

# आत्मनिर्भर भारत

## Part-5: Government Reforms and Enablers

17.05.2020



सत्यमेव जयते  
Government Of India



# 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

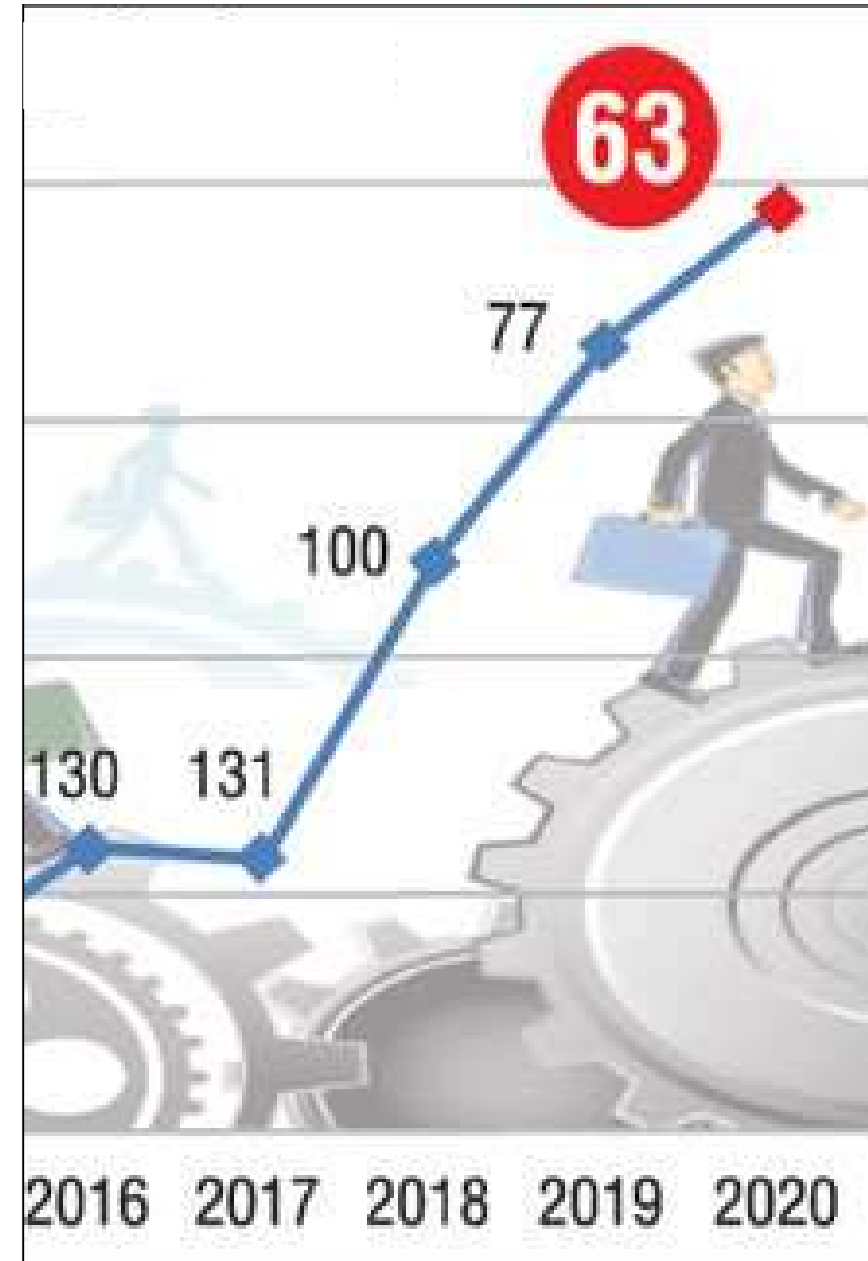
## Protection to Health Workers –

- 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)



