



HRD 015/20-21

**Hinesh R. Doshi & Co. LLP**

**Update on**  
***'Atmanirbhar Bharat'***  
***The Last Tranche***

## **MAIN FOCUS**

Ease of doing Business

Health Sector

Education

Support to State Governments



# Rs 40,000 crores infusion for MGNREGS for boosting employment

- ➔ Government's infusion of Rs. 40,000 Crores in the MGNREGA scheme shall help in boosting the employment levels up to 300 Crores Person days in total.
- ➔ Allocation for large number of durable and livelihood assets including water conservation assets.
- ➔ Rural Economy to be boosted through high production.



# Enhancements for Ease of doing business through Insolvency and Bankruptcy Code (IBC) Measures

- ➔ Minimum Threshold of Rs. 1 Lakh to initiate insolvency proceedings raised upwards to Rs. 1 Crore (In order to insulate MSMEs)
- ➔ Special insolvency resolution framework for MSMEs under Section 240A of the Code (Application of IBC Code to micro, small and medium enterprises) to be notified soon.
- ➔ Suspension of fresh initiation of insolvency proceedings up to one year depending upon the pandemic situation.
- ➔ Central Government to exclude COVID 19 related Debt from the definition of “default” under the Code for the purpose of triggering insolvency proceedings.



# Decriminalisation of 'Companies Act' defaults to insulate Ease of doing business

- ➔ Minor technical and procedural defaults to be decriminalized under 'Companies Act' violations - shortcomings in CSR reporting, inadequacies in board report, filing defaults, delay in holding AGM.
- ➔ Majority of the compoundable offences sections to be shifted to internal adjudication mechanism (IAM) and powers of RD for compounding enhanced (58 sections to be dealt with under IAM as compared to 18 earlier).
- ➔ Seven Compoundable offences altogether dropped and 5 to be dealt with under alternative framework.
- ➔ The aforesaid amendments shall de-clog criminal courts and NCLT.



## Other measures for easing the entry/ statutory/ legal requirements for Corporates.

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- ➔ Direct listing of securities by Indian public companies in permissible foreign jurisdictions.
- ➔ Private companies which list Non-Convertible Debentures (NCD) on stock exchanges not to be regarded as listed companies.
- ➔ Including the provisions of Part IXA (Producer Companies) of Companies Act, 1956 in Companies Act, 2013.
- ➔ Power to create additional/ specialized benches for National Company Law Appellate Tribunal (NCLAT)
- ➔ Lower penalties for all defaults for Small Companies, One-person Companies, Producer Companies & Start Ups.



# Free Entry for Private Enterprises into Major Sectors and Public Sector Enterprise Reforms.


- ➔ All sectors are open to the private sector while public sector enterprises (PSEs) will play an important role in defined areas.
- ➔ List of strategic sectors requiring presence of PSEs in public interest will be notified.
- ➔ In strategic sectors, at least one enterprise will remain in the public sector but private sector will also be allowed.
- ➔ In other sectors, PSEs to be privatized (based on feasibility).
- ➔ To minimize wasteful administrative costs, number of enterprises in strategic sectors will ordinarily be only one to four; others will be privatized/ merged/ brought under holding companies





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