to fishermen (during the period fishing is not permitted), Personal & Boat Insurance
- Will lead to **Additional Fish Production of 70 lakh tonnes over 5 years.**
- **Employment to over 55 lakh persons; double exports** to Rs 1,00,000 Cr.
- **Focus** on Islands, Himalayan States, North-east and Aspirational Districts.



# National Animal Disease Control Programme

- National Animal Disease Control Programme for Foot and Mouth Disease (FMD) and Brucellosis launched with total outlay of **Rs. 13,343 crores**.
- It ensures **100% vaccination** of cattle, buffalo, sheep, goat and pig population (total **53 crore animals**) for Foot and Mouth Disease (FMD) and for brucellosis.
- Till date, **1.5 crore cows & buffaloes tagged and vaccinated**.



# Animal Husbandry Infrastructure Development Fund - Rs. 15,000 crore

- Many areas in country with high milk production having great potential for private investment in Dairy
- Aim to support private investment in Dairy Processing, value addition and cattle feed infrastructure
- **An Animal Husbandry Infrastructure Development Fund of Rs. 15,000 crore will be set up.**
- Incentives to be given for establishing plants for export of niche products.



# Promotion of Herbal Cultivation :

## Rs. 4000 crore

- **National Medicinal Plants Board (NMPB)** has supported 2.25 lac hectare area under cultivation of medicinal plants
- **10,00,000 hectare will be covered under Herbal cultivation in next two years with outlay of Rs. 4000 crore**
- Will lead to Rs. 5,000 crores income generation for farmers
- Network of regional Mandis for Medicinal Plants.
- **NMPB will bring 800 hectare area by developing a corridor of medicinal plants along the banks of Ganga.**



# Beekeeping initiatives –Rs 500 crores

- Beekeeping is a livelihood supporting activity for rural areas;
- **Increases yield & quality of crops** through pollination;
- Provides honey and other beehive products like wax.

## **Government will implement a scheme for:**

- Infrastructure development related to Integrated Beekeeping Development Centres, Collection, Marketing and Storage Centres, Post Harvest & value Addition facilities etc;
- Implementation of standards & Developing traceability system
- Capacity building with thrust on women;
- Development of quality nucleus stock and bee breeders.

**This will lead to increase in income for 2 lakh beekeepers and quality honey to consumers.**



# From 'TOP' to TOTAL - Rs 500 crores

- Supply chains have been disrupted and farmers are not being able to sell their produce in the markets
- Distress sale and reduction of price of perishable fruits and vegetables at the farm level needs to be prevented.
- **Operation Greens** will be extended from Tomatoes, Onion and Potatoes (TOP) to **ALL fruits and vegetables (TOTAL)**.
- **Scheme features will be as follows:**
  - 50% subsidy on transportation from surplus to deficient markets.
  - 50% subsidy on storage, including cold storages.
- **Pilot for 6 months** – Will be expanded and extended
- **Expected outcomes:** Better price realisation to farmers, reduced wastages, affordability of products for consumers





## **Governance and Administrative Reforms**

# Amendments to Essential Commodities Act to enable better price realisation for farmers

- EC Act, 1955 was enacted in days of scarcity.
- Need to enable better price realisation for farmers by attracting investments and making agriculture sector competitive
- Agriculture food stuffs including **cereals, edible oils, oilseeds, pulses, onions and potato to be deregulated.**
- Stock limit to be imposed under very exceptional circumstances like national calamities, famine with surge in prices.
- No such stock limit shall apply to processors or value chain participant, subject to their installed capacity or to any exporter subject to the export demand.
- **Government will amend Essential Commodities Act.**

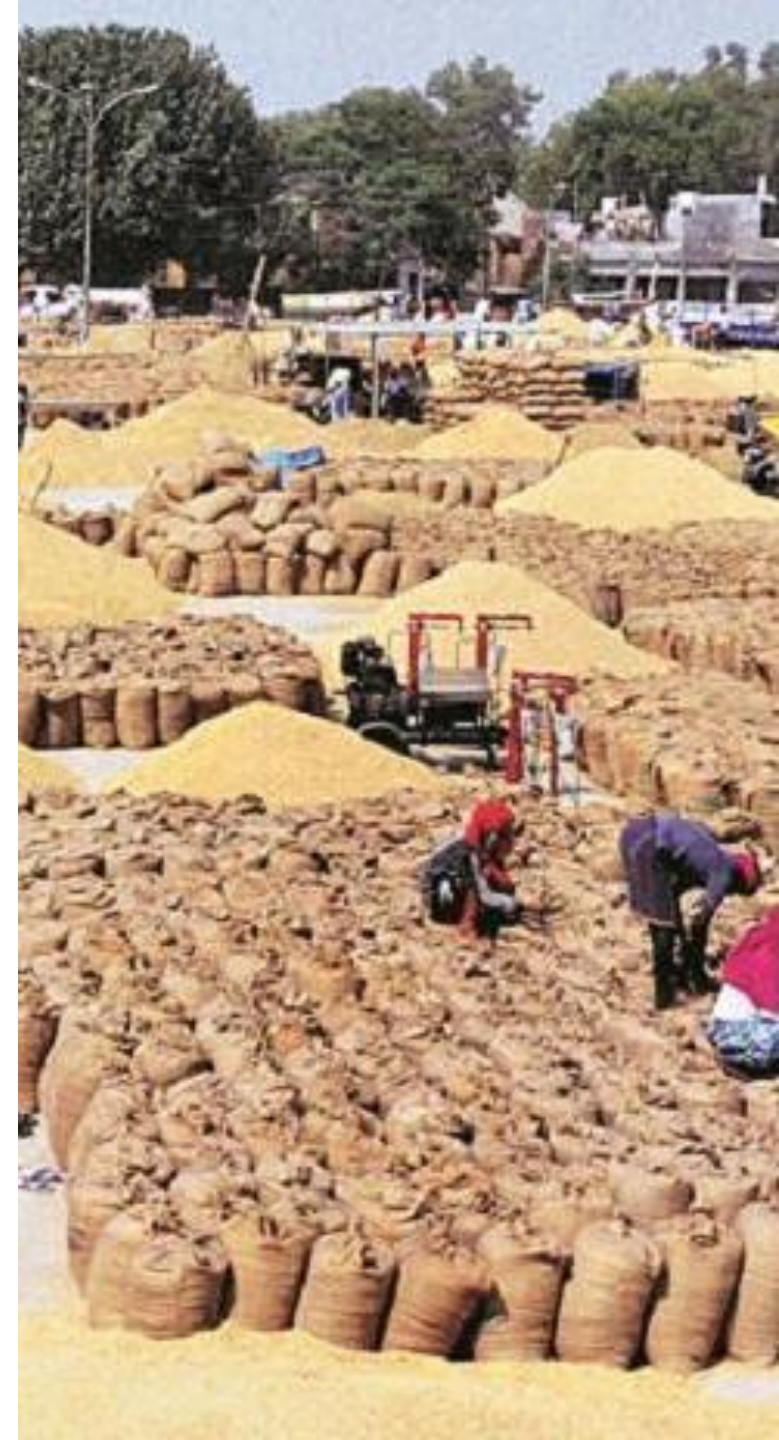


# Agriculture Marketing Reforms to provide marketing choices to farmers

- Farmers bound to sell agriculture produce only to Licensees in APMCs
- Such restriction of sale is not there for any industrial produce
- Results in Hindrances in free flow of Agricultural Produce and Fragmentation of Markets and Supply Chain;
- Less price realization for farmers.

