



# Rs 40,000 crore 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



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# Health Reforms & Initiatives (1/2)



- **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



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# Health Reforms & Initiatives (2/2)



## Preparing India for future pandemics (cont.):

- **Encouraging Research** – National Institutional Platform for One Health by ICMR
- **National Digital Health Mission:** Implementation of National Digital Health Blueprint



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# Technology Driven Education with Equity Post-COVID (1/2)



- **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



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# Technology Driven Education with Equity Post-COVID (2/2)



- **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



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# 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



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# Decriminalisation of Companies Act defaults



- **Decriminalisation 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**
- **Seven compoundable offences altogether dropped and five to be dealt with under alternative framework**



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# Ease of Doing Business for Corporates (1/2)



- **Improvement in rankings in ‘starting a business’ and ‘insolvency resolution’** have contributed to the overall improvement in India’s ranking on Ease of Doing Business
- **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



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# Ease of Doing Business for Corporates (2/2)



- Further reform measures (cont.):
- Including the provisions of Part IXA (Producer Companies) of Companies Act, 1956 in Companies Act, 2013
- Power to create additional/ specialised benches for NCLAT
- Lower penalties for all defaults for Small Companies, One-person Companies, Producer Companies & Start Ups



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# Public Sector Enterprise Policy for a New, Self-Reliant India (1/3)



- 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



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# Public Sector Enterprise Policy for a New, Self-Reliant India (2/3)



- Features of new policy:
  - 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**



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# Public Sector Enterprise Policy for a New, Self-Reliant India (3/3)



- In other sectors, PSEs will be privatised (timing to be based on feasibility, etc.)
- To minimise wasteful administrative costs, **number of enterprises in strategic sectors will ordinarily be only one to four; excess will be privatised/merged/ brought under holding companies**



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# Support already extended to State Governments (1/2)



- 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 crore**) 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 crore**) given on time in April and May, despite Centre's stressed resources



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# Support already extended to State Governments (2/2)



- Advance release of SDRF (**Rs. 11,092 crore**) funds in first week of April
- Release of over **Rs. 4,113 crore** 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



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# Supporting State Governments (1/2)



- 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 the timing was left to the States
- States have so far borrowed only 14% of the limit authorised. **86% of the authorised borrowing remains unutilised**



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## Supporting State Governments (2/2)



- 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 crore**



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# Supporting State Governments & Driving State-Level Reforms (1/2)



- 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
  - Promote urban development, health and sanitation



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# Supporting State Governments & Driving State-Level Reforms (2/2)



- 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 the Department of Expenditure on the following pattern:
  - Unconditional increase of 0.50%
  - 1% in 4 tranches of 0.25%, with each tranche linked to a clearly specified, measurable and feasible reform action
  - Further 0.50% if milestones are achieved in at least three out of four reform areas



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# Stimulus From Earlier Measures



SI no	Measures	Rs crore
1.	Revenue lost due to tax concessions since March 22, 2020	7,800
2.	Pradhan Mantri Garib Kalyan Package (PMGKP)	170,000
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. crore)
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
<b>Sub Total</b>		<b>5,94,550</b>



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# Stimulus Provided by Announcements in Part-2



SN	ITEM	(Rs. crore)
1.	Free Food grain Supply to Stranded Migrant Workers for two 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>



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# Stimulus Provided by Announcements in Part-3



SN	ITEM	(Rs. crore)
1.	Micro Food 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
<b>Sub-Total</b>		<b>1,50,000</b>



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# Stimulus Provided by Announcements in Part-4 and Part-5



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



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# Overall Stimulus Provided by Aatmanirbhar Bharat Package



SN	ITEM		(Rs. crore)
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
	<b>Sub-Total</b>		<b>11,02,650</b>
5	Earlier Measures incl. PMGKP	(earlier slide)	1,92,800
6	RBI Measures (Actual)		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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