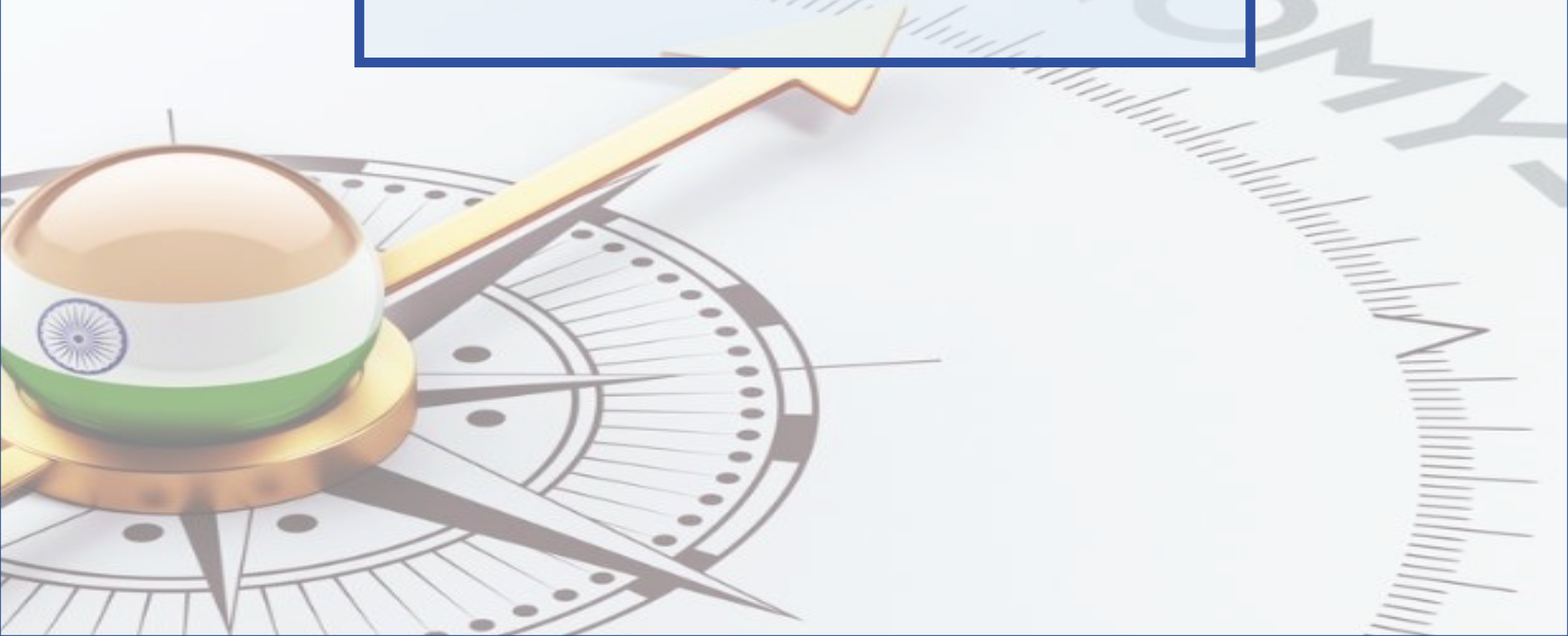
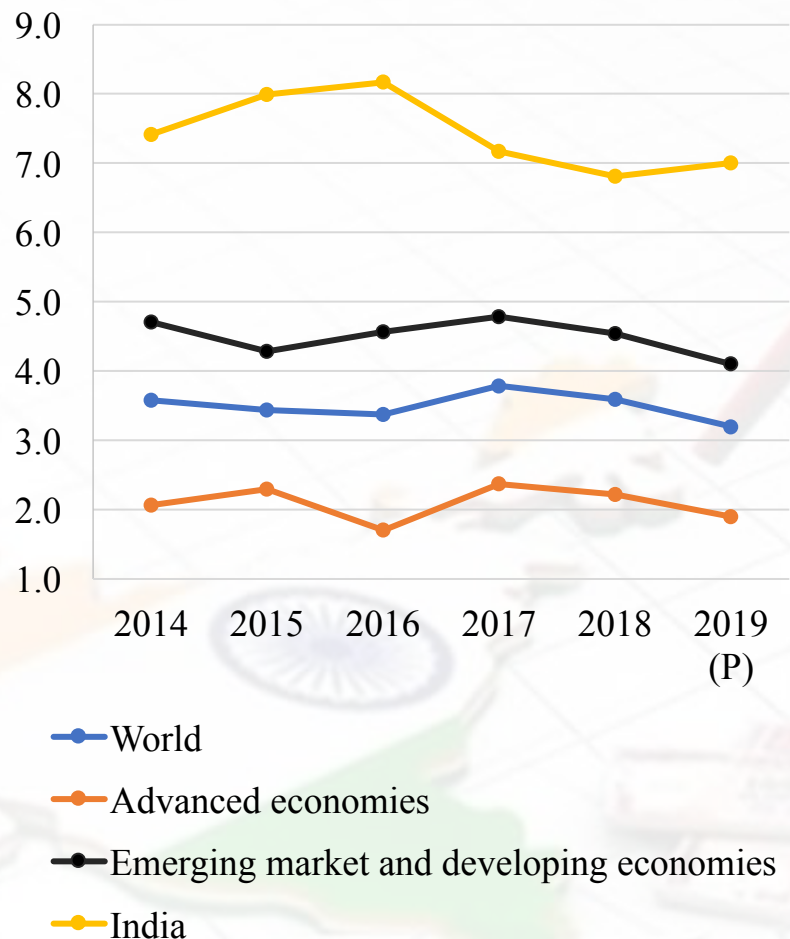


