



Mrunal's Win20CSP Economy Update Pillar#2B: Atma Nirbhar Bharat

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👤🖨️ DON'T PRINTOUT YET, WAIT for final update of this PDF

- ⇒ **Mitron, Do not take print out YET**, because this topic is still developing, its dust is yet to settle and prelim is 4 months away. **So, I may have to release an updated handout of this at later stage.**
- ⇒ **Consider this only a temporary revision handout-** that deals only with Atma Nirbhar Bharat, & a few associated topics like economic survey chapters, PM CARES funds etc.
- ⇒ 25 other topics also happening parallel by Indian Government, Foreign Governments and Supreme Court PIL judgements. But we will look at them later, when the dust settles. If I add all of them here → clarity over the Atma nirbhar topic will be lost.
- ⇒ **It's presumed that you've finished my entire economy course**, and know the terms already explained there (e.g. PM JanDhan, EPFO, Helicopter Money, Hot Money etc.) **IF NOT, welcome to join my next online batch starting from mid-June 2020**
 - **Coupon Code:** Mrunal.org for 10% discount
 - **Registration Link:** <https://unacademy.com/course/mrunals-economy-full-course-for-upsc-prelims-mains-2021-507/QTOO36CS>

👤👤 Introduction to ATMANI

- ⇒ (Origin) 2020-March: Government of India initiated nationwide lockdown to prevent the spread of Corona/COVID-19 pandemic. (कोरोना महामारी के चलते देशव्यापी तालाबंदी)
- ⇒ This lockdown affected the income and livelihood of everyone from corporate companies to common citizens of India. (सबकी आजीविका को हानी हुई)
- ⇒ Therefore, to revive the economy, Prime Minister of India launched Atma Nirbhar Bharat stimulus package in 2020-May. (अर्थव्यवस्था को पुनर्जीवन / प्रोत्साहन का आर्थिक पैकेज)
- ⇒ It's centred on five pillars of - Economy, Infrastructure, System, Demand and Vibrant Demography (स्फूर्तिशील जनसांख्यिकी).



Table 1: (DATA) 🧠 Atma Nirbhar Bharat consists of

DATE	🧠 Components of Atma Nirbhar Bharat	Amt in lakh cr
2020-Mar to May	1) RBI's monetary policies →	₹8 lakh cr
2020-Mar	2) PM GARIB KALYAN (PMGKY): Covid Relief Package →	₹1.70-1.90
2020-May	3) FM Nirmala.S made new announcements made like Credit guarantee for MSME, 📉 TDS rates, PM Matsya Samda Yojana, Agri infra fund etc.	₹11
ATMANI = 1+2+3=Total मार पीट के जोड़ी गयी रकम → 10% of GDP		= ₹20 lcr approx

1 🧠🐯 PILLAR1: BANKING, FINANCE, INSURANCE में ATMANI

While we've studied/covered some of the following reforms in earlier handouts/lectures but for the sake of comprehensive revision note on 🧠 ATMANI, it's necessary to repeat/re-paste it here.

Area	🧠 ATMANI's main thrust areas/ reform focus
Banking, Finance, loans, NPA	<ul style="list-style-type: none"> - Increasing loanable funds / making loans cheaper by 📉 CRR, repo, Suspending loan repayment and IBC proceedings - Special windows to help NBFCs, HFCs, Mutual Funds - More loans to MSME through credit guarantee - More loans to Govt through Ways and means advances - Refinancing AIFI (SIDBI, NABARD, EXIM, NHB) - deferring BASEL norms
SEBI/ corporate governance	<ul style="list-style-type: none"> - Companies Act relaxed to promote ease of doing Biz
Insurance	<ul style="list-style-type: none"> - ₹50 lakh health insurance for health workers
Pension Fin.Inclusion	<ul style="list-style-type: none"> - EPFO: Government to contribute some ₹₹ into workers' account - ESIC coverage expanded - Social security for gig-workers (like Zomato delivery boys) - Women PM-Jan Dhan holder be given ₹500 - Poor elderly, widows and disabled to be given ₹1,000

^many other small /technical reforms as well, but if asked Mains to write in 150-250 words, you need to highlight only the main features. Now, let's look at them one by one for prelims:

1.1 🧠🐯📢 RBI'S MONETARY POLICIES: CORONA MARCH-APRIL '20

2020-March, last week	⇒ RBI Monetary Policy Committee (MPC) meetings are held at the interval of 2 months. So after the previous release in February 2020 → next release was scheduled in 2020-April ⇒ But, due to Corona outbreak, RBI held the meeting sooner in the last week of March-2020, instead of April.
2020-April, 17 th	⇒ As we learned, MPC Committee only has one task- decide repo rate. All other measures like CRR cut, EMI moratorium, BASEL-III implementation etc depend solely on RBI Governor's discretion. These measures don't require MPC Voting or approval.



