UPSC Daily Current Affairs | Prelim Bits - Aatma Nirbhar Bharat 18-05-2020

Highlights

- A Special economic and comprehensive package of Rs 20 lakh crores - equivalent to 10% of India's GDP.
- Call for Self-Reliant India Movement with five pillars of Aatma nirbhar Bharat - Economy, Infrastructure, System, Vibrant Demography and Demand.

Economic Front

For MSME Sector

Rs 3 lakh crore Emergency Working Capital Facility for Businesses, including MSMEs

- To provide relief to the business, additional working capital finance of 20% of the outstanding credit as on 29 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, any guarantee or collateral of their own is not required.
- The amount will be 100% guaranteed by the Government of India providing a total liquidity of Rs. 3.0 lakh crores to more than 45 lakh MSMEs.

Rs 20,000 crore Subordinate Debt for Stressed MSMEs

- Provision made for Rs. 20,000 cr subordinate debt for two lakh MSMEs which are NPA or are stressed.
- Government will support them with Rs. 4,000 Cr. to Credit Guarantee Trust for Micro and Small enterprises (CGTMSE).
- Banks are expected to provide the subordinate-debt to promoters of such

MSMEs equal to 15% of his existing stake in the unit subject to a maximum of Rs 75 lakhs.

Rs 50,000 crore equity infusion through MSME Fund of Funds

- Govt will set up a Fund of Funds with a corpus of Rs 10,000 crore that will provide equity funding support for MSMEs.
- The Fund of Funds shall be operated through a Mother and a few Daughter funds.
- It is expected that with leverage of 1:4 at the level of daughter funds, the Fund of Funds will be able to mobilize equity of about Rs 50,000 crores.

New Definition of MSME and other Measures for MSME

- Previously, an enterprise with investment up to Rs 25 lakh was called a micro unit, Under the Investment definition, a firm upto investment of Rs 1 crore is to be called Micro unit, of Rs 10 crore is to be called as small unit and investment greater than Rs 20 crore will be called as medium unit.
- Under the Turn-over definition a firm with turnover of Rs 5 crore is to be called a micro unit, of Rs 50 crore will be called as small unit and turn over greater than Rs 100 core is to be called as Medium unit.
- It is to be noted that for an enterprise to come under the category of MSME it has to fulfill both investment and turn over conditions.
- Also, under the new definition, the differentiation between the manufacturing and service based MSMEs are being removed.

No Global tenders for Government tenders of uptoRs 200 crore

- General Financial Rules (GFR) of the Government will be amended to disallow global tender enquiries in procurement of Goods and Services of value of less than Rs 200 crores.

2% Interest Subvention for 12 months for Shishu MUDRA loanees-Relief of Rs. 1,500 crore

- Government of India will provide Interest subvention of 2% for prompt payees for a period of 12 months to MUDRA Shishu loanees, who have loans below Rs 50,000.
- The current portfolio of MUDRA Shishu loans is around Rs 1.62 Lakh crore.
- This will provide relief of about Rs 1,500 crore to Shishu MUDRA

loanee.

On Emplolyee's Provident Fund

- EPF Contribution to be reduced for Employers and Employees for 3 months to 10% from 12% for all establishments covered by EPFO for next 3 months.

For NBFCs

Rs. 30,000 crore Special Liquidity Scheme for NBFC/HFC/MFIs

- Government will launch Rs 30,000 crore Special Liquidity Scheme, liquidity being provided by RBI.
- Investment will be made in primary and secondary market transactions in investment grade debt paper of NBFCs, HFCs and MFIs.
- This will be 100 percent guaranteed by the Government of India.

Rs. 45,000 crore Partial credit guarantee Scheme 2.0 for Liabilities of NBFCs/MFIs

- Existing Partial Credit Guarantee scheme is being revamped and now will be extended to cover the borrowings of lower rated NBFCs, HFCs and other Micro Finance Institutions (MFIs).
- Government of India will provide 20 percent first loss sovereign guarantee to Public Sector Banks.

Tax related measures

- Reduction in Rates of 'Tax Deduction at Source' and 'Tax Collected at Source" - The TDS rates for all non-salaried payment to residents, and tax collected at source rate will be reduced by 25 percent of the specified rates for the remaining period of FY 20-21.This will provided liquidity to the tune of Rs 50,000 Crore.
- The due date of all Income Tax Returns for Assessment Year 2020-21 will be extended to 30 November, 2020, tax audit due date will be extended to 31 October 2020.
- The date for making payment without additional amount under the "Vivad Se Vishwas" scheme will be extended to 31 December, 2020.