Measures to Achieve Higher Economic Growth



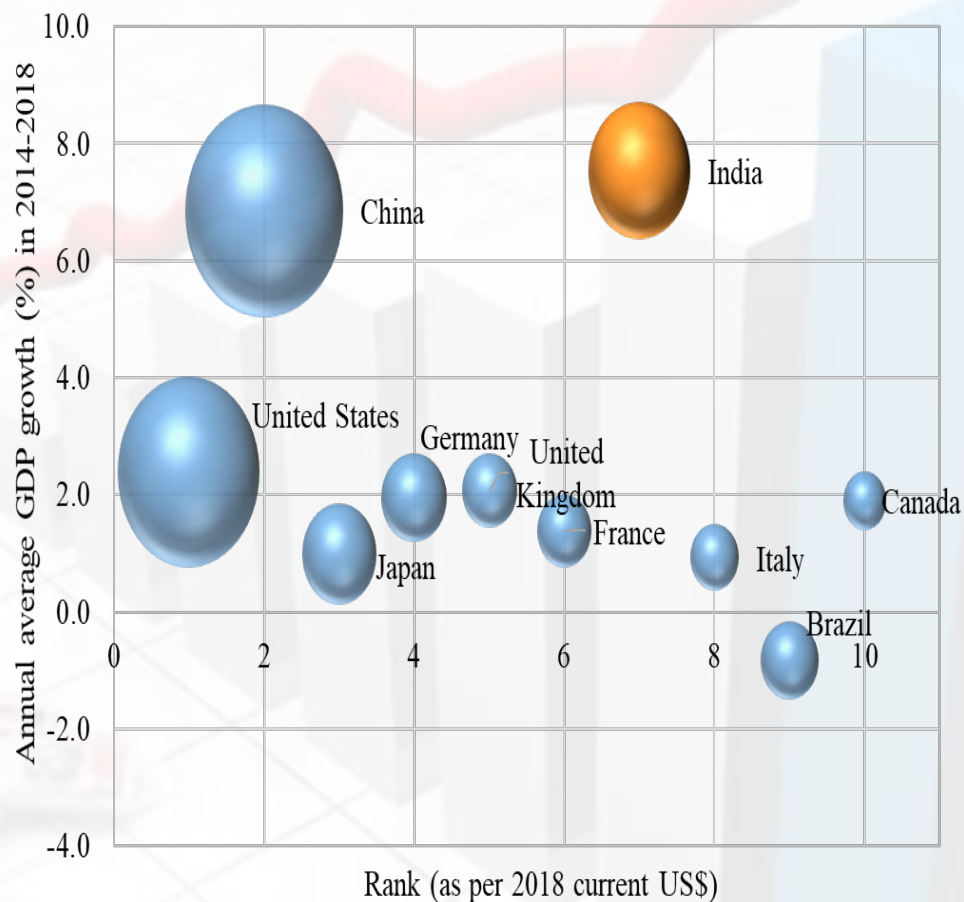
Global Economic Scenario

Growth Rate of GDP (%)



Data Source: WEO, IMF

Top 10 major Economies in the world



Note: Size of circle represents GDP (PPP) at current international dollar terms.