## **A Central law will be formulated to provide -**

- Adequate choices to farmer to sell produce at attractive price;
- Barrier free Inter-State Trade;
- Framework for e-trading of agriculture produce.



# Agriculture Produce Price and Quality Assurance

- Farmers lack an enforceable standard mechanism for predictable prices of crops at the time of sowing.
- Private sector investment in provision of inputs and knowhow in the agriculture sector hindered
- **Facilitative legal framework** will be created to enable farmers for engaging with processors, aggregators, large retailers, exporters etc. in a fair and transparent manner.
- **Risk mitigation** for farmers, **assured returns** and **quality standardisation** shall form integral part of the framework.





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# Thank You

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## Part-4: New Horizons of Growth

16.05.2020



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# Policy Reforms to fast-track Investment – Effort towards Atmanirbhar Bharat

- **Fast track Investment Clearance through Empowered Group of Secretaries (EGoS).**
- **Project Development Cell** in each Ministry to prepare investible projects, coordinate with investors and Central/ State Governments
- **Ranking of States on Investment Attractiveness to compete for new investments**
- Incentive schemes for **Promotion of New Champion Sectors will be** launched in sectors such as Solar PV manufacturing; Advanced cell battery storage; etc.



# Upgradation of Industrial Infrastructure

- Scheme will be implemented in States through Challenge mode for Industrial Cluster Upgradation of common infrastructure facilities and connectivity.
- Availability of Industrial Land/ Land Bank for promoting new investments and making information available on Industrial Information System (IIS) with GIS mapping.
  - 3376 industrial parks/estates/SEZs in 5 lakh hectares mapped on Industrial Information System (IIS)
  - All industrial parks will be ranked in 2020-21





# New Horizons of Growth

# Policy Reforms – Introduction of Commercial Mining in Coal Sector

Need to reduce import of substitutable coal and increase **Self-reliance in coal production**.

Government will **introduce competition, transparency and private sector participation** in the Coal Sector through :

- **Revenue sharing mechanism instead of regime of fixed Rupee/tonne**
  - Earlier, only captive consumers with end-use ownership could bid.
  - Now, any party can bid for a coal block and sell in the open market.
- **Entry norms will be liberalized**
  - Nearly 50 blocks to be offered immediately.
  - No eligibility conditions, only upfront payment with a ceiling.



# Policy Reforms – Introduction of Commercial Mining in Coal Sector

- **Exploration-cum-production regime for partially explored blocks**
  - Against earlier provision of auction of fully explored coal blocks, *now even partially explored blocks to be auctioned.*
  - Will allow private sector participation in exploration.
- **Production earlier than scheduled will be incentivized through rebate in revenue-share**



# **Policy Reforms – Diversified Opportunities in Coal Sector - Investment of Rs 50,000 crores.**

- **Coal Gasification / Liquefaction will be incentivised through rebate in revenue share.**
  - Will result in significantly lower environment impact
  - Will assist India in switching to a gas-based economy
- **Infrastructure development of Rs. 50,000 crores**
  - For evacuation of enhanced CIL's target of 1 billion tons coal production by 2023-24 plus coal production from private blocks.
  - Includes Rs 18,000 cr worth of investment in mechanized transfer of coal (conveyor belts) from mines to railway sidings.
  - This measure will also help reduce environmental impact



# Policy Reforms –Liberalised Regime in Coal Sector

- **Coal Bed Methane (CBM) extraction** rights to be auctioned from Coal India Limited's (CIL) coal mines.
- **Ease of doing business** measures, such as Mining Plan simplification, will be taken.
  - Mining Plan has been shortened, made amenable for loading online.
  - To allow for automatic 40% increase in annual production.
- **Concessions in commercial terms** given to CIL's consumers (**relief worth Rs 5000 cr offered**)
  - Reserve price in auctions for non-power consumers reduced, credit terms eased, and lifting period enhanced.



# Enhancing Private Investments in the Mineral Sector

Structural reforms to boost growth, employment and bring state-of-the-art technology especially in exploration through:

- **Introduction of a seamless composite exploration-cum-mining-cum-production regime.**
- **500 mining blocks would be offered** through an open and transparent auction process
- **Introduce Joint Auction of Bauxite and Coal mineral blocks** to enhance Aluminum Industry's competitiveness. Will help aluminium industry reduce electricity costs.



# Policy Reforms – Mineral Sector

- **Remove distinction between captive and non-captive mines** to allow transfer of mining leases and sale of surplus unused minerals, leading to better efficiency in mining and production.
- Ministry of Mines is in the process of developing **Mineral Index** for different minerals
- **Rationalisation of stamp duty payable** at the time of award of mining leases.



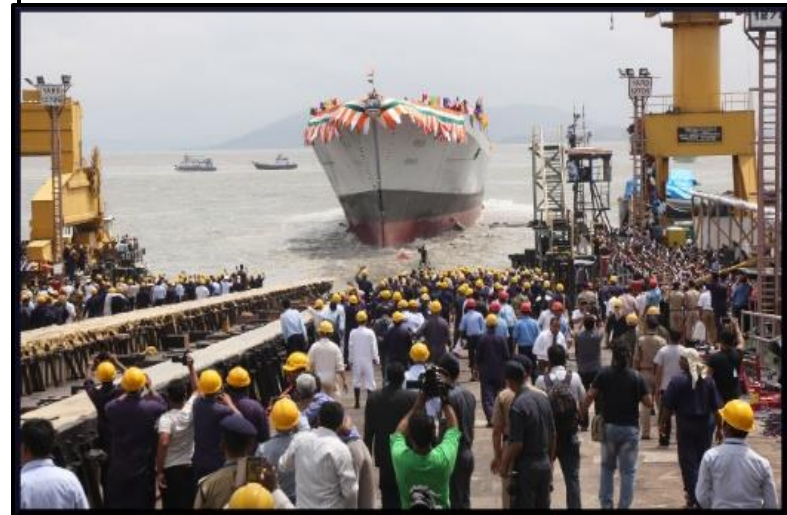
# Enhancing Self Reliance in Defence Production

