

NEWS TODAY

FINANCE MINISTER ANNOUNCES FIRST PART ECONOMIC STIMULUS

- Allocation is **part of ₹20 lakh crore 'Atmanirbhar Bharat Abhiyan' (Self-Reliant India Movement)**.
 - It includes boosting measures for MSMEs, Non-Banking Finance Companies (NBFCs), Housing Finance Companies (HFCs), real estate, DISCOMS and salaried employees.
- Key highlights include:** (infographic)
- Other highlights:**
 - For NBFCs/HFCs/MFLs:** Rs 30,000 crore special liquidity scheme for investing in investment grade debt paper.
 - For Discoms:** one-time emergency liquidity injection of Rs 90,000 crore against all their receivables. The states will guarantee it.
 - New definition of MSMEs** raising investment threshold and adding turnover as a criterion, removing distinction between manufacturing and service sector.
 - Government and central public sector enterprises will **release all funds due to MSMEs within 45 days**.
 - Disallowing global tender enquiries** in procurement of Goods and Services of **value of less than Rs 200 crores**.

Earlier and Revised Definition of MSMEs

Earlier MSME Classification

Criteria: Investment in Plant & Machinery or Equipment

Classification	Micro	Small	Medium
Manufacturing Enterprises	Investment < ₹ 25 lac	Investment < ₹ 5 cr.	Investment < ₹ 10 cr.
Services Enterprise	Investment < ₹ 10 lac	Investment < ₹ 2 cr.	Investment < ₹ 5 cr.

Revised MSME Classification

Composite Criteria: Investment and Annual Turnover

Classification	Micro	Small	Medium
Manufacturing & Services	Investment < ₹ 1 cr. & Turnover < ₹ 5 cr.	Investment < ₹ 10 cr. & Turnover < ₹ 50 cr.	Investment < ₹ 20 cr. & Turnover < ₹ 100 cr.

Source: Ministry of Finance

PACKAGE ESTIMATED AT ₹5.5L CR

MSMEs

- ₹ 3 lakh cr collateral-free automatic loans
- ₹ 50,000cr equity infusion through MSME fund of funds
- New definition of MSMEs.** Investment limit revised upwards, additional criteria of turnover also being introduced
- Global tender to be disallowed up to ₹ 200cr
- Other **liquidity support steps** for MSMEs
- MSME receivables from the govt and PSUs to be **released in 45 days**

BENEFIT: 45 lakh units can resume business activity and safeguard jobs

EPF

₹2500 cr EPF support for business workers **extended for a period of 3 more months**

BENEFIT: Provide liquidity relief to 3.7 lakh units and for 72.2 lakh employees

- Statutory PF contribution of both employer and employee **reduced to 10% each** from existing 12% each for all establishments covered by EPFO for next 3 months

- CPSEs and state PSUs will continue to contribute 12% as employer contribution

BENEFIT: Relief to **6.5 lakh units** covered under EPFO and about **4.3 crore** employees, liquidity relief of **₹6,750cr** to employers and employees over 3 months

REAL ESTATE

- States being advised to invoke Force Majeure clause under Rera
- Registration and completion date for all registered projects to be extended up to 6 months; may be further extended by another 3 months based on the state's situation

- Statutory compliances under Rera to be extended

TAX RELIEF TO BUSINESS

- Pending I-T refunds to charitable trusts and non corporate businesses and professions to be issued immediately

OTHER TAX MEASURES

- TDS rates for non-salaried payment to residents, and tax collected at source **reduced by 25%** for rest of FY 20-21

BENEFIT: Provide liquidity relief of about ₹50,000 cr

- Date of all income tax returns for assessment year 2020-21 **extended to Nov 30**, tax audit date extended to **Oct 31**
- Date for payment without additional amount under "Vivad Se Vishwas" scheme extended to **December 31**

FOSTERING EFFECTIVE ENERGY TRANSITION REPORT RELEASED BY WORLD ECONOMIC FORUM (WEF)

- Report is based on findings from **Energy Transition Index (ETI) 2020**.
 - ETI benchmarks countries on their **current energy system performance**, and also **measures their readiness for 'energy transition'** to a secure, sustainable, affordable, and inclusive future energy system.
 - It is intended to enable policy-makers and businesses to plot course for a successful energy transition.

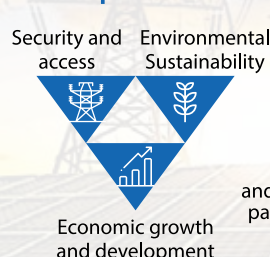
Key highlights of the report

- Countries are transforming their energy systems**, but improvements are not consistent across countries or over time.
- Economic inequality and energy poverty** are mutually reinforcing, with strong correlation between two.
- Effects of COVID-19:** Erosion of global energy demand, oil price volatilities and subsequent geopolitical implications, delayed/stalled investments and projects, etc.
- Sweden has topped the index**, while **India moved up two positions to 74th** with **improvements on all key parameters** of economic growth, energy security and environmental sustainability.
 - Gains for India have come from renewable energy expansion programme & focus on Energy efficiency.
- Suggestions include:** A sector-specific approach, gradual implementation and distributional considerations are critical for success where carbon pricing mechanisms are established.
 - Incentives and regulations can increase coverage of corporate commitments to climate action.

