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Industry-wise progress under Atmanirbhar Bharat package

On 13 May 2020, an economic package of 20 lakh crore was announced by the government under 'Atmanirbhar Bharat' on account of COVID-19 crisis faced by the Indian economy. This package was announced in 5 tranches. Also, RBI measures and certain announcements made prior to the package were part of Atmanirbhar Bharat.

The various announcements made under economic package broadly covered MSMEs, NBFCs/HFCs/MFIs, EPFs, power companies, coal, housing, agriculture and allied, migrant labours, farmers, health and education sector, businesses as well as state governments.

Here in this report we attempt to provide details on the progress of policies or measures announced by the government under the economic package for certain sectors. Details on the following industries are included in the report.

1. Coal
2. Education
3. Healthcare
4. Power
5. Real Estate

1. Coal

Coal De-regulation:

The Indian government last month approved auction of coal mines to private sector (domestic and foreign) for commercial mining, without any end-use restriction and also announced investment in infrastructure while announcing the stimulus package for the COVID-19 hit Indian economy.

Some of the measures announced are as follows:

- 500 blocks of minerals will be auctioned "through open transparent mechanism" as a part of the production regime.
- Out of the 500 coal blocks, the government plans to auction around 50 mines immediately and more in the medium term.
- The auctions for allocation of coal blocks will be based on the principal of revenue sharing instead of the regime of fixed royalty/tonne.
- The bidders would be required to bid for a percentage share of revenue payable to the government.
- The floor price shall be 4%.

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- There will be no eligibility criteria, except for the capacity to pay up-front.
- Companies that start early production from the blocks will be offered 50% rebate on revenue share payable to the government.
- The distinction between captive and non-captive mines will be removed to allow the transfer of mining leases and sale of surplus unused minerals.
- Rationalisation of stamp duty payable at the time of award of mining leases
- Joint auction of bauxite and coal mineral blocks to enhance aluminium industry's competitiveness
- Introduction of a seamless exploration-cum-mining-cum-production regime
- Investment of Rs 50,000 crore on augmentation of evacuation infrastructure
- Relief of Rs 5,000 crore for Coal India customers—by offering concession in commercial terms in two ways: reduced reserve price in auction for non-power customers; and easier credit terms.
- Coal gasification/liquefaction to be incentivised through rebate in revenue share
- Coal bed methane extraction rights to be auctioned from Coal India's coal mine

Actions taken

Under the first phase of commercial coal mine auctions, the Indian government on 18th June launched the auction process of 41 coal blocks for commercial mining to private sector, part of the series of announcements made by the Government of India, under the Atmanirbhar Bharat. The Coal Ministry in association with FICCI launched the process for auction of these coal mines under the provisions of Coal Mines (Special provision) Act and Mines and Minerals (Development and Regulation) Act to achieve self-reliance in meeting energy needs and to give thrust to economic development. India is expected to save around Rs 30,000 crore annually on import bill of thermal coal once commercial mining from these mines pick up.

Composition of 41 coal mines

- *Location-wise*: 11 coal mines are situated in Madhya Pradesh, followed by nine each in Chhattisgarh, Odisha and Jharkhand and three in Maharashtra.
- *Coal type-wise*: 37 non-coking coal mines, two coking coal and two combination mines i.e. coking coal plus non-coking coal mines are put up for sale
- *Mine category-wise*: 26 opencast, seven underground and eight underground-cum-opencast mines are to be auctioned
- *Size-wise*: 31 mines having coal reserves up to 500 million tonnes (MT), four mines over 500 MT to 1,000 MT, three mines over 1,000 MT to 1,500 MT and remaining three mines having over 1,500 MT to 2,000 MT geological coal reserves
- *Capacity-wise*: 27 mines have peak rated capacity (PRC) up to five million tonnes per annum (MTPA), nine over 5-10 MTPA and remaining five mines having more than 10 MTPA capacity. The cumulative PRC of all mines is 225 MTPA.

- *Exploration-wise*: 34 coal blocks are fully explored (could be brought to production immediately), four are partly explored and three are regionally explored. Land acquisition which is considered a major challenge for investors, has been completed in 12 of the 34 fully explored coal blocks.

A two stage electronic auction process is being adopted for allocation of the coal mines. Bids are invited in digital format only on electronic platform created by MSTC and no physical bids shall be accepted or considered from the eligible companies for shortlisting of Qualified Bidders. Qualified Bidders will be allowed to participate in e-auction for the coal mines/ blocks. Last date for purchase of tender document after payment of a fee of Rs. 5,00,000 (Rs. Five Lakh Only) per mine/ block on MSTC Limited website is 14th August 2020 and last date for submission of bid on MSTC Limited website is 1400 hours on 18th August 2020.

