

## New Horizons of Growth

### **Introduction of Commercial Mining in Coal Sector:**

Need to reduce import of substitutable coal and increase Selfreliance in coal production. Government will introduce competition, transparency and private sector participation in the Coal Sector through :

- Revenue sharing mechanism instead of regime of fixed Rupee/tonne
  - Earlier, only captive consumers with end-use ownership could bid
  - Now, any party can bid for a coal block and sell in the open market
- Entry norms will be liberalized
  - Nearly 50 blocks to be offered immediately
  - No eligibility conditions, only upfront payment with a ceiling
- Exploration-cum-production regime for partially explored blocks
  - Against earlier provision of auction of fully explored coal blocks, now even partially explored blocks to be auctioned
  - Will allow private sector participation in exploration.
- Production earlier than scheduled will be incentivized through rebate in revenue-share

### **India to become a global hub for Aircraft Maintenance, Repair and Overhaul (MRO):**

- Tax regime for MRO ecosystem has been rationalized

- Aircraft component repairs and airframe maintenance to increase from Rs 800 crores to Rs 2000 crores in three years
- Major engine manufacturers in the world would set up engine repair facilities in India in the coming year
- Convergence between defence sector and the civil MROs will be established to create economies of scale.
- Maintenance cost for airlines will come down.

### **Atomic Energy related Reforms:**

- Establish research reactor in PPP mode for production of medical isotopes – promote welfare of humanity through affordable treatment for cancer and other diseases
- Establish facilities in PPP mode to use irradiation technology for food preservation – to compliment agricultural reforms and assist farmers
- Link India's robust start-up ecosystem to nuclear sector – Technology Development cum Incubation Centres will be set up for fostering synergy between research facilities and tech-entrepreneurs

## Government Reforms and Enablers

### **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

#### **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, Oneperson 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.

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