5th tranche of Atma Nirbhar Bharat package- Structural Reforms

Part of: GS-III- Economy- Economic reforms (PT-MAINS-PERSONALITY TEST)

Finance Minister in her announcement of the fifth tranche of measures to address the economic situation in the country amid COVID-19, outlined structural reforms with focus on seven areas of MNREGA, Health and Education, Business during COVID, Decriminalisation of Company Act, Ease of doing business, Policy related to Public Sector Units, State government and resources related to it.

Imp Announcements

- **MNREGA:** MGNREGA scheme, an additional Rs 40 thousand crore will be allocated for employment generation in the rural parts of the country. She said this will help to generate nearly 300 crore person days to provide relief to the migrant workers.
- Policy aimed at allowing private players in all sectors was the need of the hour and the government will chalk out a coherent policy for the same. She asserted that at least one Public Sector Enterprise (PSEs) would continue to remain in every strategic sector even after allowing private companies. Finance Minister added that the maximum number of enterprises in strategic sectors will be limited to four. She informed, the government will soon notify the list of strategic sectors requiring the presence of PSEs.
- On the support extended to the State Government more than Rs 46 thousand crore have been devolved in April and revenue deficit grants of more than 12 thousand crore in April and May have also been given to the states despite centre's stressful resources.
- Government’s decision to increase the net borrowing ceiling for the states from 3 per cent to 5 per cent of the Gross State Domestic Product (PT) which would result in increased resources of Rs 4 lakh 28 thousand crore for them.
- She said, more than Rs 11 thousand crore have been released to the states as advance from State disaster relief fund in the first week of April and Ministry of Health and Family Welfare released another Rs 4 thousand 113 crores for direct anti-COVID activities.
- On the Health reforms and initiatives taken to fight the COVID-19 pandemic, she said, public expenditure will be increased and Health and Wellness Centres in rural and urban areas will be ramped up.
- She said, infectious diseases hospital blocks and integrated public health labs will be set up in all districts to handle such pandemic like situation in the country. National Digital Health blueprint will be implemented under the National Digital Health Mission.
- In a major relief to the MSMEs, Finance Minister announced a substantial hike in the minimum threshold to initiate insolvency proceedings. The threshold which was earlier Rs one lakh has now been increased to Rs one crore which will insulate a large number of MSMEs in the country from insolvency proceedings against them.
- She also announced special insolvency resolution framework for MSMEs which will be notified soon. No fresh insolvency proceedings will be initiated upto the next one year and COVID-19 related debts will not be considered as default payments for proceedings under the Insolvency and Bankruptcy Code.
- PM-e-Vidya programme for multi mode access to digital online education will be
launched shortly which will consist of e-content and QR coded textbooks for all grades.

- She said, one TV channel per class from 1 to 12 will be operated and extensive use of Radio and Community Radio will be encouraged.
- **Top 100 universities will be permitted to automatically start online courses by 30th of this month.** She also announced, an initiative by the name of 'Manodarpan' which will be launched for psychological support of students, teachers and their family for mental health and emotional well-being.
- Speaking over, decriminalization of companies act, violation involving minor technical and procedural default will not be accounted which in turn will help to de-clog the criminal courts and NCLT.

Finance Minister highlighted that, the improvement in rankings in starting a business and in terms of insolvency resolutions have together contributed to an overall improvement in India’s ranking in Ease of Doing Business. She added that the further reforms will include Indian public companies being able to directly list securities in permissible foreign jurisdictions.

Under the Prime Minister Garib Kalyan package, free food grains were provided to 80 crore people and under the PM Kisan Yojana more than Rs 16 thousand crore have been given to the 8.19 crore people through direct benefit transfer.

She said, more than Rs 10 thousand crore were released to 20 crore Jan Dhan accounts of women and construction workers got Rs 3 thousand 950 crore. She said 6.81 crore beneficiaries got the cylinder under the Ujjawala scheme and 12 lakh EPFO holders have withdrawn the advance amount. She said, Shramik Special trains were operated for the migrant workers and 85 per cent of the cost was borne by the Central Government.

The Finance Minister announced a slew of measures to help the Micro, Small and Medium Enterprises, MSMEs sector that employs an estimated 11 crore people. The announcements ranged from Non-Banking Finance Companies (NBFCs), real estate, power distribution sector, to relaxations on contribution to Employees’ Provident Fund (EPFO). In her second announcement the focus was on migrant workers, street vendors, small traders, the self-employed and small farmers. **Third announcement** saw major relief packages for agriculture and allied activities, while yesterday key sectoral reforms were announced in the sectors of coal, minerals, defence production, civil aviation, power distribution companies, space sector and atomic energy.

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