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Ministry of Finance

Aatma Nirbhar Bharat Package – Progress So Far

Finance Minister Smt. Nirmala Sitharaman reviews implementation of Aatma Nirbhar Bharat Package pertaining to Ministries of Finance & Corporate Affairs

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Hon'ble Prime Minister Shri Narendra Modi on May 12th, 2020, announced the Special economic and comprehensive package of Rs. 20 lakh crores - equivalent to 10% of India's GDP – to fight COVID-19 pandemic in India. He gave a clarion call for Aatma Nirbhar Bharat or Self-Reliant India Movement. He also outlined five pillars of Aatma Nirbhar Bharat – Economy, Infrastructure, System, Vibrant Demography and Demand.

Following the call of the Hon'ble Prime Minister, Minister for Finance & Corporate Affairs Smt. Nirmala Sitharaman laid down the details of the Aatma Nirbhar Bharat Package in a string of press conferences from 13th May to 17th May 2020.

The Ministries of Finance & Corporate Affairs have immediately started implementation of the announcements related to the Economic Package under Aatma Nirbhar Bharat Abhiyaan. Regular reviews and monitoring of the implementation of economic package is being overseen by the Finance Minister personally.

Ministry of Finance

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**AatmaNirbhar Bharat Package
Progress So Far**

Hon'ble PM Narendra Modi on May 12th, 2020 announced a special package of ₹20 lakh crore to fight COVID-19 pandemic

5 pillars to build AatmaNirbhar Bharat or Self-Reliant India - Economy, Infrastructure, System, Vibrant Demography and Demand

Hon. Minister for Finance & Corporate Affairs Smt. Nirmala Sitharaman laid down details of the AatmaNirbhar Bharat Package in press conferences from 13-17 May 2020

In the latest review taken by Smt Nirmala Sitharaman the following progress has been reported so far:

1. Global tenders will be disallowed in Government procurement tenders up to Rs 200 crore

Giving a major relief to the local MSMEs, Department of Expenditure has amended present Rule 161 (iv) of General Financial Rules, 2017 and GFR Rules relating to Global Tenders. Now, no Global Tender Enquiry (GTE) shall be invited for tenders upto Rs. 200 crore, unless prior approval is obtained from Cabinet Secretariat.

2. Relief to Contractors

It was announced by the Finance Minister that all central agencies like Railways, Ministry of Road Transport and Highways and CPWD will give extension of up to 6 months for completion of contractual obligations, including in respect of EPC and concession agreements.

In this regard, Department of Expenditure has issued instructions that (due to COVID-19 pandemic) on the invocation of Force Majeure Clause (FMC), contract period may be extended for a period not less than three months and not more than six months without imposition of any cost or penalty on the contractor/concessionaire. Instructions were also issued to return the value of performance security to the contractor/ suppliers proportional to the supplies made/ contract work completed to the total contract value. The same is being implemented by various Departments/Ministries.

3. Supporting State Governments

The Finance Minister announced that the Centre has decided to accede to the request and increase borrowing limits of States from 3% to 5%, for 2020-21 only in view of the unprecedented situation. This will give States extra resources of Rs. 4.28 lakh crore.



In an effort to support the financial position of the State Governments presently suffering from stress on account of revenue losses due to lock down, Department of Expenditure issued a communication to all the State Governments for additional Borrowing of 2 per cent of projected GSDP to the States in 2020-21 subject to implementation of specific State Level Reforms.

4. Rs 3 lakh crore Collateral-free Automatic Loans for Businesses, including MSMEs

To provide relief to the business, additional working capital finance of 20% of the outstanding credit as on 29th February 2020, in the form of a Term Loan at a concessional rate of interest will be provided. This will be available to units with upto Rs. 25 crore outstanding and turnover of up to Rs. 100 crore whose accounts are standard. The units will not have to provide any guarantee or collateral of their own. The amount will be 100% guaranteed by the Government of India providing a total liquidity of Rs. 3 lakh crore to more than 45 lakh MSMEs.

₹3 lakh Crore Collateral-free Automatic Loans for Businesses, including MSMEs (1/3)

- Additional working capital finance of 20% of outstanding credit as on 29th February 2020 in the form of a Term Loan at a concessional rate of interest
- To be available to units with up to ₹25 crore outstanding and turnover of up to ₹100 crore
- No guarantee or collateral required
- 100% guaranteed by Government to provide liquidity of ₹3 lakh crore to over 45 lakh MSMEs

After taking Cabinet approval on 20.05.2020, Department of Financial Services issued Operational Guidelines for the Scheme on 23.05.2020 and Emergency Credit Line Guarantee Scheme (ECLGS) Fund was registered on 26.05.2020. In a short period of about one and half months noticeable progress has been achieved in identifying units, sanctioning as well as disbursing of loans to MSMEs. Following is the progress as on 9th July 2020:

Bank	Number of Accounts (Actual Figures)		Amount (Rs. In crores)	
	Cumulative Sanctioned	Cumulative Disbursement	Cumulative Sanctioned	Cumulative Disbursement
Public Sector Banks (PSBs)	32,70,305	14,92,749	68,145.40	38,372.88
Private Sector Banks (Pvts)	4,44,242	1,72,690	51,953.97	23,615.02
Grand Total	37,14,547	16,65,439	1,20,099.37	61,987.90

Source: 12 Public Sector Banks (PSBs) & 22 Private Sector Banks & 21 NBFCs

5. Rs 45,000 crore Partial Credit Guarantee Scheme 2.0 for NBFCs

Existing Partial Credit Guarantee Scheme (PCGS) will be revamped and extended to cover the borrowings of lower rated NBFCs, HFCs and other Micro Finance Institutions (MFIs). Government of India will provide 20 per cent first loss sovereign guarantee to Public Sector Banks.

