

Daily News Monitor: 20 April 2020

1. Firewall for China: New rules cover foreign indirect investment as well

Source: The Economic Times ([Link](#))

The government's move to screen foreign direct investment (FDI) from China will also cover overseas transactions in other nations that involve the country. For instance, if a Chinese company invests in an entity overseas that has in turn invested in India, this will need to be approved as per the government press note issued on 18 April. The measure is wide enough to apply to additional investment in existing ventures or wholly owned subsidiaries of multinationals. It will cover cases in which the direct investor may be from a country not covered but the ultimate investor is from China. The Indian entity receiving the investment will have to report and seek approval for such investments executed overseas or indirect investments where the beneficial ownership is in the seven countries covered under the notification – China, Nepal, Pakistan, Bhutan, Bangladesh, Myanmar and Afghanistan.

2. Stranded labourers to be allowed to move within state during lockdown with conditions

Source: The Economic Times ([Link](#))

Labourers, who are stranded in different parts of the country due to the ongoing lockdown, will be allowed to go to their respective places of work within a state with certain conditions, the Union Home Ministry said. Home Secretary Ajay Bhalla, however, made it clear that there will be no inter-state movement of workers during the lockdown, which has been extended till May 3. The order issued by Bhalla said that due to the spread of coronavirus, workers employed in industry, agriculture, construction and other sectors have moved from their respective places of work and are housed in relief and shelter camps being run by state and UT governments.

3. Sebi may scan Cayman, Singapore investment hubs for Chinese links

Source: Business Standard ([Link](#))

Investment hubs such as the Cayman Islands, Singapore, Ireland, and Luxembourg may come under greater scrutiny of the Securities and Exchange Board of India (Sebi) because a significant portion of investments coming from China and Hong Kong into India may be routed through these jurisdictions, said people in the know. The regulator last week reached out to custodians for beneficial ownership information of investors coming from China, Hong Kong, and 11 other countries. Over the years, several Chinese funds that manage \$1 billion or more have set up operations in Hong Kong, which serves as a launchpad for mainland managers

seeking access to overseas markets. The bulk of the investments from Hong Kong, in turn, are routed through the Cayman Islands, which have historically been an attractive jurisdiction for Asia-focused funds.

4. Aarogya Setu app primed to take lead in COVID-19 war

Source: The Economic Times ([Link](#))

Aarogya Setu, the government's Covid-19 contact tracing app, could turn out to be the mother of all apps related to the virus outbreak. The government is planning to incorporate all Covid-19 virus related information and services within the application. The plans include making it a single point of access for food shelters, night shelters as well as Suraksha retail stores that are being launched across the country. A national telemedicine platform may also be integrated within the app so that people with any illness can consult a doctor remotely, according to senior government officials. The app could also become the single interface for all curfew passes as the government seeks to make sure that no person who is at risk is allowed to travel anywhere once the lockdown is lifted partially after April 20, and fully from May 3.

5. Government makes U-turn; says no to non-essentials sales by e-commerce companies

Source: The Hindu, Business Line ([Link](#))

The Ministry of Home Affairs (MHA) on 19 April clarified that the supply of non-essential goods through e-commerce companies will remain prohibited under the lockdown restrictions. The clarification came even as e-commerce companies were gearing up to begin selling products beyond staples, packaged food and hygiene products in non-containment zones from 20 April. Following the MHA's revised guidelines issued last week, States such as Maharashtra, Rajasthan, Tamil Nadu and Andhra Pradesh had allowed e-commerce companies to deliver all goods. Commerce Minister Piyush Goyal, in a tweet, said Prime Minister Narendra Modi's clarification on limiting e-commerce activities to essentials would help maintain a level playing field for small retailers.

6. Power Ministry brings new draft of Electricity Amendment Bill

Source: The Economic Times ([Link](#))

The Union power ministry has come out with fourth draft of the Electricity (Amendment) Bill since 2014, which seeks to set up an Electricity Contract Enforcement Authority (ECEA) having power of a civil court to settle disputes related to power purchase agreement between discoms and gencos. The draft provides that the ECEA will have sole authority to adjudicate matters related to specific performance of contracts related to purchase or sale of power, between power generation companies (gencos) and distribution companies (discoms). The

decision of the ECEA can be challenged at the Appellate Tribunal For Electricity (APTEL) and, subsequently, at the Supreme Court.

7. Farm economy to open up as restriction start to ease

Source: Livemint ([Link](#))

With the nationwide lockdown being eased in parts of the country from 20 April, the agrarian economy is set to open up, bringing relief to farmers in this rabi crop harvest season. Agri-machines could be seen moving on highways in Haryana and Punjab to prepare for the opening up of the sector, days after the announcement by the central government to ease restrictions that were imposed to curb the spread of covid-19. Wheat procurement in states like Haryana and Punjab typically begins on 1 April but was delayed this year because the lockdown and unseasonal rains delayed harvesting of the crop. Prime Minister Narendra Modi, addressing the nation last week, had announced that even as the lockdown will continue till 3 May, there will be fewer restrictions from 20 April for districts which are not hotspots and which show improvement in reporting new cases.

8. Govt to take decision on resuming train, airline services, any discussion futile:

Prakash Javadekar

Source: Livemint ([Link](#))

Union minister Prakash Javadekar made it clear on 19 April that the Centre has not taken any decision on starting train or flight services for passengers so far, while asserting that any discussion on the issue is futile. Asked if the government is looking at a timeline to start passenger transport services such as trains or flights, he told PTI, "It has to start one day, but which is that one day you do not know at this moment. Discussion about it is futile because we are examining the situation every day and drawing new lessons." Some airlines decided on their own to open bookings from May 4, Javadekar said, while noting that Civil Aviation Minister Hardeep Singh Puri has already clarified that the government has not taken any decision in this regard. A final decision on the issue will be taken by the government, he said, advising against any speculation over the matter. The ongoing nationwide lockdown to combat the coronavirus pandemic, which came into effect from March 25, is scheduled to end on May 3.