Developments since announcement of 41 coal blocks for auction

The move to allow mining in dense forest areas of Hasdeo in Chattisgarh have been met with heavy criticism from the opposition parties, locals and environment activist. Chhattisgarh government has asked the Centre to remove five coal blocks — Mogra South, Mogra-II, Sayang, Madanpur North and Fatehpur East from the auction process which fall in the ecologically sensitive areas. Of the 41 coal blocks offered in the commercial coal mining auction, nine are in Chhattisgarh.

Maharashtra State Environment Minister has written to the central government opposing the auction of Bander coal mine, located close to Tadoba Andhari Tiger Reserve (TATR) in Chandrapur district, stating that it will lead to destruction of wildlife corridor.

Jharkhand government has also moved Supreme court against the Centre's decision to auction coal mines. "There is a need for fair assessment of the social and environmental impact on the huge tribal population and vast tracts of forestland of the State which are likely to be adversely affected," the Jharkhand government said in its petition.

2. Education

Announcements

As a preventive measure to curb the further spread of the COVID-19 pandemic, schools universities, training centres and other education institutions were closed across India since 20 March 2020. This has caused an unprecedented disruption of education and affecting more than 90% of the school population. In the 5th and final tranche of the special economic package, the government announced several initiatives to boost education sector. All these initiatives were particularly in the area of adopting innovative curriculum and pedagogies, concentrating energies on the gap areas, being more inclusive and integrating technology at every stage for a focussed investment in the human capital. Briefly the following were the announcements:

- PM – eVIDYA program to be launched which focuses on digital/online/on-air education
- DIKSHA (one nation-one digital platform) – e-content and QR coded energized textbooks
- TV (one class-one channel) : One dedicated channel per grade for each of the classes 1 to 12 will provide access to quality educational material
- SWAYAM online courses in MOOCS format for school and higher education
- IITPAL for IITJEE/NEET preparation
- Air through Community radio and CBSE Shiksha Vani podcast : Extensive use of radio community radio and podcasts
- Study material for the differently abled developed on Digitally Accessible Information System (DAISY) and in sign language on NIOS website/ YouTube

- Expanding e-learning in higher education: Top 100 universities will start online courses. Also, online component in conventional Universities and ODL programmes will also be raised from present 20% to 40%.
- Launch of 'Manodarpan', an initiative to provide psychological support and counselling to students, teachers and families for mental health and emotional well-being.
- New National curriculum and Pedagogical framework to be prepared for school education, teacher education and early childhood stage to prepare students and future teachers as per global benchmarks.
- National Foundational Literacy and Numeracy Mission to be launched for ensuring that every child in the country necessarily attains foundational literacy and numeracy in Grade 3.

All of these announcements were to help various stakeholders including students, teachers, colleges, etc. in the education sector that are facing challenges caused by outbreak of the pandemic. Some were aimed at providing short term relief, while some are focused on the medium to long term developments of the sector.

Developments

- Launched a new mobile app called the 'National Test Abhyas' to enable candidates to take mock tests for upcoming exams such as JEE Main, NEET. It facilitates candidates' access to mock tests in the safety and comfort of their homes, since there was a demand for making up the loss to students due to closure of educational institutions and NTA's Test-Practice Centers due to the continuing lockdown. The app is free of cost and can even work without the internet, which helps students that have financial and technological constraints. Within less than 72 hours of its launch more than 2,00,000 students had downloaded this app.
- Three handbooks were released, prepared by CBSE. 'Cyber safety-A Handbook for Students of Secondary & Senior Secondary Schools' to create awareness about cyber security among the students from class IX to XII. It will help teenagers who use internet and other digital platforms frequently and face variety of security risks. Through booklet 'In Pursuit of Excellence- A Handbook for Principals', the principals of schools will be made aware of the Board's systems and other useful information. It will ensure better coordination between schools and CBSE administration. Third booklet is '21st Century Skills : A Handbook' through which CBSE will make everyone aware of 21st century skills and motivate them to use them in their daily life.
- Launched IGNOU's Online Programme, MA (Hindi) through Facebook Live session. This was an initiative to promote online education. Apart from MA in Hindi, the university has also launched programmes in MA in Gandhi and Peace Studies, BA in Tourism Studies, certificate course in Arabic, certificate in information technology, certificate programme in Library and Information Science. Such online programmes include video and audio lectures, tutorials etc.
- Students enrolled in Universities and affiliated colleges can undertake SWAYAM courses and avail credits by completing these courses as per University Grants Commission (UGC)'s present regulations on credit framework for online learning courses. Further, UGC has shared a list of 82 Under Graduate & 42 Post Graduate Non-Engineering MOOCs courses which will be offered in July Semester 2020 on SWAYAM Platform. These courses cover subject areas such as Biochemistry/Biotechnology/Biological Sciences & Bioengineering, Education, Law, Computer Science and Engineering, Commerce, Management, Pharmacy, Mathematics, History, Hindi, Sanskrit, etc.
- To make e-learning more constructive, NCERT and Rotary India digitally signed MoU for e-learning content telecast for class 1-12 over all the NCERT TV channels. There will be curriculum modules telecast for classes 1-12, through

twelve national Television channels of NCERT, to be available from July 2020 (content to be vetted by NCERT as per their curriculum). The e-Learning modules would also be available through GOI's national mobile app, DIKSHA, at the same time.