- **‘Make in India’ for Self-Reliance in Defence Production:**
  - Notify a list of weapons/platforms for ban on import with year wise timelines;
  - Indigenisation of imported spares;
  - Separate budget provisioning for domestic capital procurement.
  - Will help reduce huge Defence import bill.
- Improve autonomy, accountability and efficiency in Ordnance Supplies by **Corporatisation of Ordnance Factory Board.**



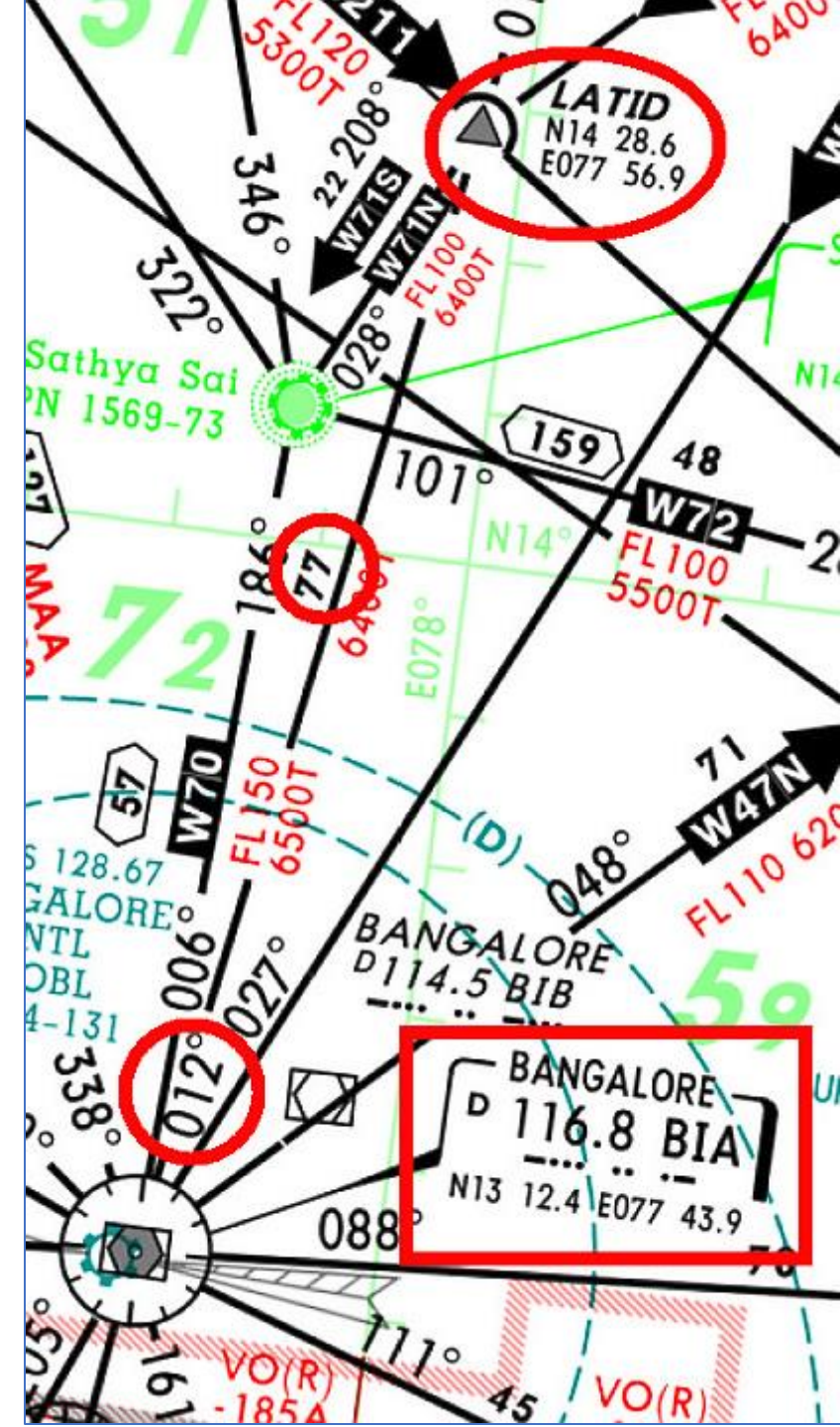
# Policy Reforms - Defence Production

- **FDI limit in the defence manufacturing under automatic route will be raised from 49% to 74%**
- **Time-bound defence procurement process and faster decision making will be ushered in by :**
  - Setting up of a Project Management Unit (PMU) to support contract management;
  - Realistic setting of General Staff Qualitative Requirements (GSQRs) of weapons/platforms;
  - Overhauling Trial and Testing procedures



# Reduction in Flying cost Rs. 1000 crores - Efficient Airspace Management for Civil Aviation

- Only 60% of the Indian airspace freely available.
- **Restrictions on utilisation of the Indian Air Space will be eased** so that civilian flying becomes more efficient.
- Will bring a total **benefit of about Rs 1000 crores per year** for the aviation sector.
- Optimal utilization of airspace; reduction in fuel use, time.
- Positive environmental impact.



# More World-class Airports through PPP

- AAI has awarded 3 airports out of 6 bid for Operation and Maintenance on Public-Private Partnership (PPP) basis.
- Annual Revenue of 6 airports in 1<sup>st</sup> round - Rs 1000 crores (against current profit of Rs 540 crores per year). AAI will also get a down payment of Rs 2300 crores.
- **6 more airports** identified for 2<sup>nd</sup> round. Bid process to commence immediately.
- Additional Investment by private players in 12 airports in 1<sup>st</sup> and 2<sup>nd</sup> rounds expected around **Rs. 13,000 crores.**
- **Another 6 airports will be put out for the third round of bidding.**



# India to become a global hub for Aircraft Maintenance, Repair and Overhaul (MRO)

- **Tax regime for MRO ecosystem has been rationalized.**
- Aircraft component repairs and airframe maintenance to increase from Rs 800 crores to Rs 2000 crores in three years.
- Major engine manufacturers in the world would set up engine repair facilities in India in the coming year.
- **Convergence between defence sector and the civil MROs** will be established to create economies of scale.
- **Maintenance cost for airlines will come down.**



# Tariff Policy Reform

**A Tariff Policy laying out the following reforms will be released:**

## **A. Consumer Rights**

- DISCOM inefficiencies not to burden consumers
- Standards of Service and associated penalties for DISCOMs
- DISCOMs to ensure adequate power; load-shedding to be penalized

## **B. Promote Industry**

- Progressive reduction in cross subsidies
- Time bound grant of open access
- Generation and transmission project developers to be selected competitively

## **C. Sustainability of Sector**

- No Regulatory Assets
- Timely payment of Gencos
- DBT for subsidy; Smart prepaid meters



# Privatization of Distribution in UTs

- Sub-optimal performance of power distribution & supply
- Power Departments / Utilities in Union Territories will be privatised.
- Will lead to better service to consumers and improvement in operational and financial efficiency in Distribution
- Provide a model for emulation by other Utilities across the country.