	⇒ So, in 2020-April, RBI governor (को सपना आ जाता है और वो) holds press conference announcing some additional measures to revive economy against Corona.
2020-May	⇒ As per bi-monthly (2-2- months) pattern, this meeting was planned in 2020-June but was advanced to May due to Corona

The gist of above March-April-May announcements are as following (and they're considered to be part of 🇮🇳ATMANI):

1.1.1 🇮🇳🇮🇳: Cash Reserve Ratio ⬇️ to ⬆️ loanable funds

- ⇒ 100 bps cut (meaning 1%) cut in CRR so $4\% - 1\% = 3\%$ CRR for a period of 1 year (upto 2021-March).
- ⇒ This will ⬆️ the loanable funds available with the banks by about ₹1.37 lakh crores.
- ⇒ ~~Further, Banks are required to calculate CRR on a fortnightly (15 days) basis. They have to maintain at least 90% of that amount in CRR on daily basis. RBI also ⬇️ minimum daily CRR balance maintenance from 90% to 80% upto 2020-June. But this part of information is not really important for the scope of civil service exam. So, don't lose sleep if some idiotic private Mocktest quiz master framing MCQs like this.~~

1.1.2 🇮🇳🇮🇳: Repo Rate ⬇️ to cheapen the loans & revive economy

- ⇒ REPO Rate ⬇️ from 5.15 to 4%
- ⇒ **Stance:** Accommodative. Means in the next meeting they will either ⬇️ repo or keep it unchanged. But no chance of ⬆️ the repo rate in next meeting.
- ⇒ **Benefit?** RBI expects that inflation will be under control because
 - monsoon will be normal so food prices (& resultant inflation) will be under control.
 - Corona-led Economic slowdown → demand ⬇️ → inflation should ⬇️.
 - Crude oil prices also under control due to Corona slowdown.
 - Therefore, large reduction in repo rate is justified to boost economic growth, because inflation is going to be remain under control.

1.1.3 🇮🇳🇮🇳 Reverse Repo Rate cut & Policy corridor Changed asymmetrically

	MSF	REPO	Reverse Repo	Total width
What?	Banks borrow short term funds from RBI by pledging G-Sec from SLR-quota	All clients borrow short term funds by pledging G-Sec. But, banks can't pledge SLR quota G-Sec	Clients park surplus funds in RBI to earn interest	
Before	R+25 bps	R%	R-25 bps	25+25=50bps
After	R+25 bps	R%	R-65bps*	25+65=90bps
2020-May	4.25%	4.00% (40bps cut)	3.35%	25+65=90bps

- ⇒ *Corona led economic slowdown → Loan demand ⬇️ → banks parking their excess funds in RBI to earn interest in the form of reverse repo rate.
- ⇒ 2020-March: banks parked ~3 lakh crores in RBI in Reverse Repo.
- ⇒ So, RBI has drastically ⬇️ the reverse repo rate to discourage such laziness of banks.
- ⇒ **Benefit of reverse repo reduction?**
 - ✓ IF SBI offers 5.9% Fixed deposit interest rate to depositors, and parks it in the RBI reverse repo rate (3.35%) then SBI will actually make losses.



- ✓ So, RBI hopes SBI will now be 'forced' to give loans in a proactive manner (through SMS-spam, email-spam and unwanted telemarketing calls)

1.2 🧐🔪🏠🏦 LOANS TO NBFCs UNDER ATMANI

- ⇒ During March-May monetary policies: RBI created new windows / increased loaning facilities towards Bank/NBFC.
- ⇒ Atmanirbharat: Government agreed to provide credit guarantee cover to some of these facilities. Overall picture is following:

1.2.1 🧐🔪🏠🏦 Targeted Long Term Repo Operations (TLTRO: लक्षित दीर्घकालिक रेपो)

- ⇒ **Tenure?** upto 3 years
- ⇒ **Interest Rate?** FLOATING RATE linked with REPO Rate. Its exact formula? NOTIMP
- ⇒ **Total quantity?** round 1.0 = ₹1 lakh crore, round 2.0 = ₹50,000 crore but figures NOTIMP.
- ⇒ If a bank borrows ₹ from this window → then
 - within "X" number of days,
 - bank must invest Y% of this borrowed money
 - in Debt market instruments/ debt securities (such as corporate bonds/non-convertible debentures, commercial papers etc.) issued by "Z" borrower.
 - "Z" could be a Corporates, Mutual Funds, Non-Banking Financial Companies (NBFCs) and housing finance companies (HFCs).
- ⇒ **Benefit?**
 - Debt securities are primary source of funding for NBFCs and HFCs. This measure will help them obtain funds to revive business.
 - Similarly, Mutual Funds and Corporates who need funds, will benefit.
- ⇒ ~~Other motives behind the TLTRO involve "flight of foreign investors & its impact on bond yield" etc. but that long-winded cause-effect PHD has poor cost benefit for MCQs. So, we'll not waste time.~~

