



# **Atmanirbhar Bharat Package 3.0**

**12<sup>th</sup> November 2020**

**Ministry of Finance**

# State of Economy – Strong Recovery

- **COVID active cases decline from over 10 lakh to 4.89 lakh active cases with Case Fatality Rate (CFR) at 1.47 percent**
- **Composite Purchase Managers Index (PMI) rose to 58.9 in Oct vs. 54.6 last month, registering strongest increase in output in close to nine years**
- **Energy consumption growth trended higher in October at 12% YoY**
- **GST collections for October grossed Rs 1.05 lakh crore - 10% YoY**
- **Daily railway freight tonnage grew by an average 20% YoY vs. 12% in the previous week.**
- **Bank credit YoY growth improved by 5.1% on 23<sup>rd</sup> October '20.**
- **Markets at record high, record market capitalization, FPIs net investments +ve, Forex Reserves – USD 560 billion**
- **FDI inflows Apr-August at USD 35.37 billion – 13 % rise YoY**
- **RBI predicts a strong likelihood of Indian economy returning to positive growth in Q3:2020-21, ahead by a quarter of the earlier forecast.**
- **Prominent economists have suggested that the rebound is not only due to pent up demand, but also strong economic growth.**

# Atmanirbhar Bharat Abhiyaan 1.0 – Progress on some key items (1/3)

## One Nation - One Ration Card:

- **Inter-State Portability: 28 States/UTs** have been brought under the **national portability** of ration cards with effect from September 1, 2020;
- Now covers **68.6 Crore** beneficiaries who now have an option to lift their food grains from any FPS of choice in any of these 28 States/UTs.
- **Intra-State portability** is also enabled in these 28 States/UTs, about **1.5 Crore** monthly transactions.

## PM Street Vendor's AtmaNirbharNidhi (PM SVANidhi):

- 26.62 lakh loan applications received,
- 13.78 lakh loans totalling Rs 1373.33 cr sanctioned .

## Work on Portal for migrant workers commenced.

# Atmanirbhar Bharat 1.0 – Progress on some key items (2/3)

- **Credit boost to 2.5 crore farmers through Kisan Credit Cards:** So far 183.14 lakh applications have been received; banks have issued KCC for 157.44 lakh eligible farmers and sanctioned a limit of Rs 1,43,262 crores in two phases
- **Pradhan Mantri Matsya Sampada Yojana (PMMSY):** Proposals from Twenty-one (21) States sanctioned at a total cost of Rs. **1681.32 crores**
- **Additional Emergency Working Capital Funding for farmers through NABARD:** Rs. 25,000 crore has been disbursed out of this special facility.

# Atmanirbhar Bharat 1.0 – Progress on some key items (3/3)

- **ECLGS1.0:**
  - ₹ 2.05 lakh crore sanctioned to 61 lakh borrowers
  - ₹ 1.52 lakh crore disbursed
- **Partial Credit Guarantee Scheme 2.0:** Public Sector Banks (PSBs) have approved purchase of portfolio of Rs. 26,889 crores.
- **Special Liquidity Scheme for NBFC/HFC:** Rs. 7227 crore has been disbursed .
- **Liquidity Injection for DISCOMs:** Rs. 118,273 Cr worth of loans have been sanctioned to 17 states/UTs and Rs.31,136 Cr has already been disbursed/ released to 11 States/UTs.

# Atmanirbhar Bharat 2.0 – Progress

- These announcements were made on 12<sup>th</sup> Oct
- Festival advance launched- SBI Utsav Cards being distributed.
- LTC voucher schemes launched
- Rs 25,000 crores provided as additional capital expenditure to Ministry of Road Transport and Ministry of Defence
- 11 States have been sanctioned Rs. 3621 crores as interest free loan towards capital expenditure