# Boosting private sector investment in Social Infrastructure through revamped Viability Gap Funding Scheme - Rs 8100 crores

- Social Infrastructure Projects suffer from poor viability.
- Government will enhance the **quantum of Viability Gap Funding** upto 30% each of Total Project Cost as VGF by Centre and State/Statutory Bodies.
- For other sectors, VGF existing support of 20 % each from GoI and States/Statutory Bodies shall continue
- **Total outlay is Rs. 8100 crores**
- Projects to be proposed by Central Ministries/ State Government/ Statutory entities.



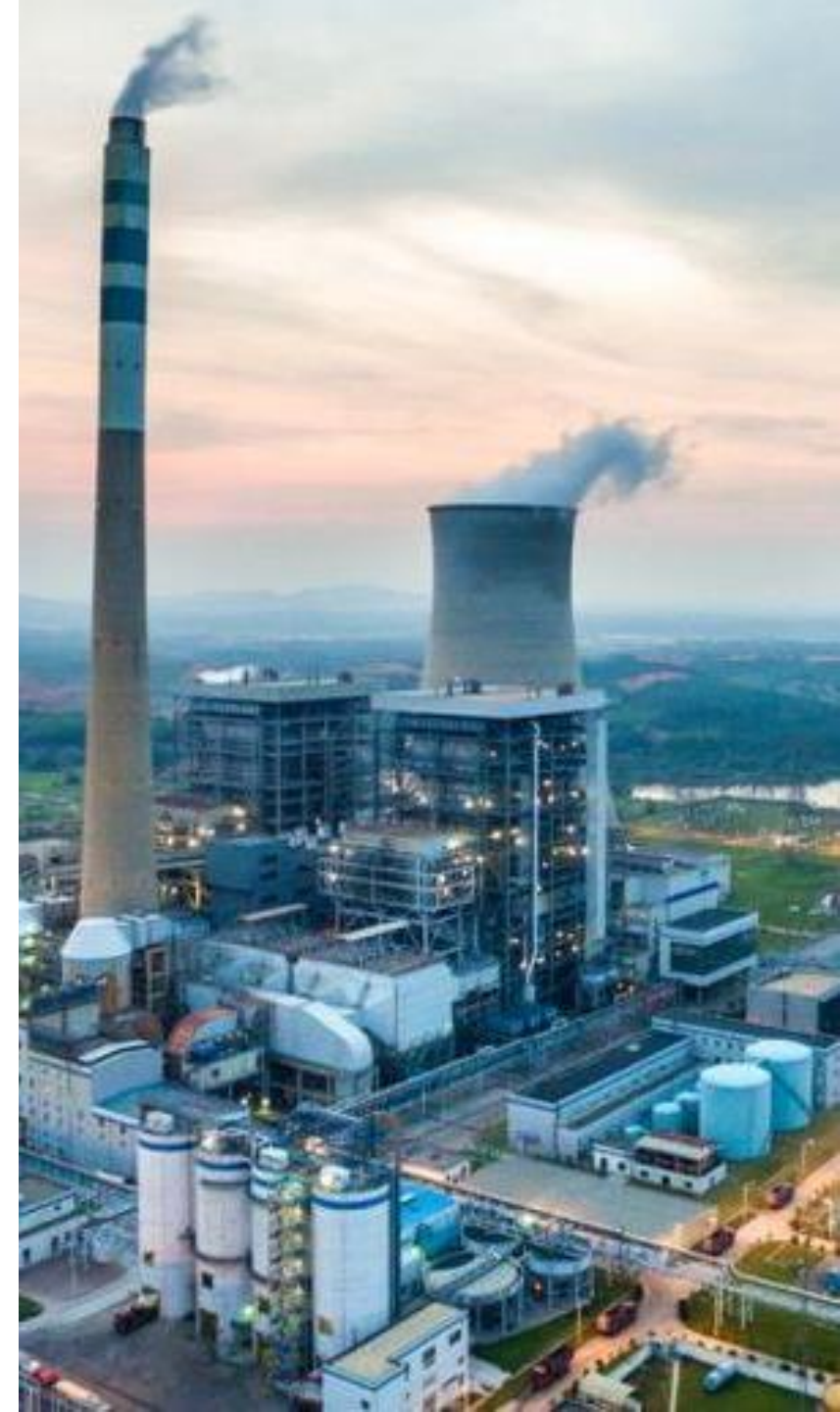
# Boosting private participation in Space activities

- Indian private sector will be a co-traveller in India's space sector journey.
  - Will provide **level playing field for private companies** in satellites, launches and space-based services.
  - Will provide **predictable policy and regulatory environment** to private players.
  - Private sector will be allowed to **use ISRO facilities** and other relevant assets to improve their capacities.
  - **Future projects** for planetary exploration, outer space travel etc to be **open for private sector**.
  - **Liberal geo-spatial data policy** for providing remote-sensing data to tech-entrepreneurs.



# Atomic Energy related Reforms

- Establish **research reactor in PPP mode** for production of medical isotopes – promote welfare of humanity through affordable treatment for cancer and other diseases.
- Establish **facilities in PPP mode** to use irradiation technology for food preservation – to compliment agricultural reforms and assist farmers.
- Link India's robust start-up ecosystem to nuclear sector – **Technology Development cum Incubation Centres** will be set up for fostering synergy between research facilities and tech-entrepreneurs.





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## Part-5: Government Reforms and Enablers

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# Health Related Steps taken so far for COVID containment

## Already announced – Rs. 15,000 crore

- Released to states – Rs. 4113 cr
- Essential items – Rs. 3750 cr
- Testing labs and kits – Rs. 550 cr
- Insurance cover of Rs 50 lakhs per person for health professionals under *Pradhan Mantri Garib Kalyan Yojana*.