Reform & Simplification - An Ongoing Endeavour

Taxation – Ease of life for tax payers – Income tax, GST, Customs

- **Prefilling of IT returns**
- **Faceless scrutiny** from Vijaya Dashmi 2019
- **Reduction in GST returns** and simplification of forms
- **Refund process** of GST simplified.
- **Risk based approach** in dealing with tax payers

Labour laws

- **Fixed term employment** for flexibility in hiring
- Contribution of **ESIC reduced** from 6.5% to 4%
- **Web-based and jurisdiction-free** Inspections
- Inspection report to be **uploaded within 48 hours**
- **Compounding of offences**
- **Self certification** for start-ups - 6 labour laws

Environment clearances

- **Single air and water clearance** for MSMEs
- **Single consent to establish** a factory by MSMEs

Reform & Simplification - an ongoing endeavour

Corporate Affairs

- **1 day to incorporate a company** - Central Registration Centre for name reservation & incorporation
- **Integrated Incorporation Form**
- **Shifting of 16 offence sections** to monetary penalty only
- **Faster & easier approvals** for mergers and acquisitions
- **Modifications in provisions** for Differential Voting Rights
- **Withdrawal of over 14,000 prosecutions** under Companies Act
- **Robust IBC framework** with amendments supporting MSMEs and home buyers

Measures to Boost Economy

Facilitating wealth creators

1

CSR violations



- **Not to be treated as criminal offence** and would instead be civil liability. Ministry of Corporate Affairs to review the sections under Companies Act. Government has provided companies through revised orders, time for completing ongoing projects towards fulfil their CSR obligations.

2

Issue of IT orders, notices, summons, letters etc through a centralized system



In order to address complaints of harassment on account of issue of notices, summons, orders etc. by certain income-tax authorities:

- **On or after 1st October, 2019 all notices, summons, orders etc. by the income-tax authorities shall be issued through a centralized computer system** and will contain a computer-generated unique Document Identification Number.
- **Any communication issued without** computer-generated unique Document Identification Number shall **be non est in law.**
- **All old notices to be decided** by 1st October 2019 or uploaded again through the system
- From **1st October, 2019** all notices to be disposed off within three months from the date of reply.

Measures to Boost Economy

Taxation Measures

3

Relief from enhanced surcharge on Long-term/Short-term Capital Gains



- In order to encourage investment in the capital market, it has been decided to **withdraw the enhanced surcharge levied by Finance (No. 2) Act, 2019 on long/ short term capital gains** arising from transfer of equity shares/units referred in section 111A and 112 A respectively.

4





Withdrawal of Angel Tax provisions for Startups and their investors



- **To mitigate genuine difficulties of startups** and their investors, it has been decided that section 56(2)(viib) of the Income-tax Act **shall not be applicable to a startup** registered with DPIIT.
- It has also been decided to **set up a dedicated cell under Member of CBDT** for addressing the problems of startups. A startup having any income-tax issue can approach the cell for quick resolution of the same.

Measures to Boost Economy

Banks/NBFCs/MSMEs

5	Additional Credit expansion through PSBs	 <ul style="list-style-type: none">• Upfront release of Rs. 70,000 Cr., additional lending and liquidity to the tune of ~ Rs 5 Lakh crore by providing upfront Capital to PSBs• This will benefit Corporates, Retail borrowers, MSMEs, small traders, etc
6	Banks to effect timely rate cuts	 <ul style="list-style-type: none">• Banks have decided to pass on rate cuts through MCLR reduction to benefit all borrowers
7	Banks to launch Repo rate /external benchmark linked loan products	 <ul style="list-style-type: none">• Reduced EMI for housing loans, vehicle and other retail loans by directly linking Repo rate to interest rates. Working capital loans for industry will also become cheaper
8	Customer Ease	 <ul style="list-style-type: none">• To reduce harassment and bring in greater efficiency, PSBs to ensure mandated return of loan documents within 15 days of loan closure.• Benefit: Borrowers who have mortgaged assets

Measures to Boost Economy

Banks/NBFCs/MSMEs

9

**Customer Ease:
Online tracking of
loan applications**



- **On line tracking of loan applications by customers of Retail, MSME, Housing, Vehicle, working Capital, limit enhancements ,renewals etc.**
- **Would increase transparency, reduce harassment, and improve turn around time for customers.**

10

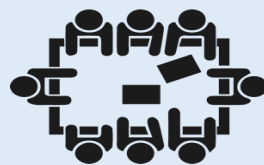
**Transparent One Time
Settlement (OTS) Policy**



- **Banks to issue improved transparent OTS policy to benefit MSME and retail borrowers in settling their overdues.**
- Policy to be based on check box approach
- Benefit: Increased transparency

11

**Protecting honest
decision making**



- **To support decision making and to prevent harassment for genuine commercial decisions by bankers, CVC has issued directions that Internal Advisory Committee (IAC) in banks to classify cases as vigilance and non-vigilance.**
- Decision of the IAC and bank CVO/ DA to be treated as final.