For Real Estate

RERA

- State Governments are being advised to invoke the Force Majeure clause under RERA.
- The registration and completion date for all registered projects will be extended up to 6 months and may be further extended by another 3 months based on the State's situation.
- Various statutory compliances under RERA will also be extended concurrently.

Boost to housing sector

- The Credit Linked Subsidy Scheme for Middle Income Group (annual Income between Rs 6 and 18 lakhs) will be extended up to March 2021.
- This will benefit 2.5 lakhs middle income families during 2020-21 and will lead to investment of over Rs 70,000 crore in housing sector.
- This will create significant number of jobs by giving boost to Housing sector and will stimulate demand for steel, cement, transport and other construction materials.

Affordable Rental Housing Complexes for Migrant Workers

- Central Government will launch a scheme for migrant workers and urban poor to provide ease of living at affordable rent.
- Converting government funded houses in the cities into Affordable Rental Housing Complexes (ARHC) under PPP mode through concessionaire; manufacturing units, industries, institutions, associations to develop Affordable Rental Housing Complexes (ARHC) on their private land and operate; and Incentivizing State Govt agencies/Central Government Organizations on similar lines to develop Affordable Rental Housing Complexes (ARHC) and operate.
- The exact details of the scheme will be released by the Ministry/Department.

Agriculture Front

For farmers through NABARD

- NABARD will extend additional re-finance support of Rs 30,000 crore for meeting crop loan requirement of Rural Cooperative Banks and RRBs. This refinance will be front-loaded and available on tap.
- This is over and above Rs 90,000 crore that will be provided by NABARD to this sector in the normal course.

- This will benefit around 3 crore farmers, mostly small and marginal and it will meet their post-harvest Rabi and current Kharif requirements.

Credit boost under Kisan Credit Card Scheme

- A special drive to provide concessional credit to PM-KISAN beneficiaries through Kisan Credit Cards.
- Fisherman and Animal Husbandy Farmers will also be included in this drive.
- This will inject additional liquidity of Rs 2 lakh crore in the farm sector. 2.5 crore farmers will be covered.

Agri Infrastructure Fund

- Financing facility of Rs. 1,00,000 crore will be provided for funding Agriculture Infrastructure Projects at farm-gate & aggregation points (Primary Agricultural Cooperative Societies, Farmers Producer Organizations, Agriculture entrepreneurs, Start-ups, etc.).
- Impetus for development of farm-gate & aggregation point, affordable and financially viable Post Harvest Management infrastructure.
- Fund will be created immediately.

Formalisation of Micro Food Enterprises (MFE)

- 'Vocal for Local with Global outreach' will be launched to help 2 lakh MFEs who need technical upgradation to attain FSSAI food standards, build brands and marketing.
- Existing micro food enterprises, Farmer Producer Organisations, Self Help Groups and Cooperatives to be supported.
- The focus will be on women and SC/ST owned units and those in Aspirational districts and a Cluster based approach (e.g. Mango in UP, Tomato in Karnataka, Chilli in Andhra Pradesh, Orange in Maharashtra etc.) will be followed.

Pradhan Mantri Matsya Sampada Yojana (PMMSY)

- The Government will launch the PMMSY for integrated, sustainable, inclusive development of marine and inland fisheries. Rs 11,000 crore for activities in Marine, Inland fisheries and Aquaculture and Rs. 9000 crore for Infrastructure - Fishing Harbors, Cold chain, Markets etc shall be provided.

- Cage Culture, Seaweed farming, Ornamental Fisheries as well as New Fishing Vessels, Traceability, Laboratory Network etc. will be key activities.
- There will be provisions of Ban Period Support to fishermen (during the period fishing is not permitted), Personal & Boat Insurance.
- The focus will be on Islands, Himalayan States, North-east and Aspirational Districts.

Animal Husbandry Infrastructure Development Fund

- An Animal Husbandry Infrastructure Development Fund of Rs. 15,000 crore will be set up, with an aim to support private investment in Dairy Processing, value addition and cattle feed infrastructure.
- Incentives will be given for establishing plants for export of niche products.