## Leveraging IT –

- Roll out of e-Sanjeevani Tele-Consultation Services
- Capacity Building: Virtual learning modules – iGOT platform
- Arogya Setu: self assessment and contact tracing

## Protection to Health Workers –

- Amendment in Epidemic Diseases Act
- Adequate provision for PPEs –
  - From zero to > 300 domestic manufacturers
  - Already supplied - PPEs (51 lakhs), N95 masks (87 lakhs) HCQ tablets (11.08 Cr)



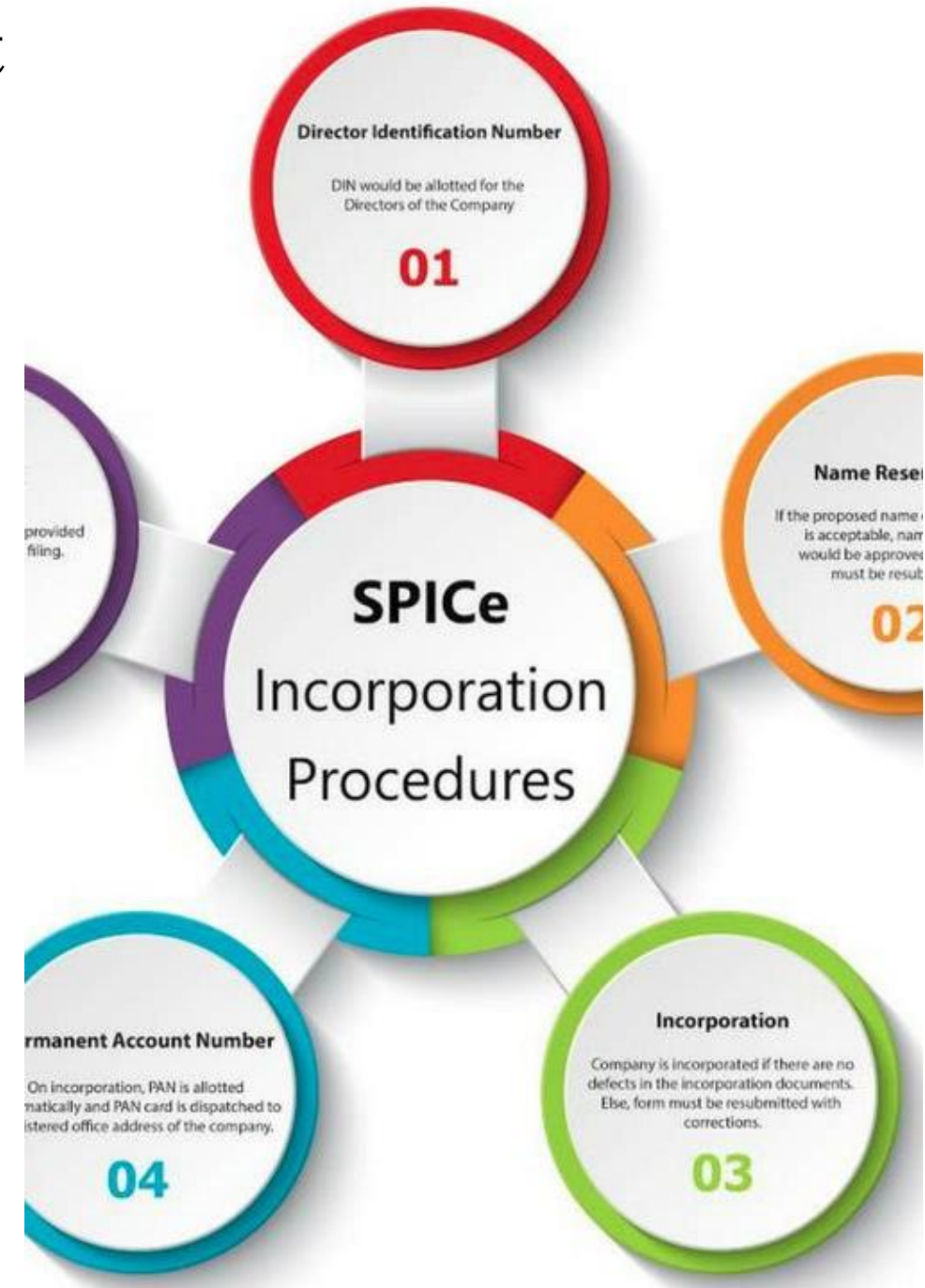
# Reforming Governance for Ease of Doing Business

- Globally, potential investors look at a country's **Doing Business Report** (DBR) ranking
- Sustained measures taken have resulted in steadily improving **India's position in World Bank's Doing Business Report** rank from 142 in 2014 to 63 in 2019
- **This included streamlining processes** such as granting of permits and clearance, self-certification and third party certification among others.
- Government is working on a **mission mode on the next phase of Ease of Doing Business Reforms** relating to easy registration of property, fast disposal of commercial disputes and simpler tax regime for making India one of the easiest places to do business



# Recent Corporate Law measures to boost Measures for Ease of Doing Business

- In the **first phase of decriminalization of Company Law** defaults in 2018, 16 compoundable offences were shifted to an in-house adjudication & penalty mechanism
- **Integrated Web based Incorporation Form** - Simplified Proforma for Incorporating Company Electronically Plus (SPICe +) introduced which extends 10 services of different Ministries and one State Government through a single form.
- **Databank of Independent Directors launched**
- **Withdrawal of more than 14,000 prosecutions** under the Companies Act, 2013.



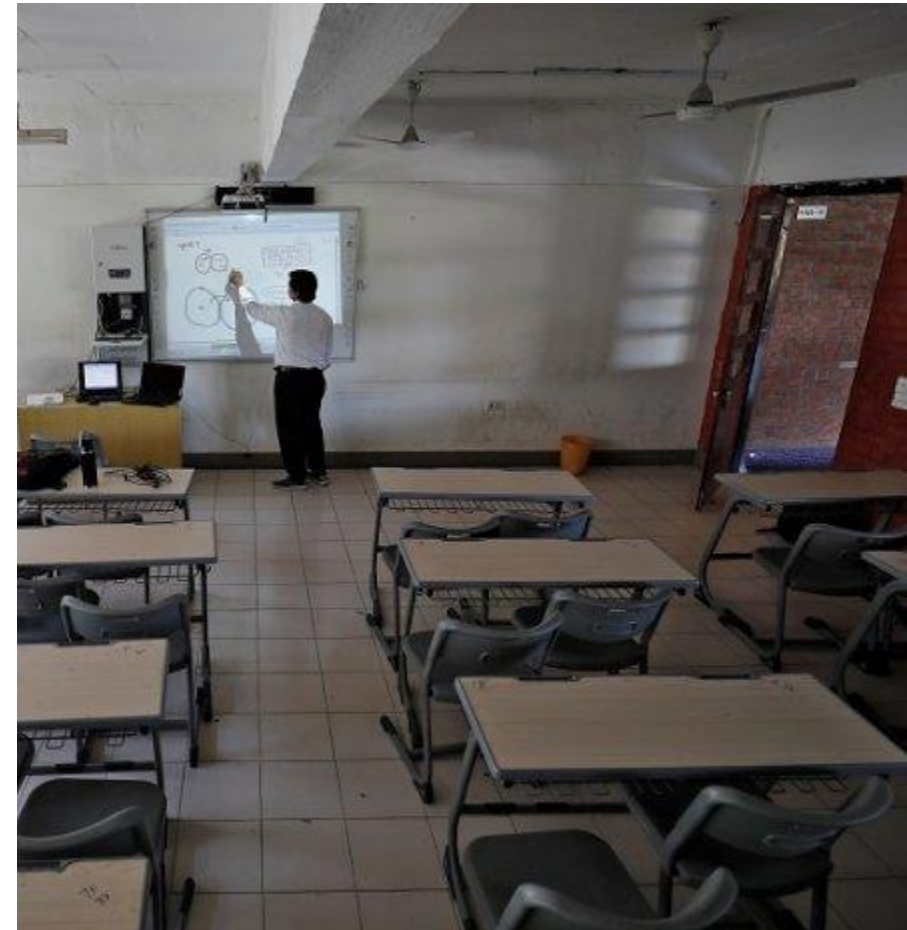
# Recent Corporate Law measures for Ease of Doing Business

