

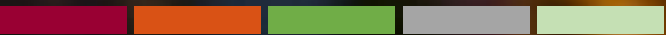
आत्मनिर्भर भारत

Part-4: New Horizons of Growth

16.05.2020



सत्यमेव जयते
Government Of India



Policy Reforms to fast-track Investment – Effort towards Atmanirbhar Bharat

- **Fast track Investment Clearance through Empowered Group of Secretaries (EGoS).**
- **Project Development Cell** in each Ministry to prepare investible projects, coordinate with investors and Central/ State Governments
- **Ranking of States on Investment Attractiveness to compete for new investments**
- Incentive schemes for **Promotion of New Champion Sectors will be** launched in sectors such as Solar PV manufacturing; Advanced cell battery storage; etc.



Upgradation of Industrial Infrastructure

- **Scheme will be implemented in States through Challenge mode for Industrial Cluster Upgradation of common infrastructure facilities and connectivity.**
- **Availability of Industrial Land/ Land Bank for promoting new investments and making information available on Industrial Information System (IIS) with GIS mapping.**
 - 3376 industrial parks/estates/SEZs in 5 lakh hectares mapped on **Industrial Information System (IIS)**
 - **All industrial parks will be ranked in 2020-21**





New Horizons of Growth

Policy Reforms – Introduction of Commercial Mining in Coal Sector

Need to reduce import of substitutable coal and increase **Self-reliance 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.



Policy Reforms – Introduction of Commercial Mining in Coal Sector

- **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**



Policy Reforms – Diversified Opportunities in Coal Sector - Investment of Rs 50,000 crores.

- **Coal Gasification / Liquefaction will be incentivised through rebate in revenue share.**
 - Will result in significantly lower environment impact
 - Will assist India in switching to a gas-based economy
- **Infrastructure development of Rs. 50,000 crores**
 - For evacuation of enhanced CIL's target of 1 billion tons coal production by 2023-24 plus coal production from private blocks.
 - Includes Rs 18,000 cr worth of investment in mechanized transfer of coal (conveyor belts) from mines to railway sidings.
 - This measure will also help reduce environmental impact



Policy Reforms – Liberalised Regime in Coal Sector

- **Coal Bed Methane (CBM) extraction** rights to be auctioned from Coal India Limited's (CIL) coal mines.
- **Ease of doing business** measures, such as Mining Plan simplification, will be taken.
 - Mining Plan has been shortened, made amenable for loading online.
 - To allow for automatic 40% increase in annual production.
- **Concessions in commercial terms** given to CIL's consumers (**relief worth Rs 5000 cr offered**)
 - Reserve price in auctions for non-power consumers reduced, credit terms eased, and lifting period enhanced.



Enhancing Private Investments in the Mineral Sector

Structural reforms to boost growth, employment and bring state-of-the-art technology especially in exploration through:

- **Introduction of a seamless composite exploration-cum-mining-cum-production regime.**
- **500 mining blocks would be offered through an open and transparent auction process**
- **Introduce Joint Auction of Bauxite and Coal mineral blocks to enhance Aluminum Industry's competitiveness. Will help aluminium industry reduce electricity costs.**



Policy Reforms – Mineral Sector

- **Remove distinction between captive and non-captive mines** to allow transfer of mining leases and sale of surplus unused minerals, leading to better efficiency in mining and production.
- Ministry of Mines is in the process of developing a **Mineral Index for different minerals**.
- **Rationalisation of stamp duty payable** at the time of award of mining leases.



