

Making India the #1 Investment Destination

22nd April, 2020

Key Highlighted Sectoral Recommendations



1. Aerospace & Defence

- a. Contracts for imports, unless of strategic importance should be on hold
- b. Federal guarantees and force majeure clause to be discussed on G2G basis where required
- c. Where capability resides indigenously, platform imports should be discouraged – encourage SP policy
- d. Incentivize R&D to the extent that it does not fall below in the pecking order

2. Leather

- a. A renewed financial package with focus on exports and enhancing India's brand in the global leather segment
- b. Zones should be identified near existing clusters or near ports, to leverage common infrastructure and reduce cost of logistics

3. Transport

- a. Rail and Port terminal Managers to earmark place for handling labor to temporarily stay
- b. Container transshipment ports will see lesser traffic (Cochin for example) and if they downsize, traffic will shift permanently to competitors. Discuss with operators at Indian ports to ensure that transshipment operations are not shifted out
- c. Set up emergency call support for truckers and operators to call when they face hold ups

4. Automotive

- a. Extension of BS-VI migration time; incentivize export of BS-IV vehicles and functional BS-IV engines from scrapped cars
- b. Scrap Policy announcement can boost demand (e.g. Cash for clunkers announced by US govt. to boost auto sales in 2008 GFC)
- c. Supply Chain & Distribution reforms: warehousing from unorganized to organized. Improving transportation and logistics facility through rail by making it more cost efficient, safe, time saving and methodical



5. Metals & Mining

- a. Mining: Coal compensation cess should be abolished for a certain time period or reduced to Rs 200 per ton
- b. Logistics:
 - i. Road Transport: E-waybill validity for the consignments invoiced after 15th March and stuck in the way in lock down should be relaxed with validity as lockdown end date plus 5 days
 - ii. Railways: Waivers on busy season surcharge and additional tariff on coal/coke; rake allocation for transportation of iron ore and coal and additional freight reduction
- c. Trade: Restriction on iron ore exports

6. Aviation

- a. Aviation Service Providers: MRO services to foreign companies may be treated as deemed exports with associated policy benefits
- b. Airlines: Rationalize GST on Economy and Business Class tickets
- c. Airports: AERA to evaluate framework to support airport operators to provide discounts to airlines on landing/ parking/ rentals/ aeronautical services.

7. Food Processing

- a. Procurement and Storage: Processors to procure directly from farmers instead of Mandis
- b. Consumption: Export inventory of perishables stuck at ports may be used for domestic market to avoid wastage and financial loss
- c. Retail & Distribution: Preference to MSMEs while procuring processed food products



8. Pharmaceuticals

- a. Push on Biotech (in addition to chemicals): Policy harmonization between US and EU; partnerships with global companies to invest and bring in manufacturing capabilities; creation of biotech talent base
- b. Introduce mandatory bar coding of all medicines sold within India to track inventory and trace counterfeit medicines
- c. Potential air-lifting or negotiation for critical materials from China/others

9. E-Commerce

- a. Push for on-boarding of small business/ vendors on e-commerce/hyperlocal portals – through tax breaks, credit financing, rent free leases etc.***
- b. Support the digitalization of SMEs with necessary tools***
- c. Defer implementation of Consumer Protection Guidelines & Personal Data Protection Bill

10. Real Estate

- a. Provide capital gains tax holiday for up to 5 years (allow investors to set-off gains against other heads)
- b. RBI to allow FPIs to invest in debt securities issued by a REIT (in line with FEMA)
- c. Rationalize stamp duty and revise circle rates to reflect market trends
- d. Actively promote energy efficient housing development, with financial concessions



11. Textiles & Apparel

- a. Address working capital shortage: Reduce margin on Bank Guarantee, from current rate of 20% to 10%.
- b. Extend RoSCTL*, IES & MEIS** Scheme across all textile value chain components; increase IES from present level to 5% for all garments and made-ups for FY21
- c. Provide 3% additional ad-hoc export incentive for one year

12. Telecom

- a. Promote telecom as enabler to digital life (e.g., tele-medicine etc.)
- b. Bring telecom under the umbrella of essential services - staff can have access to network operations center, and data centers
- c. Ease the sudden liquidity pressures - Interest waiver/ rebates to ensure cash flow for worker salaries
- d. Immediate settlement of outstanding dues (~INR 15B dues from BSNL pending)

13. Medical Devices

- a. Fast track regulatory approval for devices
- b. Incentivize innovations which increase resource capacity in India (e.g. ventilator splitting)
- c. Incentivize domestic production: Provide scale for attracting investments - by increasing healthcare spending (esp. in tier-2/3 cities)
- d. Capacity building and training for regulatory staff at State and Central Level (BIS, DoT, MEITY, etc) to ensure consistent interpretation of regulatory approval processes



14. Education

- a. Introduce capsules on life skills: COVID awareness, dealing with the physical aspects, quarantine measures and treatment protocols and behavioral and emotional responses in age appropriate manner across the learner segments
- b. Modify academic calendar and provide student access to digital content

15. BFSI

- a. Re-examine the milestones and dates for BASEL III and BASEL IV
- b. Key policies to transform the drive digital adoption of the sector from the RBI including (i) Abeyance of DL norms and payment aggregator rules issued by RBI (ii) Implementation of Aadhar based E-KYC authentication and (iii) Video-based KYC mandate and support to all lenders
- c. Regulatory oversight and coverage (RBI, SEBI, IRDA etc.) of FinTechs to grant them status of essential services and undertake critical operations that would add to convenience in the future

16. Media & Entertainment

- a. Extend waiver of annual license fee specially to FM radio sector since it is collapsing with onslaught of extensive use of digital media
- b. Tax holiday for 2 years can help the industry recover losses.
- c. 75% of the salary of companies for 3 months can be adjusted against future tax liability of the company to be adjusted over 3 years
- d. Longer timelines should be given for ad spend recovery for Print Media
- e. Separate fund (INR 10,000 cr) for M&E (which is profitable and investment grade), for them to access debt at 5% for 5 years
- f. Delaying the implementation of TRAI's NTO 2.0



17. Retail

- a. Provide working capital support for retailers (esp. SMEs/ unorganized) through additional credit lines, reduced interest rates
- b. Ministry of Finance to provide financial relief to retail players by announcing special rebate measures to ease cash flow and provide some relief on GST front as well as Fiscal Support to ensure no job losses in the Retail Trade: Special measures to ensure liquidity of retailers (GST relief, access to credit, rent/utilities/tax/license renewal relaxations, wage support)
- c. Landlords and Malls to be provided 100% relief in payment of property tax for the year 20- 21.
- d. The validity of Operational Licenses/approvals/obligations be extended: The government may consider allowing the firms to operate with the previously granted approvals /licenses/obligations for a period of next 6 months (May to October 2020)