- **Rationalization of Related Party Transaction related provisions**
- **Timely Action during COVID-19 to reduce compliance burden under various provisions of the Companies Act, 2013** as well as enable Companies conduct Board Meetings, EGMs & AGMs, Rights issue by leveraging the strengths of Digital India
- In 221 resolved cases, **44% Recovery has been achieved since inception of IBC, 2016**
  - Admitted claims amount to Rs. 4.13 Lakh crores
  - Realizable amount is Rs. 1.84 Lakh crores
- Under IBC, **13,566 cases involving a total amount of Rs. 5.01 lakh crores (approx.) have been withdrawn before admission under provisions of IBC till 29th Feb 2020.**



# Technology driven Systems - Online Education during COVID

- SWAYAM PRABHA DTH channels to support and reach those who do not have access to the internet. 3 channels were already earmarked for school education; now another 12 channels to be added.
- Provision made for telecast of live interactive sessions on these channels with experts from home through Skype.
- Also tied up with private DTH operators like Tata Sky & Airtel to air educational video content to enhance the reach of these channels.
- Coordination with States of India to share air time (4 hrs daily) on the SWAYAM PRABHA channels to telecast their education related contents.
- DIKSHA platform has had 61 crore hits from 24<sup>th</sup> March till date
- 200 new textbooks added to e-Paathshaala



# Government Reforms and Enablers



# **Rs 40,000 crores increase in allocation for MGNREGS to provide employment boost**

- Government will now allocate an additional Rs 40,000 crore under MGNREGS
- Will help generate nearly 300 crore person days in total
- Address need for more work including returning migrant workers in Monsoon season as well
- Creation of larger number of durable and livelihood assets including water conservation assets
- Will boost the rural economy through higher production.



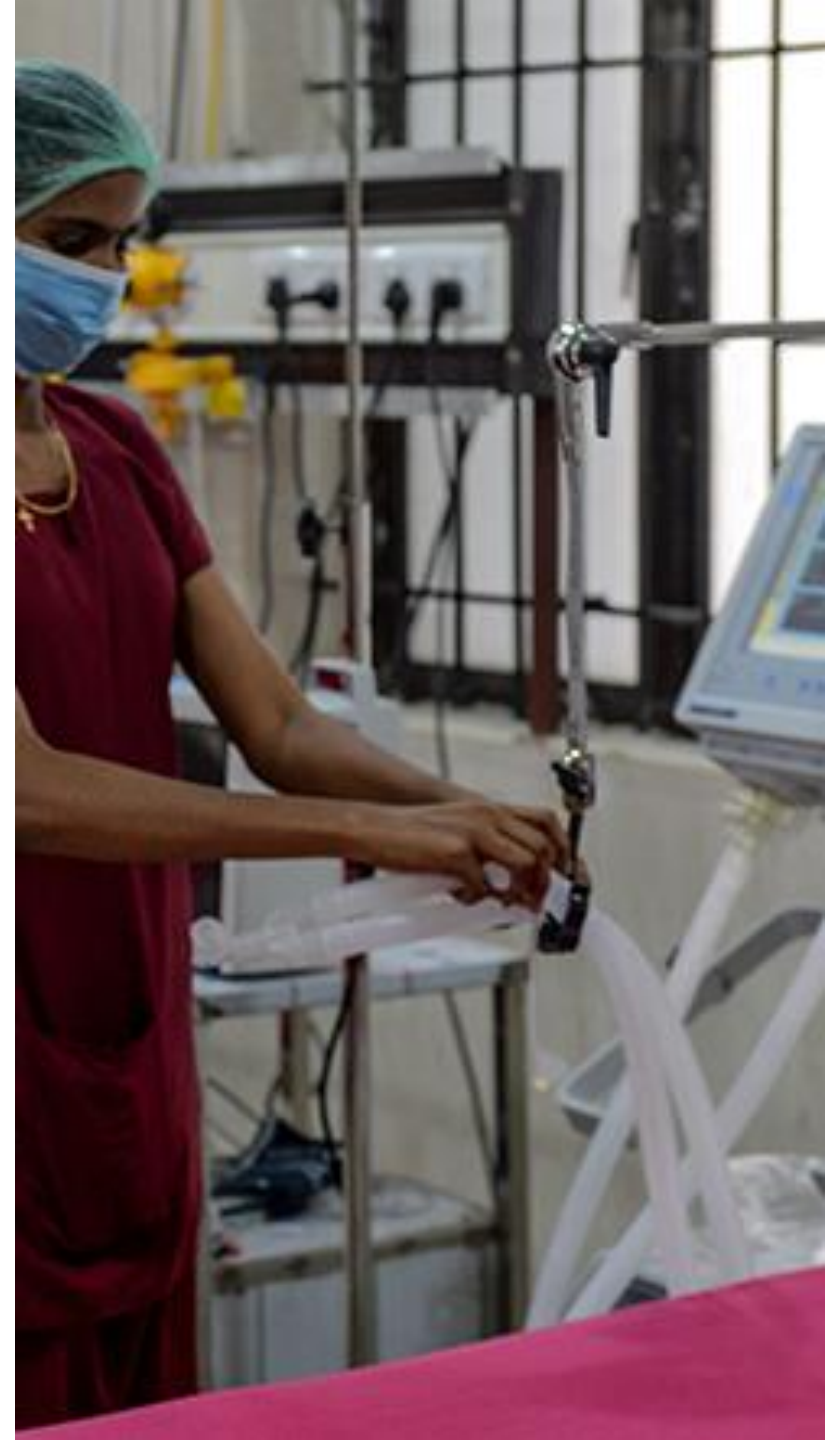
# Health Reforms & Initiatives

## Increased investments in Public Health –

- **Public Expenditure on Health will be increased.**
- **Investments in grass root health institutions**
  - Ramp up Health and Wellness Centres in rural and urban areas