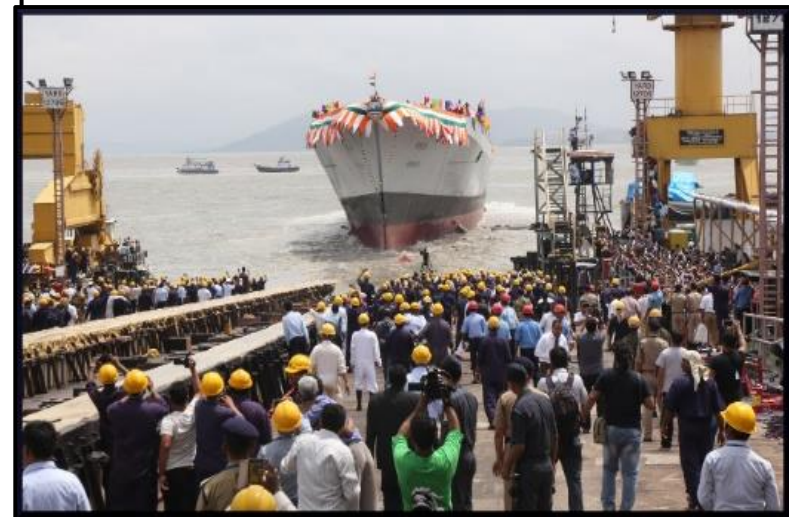
Enhancing Self Reliance in Defence Production

- **‘Make in India’ for Self-Reliance in Defence Production:**
 - Notify a list of weapons/platforms for ban on import with year wise timelines;
 - Indigenisation of imported spares;
 - Separate budget provisioning for domestic capital procurement.
 - Will help reduce huge Defence import bill.
- Improve autonomy, accountability and efficiency in Ordnance Supplies by **Corporatisation of Ordnance Factory Board.**



