

Government Of India's Measures To Boost Business, Improve EODB & Welcome FDI During Covid-19

INVEST INDIA – STRATEGIC INVESTMENT RESEARCH UNIT





GOVERNMENT OF INDIA'S MEASURES TO BOOST BUSINESS, IMPROVE EODB & WELCOME FDI

The global macroeconomic outlook for current financial year 2020-21 has been adversely affected by COVID-19 pandemic which has impacted majority of countries in the world across the continents. The pandemic has cast its shadow across various economic activities with massive dislocation in global production, supply chains and trade. The spread of Covid-19 in India and its mitigation plan of 40 day nationwide lockdown from 25 March 2020 to 3 May 2020 and a possibility of further extension of lockdown by several State Governments, there is likely to be a significant impact across various sectors of the economy.

To address these adverse times, the Government of India has been preparing strategies and action plans not only for business continuity and sectoral revival but also re-rolling the red carpet for global investors to continue to choose India as their preferred destination for investments. The Government of India continues to enhance international co-operation for promoting FDI and improve Ease of Doing Business in the country by releasing notifications/amendments/circulars highlighting measures to improve business environment in India. Below are some of the special measures by Central government, State governments the ministries welcome and sectoral to and boost businesses

CENTRAL MEASURES BY GOI TO SUPPORT INVESTORS

1. Relief measures announced by Finance Minister across the following domains: (i) Income tax filing, (ii) GST filing, (iii) Corporate affairs (iv) GST, (v) Customs & Central Excise (vi) Insolvency & Bankruptcy Code (IBC) (vii) Fisheries, (viii) Banking Sector and (ix) Commerce.

https://pib.gov.in/PressReleaselframePage.aspx?PRID=1607942

2. On Trade

- Helpdesk operationalized by DGFT for COVID-19 related Export or Import issue <u>https://pib.gov.in/newsite/PrintRelease.aspx?relid=200703</u>
- 24X7 Custom clearance till end of 30th June, 2020
- Foreign Trade Policy 2015-2020 extended for one year, Other immediate relief measures also announced https://pib.gov.in/PressReleasePage.aspx?PRID=1609704
- Department of Commerce has Provided a number of Relaxations / Extensions of various Compliance Deadlines etc. to address Corona Pandemic Related Hardships of Exporters
 - https://pib.gov.in/PressReleasePage.aspx?PRID=1613365



3. On Corporate Affairs:

- In order to facilitate the companies registered in India to make a fresh start on a clean slate, the Ministry of Corporate Affairs has decided to take certain alleviative measures for the benefit of all companies by way of Companies Fresh Start Scheme notified for permitting delayed filings under the Companies Act, 2013 (http://www.mca.gov.in/Ministry/pdf/Circular12 30032020.pdf)
- Several relaxations provided to companies and Limited Liability Partnerships (LLPs) from statutory requirements under Companies Act, 2013 and LLP Act, 2008.

http://www.mca.gov.in/Ministry/pdf/Circular 25032020.pdf

- * Newly incorporated companies are required to file a declaration for Commencement of Business within 6 months of incorporation. An additional time of 6 more months shall be allowed.
- *Non-compliance of minimum residency in India for a period of at least 182 days by at least one director of every company, under Section 149 of the Companies Act, shall not be treated as a violation.
- SEBI relaxes buy-back period restriction for companies in view of COVID-19 to enable quicker access to capital. Currently, regulations restrict companies to raise capital for a period of one year from the expiry of buy-back period. This has been reduced to 6 months.
 https://www.sebi.gov.in/legal/circulars/apr-2020/relaxation-in-regulation-24-i-f-of-the-sebi-buy-back-of-securities-regulations-2018-due-to-the-covid-19-pandemic 46547.html
- SEBI relaxes regulation requiring entities to hold an Annual General Meeting.
 Currently, the regulations require top 100 companies by market capitalisation to hold an Annual General Meeting within 5 months from closing of financial year.
 https://www.sebi.gov.in/legal/circulars/apr-2020/relaxation-in-relation-to-regulations-44-5-of-the-sebi-listing-obligations-and-disclosure-requirements-regulations-2015-lodr-on-holding-of-annual-general-meeting-agm-by-top-100-listed-entitie-46552.html
- Foreign Portfolio Investments: Relaxation in certain compliance requirements for Foreign Portfolio Investments due to COVID-19 https://www.sebi.gov.in/legal/circulars/mar-2020/temporary-relaxation-in-processing-of-documents-pertaining-to-fpis-due-to-covid-19 46455.html
- 5. **Easing off environmental clearances :** Extension of validity of prior issued environmental clearances for all projects and activities which are expiring between March 15, 2020 and April 30, 2020, till June 30, 2020 to ensure uninterrupted operations



http://parivesh.nic.in/writereaddata/Validity ExtensionEC June2020.pdf

6. Easing off financial burden by Reserve Bank of India

Reserve Bank of India sets out various developmental and regulatory policies that directly address the stress in financial conditions caused by COVID-19.

- (i) expanding liquidity in the system sizeably to ensure that financial markets and institutions are able to function normally in the face of COVID-related dislocations;
- (ii) reinforcing monetary transmission so that bank credit flows on easier terms are sustained to those who have been affected by the pandemic;
- (iii) easing financial stress caused by COVID-19 disruptions by relaxing repayment pressures and improving access to working capital; and
- (iv) improving the functioning of markets in view of the high volatility experienced with the onset and spread of the pandemic.

https://www.rbi.org.in/Scripts/BS PressReleaseDisplay.aspx?prid=49582

7. On Logistics

- Advisory on non-charging of container detention charges on import and export shipments

https://pib.gov.in/newsite/PrintRelease.aspx?relid=200780

- Indian Railways announces several incentives for freight traffic during COVID pandemic. These include non-levy of Demurrage, Wharfage and other ancillary charges, delivery of goods in absence of Railway Receipt, and certain other relaxations in freight transportation

https://pib.gov.in/newsite/PrintRelease.aspx?relid=202477

SECTORAL BOOST PROVIDED BY GOVERNMENT OF INDIA

- Pharmaceuticals
- Medical Devices
- Textiles
- ESDM (Electronics)
- Research & Development (R&D)
- Food Processing
- Renewable Energy
- Metals & Mining