- (NCERT) and UNESCO New Delhi Office developed booklet titled "Safe online learning in the times of COVID-19" to raise awareness of students and teachers on staying safe online.
- In order to boost research in the country various amendments have been carried out in Prime Minister's Research Fellowship Scheme. Students from any recognised institute/ university (other than IISc/ IITs/NITs/IISERs/IIEST/CFIITs), the requirement of GATE Score is reduced to 650 from 750 apart from minimum CGPA of 8 or equivalent. There will be two channels of entries, one direct entry and lateral entry, etc.

3. Healthcare

Announcements

On 22 April 2020, the Union Cabinet approved significant investments to the tune of Rs. 15,000 crore for 'India COVID-19 Emergency Response and Health System Preparedness Package'. The funds sanctioned will be utilized in 3 phases and for immediate COVID-19 Emergency Response (an amount of Rs. 7,774 crore) has been provisioned and rest for medium-term support (1-4 years) to be provided under mission mode approach.

The key objectives of the package include mounting emergency response to slow and limit COVID-19 in India through the development of diagnostics and COVID-19-dedicated treatment facilities, centralized procurement of essential medical equipment and drugs required for treatment of infected patients, strengthen and build resilient national and state health systems to support prevention and preparedness for future disease outbreaks, setting up of laboratories and bolster surveillance activities, bio-security preparedness, pandemic research and proactively engage communities and conduct risk communication activities. These interventions and initiatives would be implemented under the overall umbrella of the Ministry of Health and Family Welfare.

Developments

- In Phase 1, the Ministry of Health & Family Welfare with the support of all the other line ministries has already undertaken several activities like:
 - Additional funds to the tune of Rs 3,000 crore have been released under the Package to State/UTs, for strengthening of existing health facilities as COVID Dedicated Hospitals, Dedicated COVID Health Centre and Dedicated COVID Care Centres. Detailed guidelines, protocols and advisory for quarantine, isolation, testing, treatment, disease containment, decontamination, social distancing and surveillance. Hotspots have been identified and appropriate containment strategies are being implemented.
 - Diagnostics laboratories network has been expanded and testing capacity increasing every day. In fact, leveraging on the existing multi-disease testing platforms under National TB Elimination Programme, orders for procurement of 13 lakhs diagnostic kits have been placed to augment COVID-19 testing.
 - All health workers including Community Health Volunteers (ASHAs) have been covered with insurance under the "Pradhan Mantri Garib Kalyan Package: Insurance Scheme for Health Workers lighting COVID-19". Personal

Protection Equipment (PPE), N95 masks and ventilators, testing kits and drugs for treatment are being procured centrally.

- As on 9th June 2020, the COVID related health infrastructure has been strengthened with the availability of 958 dedicated COVID Hospitals with 1,67,883 isolation beds, 21,614 ICU beds and 73,469 oxygen supported beds. 2,313 dedicated COVID Health Centres with 1,33,037 isolation beds; 10,748 ICU beds and 46,635 oxygen supported beds have also been operationalised. Moreover, 7,525 COVID Care Centres with 7,10,642 beds are now available to combat COVID-19 in the country. The ventilators available for COVID beds are 21,494.
- The centre has also provided 128.48 lakh N95 masks and 104.74 lakh Personal Protective Equipments (PPEs) to the States/ UTs / Central Institutions. The centre has further placed an order of 60,848 ventilators. ICMR's testing capacity has increased through 553 government and 231 private laboratories (total of 784 labs).

It is to be noted that funds worth USD 1 billion was approved by the World Bank for India under COVID-19 Fast-Track Facility on 2 April 2020. Also, funds amounting USD 500 million was approved by the Asian Infrastructure Investment Bank (AIIB) on 7 May 2020. These funds were allocated under COVID-19 Emergency Response and Health Systems Preparedness Project.

