

Finance Minister's Press Conference

28th June, 2021

Economic Relief From Pandemic

1.1 Lakh Cr Loan Guarantee Scheme for COVID Affected Sectors

Health Sector: Rs. 50,000 crore

Aimed at up scaling medical infrastructure targeting underserved areas.

- Guarantee cover for expansion and new projects related to health/medical infrastructure in cities other than 8 metropolitan cities.
- Guarantee coverage: 50% for expansion & 75% for new projects
- For Aspirational Districts, guarantee cover of 75% for both new projects and expansion.
- Maximum loan: Rs. 100 crore; Guarantee duration: Up to 3 years
- Interest rate capped at 7.95%
- Guarantee by National Credit Guarantee Trustee Company Limited

Other Sectors: Rs. 60,000 crore

- Interest rate capped at 8.25% p.a.
- Decisions at later stage based on evolving needs

Normal interest without guarantee cover is 10-11%

Additional 1.5 lakh Cr for Emergency Credit Line Guarantee Scheme

- Launched as part of Atma Nirbhar Bharat Package in May, 2020.
- ECLGS-1.0, 2.0 and 3.0 have resulted in credit disbursement of 2.69 lakh Crore to 1.1 crore units by 12 Public Sector Banks, 25 Private Sector Banks, and 31 Non-banking Financial Companies
- Contact intensive sectors already covered and shall be continued. Rs 4,000 crore given to these sectors through this window so far
- Limit of admissible guarantee and loan amount proposed to be increased above existing level of 20% of outstanding on each loan
- Sector wise details will be finalized as per evolving needs
- Overall cap of admissible guarantee to be raised from Rs. 3 lakh crore to Rs. 4.5 lakh crore

Credit Guarantee Scheme to Facilitate Loans to 25 Lakh Persons Through Micro Finance Institutions (MFIs)

Guarantee will be provided to Scheduled Commercial Banks for loans to new or existing NBFC-MFIs or MFIs for on lending upto Rs 1.25 lakh to approximately 25 lakh small borrowers

Interest Rate on Loans from banks to be capped at MCLR plus 2%

Maximum loan tenure 3 years, 80% of assistance to be used by MFI for incremental lending, interest at least 2% below maximum rate prescribed by RBI

Focus on new lending, not repayment of old loans

Loans to borrowers to be in line with extant RBI guidelines such as number of lenders, borrower to be member of JLG, ceiling on household income & debt

All borrowers (including defaulters upto 89 days) eligible

Guarantee cover for funding provided by MLIs to MFIs/NBFC-MFIs till March 31, 2022 or till guarantees for an amount of Rs.7,500 crore are issued, whichever is earlier.

Guarantee upto 75% of default amount for upto 3 years through National Credit Guarantee Trustee Company (NCGTC)

No guarantee fee to be charged by NCGTC

Reviving Tourism: Financial support to more than 11,000 Registered Tourist Guides/Travel and Tourism Stakeholders

- Under new Loan Guarantee Scheme for COVID Affected Sectors, working capital/personal loans will be provided to people in tourism sector to discharge liabilities and restart businesses impacted due to COVID-19
- The scheme will cover:
 - ✓ 10,700 Regional Level Tourist Guides recognised by Ministry of Tourism and Tourist Guides recognised by the State Governments
 - ✓ Travel and Tourism Stakeholders (TTS) recognized by Ministry of Tourism (904)
- Loans will be provided with 100 % guarantee up to the following limits:
 - Rs. 10,00,000 for TTS (per agency)
 - Rs. 1,00,000 for tourist guides licenced at Regional or State level
- No processing charges, waiver of foreclosure/prepayment charges. No additional collateral requirement
- Scheme to be administered by the Ministry of Tourism through NCGTC

Free Tourist Visa to 5 Lakh Tourists

- 10.93 million foreign tourists visited India in 2019, spent US \$ 30.098 billion on leisure and business.
- Average daily stay for a foreign tourist in India is 21 days. Average daily spending of a tourist in India is around \$34 (Rs 2400).
- Once Visa issuance is restarted, the first 5 lakh Tourists Visas will be issued free of charge.
- Benefit will be available only once per tourist
- The scheme will be applicable till 31st March, 2022 or till 5,00,000 visas are issued, whichever is earlier
- Total financial implications- Rs 100 Crore

Extension of Atmanirbhar Bharat Rozgar Yojana

- Launched on 1st Oct, 2020. Incentivizes employers for creation of new employment, restoration of loss of employment through EPFO.
- Approved outlay Rs. 22,810 crore for 58.50 lakh estimated beneficiaries. Last date for registration is 30.06.2021.
- Subsidy provided for two years from registration for new employees drawing monthly wages less than Rs. 15000 for:
 - Both Employer's and Employee's share of contribution (total 24% of wages) for establishment strength upto 1000 employees.
 - Only Employee's share (12% of wages) in case of establishment strength of more than 1000.
- Benefit of Rs. 902 Cr given to 21.42 lakh beneficiaries of 79,577 establishments till 18.06.2021
- Scheme extended from 30.6.2021 to 31.03.2022