PHARMACEUTICALS

India is a prominent leader and has a rapidly growing presence in global pharmaceuticals. It is the largest provider of generic medicines globally, occupying a 20% share in global supply by volume, and supplies 50% of global demand for vaccines. India ranks 3rd worldwide for production by volume and 13th by value, thereby accounting for around 10% of world's production by volume and 1.5% by value. In order to retain India's position as a world leader in pharmaceuticals, the Government of India has undertaken the following initiatives in the last month in the wake of the COVID-19 pandemic:

- Environmental clearances to be granted expeditiously to projects related to active pharmaceutical ingredients and bulk drug intermediates. http://moef.gov.in/wp-content/uploads/2018/03/covid-19.pdf
- ➤ The Directorate General of Foreign Trade (DGFT) amended the export policy for APIs such as vitamins B1, B6 and B12, tinidazole, metronidazole, acyclovir, progesterone and chloramphenicol, among others to 'free' from 'restricted' in a notification dated April 6.

https://dgft.gov.in/sites/default/files/Noti%202%20Final 0.pdf

Other schemes in implementation for boosting this sector are as follows:

Promotion of Bulk Drug Parks

- i. The government aims to develop 3 mega Bulk Drug parks in India in partnership with States
- ii. The Government of India will give Grants-in-Aid to States with a maximum limit of Rs. 1000 Crore per Bulk Drug Park.
- iii. Parks will have common facilities such as solvent recovery plant, distillation plant, power & steam units, common effluent treatment plant etc.
- iv. A sum of Rs. 3,000 crores have been approved for this scheme for next 5 years. To know more, click <u>here</u>

Production Linked Incentive (PLI) Scheme

- i. Financial incentives will be given to eligible manufacturers of identified 53 critical bulk drugs on their incremental sales over the base year (2019-20) for a period of 6 years.
- ii. Out of 53 identified bulk drugs, 26 are fermentation based bulk drugs and 27 are chemical synthesis based bulk drugs.
- iii. Rate of incentive will be 20 % (of incremental sales value) for fermentation based bulk drugs and 10% for chemical synthesis based bulk drugs.
- iv. A sum of Rs. 6,940 crores have been approved for next 8 years.

For more information, please visit: https://www.investindia.gov.in/sector/pharmaceuticals



MEDICAL DEVICES

COVID-19 Pandemic has brought about unprecedented changes in the tempo that the medical devices industry works at. The modern healthcare system faces a major challenge and requires a more rigorous push globally as well as domestically. The medical devices industry in India consists of large multinationals, with extensive service networks, as well as small and medium enterprises (SMEs). The current market size of the medical devices industry in India is estimated to be \$11 bn. Medical devices are segregated into six major segments, of which equipment and instruments (surgical and non-surgical) form the largest portion (53%) of the pie in India.

There are 750–800 domestic medical devices manufacturers in India, with an average investment of \$ 2.3–2.7 mn and an average turnover of \$ 6.2–6.9 mn. Around 65% of the manufacturers are mostly domestic players operating in the consumables segment and catering to local consumption with limited exports. It in the light to propel this segment for further growth, the Government of India has undertaken the following initiatives in the last month:

- More than 280 units in SEZs, manufacturing essential items like pharmaceuticals and hospital devices, are operational https://pib.gov.in/newsite/PrintRelease.aspx?relid=200830
- Exemption granted from Basic Customs Duty and Health Cess (till September 2020) on import of ventilators, masks, PPEs, test kits, and inputs used to manufacture these https://pib.gov.in/newsite/PrintRelease.aspx?relid=201139

For more information, please visit: https://www.investindia.gov.in/sector/medical-devices

TEXTILES

With the pandemic bringing Textile Industry in India to the fore, the USD 136.6 Bn textile market in India is poised for growth. This sector which generates second largest jobs in India (45 Mn direct) is undergoing a massive transformation. India's strengths have already been defined in traditional textiles, natural fibres globally and its stronghold on synthetic fibres by virtue of being the 2nd largest producer of polyester in the world is ushering a sea of change. This change is noticeable as technical textiles in India have already established a



market size of USD 17 Bn and a further push for Medical Textiles will only surge this number higher. In order to position India as a world leader in Textiles, the Government of India has undertaken the following initiatives in the last month:

Setting Up of National Technical Textile Mission

The Cabinet Committee on Economic Affairs, chaired by the Prime Minister Shri Narendra Modi, has given its approval to set up a National Technical Textiles Mission with a total outlay of USD 194 Mn. Having a 4 year implementation period from FY 2020-21 to 2023-24, the Mission will aim at average growth rate of 15-20% per annum taking the level of domestic market size to \$40-50 billion by the year 2024 through market development, market promotion, international technical collaborations, investment promotions and 'Make in India' initiative. https://pib.gov.in/PressReleseDetail.aspx?PRID=1604813

Ministry of Textiles provide a boost to Jute packaging Industry

Textiles Ministry extends support to protect interest of jute farmers and workers by extending limit for HDPE/PP bags from 1.80 lakh bales to 2.62 lakh to tide over crisis of packaging of food grains due to closure of jute mills during lock down http://164.100.158.168/PressReleseDetail.aspx?PRID=1612055

- Continuation of Rebate of State and Central Taxes and Levies (RoSCTL)
 - The Union Cabinet chaired by the Prime Minister, Shri Narendra Modi has given its approval for continuation of Rebate of State and Central Taxes and Levies (RoSCTL) from 1st April, 2020 onward until such time that the scheme is merged with Remission of Duties and Taxes on Exported Products (RoDTEP), specifically of Garments and Made-ups

https://pib.gov.in/PressReleseDetail.aspx?PRID=1604813

Ministry of Textiles along with Ministry of Health & family Welfare, Department of Pharmaceuticals are continuously working with various industry bodies, stakeholders and manufacturers on 24x7 basis, to streamline the supply chain, remove bottlenecks and maintain a steady supply of all materials required for Body Coveralls, N-95 Masks, and 2-ply/3-ply Surgical Masks for the healthcare professionals to combat COVID-19 cases

https://pib.gov.in/PressReleseDetail.aspx?PRID=1604813

For more information, please visit: https://www.investindia.gov.in/sector/textiles-apparel

ESDM (Electronics)

In order to position India as a global hub for Electronics System Design and Manufacturing (ESDM) and push further the vision of the National Policy on Electronics (NPE) 2019, three schemes namely the Production Linked Incentive Scheme (PLI), Scheme for Promotion of



Manufacturing of Electronic Components and Semiconductors (SPECS) and Modified Electronics Manufacturing Clusters Scheme (EMC 2.0) have been notified by the Ministry of Electronics and Information Technology (MEITY) as of April 2020.