After the Cabinet approval on PCGS on 20.05.2020, Operational Guidelines for the Scheme were issued on 20.05.2020 itself. Banks have approved purchase of portfolio of Rs. 14,000 crore and are currently in process of approval/negotiations for Rs. 6,000 crore as on 3rd July 2020.

6. **Rs 30,000 crore Additional Emergency Working Capital Funding for farmers through NABARD**

New front loaded special refinance facility of Rs. 30,000 crore sanctioned by NABARD during COVID-19 to RRBs & Cooperative Banks. This special facility to benefit 3 crore farmers, consisting mostly small and marginal farmers in meeting their credit needs for post-harvest and kharif sowing requirements. When kharif sowing is already on its full swing Rs. 24,876.87 crore out of Rs. 30,000 crore has been disbursed as on 06.07.2020, out of this special facility.

**AatmaNirbhar Bharat Package
Progress So Far**

**₹30,000 crore
Additional Emergency
Working Capital
Funding for Farmers
through NABARD**

- New front loaded special refinance facility of ₹30,000 crore sanctioned to RRBs & Cooperative Banks**
- To benefit 3 crore farmers, mostly small and marginal farmers**
- ₹24,876.87 crore out of ₹30,000 crore disbursed as on 06.07.2020 to support Kharif Sowing**

7. **Rs 50,000 crore liquidity through TDS/TCS rate reduction**

The Department of Revenue, vide its Press Release dated 13.05.2020, announced the reduction in TDS rates for specified payments to residents and specified TCS rates by 25% for transactions made from 14th May, 2020 to 31st March, 2021.

8. **Other Direct Tax Measures**

Between April 8 and June 30, the Central Board of Direct taxes (CBDT) has issued refunds in more than 20.44 lakh cases amounting to more than Rs. 62,361 crore, as stated in press release dated July 3, 2020. Remaining refunds are under process. The Department also issued Notification dated 24.6.2020, the due date for income-tax return for FY 2019-20 (Assessment Year 2020-21) has been extended from 31st July, 2020 (for individuals etc.) and 31st October,2020 (for companies etc.) to 30th November, 2020. Further, the due date for furnishing of tax audit report has also been extended from existing 30th September, 2020 to 31st October, 2020.

The infographic is titled "AatmaNirbhar Bharat Package Progress So Far" and "Other Direct Tax Measures (1/2)". It features the Ministry of Finance logo and the "myGov" logo. A circular inset image shows a woman in a saree. The main content is a list of four items, each with an icon and a horizontal line below it:

- TAX** icon: Central Board of Direct taxes (CBDT) issued refunds in more than 20.44 lakh cases amounting to more than ₹62,361 crore
- Money** icon: Remaining refunds are under process
- Calendar** icon: Due date for income-tax return for FY 2019-20 extended for individuals and companies to 30th Nov. 2020
- Document** icon: Due date for furnishing of tax audit report extended to 31st Oct. 2020

A portrait of Prime Minister Narendra Modi is visible in the bottom right corner of the infographic.

Other Direct Tax Measures
(2/2)

- Time barring date for assessments getting barred by limitation extended to 31st March, 2021
- Making payment without additional amount under 'Vivad se Vishwas' Scheme extended to 31st Dec. 2020
- Legislative amendments in the Vivad Se Vishwas Act, 2020 to be moved in due course
- Compliance dates under Vivad Se Vishwas Act extended to 31st December, 2020

The Department of Revenue has extended the time barring date for assessments getting barred by limitation on 30th September, 2020 to 31st March, 2021. In this regard, through the Press Release dated 24.6.2020, it has been already been communicated that making payment without additional amount under the 'Vivad se Vishwas' Scheme will be extended to 31st December, 2020 and the legislative amendments for the same in the Vivad Se Vishwas Act, 2020 (VsV Act) shall be moved in due course to time. Further, through the Notifications, compliance dates mentioned under the VsV Act falling during period 20th March, 2020 to 30th December, 2020 have been extended to 31st December, 2020.

9. Further enhancement of Ease of Doing business through IBC related measures

The Ministry of Corporate Affairs has raised the threshold of default under Section 4 of the IBC, 2016 to Rs 1 crore (from the existing threshold of Rs 1 lakh) i.e. "in exercise of powers conferred under Section 4 of Insolvency & Bankruptcy Code, 2016 (31 of 2016), the Central Government hereby specified Rs 1 crore as the minimum amount of default for the purposes of the said section" vide Notification dated 24.6.2020.

The Ministry of Corporate Affairs is finalising a special insolvency resolution under section 240A of the Code, to provide relief to the MSMEs and the same would be notified soon.

Insolvency and Bankruptcy Code (Amendment) Ordinance, 2020 has been promulgated on 5th June, 2020 thereby provided for insertion of Section 10A in the Insolvency and Bankruptcy Code 2016 to temporarily suspend initiation of Corporate Insolvency Resolution Process (CIRP) under Section 7, 9 & 10 of the Code for a period of six months or such further period, not exceeding one year from such date.

10. **Rs 30,000 crore Special Liquidity Scheme for NBFCs/HFCs/MFIs**

After the Cabinet approval of the Special Liquidity Scheme for NBFCs/HFCs, the Scheme has been launched. RBI has also issued a circular to NBFCs and HFCs on 1st July, 2020 itself on the Scheme. SBICAP has received 24 applications requesting about Rs. 9,875 crore of financing as on 7th July, 2020 which are being processed.

The first application in this regard has received its approval and the remaining are also being considered.

RM/KMN

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