

# Atmanirbhar Bharat Abhiyan – Bold reforms for a Vibrant Bharat

## Tranche 5

17 May 2020



# Growth drivers



## Key pillars

1. Economy
2. Infrastructure
3. Technology-driven systems
4. Demographics
5. Demand



## Focus areas

1. Land
2. Labour
3. Liquidity
4. Law



## Possible impact

1. Improve ease of doing business
2. Integrate global value chain



## Desired outcome

1. Spur growth
2. Build self-reliant India

# Relief package value



Relief package	Value (INR crore)
Emergency working capital for businesses and MSMEs	3,00,000
Subordinate debt for stressed MSMEs	20,000
Fund of funds for MSMEs	50,000
EPF support	2,800
Reduction in EPF rates	6,750
Special liquidity scheme for NBFC/HFC/MFIs	30,000
Partial credit guarantee scheme 2.0 for liabilities of NBFCs/MFIs	45,000
Liquidity injection for DISCOMs	90,000
Reduction in TDS/TCS rates	50,000
Food grain for migrant workers	3,500
Interest subvention for MUDRA Shishu loans	1,500
Credit facility to street vendors	5,000
Housing CLSS-MIG	70,000

Relief package	Value (INR crore)
Emergency working capital through NABARD	30,000
Additional credit through KCC	2,00,000
Food micro enterprises	10,000
Pradhan Mantri Matsya Sampada Yojana	20,000
TOP to TOTAL Operation Greens	500
Agri infrastructure fund	1,00,000
Animal Husbandry Infrastructure Development fund	15,000
Promotion of herbal cultivation	4,000
Beekeeping initiative	500
Viability gap funding	8,100
Additional MGNREGS allocation	40,000
Earlier measures including PMGKP	1,92,800
RBI measures	8,01,603

**Total**

**20,97,053**

# Summary



INR 40,000 crore additional allocation to **Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGS)**; expected to generate approximately 300 crore person days in total



All districts to have infectious diseases wards in hospitals. Public health labs to be created at the block-level



**PM e-VIDYA** (multi-mode access to digital/online education) to be launched for schools. Exclusive TV channel for each class of school. Special e-content for visually and hearing-impaired students. Top 100 universities to be permitted to automatically start online courses by 30 May 2020



Debt defaults related to COVID-19 will be exempted for Insolvency and Bankruptcy Code (IBC). **No fresh insolvency proceedings will be initiated for another 12 months.** A special insolvency resolution framework for micro, small and medium enterprises (MSME). Threshold of default triggering IBC increased to INR 1 crore



**Decriminalise all violations of technical and procedural nature compliances under the Companies Act.** Increase in number of compoundable offences, which will now fall under internal adjudication



Companies can **list their securities directly in foreign jurisdiction.** Listing of non-convertible debentures shall not mean that the company is listed



A new **Public Sector Enterprise Policy** to allow private sector to operate in all sectors. The policy will seek to limit the number of public sector enterprises (PSEs) operating in notified strategic sectors (up to a maximum of four PSE will operate in notified strategic sectors)



States borrowing limit increased from 3% to 5% of the Gross State Domestic Product (GSDP). Part of the increased borrowings to be linked to specific project/reform

# Key announcements



## MGNREGS

Additional INR 40,000 crore allotted under MGNREGS to provide employment boost

- Expected to address the need for more work, including migrant workers, in monsoon



## Public health

Investments in public health infrastructure to be increased

- Health institutions at grassroots level
- Health and wellness centres in rural and urban areas
- Infectious diseases hospital blocks, public health labs and health units in all districts
- National institutional platform for one health by Indian Council of Medical Research (ICMR)
- National digital health blueprint under National Digital Health Mission



## Online/digital education

PM e-Vidya programme for multi-mode access to digital/online education to be launched

- DIKSHA for school education in union territories, e-content for all grades (one nation one digital platform)
- Use of radio and podcasts, special e-content for physically impaired
- Top 100 universities will be allowed to start online courses by 30 May 2020
- 12 Swayam Prabha DTH channels to be added
- Educational video content to be aired through private DTH platforms



# Key announcements



## Debts related to COVID-19

On matters concerning the IBC:

- Debts related to COVID-19 will be excluded from default under IBC
- No fresh insolvency cases will be initiated for up to a year
- A special insolvency framework will be notified for MSMEs under Section 42A of IBC
- Minimum threshold for insolvency to be raised from INR 1 lakh to INR 1 crore