Promotion of Herbal Cultivation

- The National Medicinal Plants Board (NMPB) has supported 2.25 lakh hectare area under cultivation of medicinal plants. 10,00,000 hectare will be covered under Herbal cultivation in next two years with outlay of Rs. 4,000 crore.
- This will lead to Rs. 5,000 crore income generation for farmers.
- NMPB will bring 800-hectare area by developing a corridor of medicinal plants along the banks of Ganga.

Beekeeping Initiatives

- Scheme for Infrastructure development related to Integrated Beekeeping Development Centers, Collection, Marketing and Storage Centers, Post-Harvest & value Addition facilities etc;
- Capacity building with thrust on women, and Development of quality nucleus stock and bee breeders.
- This will lead to increase in income for 2 lakh beekeepers and quality honey to consumers.

Extension of Operation Greens

- “Operation Greens” run by Ministry of Food Processing Industries (MOFPI) will be extended from tomatoes, onion and potatoes to ALL fruit and vegetables.
- The Scheme would provide 50% subsidy on transportation from surplus to deficient markets, 50% subsidy on storage, including cold storages and

will be launched as pilot for the next 6 months and will be extended and expanded.
- This will lead to better price realization to farmers, reduced wastages, and affordability of products for consumers.

Amendments to Essential Commodities Act

- The Government will amend Essential Commodities Act. Agriculture food stuffs including cereals, edible oils, oilseeds, pulses, onions and potato shall be deregulated.
- Stock limit will be imposed under very exceptional circumstances like national calamities, famine with surge in prices.
- Further, No such stock limit shall apply to processors or value chain participant, subject to their installed capacity or to any exporter subject to the export demand.

Agriculture Produce Pricing and Quality Assurance

- The Government will finalize a facilitative legal framework to enable farmers to engage with processors, aggregators, large retailers, exporters etc. in a fair and transparent manner.
- Risk mitigation for farmers, assured returns and quality standardization shall form integral part of the framework.

Measures for supporting the poor

Free food grains supply to migrants for 2 months

- For the migrant labour, additional food grain to all the States/UTs at the rate of 5 kg per migrant laborer and 1 kg Chana per family per month for two months i.e. May and June, 2020 free of cost shall be allocated. Migrant laborers not covered under National Food Security Act or without a ration card in the State/UT in which they are stranded at present will be eligible.
- States/UTs shall be advised to put a mechanism for targeted distribution as envisaged in the scheme. 8 Lakh MT of food-grain and 50,000 MT of Chana shall be allocated.
- The entire outlay of Rs. 3500 crore will be borne by Government of India.

Rs 5,000 crore Credit facility for Street Vendors

- A special scheme will be launched within a month to facilitate easy

access to credit to Street vendors, who are amongst the most adversely impacted by the present situation for enabling them to restart their businesses.
    - Under this scheme, bank credit facility for initial working capital up to Rs. 10,000 for each enterprise will be extended.
    - This scheme will cover urban as well as rural vendors doing business in the adjoining urban areas.

Employment using CAMPA funds

    - Approximately Rs 6,000 crore of funds under Compensatory Afforestation Management & Planning Authority (CAMPA) will be used 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.
    - This will create job opportunities in urban, semi-urban and rural areas and also for Tribals (Adivashis).

Other Sector Wise Reforms

Coal Sector

Commercial Mining

- Introduction of competition, transparency and private sector participation in the Coal Sector through:
    - A revenue sharing mechanism instead of regime of fixed Rupee/tonne. Any party can bid for a coal block and sell in the open market.
    - There will be exploration-cum-production regime for partially explored blocks against earlier provision of auction of fully explored coal blocks. This will allow private sector participation in exploration.

Diversified Opportunities in Coal Sector

    - Coal Gasification / Liquefication will be incentivised through rebate in revenue share.
    - This will result in significantly lower environment impact and also assist India in switching to a gas-based economy.

Liberalised Regime in Coal Sector

- Coal Bed Methane (CBM) extraction rights will be auctioned from Coal India Limited's (CIL) coal mines.
- Ease of Doing Business measures, such as Mining Plan simplification, will be taken.
- This will allow for automatic 40% increase in annual production.

Mineral Sector

Enhancing Private Investments

- Introduction of a seamless composite exploration-cum-mining-cum-production regime.
- 500 mining blocks would be offered through an open and transparent auction process.
- Joint Auction of Bauxite and Coal mineral blocks to enhance Aluminum Industry's competitiveness will be introduced to help Aluminum industry reduce electricity costs.

