

COVID-19 STIMULUS PACKAGE

ASA & ASSOCIATES LLP



May 18, 2020

COVID-19 : STIMULUS PACKAGE

Fast-tracking of investments

- Investment clearances to be fast-tracked; Special cell in each Ministry to coordinate between investors and Government
- Investment attractiveness ranking to be introduced for States
- Promotional schemes to be launched for “*Champion Sectors*” viz. Solar PV, Advanced Cell Battery Storage etc.

Insolvency related measures

- Debt arising due to COVID-19 situation to be excluded from “default” under bankruptcy regulations
- No new insolvency cases to be initiated upto one year
- Special framework of insolvency resolution for Micro, Small and Medium Enterprises (MSME) to be notified for their protection

Decriminalization of defaults under Companies Act, 2013

- Various violations in the nature of minor technical and procedural defaults shall be excluded from criminal proceedings
- Scope of adjudication mechanism increased for ease in settling of offences

Improving ease of doing business for Corporates

- Indian public companies may directly list securities in permissible foreign jurisdictions
- Private companies listing non-convertible debentures (NCD) not to be regarded as listed companies

- Reduction in penalties for small companies, one person companies, producer companies and start-ups

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

- A new policy to be proposed to allow private participation in all sectors
- Notified strategic sectors to have at least one public enterprise in addition to private enterprises
- Minimizing wasteful administrative costs by reducing public sector enterprises in a planned manner

Support to State Governments

- Increase in borrowing limit of States from 3 to 5 per cent of State GDP for 2020-21
- States to utilize this for specific reforms including promoting migrant welfare, reducing leakages in food distribution, safeguarding interests of farmers, promoting power sector, urban development, health and sanitization

Coal

- Liberalized entry norms and incentives to encourage private sector participation in exploration and commercialization
- Commercial concessions to consumers of Coal India Ltd.

Mineral Blocks

- Seamless exploration-cum-mining-cum-production regime to be introduced
- Rationalization of stamp duty on grant of mining lease
- Structural reforms to boost growth, employment and efficiency in mining and production

Defence

- High focus on “*Make in India*” through import ban and indigenization of imported spares
- Separate budget provisioning for domestic capital procurement
- Corporatisation of Ordnance Factory Board to improve autonomy, accountability and efficiency
- Foreign Direct Investment (FDI) under automatic route raised from 49 to 74 per cent

Civil Aviation

- Optimizing India air space utilization for reduction in time and fuel cost and bringing positive environmental impact
- Construction of more airports under Public-Private-Partnership (PPP)
- India to become a global hub for Maintenance, Repair and Overhaul (MRO) operations
- Common MROs for civil and defence aircrafts creating efficiencies

Power

- Complete revamp of tariff policy for consumer rights, promote industry and sustainability
- Privatization in Union Territories

Development of Social Infrastructure

- Enhancement of “*Viability Gap Funding*” for projects

Space Activities

- Sector opened up for private participation for satellites, launches, space based services
- Use of ISRO facilities and assets permitted to private sector
- Liberal **geo-spatial data policy** to provide remote sensing data to tech-entrepreneurs

Atomic Energy

- PPP model for promoting research, establishment of facilities for medical, agriculture
- India’s start-up eco-system to be linked to nuclear sector bringing synergy between research facilities and tech-entrepreneurs

Increased Allocation to MGNREGA

- Additional fund allocation under “*Mahatma Gandhi Rural Employment Guarantee Act*” (MNREGA) for employment boost and development of rural economy

Public Health

- Ramp up investment in health infrastructure at all levels

- Preparation for any future pandemics with more hospitals, lab network, surveillance, research at district and block levels
- National Digital Health Blueprint to be implemented under “*National Digital Health Mission*”

Education

- Revamping of education making it technology driven
- Special *e-content* for visually and hearing impaired
- One earmarked television channel per class from 1 to 12
- Permitting top 100 universities to start online courses
- Programme for supporting mental health and emotional well-being of students, teachers and families to be launched immediately
- New national curriculum and pedagogical framework to be launched focused on skill requirements in 21st century