Production Linked Incentive Scheme (PLI)

The Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing proposes a financial incentive to boost domestic manufacturing and attract large investments in the electronics value chain including mobile phones, electronic components and ATMP units. Production Linked Incentives of up to INR 40,951 crores will be awarded over a period of 5 years.

https://invest-india-revamp-static-files.s3.ap-south-1.amazonaws.com/2020-04/PLI%20Gazette%20Notification%20-%2001.04.20 0.pdf

> Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS)

The Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS) aims to strengthen the manufacturing ecosystem for electronic components and semiconductors. Target manufacturing of electronic components and semiconductors through the scheme will help meet domestic demand, increase value addition and promote employment opportunities in this sector. Incentives of up to INR 3,285 crore will be awarded under the Scheme over a period of 8 years.

https://invest-india-revamp-static-files.s3.ap-south-1.amazonaws.com/2020-04/SPECS%20Gazette%20Notification%20-%2001.04.20.pdf

Modified Electronics Manufacturing Clusters Scheme (EMC 2.0)

The Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme seeks to strengthen the infrastructure base for the electronics industry and deepen the electronics value chain in India. The development of industry-specific facilities like Common Facility Centers, Ready Built Factory, Sheds/Plug and Play facilities will not only strengthen supply chain responsiveness and promote the consolidation of suppliers but also decrease time-to-market and lower logistics costs. EMC 2.0, therefore, provides financial incentives for creating quality infrastructure as well as common facilities and amenities for electronics manufacturers. Financial Incentives of up to INR 3,762 Crore will be disbursed over a period of 8 years.

https://invest-india-revamp-static-files.s3.ap-south-1.amazonaws.com/2020-04/EMC%202.0%20Gazette%20Notification%20-%2001.04.20.pdf

For more information, please visit: https://www.investindia.gov.in/sector/electronic-systems



RESEARCH & DEVELOPMENT (R&D)

"We sometimes are critical of our institutions, industry, saying that they are not connected enough to society. Today we see something inspiring. Mathematicians, biologists, clinicians, industry IT; coming together intelligently with health professionals, taking on leadership in India" says the Prof. K VijayRaghavan, the Principal Scientific Adviser to the Government of India.

Rising to the National Call to combat the public health crisis arising out of COVID-19 pandemic, the Department of Science & Technology (DST) is synergising and consolidating the various activities carried out by the Ministry of Science & Technology and its network of autonomous institutions and scientific bodies across the country.

The solutions and novel applications to address Covid19 pandemic related challenges are being taken up through a three-pronged approach. These include:

- (a) extensive mapping of solutions requiring R&D support, startups with viable products requiring facilitation and manufacturing support;
- (b) identification of market deployable products requiring seed support and
- (c) support for solutions already in market but requiring substantial scale up to augment their manufacturing infrastructure and capabilities.
 - The Department of Scientific & Industrial Research (DSIR) offers manufacturing companies, tax exemptions up to 150% for expenses incurred on R&D in their respective field. This exemption let companies to spend more money in their R&D and helps in innovating new technology, product development & related processes.
 - Department of Science and Technology initiates exercise to map COVID-19 solutions through research and development and scale up support. Proposals are invited for protection and home-based respiratory interventions for COVID-19 patients https://dst.gov.in/dst-launches-nationwide-exercise-map-boost-covid19-solutions-rd-seed-scale-support

Active collaboration between the Ministry of Health and Family Welfare, Indian Council of Medical Research, National Disaster Management Authority and the State Disaster Management Authority, the State Health Ministries has been formed. They deal with testing every aspect of the disease and act on that information nationally and through State health by collaborating with Ministry of Electronics & Information Technology, Department of Science and Technology, Department of Biotechnology, Council of Scientific & Industrial Research.

For more information, please visit: https://www.investindia.gov.in/pm-stiac and https://www.agnii.gov.in/



RENEWABLE ENERGY

The COVID-19 pandemic has forced countries to restrict international travel, suspend export and import, and initiate lockdown measures to restrict the movement of people. Development-stage renewable energy projects are expected to be impacted due to these measures as many of them are dependent on equipment to be imported from other regions. Projects that are in early-stage development and small and mid-size projects are expected to be the most impacted by the pandemic, according to S&P Global.

India is expected to face delays in the development of up to 3GW of solar and wind energy projects due to the current lockdown, according to Wood Mackenzie's research. Further, supply and labour disruptions are expected to delay 400MW of projects in 2021. Although recently, India's Ministry of New and Renewable Energy announced that clean energy projects have not been affected by the falling electricity demand following a nationwide lockdown.

The Government of India has undertaken the following initiatives / measures in the past weeks:

- MNRE announced time extension in scheduled commissioning date of renewable energy projects due to disruption in supply chain https://mnre.gov.in/img/documents/uploads/file-f-1584701308078.pdf
- ➤ Power minister approves major relief measures for power sector. (1) Union power ministry to ensure 24×7 electricity supply during lockdown (2) Payment security to be reduced by 50 percent (3) 3 months moratorium on Discoms to make payment to Gencos and transmission licensees
 - https://pib.gov.in/newsite/PrintRelease.aspx?relid=200749
- MNRE issues instructions regarding invoicing of renewable energy supplies, invoices over email can be accepted instead of hard copies
 https://mnre.gov.in/img/documents/uploads/file_f-1585747702498.pdf
- Clarification regarding moratorium to discoms for payments, must run status to RE generating stations, regular payment to RE generating stations required https://mnre.gov.in/img/documents/uploads/file f-1585801699131.pdf
- Clarification by MNRE on Must Run status of Renewable Energy Stations during lockdown, no curtailment except for grid safety reasons allowed https://mnre.gov.in/img/documents/uploads/file_f-1586142405322.pdf
- Clarification regarding payment of dues by discoms, obligation to pay within specified period (45 days or otherwise in PPA) remains, late charges at reduced rate applicable
 - https://powermin.nic.in/sites/default/files/webform/notices/Final Clarification to t he orders of MoP letter dtd 06042020.pdf