# **Atmanirbhar Bharat 3.0**

# 1. Boost for Employment

## Atmanirbhar Bharat Rozgar Yojana (1/3)

- The Prime Ministers Rozgar Protsahan Yojana (PMRPY) was implemented upto 31.3.2019 to incentivize formalization and creation of new employment.
- Total benefit of Rs. 8300 Crore has been given to 1,52,899 Establishments covering 1,21,69,960 Beneficiaries under PMRPY.
- **A new Scheme “Atmanirbhar Bharat Rozgar Yojana” is being launched** to incentivise creation of new employment opportunities during the COVID recovery phase.
- **Beneficiaries (new employees) under Scheme:-**
  - Any new employee joining employment in EPFO registered establishments on monthly wages less than Rs.15000/-.
  - EPF members drawing monthly wage of less than Rs.15000/- who made exit from employment during COVID Pandemic from 01.03.2020 to 30.09.2020 and is employed on or after 01.10.2020



# 1. Atmanirbhar Bharat Rozgar Yojana

## Eligibility criteria for Establishments (2/3)

1. Establishments registered with EPFO if they add new employees compared to reference base of employees as in September, 2020 as under:

- **minimum of two new** employees if reference base is 50 employees or less.
- **minimum of five new** employees if reference base is more than 50 employees.

2. Establishments registering with EPFO after commencement of Scheme to get subsidy for all new employees

3. Scheme to be operational till 30<sup>th</sup> June 2021

# 1. Atmanirbhar Bharat Rozgar Yojana Subsidy support from Central Govt.(3/3)

1. Central Govt. to provide subsidy for two years in respect of new eligible employees engaged on or after 01.10.2020 at following scale:
  - **Establishments employing up to 1000 employees:** Employee's contributions (12% of Wages) & Employer's contributions (12% of wages) totalling 24% of wages
  - **Establishments employing more than 1000 employees:** Only Employee's EPF contributions (12% of EPF wages)
2. The subsidy support to get credited upfront in Aadhaar seeded EPFO Account (UAN) of eligible new employee

## 2. Rs. 3 lakh crore existing Emergency Credit Line Guarantee Scheme (ECLGS 1.0) (1/2)

- Announced as part of the Aatmanirbhar Bharat Abhiyaan .
- The scheme is **extended till 31<sup>st</sup> March,2021.**
- Fully guaranteed and collateral free.
- Additional credit up to 20% of outstanding loans as on 29.2.2020 for entities with outstanding credit up to Rs. 50 crore as on 29.2.2020 and annual turnover up to Rs. 250 crore, which were up to 60 days past due as on 29.2.2020
- Eligible entities - MSME units, business enterprises, individual loans for business purposes and MUDRA borrowers
- Scheme update as on 12.11.2020
  - Rs. 2.05 lakh crore sanctioned to 61 lakh borrowers
  - Rs. 1.52 lakh crore disbursal

## 2. Launch of ECLGS 2.0:

### Guaranteed credit for supporting stressed sectors (2/2)

- To be utilized for 100% guaranteed collateral free additional credit at capped interest rates to—
  - ✓ Entities in **26 stressed sectors** identified by **Kamath Committee plus health care sector** with credit outstanding of above **Rs. 50 crore and up to ₹ 500 Crore** as on 29.2.2020.
  - ✓ Entities with outstanding up to Rs. 50 crore previously covered under existing Scheme
  - ✓ No upper ceiling on annual turnover
  - ✓ Entities to be up to 30 days past due (**SMA 0**) as on 29.2.2020
  - ✓ Additional credit up to **20% of outstanding** as on 29.02.2020
- Tenor of additional credit under ECLGS 2.0 to be **5 years**, including **one year moratorium on principal repayment**
- Scheme available till 31.3.2021
- ECLGS 2.0 to provide much needed relief to stressed sectors by helping entities sustain employment and meet liabilities. Will also benefit MSME sector which provides goods and services to eligible entities

### **3. Rs 1.46 lakh crore boost for Atmanirbhar Manufacturing Production-linked incentives for 10 Champion Sectors (1/2)**

- Government of India has already approved PLI schemes for 3 sectors at a cost of Rs 51,355 crores as below:
  - Mobile Manufacturing and specified electronics components at a cost of Rs 40,995 crore ;
  - Critical Key Starting Materials (KSM), Drug intermediates and Active Pharmaceuticals Ingredients (API) at a cost of Rs. 6,940 crore
  - Manufacturing of Medical Devices at a cost of Rs Rs. 3,420 crore.
- 10 more Champion Sectors (next slide) will now be covered under the Production Linked Incentives Scheme to boost the competitiveness of domestic manufacturing.
- This is expected to give a significant boost to Economic Growth and domestic employment

