



Ministry of Finance

Status Report on implementation of several measures announced by Finance Minister to boost Economy

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The Finance Minister, Smt. Nirmala Sitharaman had announced several short and long-term measures to boost economy on 23.08. 2019, 30.8.2019 and 14.09.2019.

Out of these a total number of thirty-two measures were announced on 23.08.2019 to boost the economy. Out of these, thirteen (13) announcements have been fulfilled. In respect of twelve (12) measures announced on 14.09.2019 to boost exports, three (3) announcements have been fulfilled. The rest of the announcements are under active consideration by relevant Ministries. Further, action on one (1) out of three announcements made for the housing has been completed and action on other two (2) is also being taken.

A Status Report on fulfilled announcements and those under advanced stage of implementation are reported below: -

I . Announcements implemented

a. Announcements made on 23.08.2019

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| 1. | CSR violations not to be treated as criminal offence: It has been decided that sub-section related to treating CSR violations as criminal offences will not be notified. Hence CSR violations will not be treated as criminal offences. |
| 2. | Issue of IT orders, notices, summons, letters etc through a centralized system: Circulars for e-assessment scheme, Document identification number, compounding of past offences, prosecution easing matters have been issued by Department of Revenue. It is expected that implementation of these instructions will lead to significant improvement in ease of doing business. |
| 3. | Relief from enhanced surcharge on Long-term/Short-term Capital Gains: An Ordinance has been issued on 20.9.2019 amending the Income Tax Act. |

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| 4. | Withdrawal of Angel Tax provisions for Startups and their investors: CBDT has issued a consolidated circular for assessment of start-ups (available at CBDT website) and a Start-up Cell under Member (IT&C) has been constituted. |
| 5. | Banks to effect timely rate cuts: All 18 PSBs have reviewed their lending rates and are periodically effecting rate cuts as per the MCLR framework prescribed by RBI. |
| 6. | Banks to launch Repo rate /external benchmark linked loan products: All PSBs have introduced Repo Rate Linked Products (RRLP).New RBI notification dated 04.09.2019 has also mandated that all scheduled commercial banks introduce repo-linked home loan products and external benchmarked linked floating rate loans for retail and MSME borrowers w.e.f. 1.10.2019. |
| 7. | For Customer Ease, it was announced that PSBs will ensure mandated return of loan documents within 15 days of loan closure: All 18 PSBs have informed that the 15 day norm for return of security documents of loans is in place. As per latest data reported by PSBs, in 99.5% (3.59 lakh accounts out of 3.61 lakh loan accounts closed since 23.8.2019 till 30.9.2019), security documents were released within 15 days of loan closure. |
| 8. | Protecting honest decision making: CVC has communicated that the recommendations of the Internal Advisory Committee of the bank regarding classification of a case as vigilance or non-vigilance as accepted by DA & CVO will be treated as final. Further, a committee comprising of an Ex-Vigilance Commissioner has been set up. |
| 9. | Removal of Debenture redemption reserve: Ministry of Corporate Affairs vide Gazette Notification has issued Companies (Share Capital and Debentures) Amendment Rules, 2019. Since the Ministry of Corporate Affairs has already amended the rules pertaining to DRR, SEBI has clarified that no further amendment is required to be carried in ILDS regulations. |
| 10. | BS IV vehicles purchased till 31.3.2020 to remain operational for entire period of registration: Ministry of Road Transport and Highways has clarified that all the BS-IV vehicles registered on or before 31.3.2020 will remain operational for the entire period of registration. |
| 11. | Revision of one-time registration fees : M/o RT&H has deferred the increase of one-time registration fees. |