- Extension of six months in effective dates under Approved List of Models and Manufacturers (ALMM) Order concerning solar PV modules/cells https://mnre.gov.in/img/documents/uploads/file-f-1586332072120.pdf
- Effective date for implementation of Approved Lists of Models and Manufacturers of Solar PV Modules and Solar PV Cells extended by six months https://pib.gov.in/newsite/PrintRelease.aspx?relid=202435
- Extension for RE Projects for a period of 30 days beyond lockdown https://pib.gov.in/newsite/PrintRelease.aspx?relid=202438

For more information, please visit: https://www.investindia.gov.in/sector/renewable-energy

FOOD PROCESSING

The Prime Minister of India, Narendra Modi while announcing the nationwide lockdown assured the country that there are ample reserves of medicines, food and other essential goods and that India's need for food will be met at any cost. The pandemic is impacting global as well as domestic food systems, disrupting regional agricultural value chains, and posing risks to household food security. While the Government is committed to ensure the continuity of agro-food business, it has taken immediate steps to provide much relief to the sector by undertaking the following initiatives:

- Ministry of Food Processing Industries (MoFPI) sets up a grievance cell for the food and related industry to ensure hassle-free operations and uninterrupted supply of essentials
 - https://pib.gov.in/PressReleasePage.aspx?PRID=1608340
- Agriculture Minister Shri Narendra Singh Tomar launches "Kisan Rath" Mobile App to facilitate transportation of foodgrains and perishables during lockdown by connecting farmers and traders with transporters https://pib.gov.in/newsite/PrintRelease.aspx?relid=202327
- ➤ Food Processing ministry forms a dedicated task force to resolve all problems being faced by the food processing and ancillary industries during the current Covid-19 lockdown.

Other schemes in implementation for boosting this sector are as follows:

Government of India (GOI) approved Central Sector Scheme – Pradhan Mantri Kisan SAMPADA Yojana (Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters) with an allocation of Rs. 6,000 crore for the period 2016-20 coterminous with the 14th Finance Commission cycle. The scheme will be implemented by Ministry of Food Processing Industries (MoFPI).

The following schemes are implemented under PM Kisan SAMPADA Yojana: (Grants)



1. Mega Food Parks

50% of the eligible project cost for General Area & 75% for North East, Hill & Difficult areas subject to maximum of Rs. 50.00 Crore.

2. Integrated Cold Chain and Value Addition Infrastructure

For Storage Infrastructure – 35% of project cost in General Areas & 50% in North East, Hill and Difficult Areas.

For Food Processing Infrastructure – 50% of project cost in General Area & 75% for North East, Hill and Difficult areas.

3. Creation/ Expansion of Food Processing/ Preservation Capacities (Unit Scheme)

35% of eligible project cost for General Area & 50% for North East, Hill & Difficult areas subject to maximum of Rs. 5.00 Crore.

4. Infrastructure for Agro-processing Clusters

35% of the eligible project cost for General Area & 50% for North East, Hill & Difficult areas subject to maximum of Rs. 10.00 Crore.

5. Creation of Backward and Forward Linkages

35% of the eligible project cost for General Area & 50% for North East, Hill & Difficult areas subject to maximum of Rs. 5.00 Crore.

6. Food Safety and Quality Assurance Infrastructure

50% of the cost of laboratory equipment for General Area & 70% for North East, Hill & Difficult areas. 100% for Govt. / Public Sector.

35% of the cost of technical civil works for General Area & 33% for North East, Hill & Difficult areas.

7. Human Resources and Institutions

R&D Scheme

Skill Development Scheme

8. **Operation Greens**

Scheme for integrated development of Tomato, Onion and Potato (TOP) value chain-

- Price Stabilization Measure
- Subsidy at 50% of the cost of the following 3 components: Transportation of TOP crops from production to storage; Hiring of appropriate storage facilities for TOP crops

PM Kisan SAMPADA Yojana is expected to leverage investment of Rs. 31,400 crore for handling of 334 lakh MT agro-produce valued at Rs. 1,04,125 crore, benefiting 20 lakh farmers and generating 5,30,500 direct/indirect employment in the country by the year 2019-20.

For more information, please visit: https://www.investindia.gov.in/sector/food-processing



METALS & MINING

India is home to 1,531 operating mines and produces 95 minerals – 4 fuel-related minerals, 10 metallic minerals, 23 non-metallic minerals, 3 atomic minerals and 55 minor minerals. India is the 2nd largest crude steel producer in the world, generating an output of 106.5 MT in 2018, a growth of 3.7% Y-o-Y. India's steel consumption rose 7.5% Y-o-Y and 7.9% Y-o-Y over the last 2 years, outpacing a 2.1% to 5% growth globally.

"In these times of challenge, Coal and Mines Public Sector Undertakings (PSUs) are extending best possible support in fighting Covid-19" said Shri Pralhad Joshi, Union Minister of Coal & Mines.

In this light, National Aluminum Company (NALCO) and Coal India subsidiary Mahanadi Coalfields Limited (MCL) will fully fund two dedicated COVID-19 hospitals in the mineral rich state of Odisha in fighting with the pandemic. Union Minister of Petroleum and Natural Gas and Steel Shri Dharmendra Pradhan announced a **contribution of over Rs.500 Cr by Indian steel sector towards the PM-CARES** fund in wake of fight against the threat of Covid19 pandemic.