Policy reforms in Mineral Sector

- The distinction between captive and non-captive mines to allow transfer of mining leases and sale of surplus unused minerals, leading to better efficiency in mining and production shall be removed.
- Ministry of Mines is in the process of developing a Mineral Index for different minerals.
- There will be rationalization of stamp duty payable at the time of award of mining leases.

Defence Sector

Enhancing Self Reliance in Defence Production

- 'Make in India' for Self-Reliance in Defence Production will be promoted by notifying a list of weapons/platforms for ban on import with year wise timelines, Indigenization of imported spares, and separate budget provisioning for domestic capital procurement.
- This will help reduce huge Defence import bill.
- Improve autonomy, accountability and efficiency in Ordnance Supplies by Corporatisation of Ordnance Factory Board.

Policy Reforms in Defence Production

- FDI limit in the Defence manufacturing under automatic route will be

raised from 49% to 74%.
- There will be time-bound defence procurement process and faster decision making will be ushered in by setting up of a Project Management Unit (PMU) to support contract management.
- Realistic setting of General Staff Qualitative Requirements (GSQRs) of weapons/platforms and overhauling Trial and testing procedures.

Civil Aviation Sector

Efficient Airspace Management for Civil Aviation

- Restrictions on utilization of the Indian Air Space will be eased so that civilian flying becomes more efficient.
- This will bring a total benefit of about Rs 1,000 crore per year for the aviation sector.
- This will lead to optimal utilization of airspace; reduction in fuel use, time and will have positive environmental impact.

More World-Class Airports through PPP

- 6 more airports have been identified for 2nd round bidding for Operation and Maintenance on Public-Private Partnership (PPP) basis.
- Additional Investment by private players in 12 airports in 1st and 2nd rounds is expected to bring around Rs. 13,000 crore.
- Another 6 airports will be put out for the third round of bidding.

Global hub for Aircraft Maintenance, Repair and Overhaul (MRO)

- Tax regime for MRO ecosystem has been rationalized. Aircraft component repairs and airframe maintenance to increase from Rs 800 crore to Rs 2,000 crore in three years.
- It is expected that major engine manufacturers in the world would set up engine repair facilities in India in the coming year.
- Convergence between Defence sector and the civil MROs will be established to create economies of scale, this will lead to maintenance cost of airlines to come down.

Power Sector

Rs 90,000 crore Liquidity Injection for DISCOMs

- Power Finance Corporation and Rural Electrification Corporation will

infuse liquidity in the DISCOMS to the extent of Rs 90000 crores in two equal instalments.
    - This amount will be used by DISCOMS to pay their dues to Transmission and Generation companies.
    - Further, CPSE GENCOs will give a rebate to DISCOMS on the condition that the same is passed on to the final consumers as a relief towards their fixed charges.

Tariff Policy Reform

Consumer Rights

- DISCOM inefficiencies not to burden consumers
- Standards of Service and associated penalties for DISCOMs
- DISCOMs to ensure adequate power; load-shedding to be penalized

Promote Industry

- Progressive reduction in cross subsidies
- Time bound grant of open access
- Generation and transmission project developers to be selected competitively.

Sustainability of Sector

- No Regulatory Assets
- Timely payment of Gencos
- DBT for subsidy; Smart prepaid meters

Privatization of Distribution in UTs

- Power Departments / Utilities in Union Territories will be privatised.
- This will lead to better service to consumers and improvement in operational and financial efficiency in Distribution.
- This will also provide a model for emulation by other Utilities across the country.

Space Sector

- Private sector will be allowed to use ISRO facilities and other relevant assets to improve their capacities.
- Future projects for planetary exploration, outer space travel etc shall also be open for private sector.
- There will be liberal geo-spatial data policy for providing remote-sensing

data to tech-entrepreneurs.

Atomic Energy

- Research reactor in PPP mode for production of medical isotopes shall be established to promote welfare of humanity through affordable treatment for cancer and other diseases.
- Facilities in PPP mode to use irradiation technology for food preservation – to compliment agricultural reforms and assist farmers shall also be established.
- India's robust start-up ecosystem will be linked to nuclear sector and for this, Technology Development-cum-Incubation Centres will be set up for fostering synergy between research facilities and tech-entrepreneurs.

Source: PIB

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