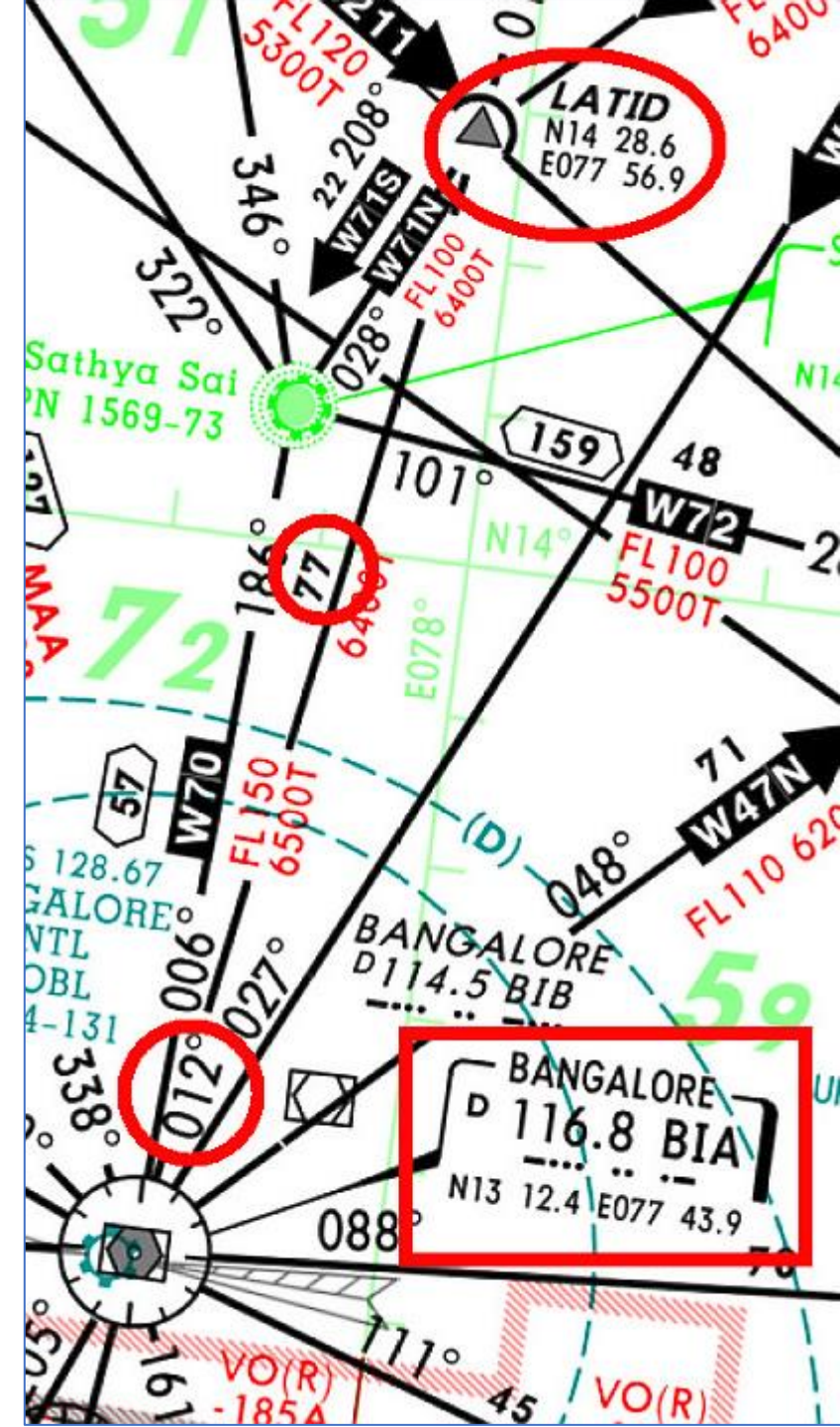
Policy Reforms - Defence Production

- **FDI limit in the defence manufacturing under automatic route will be raised from 49% to 74%**
- **Time-bound defence procurement process and faster decision making will be ushered in by :**
 - Setting up of a Project Management Unit (PMU) to support contract management;
 - Realistic setting of General Staff Qualitative Requirements (GSQRs) of weapons/platforms;
 - Overhauling Trial and Testing procedures



Reduction in Flying cost Rs. 1000 crores - Efficient Airspace Management for Civil Aviation

- Only 60% of the Indian airspace freely available.
- **Restrictions on utilisation of the Indian Air Space will be eased** so that civilian flying becomes more efficient.
- Will bring a total **benefit of about Rs 1000 crores per year** for the aviation sector.
- Optimal utilization of airspace; reduction in fuel use, time.
- Positive environmental impact.



More World-class Airports through PPP

- AAI has awarded 3 airports out of 6 bid for Operation and Maintenance on Public-Private Partnership (PPP) basis.
- Annual Revenue of 6 airports in 1st round - Rs 1000 crores (against current profit of Rs 540 crores per year). AAI will also get a down payment of Rs 2300 crores.
- **6 more airports** identified for 2nd round. Bid process to commence immediately.
- **Additional Investment by private players in 12 airports** in 1st and 2nd rounds expected around **Rs. 13,000 crores.**
- **Another 6 airports will be put out for the third round of bidding.**



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.**



Tariff Policy Reform

A Tariff Policy laying out the following reforms will be released:

A. Consumer Rights

- DISCOM inefficiencies not to burden consumers
- Standards of Service and associated penalties for DISCOMs
- DISCOMs to ensure adequate power; load-shedding to be penalized

B. Promote Industry

- Progressive reduction in cross subsidies
- Time bound grant of open access
- Generation and transmission project developers to be selected competitively

C. Sustainability of Sector

- No Regulatory Assets
- Timely payment of Gencos
- DBT for subsidy; Smart prepaid meters



Privatization of Distribution in UTs

- Sub-optimal performance of power distribution & supply
- Power Departments / Utilities in Union Territories will be privatised.
- Will lead to better service to consumers and improvement in operational and financial efficiency in Distribution
- Provide a model for emulation by other Utilities across the country.



Boosting private sector investment in Social Infrastructure through revamped Viability Gap Funding Scheme - Rs 8100 crores

- Social Infrastructure Projects suffer from poor viability.
- Government will enhance the **quantum of Viability Gap Funding** upto 30% each of Total Project Cost as VGF by Centre and State/Statutory Bodies.
- For other sectors, VGF existing support of 20 % each from GoI and States/Statutory Bodies shall continue
- **Total outlay is Rs. 8100 crores**
- Projects to be proposed by Central Ministries/ State Government/ Statutory entities.