Immediate relief announced by Government of India for this sector are as follows:

- ➤ Helpdesk in the Ministry of Steel has been formed for taking up issues raised by various stakeholders including secondary steel producers https://steel.gov.in/sites/default/files/help%20desk%20document%20final.pdf
- Order for extension of date of enforcement of 12 Indian Steel Products Standards has been enforced https://steel.gov.in/sites/default/files/Order%20Extension%2012%20BIS%20Standards.pdf
- Appointment of Nodal Officers in the Ministry of Coal to respond the queries raised by various stakeholders/consumers/outside agencies during the period of lockdown due to COVID-19 https://www.coal.nic.in/sites/upload_files/coal/files/curentnotices/Nodal-officers-MoC.pdf
- ➤ Relaxation from the submission of notices, returns and forms required under the provisions of different rules and regulations framed under the Mines Act, 952 https://labour.gov.in/sites/default/files/return notices.pdf

Other schemes in implementation for boosting this sector are as follows:

1. National Mineral Policy 2019

In March 2019, the Indian government came up with a new National Mineral Policy (NMP), replacing the earlier 2008 policy -

• The policy aims to increase the production of major minerals by 200% and reduce trade deficit by 50% in seven years



- It aims to attract private investment through incentives like financial package, right of first refusal at the time of auction etc. or any other appropriate incentive according to international practices.
- A key proposal introduced in the NMP is the creation of "Exclusive Mining Zones".

2. National Steel Policy 2017

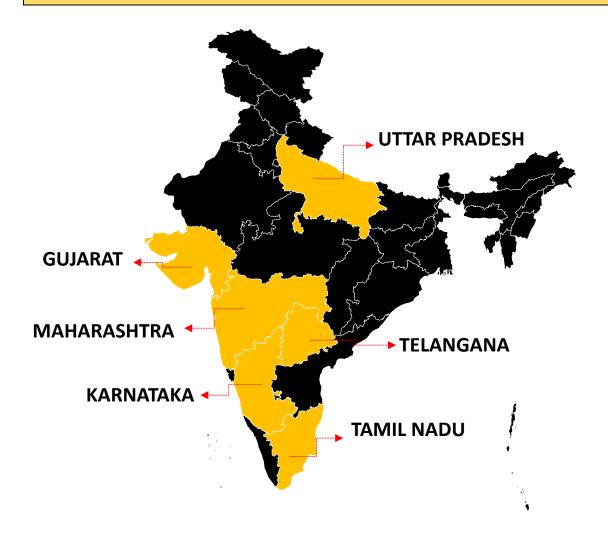
The National Steel Policy 2005 (NSP 2005) sought to indicate ways and means of consolidating the gains flowing out of the then economic order and charted out a road map for sustained and efficient growth of the Indian steel industry. However, the unfolded developments in India as also worldwide, both on the demand and supply sides of the steel market, have warranted a relook at the different elements of the NSP 2005.

- **Vision:** To create a technologically advanced and globally competitive steel industry that promotes economic growth.
- Mission: Provide environment for attaining
 - Self-sufficiency in steel production by providing policy support & guidance to private manufacturers,
 - o MSME steel producers, CPSEs & encourage adequate capacity additions.
 - o Development of globally competitive steel manufacturing capabilities
 - Cost-efficient production and domestic availability of iron ore, coking coal and natural gas
 - o Facilitate investment in overseas asset acquisitions of raw materials.
 - o Enhance domestic steel demand.

For more information, please visit: https://www.investindia.gov.in/sector/metals-mining



INITIATIVES AND INCENTIVES BY STATE GOVERNMENTS



The unprecedented situation created by COVID—19 pandemic and lockdown announced by both the Union and state governments from March 24 has led to severe disruptions affecting the economy and impacting people at large. In order to mitigate the economic downturn caused by COVID-19, the following State Governments have also announced several measures to provide immediate relief to manufacturers/Industries across sectors as listed below:

- Maharashtra
- Karnataka
- Tamil Nadu
- Gujarat
- Uttar Pradesh
- Telangana



States	Special Incentives
	Maharashtra
Maharash tra	Immediate relief provided by the state government in the wake of COVID 19: > Reduction in Tariff across Consumer Categories (dtd 01.04.2020) > To boost Industrial and Commercial sector in the State, the
	Commission has reduced their tariff by 10 to 15 % The Commission has approved average tariff reduction of 7 % for FY 2020-21 and almost flat tariff for most of the categories or a further reduced tariff for Industry for remaining four years of Multi Year Control Period i.e. up to FY 2024-25. Maharashtra – Electricity Regulatory Commission (https://www.merc.gov.in/)
	Package of Special Incentives (2019) The PSI - 2019, shall remain in operation from the 1st April 2019 up to 31st March, 2024 or till the new Package Scheme of Incentives comes into force. The policy envisages grant of fiscal and non-fiscal incentives to the Industrial units. The scheme applies to Industries in the 1st Schedule, Manufacturing Enterprises, IT-Manufacturing Units, Biotechnology, Mechanised Food Processing.
	(https://maitri.mahaonline.gov.in/PDF/Package%20Scheme%20of%20Incentives%20-%202019.pdf)
	Aerospace and Defence (2018): The policy has an objective to attract \$2Bn over the next 5 years. It aims to create an employment of 100,000 in the state with special emphasis on Indigenisation of advanced aerospace technology and develop skilled manpower. The various incentives linked to this policy can be found at : (https://invest-india-revamp-static-files.s3.ap-south-1.amazonaws.com/s3fs-public/2019-01/AerospaceandDefence.pdf)
	Electric Vehicle Policy (2018): The policy aims at generating an investment of Rs 25,000Cr and create an employment of 100,000 jobs. It also aims at increasing the adoption of EVs registered in Maharashtra at 500,000. The various incentives attached to this policy can be found at: https://invest-india-revamp-static-files.s3.ap-south-1.amazonaws.com/s3fs-public/2019-01/MaharashtrasElectricalVechiclePolicy.pdf
	Electronic Policy (2016): The policy objective is to establish Maharashtra as a globally recognized HUB for ESDM industry targeted to achieve a turnover of USD 12 billion by 2020 with an investment of USD 3 billion creating additional



employment generation in this sector for one lakh people. To promote creation of Intellectual Property (IP) in the ESDM sector by contributing more funds to R&D for start-ups in the ESDM and Nano electronics sector.

The various incentives attached to this policy can be found at : https://invest-india-revamp-static-files.s3.ap-south-

1.amazonaws.com/Electronics%20Policy%202016.pdf

IT/ITeS: The policy objectives has set the following target:

- a. To attract an investment of Rs. 50,000 crores by the private IT parks and the IT / ITES / AVGC units in the State.
- b. To create new jobs for 1 million persons
- c. To raise annual exports from IT / ITES / AVGC sector from the State upto Rs. 1,00,000 crores.