Additional Subsidy for DAP & P&K fertilizers (Announced Earlier)

- Record procurement of 432.48 Lakh MT of wheat in Rabi Marketing Season (RMS) 2021-22 (against 389.92 Lakh MT in RMS 2020-21)
- Rs 85,413 Crore paid to farmers
- Existing NBS subsidy was Rs.27,500 crores in FY 2020-21 which has been increased to Rs. 42,275 crore in FY 2021-22
- Additional amount of Rs.14,775 crore to be provided. This includes Rs.9,125 crore additional subsidy for DAP and Rs.5,650 crore additional subsidy for NPK based complex fertilizer

Extension of Pradhan Mantri Gareeb Kalyan Anna Yojana (PMGKAY) (Announced Earlier)

- PMGKAY was launched on 26th March 2020 to ameliorate the hardships faced by the poor due to economic disruption caused by COVID 19 Pandemic
- The scheme was launched initially for the period from April to June 2020. However, keeping in view the need for continuous support to the poor and the needy, the scheme was extended till November 2020 .
- The total cost of the scheme in 2020-21 was Rs. 133,972 crore.
- In the wake of the second wave of COVID-19, the scheme was relaunched in May 2021 to ensure food security of poor/vulnerable
- 5 kg of food grains will be provided free of cost to NFSA beneficiaries from May to November 2021
- Estimated financial implications are Rs 93,869 cr, bringing the total cost of PMGKY to Rs 2,27,841 Crore

Health

Rs. 23,220 Cr More for Public Health

- Rs 15,000 Cr Emergency Health Systems Project (2020-21) led to 25 fold increase in COVID dedicated hospitals, setting up of 7,929 COVID health centres, 9,954 COVID care centres, 7.5 times increase in oxygen supported beds, 42 fold increase in isolation beds, 45 fold increase in ICU beds.
- New scheme focused on short term emergency preparedness with **special emphasis on children and paediatric care/paediatric beds.**
- Rs 23,220 Cr earmarked for one year
- Funding for short-term HR augmentation through medical students (interns, residents, final year) and nursing students
- Increase availability of ICU beds, oxygen supply at central, district and sub-district level.
- Ensure adequate availability of equipment, medicines; access to tele-consultation; ambulance services.
- Enhance testing capacity and supportive diagnostics, strengthen capacity for surveillance and genome sequencing.

Impetus for Growth & Employment

Fighting Malnutrition and Improving Farmers' Income: Release of Climate Resilient Special Traits Varieties

- Earlier focus of research was on developing higher yield crop varieties. Attention towards nutrition, climate resilience and other traits was missing.
- Concentration of important nutrients far below required level, susceptible to biotic and abiotic stresses
- ICAR has developed bio-fortified crop varieties having high nutrients like protein, iron, zinc, vitamin-A
- Varieties tolerant to diseases, insects pests, drought, salinity, and flooding, early maturing and amenable to mechanical harvesting also developed
- 21 such varieties of rice, peas, millet, maize, soyabean, quinoa, buckwheat, winged bean, pigeon pea & sorghum will be dedicated to the nation.

Revival of North Eastern Regional Agricultural Marketing Corporation (NERAMAC)

- Established in 1982 to support farmers of North East in getting remunerative prices of agri-horticulture produces
- Aims to enhance agricultural, procurement, processing and marketing infrastructure in North East
- 75 Farmer Producer Organisations/Farmer Producer Companies registered with NERAMAC. 13 GI crops of North East registered
- Prepared business plan to give 10-15% higher price to farmers by-passing middlemen/agents
- Roadmap for capacity building, aggregation, marketing and technology prepared
- Proposes to set up North-Eastern Centre for Organic Cultivation, facilitating equity finance to entrepreneurs
- Revival package of Rs 77.45 cr proposed for financial restructuring and infusion of funds to NERAMAC

Rs 33,000 Crore Boost for Project Exports through National Export Insurance Account (NEIA)

- NEIA Trust promotes Medium and Long Term (MLT) project exports by extending risk covers
- Provides covers to buyer's credit, given by EXIM Bank, to less creditworthy borrowers and supporting project exporters.
- NEIA Trust has supported 211 projects of Rs 52,860 cr in 52 countries by 63 different Indian Project Exporters till March 31, 2021
- Proposed to provide additional corpus to NEIA over 5 years to allow it to underwrite additional Rs. 33,000 crores of project exports

Rs. 88,000 crore Boost to Export Insurance Cover

- Export Credit Guarantee Corporation (ECGC) promotes exports by providing credit insurance services.
- Its products support around 30% of India's merchandise exports.
- Proposed to infuse equity in ECGC over 5 years to boost export insurance cover by Rs. 88,000 cr

