



# Economic Stimulus for Self Reliant India Part-II



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## HIGHLIGHTS OF STIMULUS ANNOUNCED SO FAR

- Significant relief for MSMEs & NBFCs.
- Govt guarantee will ensure resumption of fund flows.
- NBFCs will have direct govt support.
- Credit flow to economy will get a lift.
- Liquidity measures to prevent distress.
- Provident fund support may lead to fewer job losses.

Out of Rs.20 lakh crore mega stimulus, Rs.13.21 lakh crore has been announced so far

Breakup

Scheme	Amount (In Cr)
PMGKY package	170,000
Disposal of all pending claims	18,000
Emergency health response package	15,000
<b>RBI</b>	
Reduction in CRR	137,000
TLTRO 1	100,050
TLTRO 2.0 - NBFC	50,000
Marginal Standing Facility	137,000
Special Refinance Facility	50,000
Special Liquidity Facility	50,000
<b>MSME</b>	
Collateral Free Loan	300,000
Subordinate debt facility	20,000
Equity infusion - Fund of Funds	50,000
<b>PF Relief</b>	
Govt. to pay PF for both	2,500
Lower PF Contribution of 10%	6,750
<b>NBFC</b>	
Special Liquidity Scheme	30,000
Partial Credit Guarantee Scheme	45,000
<b>DISCOMS</b>	
Liquidity Injection	90,000
<b>Taxation</b>	
TDS/TCS rate cut by 25% of existing rate	50,000
<b>Total</b>	<b>13,21,300</b>

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As announced by Hon. Finance Minister, Govt will come up with details of economic stimulus worth Rs.20 lakhs crore in different tranches, Part-2 of which was announced on May 14, 2020.

Part-2 has the following different measures:

MIGRANTS	SISHU LOAN	STREET VENDORS	SMALL FARMERS	HOUSING	TRIBALS
1) Free Food Grain Supply to Migrants	1) Interest Subvention for MUDRA- Shishu Loans	1) Special Credit Facility	1) Additional Emergency Working Capital Funding	1) Credit Linked Subsidy Scheme	1) Employment Push Using CAMPA
2) One Nation One Ration Card Scheme	-	-	2) Concessional Credit Boost through KCC	-	-
3) Affordable Rental Housing Complexes	-	-	-	-	-



## Migrants

### 1) Free Food Grain Supply to Migrants - Worth Rs.3,500 Cr

- All the Migrants will be provided **5 Kg of grains** per person and **1 Kg Chana** per family per month **for 2 months** (May & June 2020).
- About 8 crores migrants are expected to benefit.
- Costs will be fully borne by Government of India.
- State Governments responsible for implementation, identification of migrants and full distribution and providing detailed guidelines.

### 2) One Nation One Ration Card Scheme

- Technology Systems to be used enabling Migrants to access Public Distribution System (Ration) from any Fair Price Shop in India by March 2021 (Intra-state portability introduced in 20 states).
- It is part of **PM's Technology Driven System Reforms**.

- 67 Crore beneficiaries in 23 states covering 83% of PDS population will be covered by national Portability by Aug 2020.
- 100% National portability will be achieved by March 2021.
- All the States/UT's will complete full Fair Price Shop (FPI) automation by March, 2021.

### 3) Affordable Rental Housing Complexes(ARHC)

- New scheme under PMAY for migrant labourer/urban poor.
- Ease of living at affordable rent is provided by:
  - Converting govt. funded housing in the cities into ARHC under PPP mode through concessionaire.
  - Incentivizing manufacturing units, industries, institutions, associations to develop ARHC on their private land and operate.
  - Incentivizing State Govt. Agencies / Central Govt. Organisations on the similar lines to develop ARHC and operate.

## Shishu Loan

### 1) Interest Subvention for MUDRA- Shishu Loans – Worth Rs. 1,500 Cr

- The current portfolio of MUDRA – Shishu loans is Rs. 1.62 Lakh Crore (Maximum loan amount of Rs. 50,000).
- Government of India will provide **Interest subvention of 2% for prompt payees** for a period of 12 months.

## Street Vendors

### 1) Special Credit Facility - Worth Rs.5,000 Cr

- Govt. will launch a special scheme **within a month** to facilitate easy access to credit to street vendors.
- Initial **working capital up to Rs.10,000**.
- Monetary rewards are announced for digital payments and working capital credit would be enhanced for good repayment behaviour.
- Nearly **50 Lakh street vendors** will be benefited.

## Small Farmers

### 1) Additional Emergency Working Capital Funding through NABARD – Worth Rs.30,000 Cr

- Refinance support is given for crop loan requirement of Rural Co-op Banks & RRBs.
- This scheme is over and above the normal refinance route to be provided during this year by NABARD.
- Around **3 crores farmers** (small and marginal) will be benefited.
- Front loaded on tap facility to 33 State Co-operative banks, 351 District Co-operative banks and 43 RRBs available on tap based on their lending.
- To meet post harvest (Rabi) & current Kharif requirement in May/June.

## 2) Concessional Credit Boost through Kisan Credit Cards – Worth Rs.2 Lakh Cr

- 2.5 crore farmers will be covered.
- Special drive to be undertaken for **PM – KISAN beneficiaries**.
- **Fisherman and Animal Husbandry farmers** will also be included in this drive.
- Access to institutional credit at concessional interest rate.

## Housing

### 1) Credit Linked Subsidy Scheme - Worth Rs. 70,000 Cr

- Credit Linked Subsidy Scheme (CLSS) for Middle Income group (i.e., Annual Income of 6-18 Lakhs) was operationalized from May, 2017. **Now it has been extended up to March 2021.**
- Will create jobs & stimulate demand for steel, cement, transport and other construction materials.
- Around 2.5 lakhs middle income families will be benefited during 2020-21

## Tribals

### 1) Employment Push using CAMPA funds – Worth Rs.6,000 Cr

- Compensatory Afforestation Management & Planning Authority (CAMPA) set up under Compensatory Afforestation Fund Act, 2016.
- Will create Job opportunities to Tribals / Adivasis as well.
- Funds to be used by State Governments for -
  - **Afforestation and plantation works**, including in urban areas
  - **Artificial regeneration**, assisted natural regeneration
  - **Forest management, soil & moisture** conservation works
  - **Forest protection, forest and wildlife** related infrastructure development, wildlife protection and management etc.

# Thank You