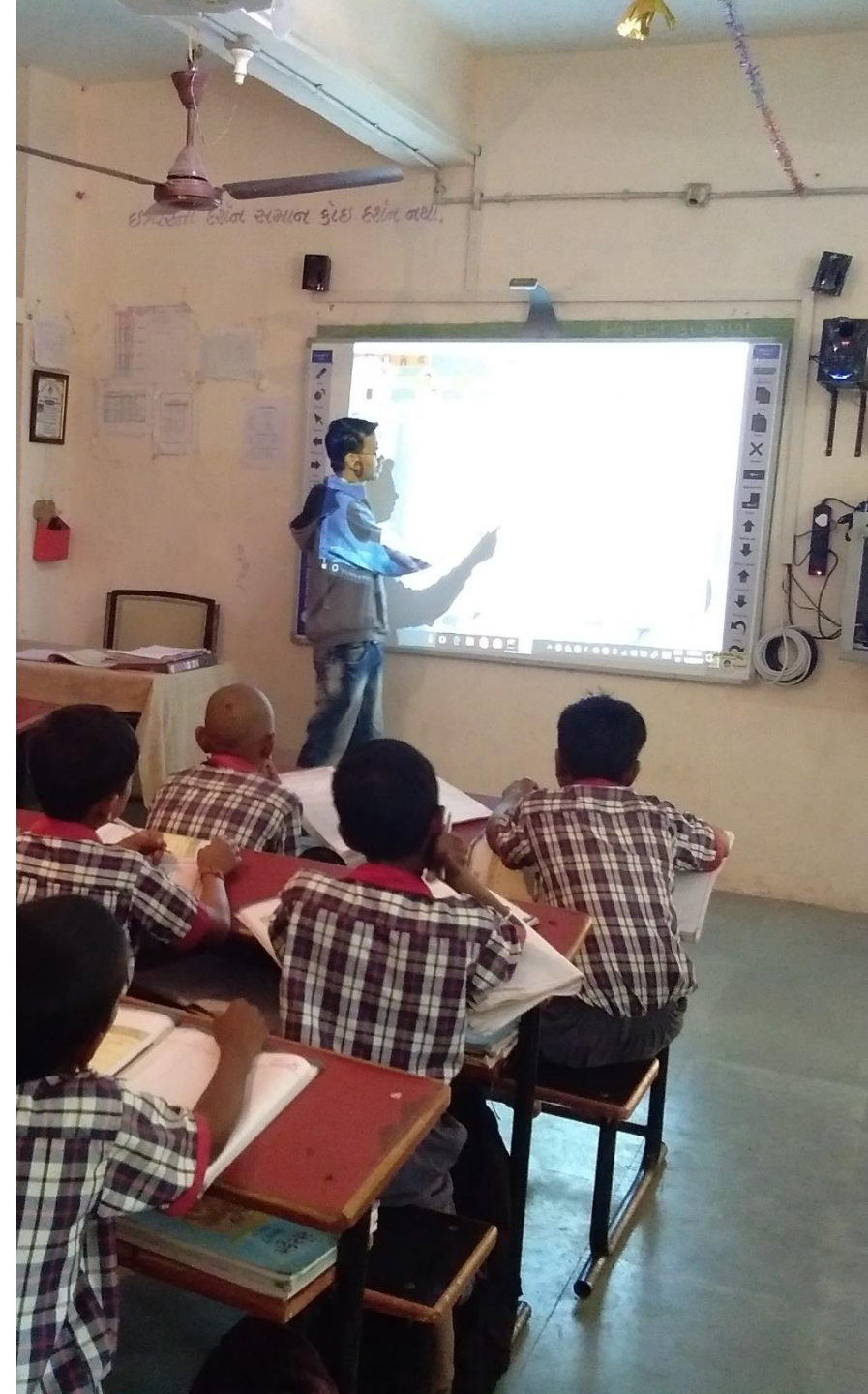
## Preparing India for any future pandemics –

- **Infectious Diseases Hospital Blocks** – all districts
- **Strengthening of lab network and surveillance** –
  - Integrated Public Health Labs in all districts & block level Labs & Public Health Unit to manage pandemics.
- **Encouraging Research**–National Institutional Platform for One health by ICMR
- **National Digital Health Mission:** Implementation of National Digital Health Blueprint



# Technology Driven Education with Equity post-COVID

- **PM eVIDYA**- A programme for multi-mode access to digital/online education to be launched immediately; consisting of:
  - DIKSHA for school education in states/UTs: e-content and QR coded Energized Textbooks for all grades (**one nation, one digital platform**)
  - One earmarked TV channel per class from 1 to 12 (**one class, one channel**)
  - Extensive use of **Radio, Community radio and Podcasts**
  - Special **e-content for visually and hearing impaired**.
  - **Top 100 universities** will be permitted to automatically start online courses by 30<sup>th</sup> May, 2020.
- **Manodarpan**- An initiative for psychosocial support of students, teachers and families for mental health and emotional wellbeing to be launched immediately.
- **New National Curriculum and Pedagogical framework for school, early childhood and teachers** will be launched: integrated with global and 21<sup>st</sup> century skill requirements
- **National Foundational Literacy and Numeracy Mission for ensuring that every child attains Learning levels and outcomes in grade 5 by 2025** will be launched by December 2020



# Further enhancement of Ease of Doing business through IBC related measures



- Minimum threshold to initiate insolvency proceedings raised to Rs. 1 crore (from Rs. 1 lakh, which largely insulates MSMEs).
- **Special insolvency resolution framework for MSMEs** under Section 240A of the Code to be notified soon.
- **Suspension of fresh initiation of insolvency proceedings up to one year** depending upon the pandemic situation.
- **Empowering Central Government to exclude COVID 19 related debt from the definition of “default” under the Code** for the purpose of triggering insolvency proceedings.