Digital India: Rs. 19041 Cr for Broadband to each Village through BharatNet PPP Model

- August 15, 2020: PM announced broadband connectivity to all inhabited villages in 1000 days
- Out of 2,50,000 Gram Panchayats, 1,56,223 Gram Panchayats have been made service ready by 31st May, 2021
- Implementation of BharatNet in PPP model in 16 States (bundled into 9 packages) on viability gap funding basis
- Additional Rs. 19,041 Cr being provided for BharatNet
- Total outlay will be Rs. 61,109 crores including already approved amount of Rs. 42,068 crores in 2017
- Expansion and upgradation of BharatNet to cover all Gram Panchayats and inhabited villages

Extension of Tenure of PLI Scheme for Large Scale Electronics Manufacturing

- Provides incentive of 6% to 4% on incremental sales of goods under target segments that are manufactured in India, for a period of five years
- Incentives applicable from 01.08.2020. Base year 2019-20
- Companies have been unable to achieve incremental sales condition due to:
 - disruption in production activities due to pandemic related lockdowns,
 - restrictions on movement of personnel
 - delay in installation of relocated plant and machinery
 - disruption in supply chain of components
- Tenure of the scheme launched in 2020-21 is proposed to be extended by one year i.e. till 2025-26.
- Participating companies will get option of choosing any five years for meeting their production targets under the scheme.
- Investments made in 2020-21 will continue to be counted as eligible investments

Rs 3.03 Lakh Cr for Reform Based Result Linked Power Distribution Scheme

- Revamped reforms-based, result-linked power distribution scheme of financial assistance to DISCOMS for infrastructure creation, up-gradation of system, capacity building and process improvement.
- State specific intervention in place of “one size fits all”.
- Participation contingent to pre-qualification criteria like publication of audited financial reports, upfront liquidation of State Government’s dues/subsidy to DISCOMS and non – creation of additional regulatory assets.
- 25 crore smart meters, 10,000 feeders, 4 lakh km of LT overhead lines planned
- Ongoing works of IPDS, DDUGJY and SAUBHAGYA will be merged
- Total allocation- Rs.3,03,058 Cr, Central share- Rs.97,631 cr
- States have already been allowed additional borrowing for four years upto 0.5% of Gross State Domestic Product annually (Rs 1,05,864 Cr for 2021-22) subject to carrying out specified power sector reforms

New Streamlined Process for PPP Projects and Asset Monetisation

- Current process for approval of Public Private Partnership (PPP) projects is long and involves multiple levels of approval
- New policy will be formulated for appraisal and approval of PPP proposals and monetization of core infrastructure assets, including through InvITs
- Aim is to ensure speedy clearance of projects to facilitate private sector's efficiencies in financing construction and management of infrastructure

Financial Details

Scheme	Period	Amount (Rs in Cr)	Remarks
Economic Relief from Pandemic			
Loan Guarantee Scheme for COVID Affected Sectors	2021-22	1,10,000	
Emergency Credit Line Guarantee Scheme (ECLGS)	2021-22	1,50,000	Expansion
Credit Guarantee Scheme for Micro Finance Institutions	2021-22	7,500	
Scheme for tourist guides/stakeholders	2021-22	-	Covered under loan guarantee scheme
Free One Month Tourist Visa to 5 Lakh Tourists	2021-22	100	

Scheme	Period	Amount (Rs in Cr)	Remarks
Economic Relief from Pandemic (Contd..)			
Extension of Atma Nirbhar Bharat Rozgar Yojana	2021-22	-	
Additional Subsidy for DAP & P&K fertilizers	2021-22	14,775	
Free food grains under PMGKY from May to November, 2021	2021-22	93,869	
Health			
New Scheme for Public Health	2021-22	15,000	Scheme outlay- Rs 23,220 Cr; Central Share- Rs 15,000 Cr

Scheme	Period	Amount (Rs in Cr)	
Impetus for Growth & Employment			
Release of climate resilient special traits varieties	2021-22	-	
Revival of North Eastern Regional Agricultural Marketing Corporation (NERAMAC)	2021-22	77	
Boost for Project Exports through NEIA	2021-22 to 2025-26	33,000	
Boost to Export Insurance Cover	2021-22 to 2025-26	88,000	

Scheme	Period	Amount (Rs in Cr)	
Impetus for Growth & Employment (Contd...)			
Broadband to each village through BharatNet PPP Model	2021-22 to 2022-23	19,041	
Extension of Tenure of PLI Scheme for Large Scale Electronic Manufacturing			Time extension
Reform Based Result Linked Power Distribution Scheme (Budget Announcement)	2021-22 to 2025-26	97,631	Scheme outlay- Rs 3,03,058 Cr; Central Share- Rs 97,631 Cr
Total		6,28,993	

Thank You