The various incentives attached to this policy can be found at : https://invest-india-revamp-static-files.s3.ap-south-

1.amazonaws.com/IT ITeS%20Policy%202015.pdf

For more information, please visit:

https://www.investindia.gov.in/state/maharashtra

Karnataka

Karnataka

Immediate relief provided by the state government in the wake of COVID 19:

- ➤ The state government of Karnataka has put in place a web **portal** called 'Sankalpa' to coordinate relief efforts during the Covid-19 pandemic.
- Karnataka government successfully impressed upon Union Department of Telecommunications to bring in modifications to OSP license, which supports IT/ITES companies to opt for Work-From-Home in the wake of Covid-19 scare as early as March 13, 2020
- Exemption was provided by the State Government of Karnataka to Continuous Process Industries such as integrated steel plants, petroleum refinery unit, cement plant, fertilizer plant, paper and pulp unit, glass manufacturing unit and coal tar distillation unit on April 3, 2020.
- ➤ Implementation of Standard Operating Procedure (SOP) in the industries operating from April 20, 2020 will be conducted strictly by the state government.
- ➤ Major stimulus to Aerospace and Defence (A&D) sector: In a decisive measure to protect Karnataka based companies that manufacture parts and systems for the assembly lines of global aerospace and defence (A&D) majors like Boeing and Airbus, the state government has exempted local A&D manufacturers from the nationwide anti-



Covid-19 lockdown and permitted them to resume manufacturing activities with immediate effect.

The policy has been notified with the objective of industrial growth rate of 12 % to make manufacturing share of GDSP at 20%. Aim is to attract Rs 5.00 Lakh Cr in Investments. The Package scheme of incentives includes Entry Tax Exemption, Interest Free Loan, Electricity Duty, Stamp Duty Exemptions and other non-fiscal incentives. (http://www.fisme.org.in/export schemes/IP-High/Row%2014/14H.pdf)

Aerospace Policy 2013-2023: The salient features of the Karnataka Aerospace Policy 2013-23 are as follows:

- i) Envisioned to establish Karnataka as a Vibrant Aerospace Hub of Asia and a globally recognised aerospace destination.
- ii) Has a mission to attract investments of Rs. 60,000 crores (10 billion USD) over a period of 10 years in two phases i.e., 2013-18 and 2018-2023 and generating direct employment for about one lakh persons and derive large spin off effects.
- iii) To create Aerospace Eco-system across the State by providing enabling and industry-friendly environment.

The various incentives attached to this policy can be found at : https://invest-india-revamp-static-files.s3.ap-south-

1.amazonaws.com/Aerospace%20Policy%20%282013-23%29.pdf

Electric Vehicle and Energy Storage Policy (2017): The salient features of the Karnataka Electric Vehicle policy 2017 are as follows:

- i) To attract investments of Rs 31,000Cr and create employment opportunities of 55,000.
- ii) To create conducive environment for the transition to EV environment from IC engines.
- iii) To provide opportunity for R&D in electric mobility.

The various incentives attached to this policy can be found at : https://invest-india-revamp-static-files.s3.ap-south-

<u>1.amazonaws.com/Electric%20Vehicle%20</u> %20Energy%20Storage%20Policy %202017.pdf

ICT Policy: The objectives and various incentives attached to this policy can be found at: https://invest-india-revamp-static-files.s3.ap-south-1.amazonaws.com/ICT%20Policy%202011 0.pdf



	For more information, please visit:
	https://www.investindia.gov.in/state/karnataka
	Tamil Nadu
Tamil	Immediate relief provided by the state government in the wake of COVID 19: The Tamil Nadu Government announced a special incentive package to industries, including MSMES, to manufacture Covid-19 equipment. 30% capital subsidy, up to INR 20 crore, with investment made for manufacturing of essential equipment. (https://www.investingintamilnadu.com/wp-content/uploads/2020/Mar/G.O.Special Package Incentive for COVID-19%20Medical Equipment companies.pdf)
	 The Tamil Nadu Industrial Policy aims at providing the necessary infrastructure to ensure sustained industrialisation in Tamil Nadu. The objective is to attract 14% growth in the Manufacturing sector. Focus sector for growth are Automobiles, Renewable Energy Equipment, Biotechnology and Pharma, Aerospace. (https://www.investingintamilnadu.com/wp-content/uploads/2019/06/Tamil%20Nadu%20Industrial%20Policy%202014.pdf Extension of validity period by Pollution Control Board for operation of healthcare and waste management facilities by 3 months from March 31, 2020 onwards.
	 Electric Vehicle Policy (2019): It is the vision of the Government of Tamil Nadu to attract ₹50,000 crore (₹500 billion) of investment in EV manufacturing and create a comprehensive EV ecosystem in the State. Such investment is expected to create 1.5 lakh new jobs. The broad objectives of this policy are the following: Create robust infrastructure for electric vehicles including adequate power supply and network of charging points with favourable power tariff. Promote innovation in EV for automobile and shared mobility by providing the ecosystem and infrastructure to make Tamil Nadu, the EV Hub of India. Create a pool of skilled workforce for the EV industry through the technical institutions available in the State and create new jobs in the EV industry.
	The various incentives attached to this policy can be found at : https://invest-india-revamp-static-files.s3.ap-south-1.amazonaws.com/s3fs-public/2019-09/Tamil%20Nadu%20eV%20Policy%202019.pdf



Automobile and Auto Components (2014): The objectives of this policy are as follows

- Focus on further development and consolidation of automobile and components industry where Tamil Nadu enjoys a comparative advantage and to strengthen this industry as a key driver of economic growth
- 2. Facilitate backward and forward linkages to maximise value-addition in the State and to encourage Small and Medium Enterprise vendors
- 3. Promote new auto clusters and attract mega automobile projects with economic spin off potential, particularly in the Southern districts.
- 4. Augment the talent pool to meet the long-term skilled manpower requirements of this industry and to encourage Public-Private-Partnership initiatives and Industry-Institution partnerships in skill development

The various incentives attached to this policy can be found at : https://invest-india-revamp-static-files.s3.ap-south-1.amazonaws.com/Automobile%20and%20Auto-parts%20Policy%202014.pdf

Food Processing Policy (2019): The objectives of this policy are as follows

- 1. Focus on crop/commodity-based farming clusters.
- 2. To reduce wastage, increase value addition, ensure better price for farmers.
- 3. To identify and bridge the infrastructure gaps and promote innovation, R&D, Food Packaging, Food Testing Technology.
- 4. To generate employment opportunity in the agro-Food processing Industry.
- 5. To promote private sector and co-operative sector participation in the sector.

