

RELIEF PACKAGE

**KEY HIGHLIGHTS OF RELIEF PACKAGES
ANNOUNCED BY FINANCE MINISTER ON
28.06.2021 IN VIEW OF 2ND WAVE OF
COVID-19**



Key Highlights of Covid Relief Packages Announced by The Finance Minister On 28th June 2021 in View of 2nd wave of Covid-19 Pandemic

The Union Finance Minister addressing the nation on 28th June 2021, announced a slew of measures to provide relief to diverse sectors affected by the 2nd wave of COVID-19 pandemic. The measures announced also aim to prepare the health systems for emergency response and provide impetus for growth and employment.

A total of 17 measures amounting to ***INR 6,28,993/-*** crores were announced.

3 broad categories of measures announced are:

- **Economic Relief from Pandemic**
- **Strengthening Public Health**
- **Impetus for Growth & Employment**

A summary of Measures announced by the FM are as under:

1. ECONOMIC RELIEF FROM PANDEMIC

A. LOAN GUARANTEE SCHEME FOR COVID AFFECTED SECTORS

Particulars	Measures of the Govt.	Impact
Loan guarantee scheme for covid affected sectors	<ul style="list-style-type: none"> • Loan guarantee scheme for health (INR 50,000 crores) & other sectors (INR 60,000 crores) • Aimed at scaling medical infrastructure targeting underserved areas. 	INR 110,000 crores

	<ul style="list-style-type: none"> • Measures include guarantee cover for expansion and new projects, interest rate capping, etc. 	
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B. EMERGENCY CREDIT LINE GUARANTEE SCHEME

Emergency credit guarantee	<ul style="list-style-type: none"> • Launched as a part of Atma Nirbhar Bharat Package in May, 2020 	INR 1.5 lakh crores
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**scheme
(ECLGS) for
various
sectors**

- ECLGS 1.0 , 2.0 and 3.0 have already resulted in credit disbursal
- Contact intensive sector would continue to be covered
- Limit of admissible guarantee and loan amount proposed to be increased above existing level of 20% of outstanding on each loan

	<ul style="list-style-type: none"> • Sector wise details will be finalized as per evolving needs • Overall cap of admissible guarantee proposed to be raised 	
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C. CREDIT GUARANTEE SCHEME THROUGH MFIs

Credit Guarantee Scheme to Facilitate	<ul style="list-style-type: none"> • Guarantee provided to Scheduled Commercial Banks for loans to new or 	INR 7,500 crores
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**Loans to 25
Lakh
Persons
Through
Micro
Finance
Institutions
(MFIs)**

existing NBFC-MFIs or MFIs

- Measures include:
 - Interest Rate capping at MCLR plus 2%
 - Maximum loan tenure of 3 years
- Focus on new lending, not repayment of old loans

- All borrowers (including defaulters upto 89 days) eligible
- Guarantee upto 75% of default amount for upto 3 years through National Credit Guarantee Trustee Company (NCGTC)

D. FINANCIAL SUPPORT FOR REVIVAL OF TOURISM

<p>Financial support to Registered Tourist Guides/Travel and Tourism Stakeholders</p>	<ul style="list-style-type: none"> • New Loan Guarantee Scheme for people in tourism sector to discharge liabilities and re-start businesses • Scheme to cover recognized tourist guides and recognized 	<p>—</p>
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	<p>Travel & Tourism Stakeholder.</p> <ul style="list-style-type: none">● Scheme to be administered by the Ministry of Tourism through NCGTC	
Free Tourist Visa	<ul style="list-style-type: none">● Once Visa issuance is restarted, the first 5 lakh Tourists Visas will be issued free of charge.	INR 100 crores

	<ul style="list-style-type: none"> • The scheme will be applicable till 31st March, 2022 or till 5,00,000 visas are issued, whichever is earlier 	
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E. REFORMS FOR CREATION OF NEW EMPLOYMENT

Extension of Atma Nirbhar Bharat	<ul style="list-style-type: none"> • Launched on 1st Oct, 2020 to incentivize employers for creation of new employment, restoration of 	<hr/>
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**Rozgar
Yojana**

loss of employment through
EPFO

- Subsidy provided for two years from registration for new employees drawing monthly wages less than Rs. 15000
- Scheme extended from 30.06.2021 to 31.03.2022

F. ADDITIONAL ALLOCATION TO EXISTING RELIEFS

<p>Additional Subsidy for DAP and P & K fertilizers</p>	<ul style="list-style-type: none"> ● Existing NBS Subsidy has been increased: <ul style="list-style-type: none"> ○ Additional subsidy has been provided for DAP ○ Additional subsidy has been provided for NPK based complex fertilizer 	<p>INR 14,775 crores</p>
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Extension of Pradhan Mantri Gareeb Kalyan Anna Yojana (PMGKAY)	<ul style="list-style-type: none">● PMGKAY was launched on 26th March 2020 to ameliorate the hardships faced by the poor due to economic disruption caused by COVID 19 Pandemic● In the wake of the second wave of COVID-19, the scheme was relaunched in	INR 93,869 crores
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	<p>May 2021 to ensure food security of poor/vulnerable</p> <ul style="list-style-type: none"> • 5 kg of food grains will be provided free of cost to NFSA beneficiaries from May to November 2021 	
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2. STRENGTHENING PUBLIC HEALTH

A. HEALTH REFORMS AND INITIATIVES

<p>Public Health with emphasis</p>	<ul style="list-style-type: none"> • New scheme focused on short term 	<p>INR 15,000 crores</p>
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**on children
and paediatric
care/paediatric
beds**

emergency
preparedness with
special emphasis on
children and paediatric
care/paediatric beds.