# Decriminalisation of Companies Act defaults

- **Decriminalization of Companies Act violations involving minor technical and procedural defaults** (shortcomings in CSR reporting, inadequacies in board report, filing defaults, delay in holding AGM).
- **Majority of the compoundable offences sections to be shifted to internal adjudication mechanism (IAM)** and powers of RD for compounding enhanced (58 sections to be dealt with under IAM as compared to 18 earlier).
- The Amendments will **de-clog the criminal courts and NCLT**
- **7 compoundable offences altogether dropped and 5 to be dealt with under alternative framework**

# Ease of Doing Business for Corporates

- Improvement in rankings in ‘starting a business’ and ‘insolvency resolution’ have contributed to the overall improvement in India’s ranking on EoDB.
- Further **key reforms** to include –
  - Direct listing of securities by Indian public companies in permissible foreign jurisdictions.
  - Private companies which list NCDs on stock exchanges not to be regarded as listed companies.
  - Including the provisions of Part IXA (Producer Companies) of Companies Act, 1956 in Companies Act, 2013.
  - Power to create additional/ specialized benches for NCLAT
  - Lower penalties for all defaults for Small Companies, One-person Companies, Producer Companies & Start Ups.



# Public Sector Enterprise Policy for a New, Self-reliant India



- India and the world have changed in the last few decades
- Need for a new coherent policy—where **all sectors are open to the private sector while public sector enterprises (PSEs) will play an important role in defined areas**
- Accordingly government will announce a new policy whereby
  - List of strategic sectors requiring presence of PSEs in public interest will be notified
  - In strategic sectors, **at least one enterprise will remain in the public sector but private sector will also be allowed**
  - In other sectors, **PSEs will be privatized** (timing to be based on feasibility etc.)
  - To minimize wasteful administrative costs, **number of enterprises in strategic sectors will ordinarily be only one to four; others will be privatized/ merged/ brought under holding companies**

# Support already extended to State Governments



- Centre, like the states, has faced a sharp decline in revenues
- Despite this the Centre has consistently extended generous support to states in this hour of need
  - Devolution of taxes (**Rs 46,038 cr**) in April was **given fully as if Budget Estimates were valid**, even though actual revenue shows unprecedented decline from Budget Estimates
  - Revenue Deficit Grants to states (**Rs 12,390 cr**) given on time in April and May, despite Centre's stressed resources
  - Advance release of SDRF (**Rs. 11,092 cr**) funds in first week of April
  - Release of over **Rs. 4,113 crores** from Health Ministry for direct anti-Covid activities
  - At Centre's request, RBI has increased
    - Ways & Means Advance limits of States by 60%
    - Number of days state can be in continuous overdraft from 14 days to 21 days
    - Number of days state can be in overdraft in a quarter from 32 to 50 days.

# Supporting State Governments



- States net borrowing ceiling for 2020-21 is Rs. 6.41 lakh crores, based on 3% of Gross State Domestic Product (GSDP)
- 75% thereof was authorised to them in March 2020 itself and timing is left to the States
- States have so far borrowed only 14% of the limit authorised. **86% of the authorised borrowing remains unutilized.**
- Nevertheless, states have been asking for special increase in borrowing from 3% to 5%
- In view of the unprecedented situation, **Centre has decided to accede to the request and increase borrowing limits of States from 3% to 5%, for 2020-21 only.**
- This will give States **extra resources of Rs. 4.28 lakh crores**

# Supporting State Governments & promoting state level reforms



- Part of the borrowing will be linked to specific reforms (including recommendations of Finance Commission) to:
  - ensure sustainability of the additional debt through higher future GSDP growth and lower deficits;
  - promote welfare of migrants and reduce leakage in food distribution,
  - increase job creation through investment
  - safeguard the interests of farmers while making the power sector sustainable, and
  - promote urban development, health and sanitation
- Reform linkage will be in four areas: universalisation of ‘One Nation One Ration card’, Ease of Doing Business, Power distribution and Urban local body revenues
- A specific scheme will be notified by Department of Expenditure on the following pattern:
  - **Unconditional increase of 0.50%**
  - **1% in 4 tranches of 0.25%, with each tranche linked to clearly specified, measurable and feasible reform actions**
  - **Further 0.50% if milestones are achieved in at least three out of four reform areas**

# Stimulus from earlier measures

Sl no	Measures	Rs crores
1.	Revenue lost due to tax concessions since Mar 22 <sup>nd</sup> 2020.	7,800
2.	Pradhan Mantri Garib Kalyan Package (PMGKP)	1,70,000
3.	PM's announcement for Health sector	15,000
	<b>Total</b>	<b>1,92,800</b>

## Stimulus provided by announcements in Part-1

SN	ITEM	(Rs. Cr.)
1	Emergency W/C Facility for Businesses, incl MSMEs	3,00,000
2	Subordinate Debt for Stressed MSMEs	20,000
3	Fund of Funds for MSME	50,000
4.	EPF Support for Business & Workers	2800
5.	Reduction in EPF rates	6750
6.	Special liquidity Scheme for NBFC/HFC/MFIs	30,000
7.	Partial credit guarantee Scheme 2.0 for Liabilities of NBFCs/MFIs	45,000
8.	Liquidity Injection for DISCOMs	90,000
9.	Reduction in TDS/TCS rates	50,000
Sub Total		5,94,550

## Stimulus provided by announcements in Part-2

SN	ITEM	(Rs. Cr.)
1.	Free Food grain Supply to Migrant Workers for 2 months	3500
2.	Interest Subvention for MUDRA Shishu Loans	1500
3	Special Credit Facility to Street Vendors	5000
4	Housing CLSS-MIG	70,000
5	Additional Emergency Working Capital through NABARD	30,000
6	Additional credit through KCC	2,00,000
Sub-Total		3,10,000

## Stimulus provided by announcements in Part-3

SN	ITEM	(Rs. Cr.)
1.	Food Micro enterprises	10,000
2.	Pradhan Mantri Matsya Sampada Yojana	20,000
3.	TOP to TOTAL: Operation Greens	500
4.	Agri Infrastructure Fund	1,00,000
5.	Animal Husbandry Infrastructure Development Fund	15,000
6	Promotion of Herbal Cultivation	4,000
7	Beekeeping Initiative	500
Sub-Total		1,50,000

## Stimulus provided by announcements in Part-4 and Part-5

SN	ITEM	(Rs. Cr.)
<sup>1</sup>	<b>Viability Gap Funding</b>	<b>8,100</b>
<sup>2</sup>	<b>Additional MGNREGS allocation</b>	<b>40,000</b>
<b>Sub-Total</b>		<b>48,100</b>

# Overall Stimulus provided by Atmanirbhar Bharat Package

SN	ITEM		(Rs. Cr.)
1	Part 1		5,94,550
2	Part 2		3,10,000
3	Part 3		1,50,000
4	Parts 4 and 5		48,100
	Sub-Total		11,02,650
5	Earlier Measures incl PMGKP	(earlier slide)	1,92,800
6	RBI Measures (Actual)		8,01,603
	Sub Total		9,94,403
	GRAND TOTAL		20,97,053



Government Of India

# Thank You