ICT Policy (2018): In order to promote Tamil Nadu as an ideal investment destination, the following strategies are planned

- 1. To attract incremental direct investment from foreign and domestic investors across the state
- 2. To ensure world class skill availability. Provide industry-grade skill upgradation and training to the students to suit the requirements of industry and for obtaining gainful employment.
- 3. To provide IT/ITeS companies with the best business climate.
- 4. To make available world class infrastructure with emphasis on promotion of Green IT & ITeS.
- 5. Widen the scope of IT base by encouraging new verticals such as Animation, Gaming & Digital Entertainment, IT Products & Services in Engineering, Retail, Health Management, etc.



	6. Support Research & Development, Innovation and
	Entrepreneurship in IT/ ITeS Sector
	The various incentives attached to this policy can be found at: <a href="https://invest-india.gov/nata-india.go</th></tr><tr><th></th><th>india-revamp-static-files.s3.ap-south-1.amazonaws.com/s3fs-public/2018-</th></tr><tr><th></th><th>10/TN-IT-policy-2018.pdf</th></tr><tr><th></th><th>For more information, please visit: https://www.investindia.gov.in/state/tamil-
	nadu
	Gujarat
Gujarat	Immediate relief provided by the state government in the wake of COVID 19:
,	Lockdown relaxations for Factories after April 20
	Clear steps towards allowing IT and ITeS companies of Gujarat for
	functioning in Corona Lockdown (from 20/4/2020 onwards)
	ranceloring in corona zociacown (nom zo, 1, zozo cimaras,
	The New Industrial Policy (2015) aims at creating streamlined approval
	process, thrust for labour-intensive industry, technology-based industry.
	Defence and Aerospace : The objectives of the policy are to: Attract public
	and private sector investments into Gujarat in Aerospace & Defence design,
	development and manufacturing with a target to attract 10- 15% of the orders
	in the defence industry in India over the next 5 years.
	Various incentives of the provided by the Govt can be found at:
	(https://invest-india-revamp-static-files.s3.ap-south-
	1.amazonaws.com/Aerospace%20and%20Defence%20Policy%202016.pdf)
	Biotechnology
	Policy Objectives:
	1. To establish Gujarat as a preferred & globally – competitive destination for
	manufacturing of Biotechnology products and services and to reach a
	turnover target of Rs. 15,000 Crores.
	2. To create a professionally competent manpower pool of 25,000 human
	resources in the Biotechnology sector
	Following incentives would be provided to greenfield Biotechnology Park:
	(https://invest-india-revamp-static-files.s3.ap-south-
	1.amazonaws.com/Biotechnology%20Policy%20%282016-21%29.pdf)
	1.dirid201idw3.com/ Biotecimology/0201 oney/020/0202010 21/023.pdf/
	Electronics. To establish Cuiarat as a globally recognized but for the ESDA4
	Electronics: To establish Gujarat as a globally-recognized hub for the ESDM industry with a turn over of USD 16 hillion by 2021 and an investment of USD
	industry with a turnover of USD 16 billion by 2021 and an investment of USD
	6 billion to create employment opportunities for 5 lakh people by 2021.
	Following incentives would be provided to Electronics Industry:
	https://invest-india-revamp-static-files.s3.ap-south-
	1.amazonaws.com/Electronics%20Policy%20%282016-21%29.pdf
	Ziding Zong visioning Zicon office / 020/020/020/020/01



Garment and Apparel Policy: The policy aims at filling the gaps in Fiber to Fabrics, to Processing of Garments, Made-Ups, and also upto technical textiles. The policy also aims at achieving 100,000 jobs with an equal amount of investments.

The policy details and various incentives can be found at: https://invest-india-revamp-static-files.s3.ap-south-1.amazonaws.com/s3fs-public/2019-04/Ch%20Branch 1738 11 Oct 2017 354.pdf

For more information, please visit: https://www.investindia.gov.in/state/gujarat

Uttar Pradesh

Uttar Pradesh

Immediate relief provided by the state government in the wake of COVID 19:

- ➤ The State Government has also asked **brick kilns owners and approx. 2000 factory units to resume operations** while ensuring proper social distancing to absorb this influx of migrant workers and make arrangements for the stay of workers in and around their premises.
- More than 20 lakh daily wage labourers in the state have already been disbursed Rs 1,000 as maintenance allowance through the process of direct benefit transfer (DBT).
- ➤ 15 lakh small self-employed workers running rickshaws, e-rickshaws, carts, small stores etc will also be disbursed the amount.
- ➤ 1.65 crore families will be given 20 kg wheat and 15 kg rice as one month's stock of food grains
- > Fixed charges for electricity not to be levied for industries in the state during the period of lockdown
- Sugar mills to provide assistance to the administration in sanitising nearby areas wherever they are located

Industrial Investment and Employment Promotion Policy of Uttar Pradesh (2017): The Policy aims at Enabling infrastructure, Employment generation, Ease of doing business, Innovation – Promoting Start-Ups and a sectoral approach to Industrial development.

To attract maximum investment and maintain competitiveness of the industries in the State, the policy will provide following fiscal incentives, subsidies and concessions on certain terms and conditions. The details of which can be found in this link: (http://udyogbandhu.com/DataFiles/CMS/file/UP Industrial Policy 2017 Engish Version.pdf)



UTTAR PRADESH ELECTRONICS MANUFACTURING POLICY-2017: The main objectives of the policy is to

Establishment of Electronic Manufacturing Clusters/ESDM parks in the

- To attract investment in Electronics Manufacturing sector in the state
- To focus on the establishment of FAB unit in the state
- Establishment of ESDM parks for Domestic / Foreign investors in the state

The policy targets to attract investment of INR 20,000 Crores in ESDM sector and generate employment for 3,00,000 manpower by the year 2022.