### 3. Rs 1.46 lakh cr boost to Atmanirbhar manufacturing – Production Linked Incentives for 10 Champion Sectors (2/2)

Government will launch Production Linked Incentive (PLI) Scheme in the following sectors

<b>Sector</b>	<b>Estimated Expenditure on new PLIs (Rs. Crore)</b>
Advance Cell Chemistry Battery	18,100
Electronic/Technology Products	5,000
Automobiles & Auto Components	57,042
Pharmaceuticals Drugs	15,000
Telecom & Networking Products	12,195
Textile Products	10,683
Food Products	10,900
High Efficiency Solar PV Modules	4,500
White Goods (ACs & LED)	6,238
Specialty Steel	6,322
<b>Total</b>	<b>1,45,980</b>

## 4. Rs 18,000 crores additional outlay for PM Awaas Yojana (PMAY) –Urban

- A number of measures have been taken in the past several months for revival of the Housing and Real Estate Sector. These measures have contributed to fair recovery in this sector. (SWAMIH- 135 projects approved with an outlay of Rs. 13,200 cr. This will result in completion of 87,000 stuck houses/Flats)
- However, there is need for further measures to enable the sector to generate more employment.
- **Rs 18,000 crores will be provided over the Budget Estimates for 2020-21 for Prime Minister Awaas Yojana – Urban (PMAY-U) through additional allocation and Extra Budgetary Resources.**
- **This is over and above Rs 8,000 crores already this year.**
- This will help 12 lakhs houses to be grounded and 18 lakhs to be completed
- Expected addl jobs – 78 lakhs, Steel – 25 LMT, Cement – 131 LMT

## **5. Support for Construction & Infrastructure – Relaxation of Earnest Money Deposit (EMD) & Performance Security on Government Tenders**

- **Performance security on contracts to be reduced to 3 % instead of 5 to 10%**
  - Will be extended to ongoing contracts which are free of disputes
  - Will also be extended to Public Sector Enterprises.
  - States will be encouraged to adopt the same
- **EMD will not be required for tenders** and will be replaced by Bid Security Declaration
- **Relaxations will be given till 31.12.2021** under General Financial Rules
- Will give relief to contractors by reducing locking up of capital and cost of BG



## 6. Demand booster for Residential Real Estate Income Tax relief for Developers & Home Buyers

- Economic slowdown has led to decline in prices of residential unit
- Presently Section 43CA of IT Act restricts differential between circle rate & agreement value @ 10% - Prices may actually be lower than this.
- **Decided to increase the differential from 10% to 20% (under section 43CA) for the period from the date of the announcement to 30<sup>th</sup> June 2021 for only primary sale of residential units of value up to Rs 2 crores.**
- **Consequential Relief up to 20% shall also be allowed to buyers of the these units under section 56(2)(x) of IT Act for the said period.**
- The necessary amendment to IT Act would be proposed in due course.
- This measure will reduce hardships faced by both home-buyers and developers and help in clearing the unsold inventory.

## 7. Rs 1.10 lakh crore Platform for Infra Debt Financing – Rs 6000 crores Equity infusion in NIIF Debt Platform

- Actual investments made by 3 NIIF funds in downstream funds, platforms and operating companies is Rs 19,676 cr
- NIIF Strategic Opportunities Fund has set up a **Debt Platform** comprising an NBFC Infra Debt Fund and an NBFC Infra Finance Company.
- The Platform has a Loan book - Rs 8000 cr & deal pipeline of Rs. 10,000 cr
- NIIF AIFL (AA rating) and IFL (AAA rating) will raise INR 95,000 crores debt from market, including project bonds.
- By 2025, will provide infra project financing of ~INR 110,000 crores
- NIIF has already invested nearly Rs 2000 cr. in equity of the Platform
- **Government will invest Rs 6000 cr as equity**
- Rest of equity will be raised from private investors.