## Ease of doing business

Reforms to improve Ease of Doing Business

- Direct listing of securities by Indian public companies in permissible foreign jurisdictions
- Private companies that list non-convertible debentures (NCDs) on stock exchange will not be regarded as listed companies
- Low penalties for all defaults for small companies, one-person companies, producer companies and start-ups



## Companies Act

Minor technical and procedural violations of the Companies Act to be decriminalised

- Majority of the compoundable offences sections to be shifted to internal adjudication mechanism (IAM); now 58 sections to be covered under IAM
- Seven compoundable offences to be dropped and five to be dealt under alternative framework
- These amendments to de-clog criminal courts and National Company Law Tribunal



# Key announcements



## PSE Policy

New PSE Policy to be announced to include private sector participation in all sectors

- Strategic sectors requiring PSE presence to be notified
- Private sector to be now allowed in strategic sectors, one public sector enterprise to remain
- Public sector enterprises to be privatised in other sectors
- Only one to four PSE to remain in strategic sectors, others will be privatised/merged/brought under holding companies



## State government's borrowing limits

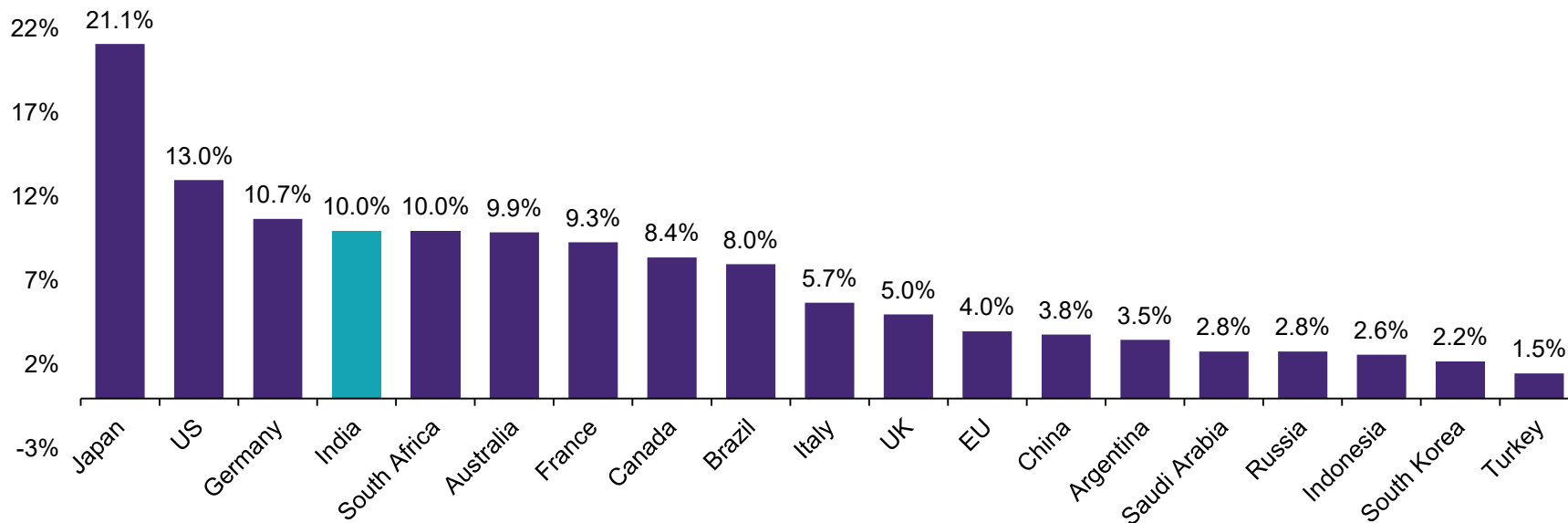
Centre will increase borrowing limit of states from 3% of state GDP to 5% for FY21

- States to receive extra resources of INR 4.28 lakh crore
- Up to 3.5% will be unconditional borrowing
- Next 1% to be released in four tranches, linked to four reforms One Nation One Ration Card, Ease of Doing Business, power distribution and urban local body revenues
- The last 0.5% will be released on achieving milestones in at least three of the four reforms areas



# Annexure

## Value of COVID-19 stimulus packages in the G20 as share of GDP



Source: Statista, Reuters



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