Various Fiscal Incentives provided under this policy can be found at : (https://invest-india-revamp-static-files.s3.ap-south-

1.amazonaws.com/Electronics%20Manufacturing%20Policy%202017.pdf)

The Uttar Pradesh Food Processing Industry Policy-2017: Following industries will be the part of the food processing industries:-

- Processing of fruits and vegetables, flowers, spices, medicinal & aromatic plants and mushrooms. Processed products based on agricultural produce such as food-grains, pulses and oilseeds.
- Processing of agro-based products like milk powder, baby milk food, malted milk food, condensed milk, ghee, other dairy products, poultry and eggs, meat and meat products.
- Fish processing.
- Processing related to bread, oilseed, edible food items, breakfast food, sweets (including coco processing and chocolate production), malted extracts, protein isolates, and food items rich in protein, weaning food and extruded food products.
- Specialised packaging for food processing industries.
- Reefer vehicles/mobile pre-cooling vans.
- Creation of infrastructure based on the post-harvest management and agro processing cluster.

Fiscal Grants and concessions provided under this scheme can be found at : https://invest-india-revamp-static-files.s3.ap-south-

1.amazonaws.com/Food%20Processing%20Industrial%20Policy%202017.pdf

Uttar Pradesh Electric Vehicle Manufacturing and Mobility Policy 2019: the policy contains 3- components: - (1) Manufacturing (2) Charging infrastructure (3) Demand Creation.

Objectives:

- To promote adoption of EVs in state to create greener environment in the state.
- To establish Uttar Pradesh as preferred destination for attracting investments in manufacturing of Electric Vehicles (EV).



- To create employment opportunities both from supply side and demand side of Electric Vehicles.
- To create a conducive environment for shift from Internal Combustion (IC) engines to Electric Vehicles (EVs).
- To encourage use of Hybrid EVs (HEVs) and Plug-in-electric vehicles (PEVs) during the transition phase.
- To develop human capital and augment the power capacity to meet the needs of the industry promoting electric mobility in the state
- To develop a strong and sustainable ecosystem for battery management, right from production stage to disposal stage

Policy Targets

- 1. To attract investments of over INR 40,000 crore in the next 5 years across the electric mobility ecosystem with an employment potential for 50,000 people
- 2. To launch 1000 electric buses (BEVs/FCEVs), and achieve 70% EV public transportation on identified green routes in identified 10 EV cities by 2030.
- 3. To phase out all conventional commercial fleets and logistics vehicles and achieve 50% EV mobility in Goods Transportation in identified 10 EV cities by 2024 and all cities by 2030.
- 4. To roll out nearly 10 lakh EVs, combined across all segment of vehicles, by 2024.
- 5. To bring in manufacturing units of high density power storage of at least 5GWh capacity in the next 5 years for smooth electric mobility
- 6. To set up nearly 2 lakh slow and fast charging, swapping stations by 2024

Other grants and fiscal incentives provided under this policy are under: https://invest-india-revamp-static-files.s3.ap-south-1.amazonaws.com/s3fs-public/2019-09/Electrical%20%20vehicle%20policy_english_Aug7_2019.pdf

For more information, please visit: https://www.investindia.gov.in/state/uttar-pradesh

Telangana

Telangana

Immediate relief provided by the state government in the wake of COVID 19:

For Pharmaceuticals & Life Sciences

- Stamp Duty and Transfer Duty Reimbursement for purchase or lease of land
- Fixed Power Cost Reimbursement
- Reimbursement of Goods & Services Tax
- Reimbursement of cost involved in skill upgradation and training the local manpower
- Subsidy on specific cleaner production measures

Electronics and Electrical Machinery

> 100% Reimbursement of net SGST



- Transport Subsidy on fuel cost and freight from the sea port to the plant and back.
- Investment Subsidy: 20%-30% Investment Subsidy on plant, machinery.
- Discount on Land, Lease: Land has been given to mobile manufacturers at substantial discounts. Subsidy on lease rentals is also applicable.
- ➤ Dormitory Policy: 20% of land can be used for dormitories for the employees
- ➤ Guarantee 100% power and electricity rebate of 1.5 Rs per unit
- > Allow for three shift operations with women

Handlooms and Textiles

- > Capital Subsidy: 25% up to 20 Cr.
- Power Tariff Reimbursement: Rs. 1-2 per unit
- > Transport Subsidy
- Rebate on Housing for Workers

Important Links:

Telangana Industry and Commerce portal:

http://www.industries.telangana.gov.in/

Telangana State Industrial Project Approval System:

https://ipass.telangana.gov.in/

T-HUB, India's pioneering innovation ecosystem: https://t-hub.co/

T-works, India's largest prototyping incubator:

https://tworks.telangana.gov.in/

Other measures undertaken by the state government in the wake of COVID-19 are as follows:

- On March 21, 2020, the Telangana Government formulated the Telangana Epidemic Diseases (Covid-19) Regulations, 2020 under the Epidemic Diseases ACT, 1897.
- ➤ Telangana Government has on Thursday launched a dedicated website https://factcheck.telangana.gov.in as part of its efforts to check the spread of fake news, misinformation and rumours in the backdrop of Coronavirus spread and the consequent lockdown. Telangana is the first state to set up such an exclusive portal for fact checking on fake news.
- T COVID 19 App launched in Telangana which equips citizens with accurate information about COVID-19 and helps in curbing the spread of fake news. It can be downloaded from https://bit.ly/android-TSCOVID19 by Android users or https://bit.ly/GoT-iOS-TCOVID19 by iOS users



- The Telangana Information Technology Association (TITA) formed by IT Expert Sundeep Kumar Makthala and V Prakash has launched a unique Digithon, Hackathon to up effort against Covid-19 and help those stranded abroad.
- ➤ TITA launched **Digithon Covid-19 online clinic**, through which it will offer medical assistance to people who are believed to be having symptoms of Covid-19 in rural areas. The people can get basic treatment and information about the pandemic to plan their treatment.

For more information, please visit: https://www.investindia.gov.in/state/telangana

The Invest India Business Immunity Platform

Designed as a comprehensive, 24*7 active resource to help businesses and investors get real-time updates on India's active response to COVID-19 (Coronavirus), Invest India has launched the 'Invest India Business Immunity Platform' which can be accessed here.



Contributors:

Mishika Nayyar
Pranati Chestha Kohli
Aju Antony
Agrim Aggarwal
Yashika Khurana