4. Power

Announcements

- One time emergency liquidity injection of Rs.90,000 crores to DISCOMS – PFC and REC to infuse this liquidity against receivables of DISCOMs. These loans to carry state government guarantee and to be linked to specific reforms to be undertaken by DISCOMs.
- Central Public Sector Generating Companies to give rebates to DISCOMs which shall be passed to end consumers.
- DISCOMs in Union Territories to be privatized
- Tariff policy to be introduced with provision - for DISCOMs' inefficiencies not to be a burden on consumers, standards for service and associated penalties for DISCOMs, progressive reduction of cross subsidies.

Follow up measures

- Union Power Ministry has written to States/UTs extending the Rs 90,000 crore financial package to assist the stressed DISCOMs. The terms of the financial package state that
 - REC and PFC to extend special long term transition loans up to 10 years to DISCOMs (including moratorium on principal not exceeding 3 years) against guarantees by the State Governments.
 - The loans are to be used to clear liabilities of CPSE Gencos/Transco, IPP and RE generators. The payment would be released directly to these entities after being authorized by the respective DISCOMs.
 - Loans would be extended to DISCOMs which have headroom for further borrowing within the working capital limits prescribed under UDAY.
 - For DISCOMs that do not have headroom under UDAY working capital limits but have receivables from the State Government in the form of electricity dues and subsidy not disbursed will also be eligible for these loans to the extent of receivables from the State Government.

- Respective States may request the Government of India for a relaxation of the limit for the DISCOMs that do not have receivables from States or headroom available under the working capital limits imposed under UDAY.
 - PFC and REC — have been mandated to sanction loans within 45 days and to disburse funds under the liquidity package within 60 days **from the day of submission of proposal**.
- Power Ministry announced the deferment of the fixed charge on power not scheduled of Central Gencos for lockdown period. The same is to be repaid in interest free three equal instalments in subsequent months.

Progress so far (as per media reports)

- PFC and REC are to offer 10-year loans to DISCOMs at an interest rate of 9.5% under the liquidity infusion package. 3 year loans are to be provided an interest rate of 8.75%, 5 year loans at 9%, and 7 year at 9.25%.
- Various state DISCOMs have reportedly expressed interest in availing loans from PFC and REC. However, many state governments have been seen to be unwilling to guarantee these loans from PFC and REC.
- The Government of Andhra Pradesh has extended a guarantee to the state's DISCOMs to avail loans to the tune of Rs.6600 crs from PFC and REC.
- Maharashtra DISCOMs have received state government guarantee and their loan application for Rs.5,000 crs is reportedly under sanction.
- Punjab and Rajasthan DISCOMs have sought loans worth around Rs 4,000 crore each.
- For the privatization of DISCOMs of Union Territories, PFC has appointed Deloitte and SBI Capital Markets as consultants have been appointed by PFC

5. Real Estate

Announcements

- COVID-19 related disruption is to be treated as force majeure under Real Estate (Regulation and Development) Act provision and registration and project completion timelines would be extended by 6 months. Regulatory authorities may extend this for another period of upto three months, if needed.
- Affordable Rental Housing Complex for migrant workers: A scheme under the PMAY for migrant and urban poor will be launched to provide ease of living at affordable rents. This will be done by 3 ways:
 - Converting government funded housing in the cities into Affordable Rental Housing Complexes
 - Incentivising manufacturing units/ industries to develop affordable rental housing complex on their private land.
 - Also incentivising state government agencies/ central government organisations for the same
- Extension of Credit Linked Subsidy scheme- The credit linked subsidy scheme for the middle income group (Rs 6 lakhs – Rs 18 lakhs) is to be extended till March 31, 2021 and this is likely to benefit 2.5 middle income families during FY21. This will lead to an investment of Rs 70,000 crs in the housing sector.
- As part of the Rs 20 lakh crore package, the RBI had also announced certain relaxations towards the Real Estate sector where - NBFCs can extend commercial real estate loans by 1 year if projects delayed are due to reasons beyond the control of promoters without treating it as restructuring.

Developments

In light of the situation created by COVID-19* and following the announcement made by the FM, till date 23 states' Real Estate Regulatory Authority (RERA) have extended registration of projects by 6 months and one by 9 months and as advised by the ministry, in order to safeguard the interest of all stakeholders especially home buyers and to ensure delivery of houses/flats to them. The Ministry also advised States/ RERA to invoke the 'force majeure' clause under the law.

**Works of ongoing real estate projects have halted given the large scale reverse migration of labour and the disruption in supply chain of materials which has adversely impacted construction works. In such circumstances, real estate projects will take quite some time to resume works fully.*

Underlying issues for revival

The real estate sector is still hoping for further liquidity infusion as the current measures announced are not enough to lift the beleaguered sector around. The sector is still expecting one-time debt restructuring for the industry, last-mile funding for the stuck projects, concessions in GST and stamp duty and lowering of interest rates on home loans to boost housing demand. Small players/ developers are still unable to garner the requisite liquidity from the banks or any other financial institution.

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