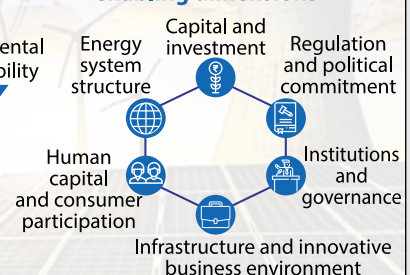
Energy Transition Index 2020 Framework

Framework

System performance imperatives



Transition readiness enabling dimensions



LABOUR LAW CHANGES IN INDIA SHOULD ADHERE TO GLOBAL STANDARDS, SAYS ILO

- This was said in response to **trade unions in India** terming states' changes in labour laws as "gross violation" of **International Labour Organization's (ILO)** conventions.
 - Many states like UP, Gujarat, MP have introduced relaxations in labour laws to kickstart businesses affected by COVID-19 pandemic.
- ILO suggestions**
 - Amendments to labour laws should emanate from **tripartite consultation** involving government, workers' and employers' organisations.
 - They should be **compliant with international labour standards** (like The ILO Declaration on **Fundamental Principles and Rights at Work (FPRW)**, adopted by India in 1998).
 - ILO advised that **any policy response should ensure**
 - Recovery through fiscal and monetary stimulus measures
 - Jobs and income through social protection
 - Financial relief to companies along with ensuring workers protection by strengthening occupational safety and health measures.
- FPRW** commits Member States to respect and promote principles and rights in **four categories**:
 - freedom of association and the effective recognition of the right to collective bargaining
 - elimination of forced or compulsory labour
 - abolition of child labour
 - elimination of discrimination in respect of employment and occupation.

GUIDELINES FOR USE OF SOCIAL MEDIA FOR GOVERNMENT ORGANISATIONS

- Ministry of Electronics and Information Technology issued draft **guidelines for Use of Social Media for Government Organisations**.
 - Key highlights include:**
 - Defines social media** as any **web or mobile based platform** that enables an individual or agency to communicate interactively and enables exchange of user generated content.
 - Objective of using social media:**
 - Seeking feedback from citizens
 - Re-pronouncement of Public Policy
 - Issue based as well as Generic interaction
 - Brand Building or Public Relations
 - Generating Awareness and education on National Action Plans and implementation strategies
 - Social media platforms **will be empanelled with Bureau of Outreach and Communication (BOC)**.
 - BOC was setup in **2017** to provide **communication solutions** to various agencies of the government.
 - Government ads **will run on websites that have a minimum of 25 million unique users** in India per month and have been operating under the same domain name or access address for a minimum of six months.
 - Relevant sections of **RTI Act, Information Technology Act, 2000 (IT ACT) & IT Amendment Act 2008** etc shall be observed by government organisations while advertising on social media.

ALSO IN NEWS

<p>Shanghai Cooperation Organisation (SCO)</p>	<ul style="list-style-type: none"> Recently, video call among Foreign Ministers SCO to deal COVID-19 pandemic consequences was organised. SCO is a permanent intergovernmental international organisation announced in 2001 in Shanghai (China). It was preceded by Shanghai Five mechanism. Headquarters: Beijing, China. Members: China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, India (joined in 2017) and Pakistan. Observer states: Afghanistan, Belarus, Iran, Mongolia.
<p>Integrated Battle Groups (IBGs)</p>	<ul style="list-style-type: none"> Recently, Army chief informed that roll out of IBGs delayed due to coronavirus pandemic. Army plans to introduce the IBGs, comprising a mix of infantry, artillery, air defence, tanks and logistics units, as part of a far reaching revamp of its war fighting capability, particularly along the borders with China and Pakistan. The IBGs are brigade sized agile self-sufficient combat formations which, can swiftly launch strikes against adversary. Each IBG would be tailor made based on Threat, Terrain and Task and resources will be allotted based on the three Ts.
<p>United Nations World Economic Situation and Prospects (WESP) mid-2020 report</p>	<ul style="list-style-type: none"> Key Points: <ul style="list-style-type: none"> Global economy will contract by 3.2 per cent in 2020 India's projected growth rate is 1.2 per cent in 2020 GDP growth in developed countries will plunge to -5.0 per cent in 2020, and output of developing countries will shrink by 0.7 per cent. WESP is produced annually by UN Department of Economic and Social Affairs (DESA), UN Conference on Trade and Development (UNCTAD) and the five UN regional commissions.
<p>Jal Jeevan Mission (JJM)</p>	<ul style="list-style-type: none"> Jammu and Kashmir is planning to achieve 100 per cent coverage by December 2022 ahead of national goal otherwise set by 2024-25. JJM aims to provide Functional Household Tap Connection (FHTC) to every rural household by 2024. This is for providing potable water in adequate quantity i.e. 55 litre per capita per day of prescribed quality i.e. BIS Standard of IS:10500 on regular basis. Funding pattern: 90:10 for Himalayan and North-Eastern States; 50:50 for other States and 100% for UTs.

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