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| 12. | Higher depreciation for all vehicles: Notification vide Income-tax (9th Amendment) Rules, 2019, providing for higher depreciation for all vehicles has been issued on 20th September 2019 by CBDT. |
| 13. | Ministry of Road Transport and Highways have clarified that both electric and internal combustion engine based vehicles will continue to be registered as long as they meet safety and emissions standards. |

b. Announcements to boost exports and Housing on 14.09.2019

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| 1. | Revised Priority Sector Lending (PSL) norms for Export Credit: RBI has issued orders on Sept 20th 2019 enhancing sanction limits for eligibility of export credit under PSL from Rs 25 crore to Rs 40 crore per borrower and removing overall turnover limit of Rs 100 cr. |
| 2. | Online “Origin Management System”: a Common Digital Platform for Issuance of electronic Certificates of Origin (CoO), has been launched on 16.09.2019. |
| 3. | Fully automated electronic refund route for ITC: The integrated refund module along with single disbursement has been deployed w.e.f 26.09.2019. |
| 4 | House Building Allowance: orders regarding linking of interest rate of HBA with 10 Year G Sec Yields issued. |

II. Announcements with significant Progress

a. Announcements made on 23.08.2019:

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| 1. | <p>Support to NBFCs/HFCs: the NHB Board has approved additional liquidity support to HFCs of Rs. 20,000 crore taking the total to Rs. 30,000 crore. PSBs have been supporting NBFCs. PSBs have extended total support of Rs 2.56 Lakh crore to NBFCs by way of credit and pool buyout since September 2018.</p> <p>Further, under the Partial Guarantee scheme, till 16.10.2019, PSBs have accorded sanction to purchase of Rs 21,580 crore worth of pooled assets under the scheme, and proposals for execution of guarantee are under process.</p> |
| 2. | <p>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 : Upfront release of capital to PSBs has been effected, with Rs.60,314 crore being infused in banks in September,2019 through recapitalisation bonds, including Rs.4557 crore in IDBI Bank.</p> |
| 3. | <p>Co-origination of loans by PSBs jointly with NBFCs: Till 16.10.2019, 8 PSBs had a total of 16 tie-ups in place for co-origination of loans with NBFCs/HFCs</p> <p>PSBs have also done outreach programme in 400 districts during the festive season in Oct 2019 and have tied up/invited NBFCs/HFCs/MFIs to partner in extending credit to last mile customers.</p> |
| 4. | <p>GST Refund to MSME within 30 days: A refund drive was organised from 01.09.2019 to 22.09.2019 The amount of refund pending as on 23.08.2019 was Rs. 10,841 crore and of this claims of Rs. 10,490 crore (97 percent) have been disposed up to 24.10.2019.</p> |
| 5. | <p>Simplified KYC for FPIs: SEBI has informed that the Working Group set-up under the Chairmanship of Shri. H. R. Khan had recommended measures to simplify KYC requirement for FPIs. The recommendations have been approved by the SEBI Board on August 21, 2019. SEBI is expected to issue necessary circulars.</p> |
| 6. | <p>Rs. 100 lakh crores for developing modern infrastructure over 5 years: A Task Force under the chairmanship of Secretary, DEA, has been constituted, to draw up a National Infrastructure Pipeline for each of the years from FY 2019-20 to FY 2024-25. So far 12 meetings of Task Force has been held and deliberation with 17 Ministries/Departments have been completed.</p> |
| 7. | <p>Boosting demand of vehicles: Department of Expenditure vide O.M. No.7(1)/E.Coord./2019 dated 17.09.2019 lifted the ban on purchase of new vehicles by Ministries/Departments. Scrappage policy has been formulated and circulated for comments of stakeholders/general public by 15.11.2019.</p> |

8. The Depository Receipt Scheme 2014:Department of Revenue, vide Gazette notification dated 18th September 2019 has notified the requisite Prevention of Money Laundering (Maintenance of Records) Fourth Amendment Rules 2019 for facilitating the DR Scheme. SEBI, vide circular dated October 10, 2019 has issued the framework for issue of Depository Receipts, Department of Revenue would notify the list of permissible jurisdictions where beneficial ownership requirements will be relaxed and the Depository Receipts scheme will be operational on the issue of the same.

RM/KMN

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