## **8. Support for Agriculture**

### **Rs 65,000 crores for subsidised Fertilisers**

- There is an estimated increase in fertiliser usage of 17.8% over the actual usage in 2019-20 of 571 lakh metric tonnes. The increase is on account of favourable monsoons and the resultant increase in sown area.
- Fertiliser consumption which was 499 lakh MT in 2016-17 is expected to increase to 673 lakh MT in 2020-21.
- Increased supply of fertilisers at subsidised rates will help 140 million farmers.
- Rs 65,000 crores being provided to ensure adequate availability of fertilisers to farmers to enable timely availability of fertilisers in the upcoming crop season.

## 9. Boost for Rural Employment – Enhanced outlays under PM Garib Kalyan Rozgar Yojana

- Prime Minister Garib Kalyan Rozgar Yojana is also in progress in 116 districts. Rs 37,543 crores spent till date.
- PMGKRY effectively dovetails various schemes including MGNREGA, PMGSY etc.
- MGNREGA was provided with Rs 61,500 crore in Budget for 2020-21.
- Rs.40,000 crore was additionally provided in Atma Nirbhar Bharat 1.0.
- As on date, Rs 73,504 crore has been released under MGNREGA and 251 crore person-days of employment have been generated.
- **Further additional outlay of Rs. 10,000 crores will be provided for PM Garib Kalyan Rozgar Yojana** in the current financial year.
- This will accelerate growth of the rural economy.

# 10. Boost for Project Exports - Rs 3000 crore to EXIM bank for Lines of Credit

- Exim Bank extends Lines of Credit (LOC) on behalf of the Government of India, as assistance to developing countries under IDEAS scheme.
- Promotes Indian export by mandating recipient countries to import 75% value of the LOC
- Supported projects cover Railways, power, transmission, road and transport, auto and auto components, sugar projects etc.
- As on date, 811 export contracts, aggregating USD 10.50 bn are being financed under LoCs.
- **Rs. 3,000 crore will be released to EXIM Bank** for promotion of project exports through Lines of Credit under IDEAS scheme.

# 11. Capital and Industrial Stimulus

- Rs. 10,200 crore additional budget outlay will be provided towards Capital and industrial expenditure
  - Domestic defence equipment
  - Industrial incentives
  - Industrial infrastructure
  - Green energy

# 12. R&D grant for COVID Vaccine Development

- Rs. 900 crore provided for Covid Suraksha Mission for Research and Development of Indian Covid Vaccine to Department of Bio-technology

# Additional Expenditure including Capital

Housing for All - PMAY-U	Rs. 18,000 crores
Boost for Rural Employment	Rs.10,000 crores
R&D Grant for Covid Suraksha – Indian vaccine development	Rs. 900 crores
Industrial Infrastructure, Industrial Incentives and Domestic Defence Equipment	Rs.10,200 crores
Boost for Project Exports – Support for EXIM Bank	Rs.3,000 crores
Boost for Atmnanirbhar Manufacturing - Production Linked Incentives	Rs 1,45,980 crores
Support for Agriculture – Fertiliser Subsidy	Rs. 65,000 crores
Boost for Infrastructure – equity infusion in NIIF Debt PF	Rs 6000 crores
Atmanirbhar Bharat Rozgar Yojana (overall Rs 36,000 cr)	Rs 6,000 crores
<b>Total</b>	<b>Rs 2,65,080 crores</b>



# Summary of Stimulus Measures Announced till date

Sl.	Item	Rs. Crore
1.	Pradhan Mantri Garib Kalyan Package (PMGKP) +	1,92,800
2.	Atmanirbhar Bharat Abhiyaan 1.0	11,02,650
3.	PMGKP Anna Yojana – extension of 5 months from Jul - Nov	82,911
4.	Atmanirbhar Bharat Abhiyaan 2.0 (12 <sup>th</sup> October)	73,000
<b>5.</b>	<b>Atmanirbhar Bharat Abhiyaan 3.0</b>	<b>2,65,080</b>
6.	RBI measures announced till 31 <sup>st</sup> Oct 2020	12,71,200
<b>Total</b>		<b>29,87,641</b>



**Thanks**