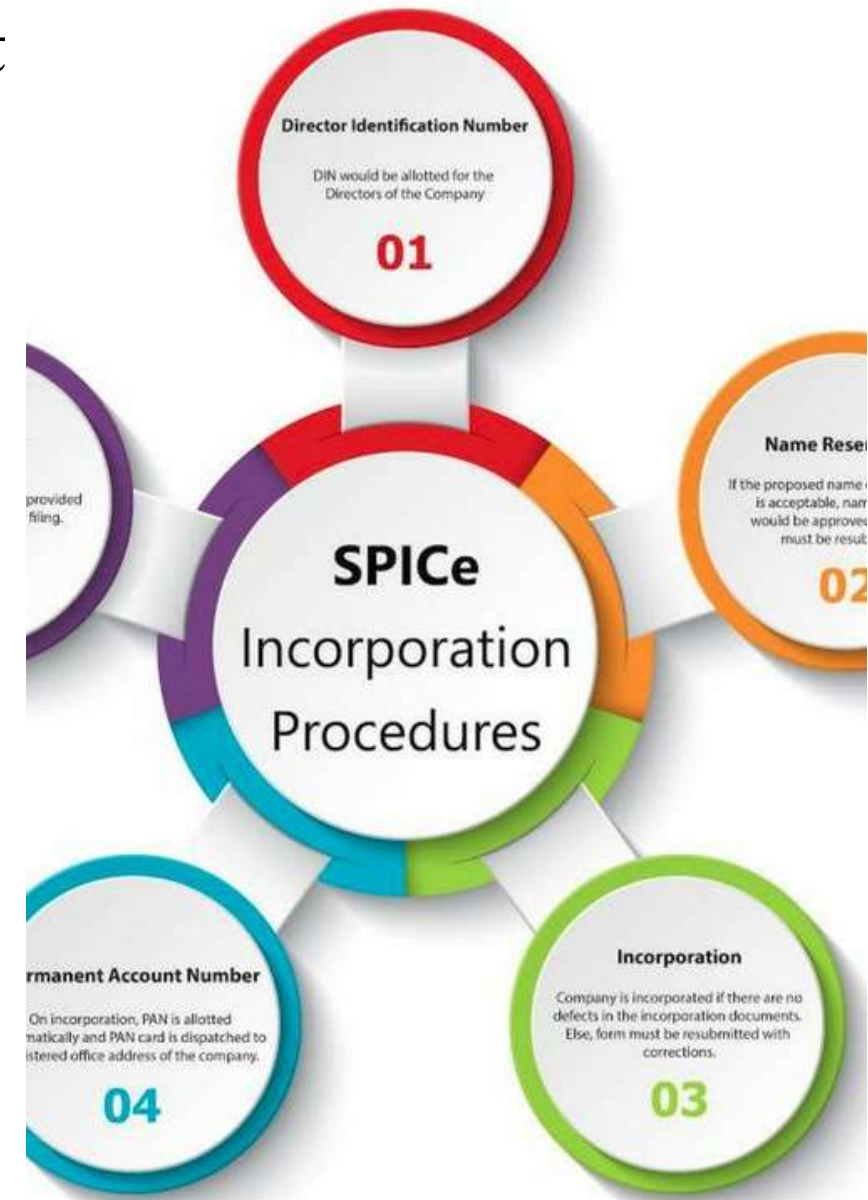
# Reforming Governance for Ease of Doing Business

- 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

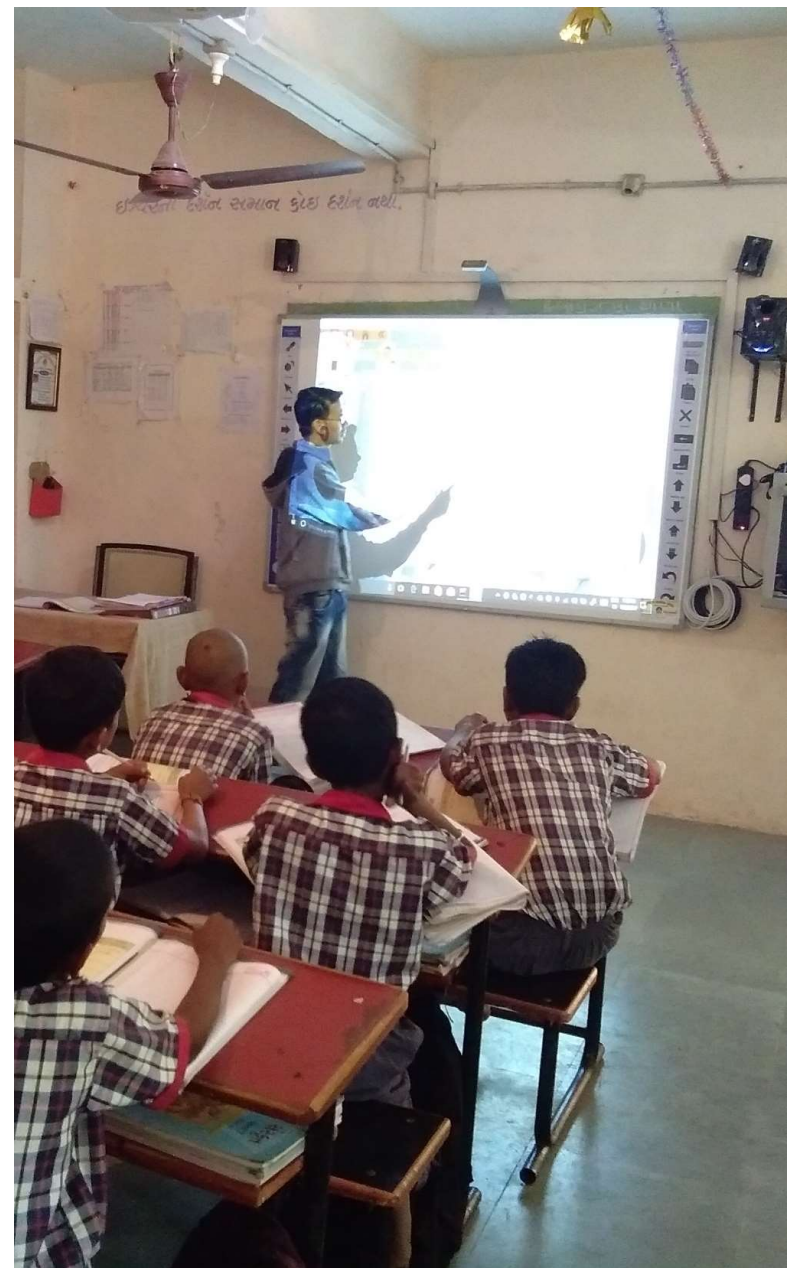
## Preparing India for any future pandemics –

- **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

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

## Stimulus provided by announcements in Part-2



SN	ITEM	(Rs. Cr.)
1.	Free Food grain Supply to Stranded 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
	<b>Sub-Total</b>	<b>3,10,000</b>

## Stimulus provided by announcements in Part-3



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

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





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**Thank You**