



Editor's Note

India celebrated its **74th Independence Day** on 15 August 2020. Prime Minister Modi delivered an impassioned speech from the ramparts of the Red Fort. He shared many of our Achievements on the occasion and articulated that:


- India has witnessed an 18% jump in FDI even during COVID-19 pandemic.
- The Government will focus on multi-model connectivity infrastructure projects.
- In the coming 1000 days, every village in the country will be connected with a optical fibre cable.
- A special campaign with a holistic approach to reduce pollution in 100 selected cities of the Country.
- Launch a National Digital Health Mission (every Indian under the mission would get an ID card containing all relevant information about his/her medical conditions and treatments, tests et al).

The Prime minister also launched a new Central Sector Scheme of financing under the Agriculture Infrastructure Fund of INR 1 Lakh Crore. The scheme will support farmers and agri-entrepreneurs, in building community farming assets and post-harvest agriculture infrastructure. These assets will enable farmers to get greater value for their produce as they will be able to store and sell at higher prices, reduce wastage, and increase processing and value addition.

On the financial front, the Prime Minister launched the Taxpayer's charter as announced earlier by the Finance Minister during the budget speech. The charter intends to create an understanding between the Income Tax Department and the citizens of India of their duties and responsibilities towards each other. The month also saw norms of enforcement of 'rules of origin' under Free Trade Agreements.

India returned to a trade deficit of USD 4.8 billion in July after a month of trade surplus in June as gold imports (USD 13.4 billion) shot up during the month as investors looked for a safe haven amid economic uncertainty due to the COVID-19 pandemic.

The Defence sector witnessed exciting changes wherein a list of defence items that are barred from being imported over time was announced. This indicates the Government's



sincerity towards *Atmanirbharta*. In addition, Champion sectors like pharma, textiles, auto components, and aerospace were announced. To catapult India as a leader in defence and aerospace sectors, the Ministry of Defence (MoD) has formulated a draft Defence Production and Export Promotion Policy 2020 (DPEPP 2020).

The Central Government may look at introducing a **second set of fiscal stimulus measures once the COVID-19 infections abate**. The government has also observed that 40 per cent of the cash transfers directly into the beneficiaries' accounts recently have been saved and not spent, leading to a feeling that there are limitations of the stimuli measures and hence, making timing the most important factor for second stimulus.

The Ministry of Home Affairs (MHA) has issued **new guidelines for opening up of more activities in areas outside the containment zones**. In Unlock 4, which will come into effect from September 1, 2020, the process of phased re-opening of activities has been extended further.

The State Governments this month focused on new Electric Vehicle Policies and Industrial Policies. The new industrial policies announced are more wholesome than their predecessors with an important focus on Micro, Small, and Medium Enterprises.

This issue of Policy Times includes important National and State Policies covering Agriculture, Industrial Policies, Taxations along with renewable energy and other critical sectors of the economy.

We look forward to your feedback!