- 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	
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3. IMPETUS FOR GROWTH & EMPLOYMENT

A. Reforms to provide impetus for growth & employment

Release of Climate Resilient	<ul style="list-style-type: none"> • Aims at fighting malnutrition and improving farmer's income 	—
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Special Traits Varieties

- ICAR has developed bio-fortified crop varieties:
 - That have high nutrients like protein, iron, zinc, vitamin-A
 - Are tolerant to disease, insects & pest, harsh climate, etc.

Revival of North Eastern Regional Agricultural Marketing Corporation (NERAMAC)	<ul style="list-style-type: none">● Aims to enhance agricultural, procurement, processing and marketing infrastructure in North East● Proposes to set up North-Eastern Centre for Organic Cultivation, facilitating equity	INR 77.45 crores
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	finance to entrepreneurs	
Boost for Project Exports through National Export Insurance	<ul style="list-style-type: none"> • Aims at providing covers to buyer's credit, given by EXIM Bank, to less creditworthy borrowers and supporting project exporters 	INR 33,000 crores

Account (NEIA)	<ul style="list-style-type: none">● Proposed to provide additional corpus to NEIA over 5 years to allow it to underwrite project exports	
Boost to Export Insurance Cover	<ul style="list-style-type: none">● Aims at boosting export insurance cover in order to promote India's merchandise export	INR 88,000 crores

	<ul style="list-style-type: none"> • Proposed to infuse equity in Export Credit Guarantee Corporation 	
<p>Broadband to each Village through BharatNet PPP Model</p>	<ul style="list-style-type: none"> • Objective is to promote Digital India • Aims at expansion and upgradation of BharatNet to cover all Gram Panchayats and inhabited villages: 	<p>INR 19,041 Crores</p>

	<ul style="list-style-type: none">○ Broadband connectivity to all inhabited villages○ Implementation of BharatNet in PPP model on viability gap funding basis	
Extension of Tenure of PLI Scheme for Large Scale	<ul style="list-style-type: none">● Aimed at providing incentive of 6% to 4% on incremental sales of goods under target	—

Electronics Manufacturing

segments that are manufactured in India, for a period of five years.

- Earlier applicable from 01.08.2020 (Base year 2019-2020).
- Tenure of the scheme launched in 2020-21 is proposed to be

	<p>extended by one year i.e., till 2025-26</p> <ul style="list-style-type: none"> • Participating companies will get option of choosing any five years for meeting their production targets under the scheme 	
Reform Based Result Linked	<ul style="list-style-type: none"> • Revamped reforms-based, result-linked 	INR 3.03 Lakh Crores

Power Distribution Scheme

power distribution
scheme of financial
assistance to DISCOMS

- Aims at infrastructure creation, up-gradation of system, capacity building and process improvement
- Participation contingent to pre-qualification criteria

	<ul style="list-style-type: none">● Ongoing works of IPDS, DDUGJY and SAUBHAGYA will be merged	
New Streamlined Process for PPP Projects and Asset Monetisation	<ul style="list-style-type: none">● Aim is to ensure speedy clearance of projects to facilitate private sector's efficiencies in financing construction	—

and management of
infrastructure

- New policy will be formulated for appraisal and approval of PPP proposals and monetization of core infrastructure assets, including through InvITs

FINANCIAL DETAILS OF COVID RELIEF PACKAGES AT A GLANCE

S.No	Scheme	Period	Amount (INR In Crores)	Remarks
ECONOMIC RELIEF FROM PANDEMIC				
1.	Loan Guarantee Scheme for COVID Affected Sectors	2021-22	1,10,000	

2.	Emergency Credit Line Guarantee Scheme (ECLGS)	2021-22	1,50,000	Expansion
3.	Credit Guarantee Scheme for Micro Finance Institutions	2021-22	7,500	
4.	Scheme for tourist guides/stakeholders	2021-22	-	Covered under loan guarantee scheme

5.	Free One Month Tourist Visa to 5 Lakh Tourists	2021-22	100	
6.	Extension of Atma Nirbhar Bharat Rozgar Yojana	2021-22	-	
7.	Additional Subsidy for DAP & P&K fertilizers	2021-22	14,775	

8.	Free food grains under PMGKY from May to November, 2021	2021-22	93,869	
STRENGTHENING PUBLIC HEALTH				
1.	New Scheme for Public Health	2021-22	15,000	Scheme outlay Rs 23,220 Cr; Central Share Rs 15,000 Cr

IMPETUS FOR GROWTH & EMPLOYMENT

1.	Release of climate resilient special traits varieties	2021-22	-	
2.	Revival of North Eastern Regional Agricultural Marketing Corporation (NERAMAC)	2021-22	77	

3.	Boost for Project Exports through NEIA	2021-22 to 2025-26	33,000	
4.	Boost to Export Insurance Cover	2021-22 to 2025-26	88,000	
5.	Broadband to each village through BharatNet PPP Model	2021-22 to 2022-23	19,041	
6.	Extension of Tenure of PLI Scheme for			Time extension

	Large Scale Electronic Manufacturing			
7.	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	

For details, please refer the link below to Press release of Ministry of Finance dated 28th June 2021 & Presentation on relief packages

<https://pib.gov.in/PressReleasePage.aspx?PRID=1730963>

<https://static.pib.gov.in/WriteReadData/specificdocs/documents/2021/jun/doc202162821.pdf>

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