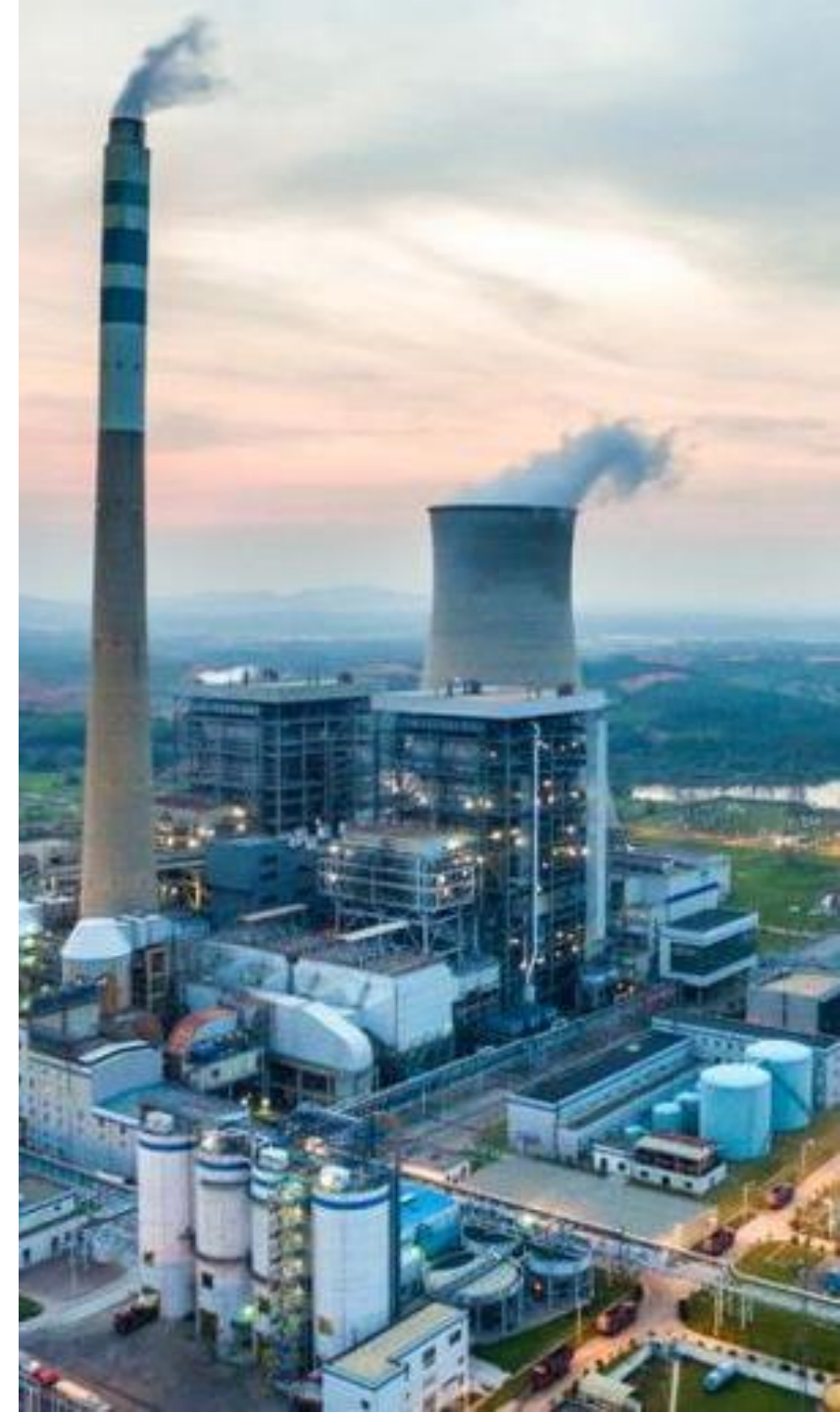
Boosting private participation in Space activities

- Indian private sector will be a co-traveller in India's space sector journey.
 - Will provide **level playing field for private companies** in satellites, launches and space-based services.
 - Will provide **predictable policy and regulatory environment** to private players.
 - Private sector will be allowed to **use ISRO facilities** and other relevant assets to improve their capacities.
 - **Future projects** for planetary exploration, outer space travel etc to be **open for private sector**.
 - **Liberal geo-spatial data policy** for providing remote-sensing data to tech-entrepreneurs.



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.





**Thank
You**