Measures to Boost Economy

Banks/NBFCs/MSMEs

12

Support to NBFCs/HFCs



More credit support for purchase of houses, vehicles, consumption goods,

- **Additional liquidity support to HFCs Rs. 20,000 Cr by NHB** thereby increasing it to **Rs. 30,000 Cr.**
- **Partial Credit Guarantee scheme** for purchase of pooled assets of NBFCs/HFCs upto **Rs 1 lakh Cr** - to be monitored at highest level in each bank
- **Prepayment notices** issued to NBFCs to be monitored by Banks

13

Use of Bank KYCs by NBFCs



- **NBFCs to be permitted** to use the Aadhaar authenticated bank KYC to avoid repeated processes.
- **Necessary changes** shall be made in **PMLA rules and Aadhaar Regulations**
- **Easier, fast tracked** onboarding of customers

14

Co-origination of loans by PSBs jointly with NBFCs



- **To take advantage of liquidity with PSBs and last mile customer connect of NBFCs, PSBs to fast track collaboration for loans to MSMEs, small traders Self Help Groups, MFI clients borrowers in co-origination mode with NBFCs**

Measures to Boost Economy

Banks/NBFCs/MSMEs

15 **GST Refund to MSME within 30 days**



- **All pending GST refund due to MSMEs** shall be paid within 30 days. In future all GST refunds shall be paid within 60 days from the date of application

16 **MSME Bill discounting**



- **TReDS to use GSTN system** in medium term to enhance market for bill discounting for MSMEs

17 **MSME Definition**



- **Amendment to MSME Act** to move towards single definition to be considered

18 **UK Sinha Committee recommendations**

- **Decisions on recommendations** such as on ease of credit, marketing, technology, delayed payments etc. within 30 days

Measures to Boost Economy

Increasing capital flows and energising financial markets

19

Deepening of bond markets in India



- **In order to improve access to long term finance**, it is proposed to establish an organisation to provide **Credit Enhancement for infrastructure** and housing projects. This would enhance debt flow towards such projects.
- The government would soon take further action on **development of Credit Default Swap markets** soon, in consultation with RBI and SEBI.
- In order to improve domestic market in bonds, Ministry of Finance will work with RBI to make it more conducive for investors and bond issuers, as well as facilitate increased trading for price discovery
- Government has amended the Companies (Share capital and Debenture rules) 2014 **to remove the requirement for creation of a Debenture Redemption Reserve (DRR)** of outstanding debentures in respect of listed companies, NBFCs and for HFCs.

Measures to Boost Economy

Increasing capital flows and energising financial markets

20

Access of Indian Companies to the Global Markets



- The Depository Receipt Scheme 2014 is expected to be operationalised soon by SEBI. **This will give Indian companies increased access to foreign funds through ADR/GDR.**

21

Use of Aadhaar based KYCs for domestic retail investors



- **In order to improve market access** for the domestic retail investors, Aadhaar-based KYC to be permitted for opening of **Demat account and making investment in mutual funds**
- **Necessary notification** for amendments in PMLA Rules to be issued

22

Simplified KYC for foreign and investors and FPIs



- **Simplified KYC procedure** to improve market access for foreign investors including FPIs

Measures to Boost Economy

Increasing capital flows and energising financial markets

23

Offshore Rupee market

To bring offshore Rupee market to domestic stock exchanges and permit trading of USD -INR derivatives in GIFT IFSC, Ministry of Finance is working with RBI to introduce this measure shortly.



Measures to Boost Economy

Infrastructure

24

Delayed Payments



- Delayed payments from Government/ CPSEs to be monitored by Department of Expenditure and performance reviewed by Cabinet Secretariat

25

Decision to pay 75% of the arbitration awards

- In contractual disputes by Government/ CPSEs to be implemented and monitored by Cabinet Secretariat

26

Rs 100 lakh crores for developing modern infrastructure over 5 years



- **An inter-ministerial Task force** is being formed by Department of Economic Affairs to finalise the pipeline of infrastructure projects.
- The above initiative is expected to boost growth and creation of jobs. These projects would be monitored actively to accelerate capital expenditure and investments in the economy.

Measures to Boost Economy

Automotive Sector

27 BS IV vehicles purchased till 31.3.20	<ul style="list-style-type: none">• To remain operational for entire period of registration
28 Revision of one time registration fees	<ul style="list-style-type: none">• Being deferred till June 2020
29 Higher depreciation for all vehicles	<ul style="list-style-type: none">• Additional 15% depreciation on all vehicles, to increase it to 30% acquired during the period from now till 31.03.20
30 Both EVs and ICVs will continue to be registered	<ul style="list-style-type: none">• Government's focus will be on setting up of infrastructure for development of ancillaries /components including batteries for export
31 To boost demand	<ul style="list-style-type: none">• Government shall lift the ban on purchase of new vehicles for replacing all old vehicles by Departments• Government will consider various measures including scrappage policy.

Measures to Boost Economy

32

Ministry of Finance to continue to engage

- With stakeholders for timely and suitable interventions for different sectors