1.2.2 🧐🔪🏠🏦 RBI's special or flexible liquidity window to help MF

Franklin Templeton Mutual Fund (MF) decided to stop / windup some MF schemes in India, because they can't generate good returns during the Corona crisis. (esp. in the schemes where clients ₹ were invested in low-grade bonds.)

- ⇒ So, Fund manager will liquidate (=sell off) the securities → return money to investors.
- ⇒ Investors panicked because
 - Fund manager did not give clear timelines about money refund.
 - even if Fund manager tries to sell off its held bonds, it is difficult to find buyers at the right price so MF-investors may lose money.
 - Alleged financial scam angle.
- ⇒ **RBI reform? Special or flexible liquidity window to help Mutual Funds**
 - From this window, banks borrow from RBI → Bank uses it to either
 - give loans to Mutual Fund or
 - Use the ₹ to buy debt-securities from Mutual Fund

What is the total amount of funds in this special window? Do banks need to pledge G-Sec to borrow? How much interest is charged? What's the tenure? Ans. Low profile technical reform to a crisis affecting a small segment of financial market. So such PHD = poor cost benefit for exam.

1.2.3 🧐🔪🏠🏦 Special Liquidity Scheme for NBFC/HFC (खास तरलता योजना)

- ⇒ FinMin → Dept of FinServices will form a Special purpose Vehicle (SPV) company.



- ⇒ This company will provide Credit Guarantee (ऋण अदायगी गारंटी) to debt securities issued by Housing Finance Companies (HFC) and Non-Banking Financial Companies (NBFCs: गैर बैंकिंग वित्तीय कंपनियां).
- ⇒ Thus, debt securities' credit rating will \uparrow = investors will find it safe to park money without demanding high interest.
- ⇒ If HFC/NBFC is unable to repay the Principal or interest on its debt securities → SPV will pay it to the investor. [Total cover is ₹30,000 crores.]
- ⇒ **Benefits?**
 - Mutual Fund companies will feel safe parking clients money in NBFC/HFC = economic revival.
 - HFC/NBFC may lend such borrowed funds to Microfinance institutions (MFI)= help poor borrowers.

1.2.4 Partial Credit Guarantee Scheme (PCGS) 2.0

- ⇒ Budget 2019: If NBFCs/ MFCs/Micro Finance Institutions (MFIs) borrowed money by issuing debt securities (Bonds or Commercial Papers) → Public sector banks (PSB) invested in it → but borrower default then the government paid 10% of loss to PSB.
- ⇒ Corona= total 20% loss cover guaranteed to PSB. (सार्वजनिक बैंकों को आंशिक क्रेडिट गारंटी)

1.2.5 Special Refinance Facility for AIFI (All India Financial Institutions)

RBI gave additional refinancing to AIFI (अधिक पुनर्वित्त देंगे)

1. National Bank for Agriculture and Rural Development (NABARD) → more loans towards Cooperative Banks, RRBs
2. Small Industries Development Bank of India (SIDBI) → towards small industries
3. National Housing Bank (NHB) → housing finance companies
4. Export-Import Bank of India (EXIM) → towards exporters, importers

1.3 LOANS TO INDIVIDUALS, MSME AND COMPANIES IN ATMANI

1.3.1 Loan/EMI/NPA relief / Moratorium (ऋण अदायगी पर रोक)

- ⇒ IF a loan is outstanding as of 1/MAR/2020. THEN
- ⇒ **2020-March:** RBI allowed moratorium/suspension for March, April, May
- ⇒ **2020-May:** extended for another 3 months: June, July, Aug.
- ⇒ This applies to: All commercial banks (including regional rural banks, small finance banks and local area banks), co-operative banks, All-India Financial Institutions, and loan giving NBFCs (such as housing finance companies and micro-finance institutions)

2020	How loan moratorium/suspension works
March	Suppose there is due date for monthly loan instalment but borrower opts for moratorium so he need not pay principal/interest.
April	Same as above
May	Same as above
June	Same as above
July	Same as above
Aug	Same as above
Sept	Due date for monthly loan instalment AND borrower needs to Pay.
Oct	Due date for monthly loan instalment AND borrower needs to Pay.



Nov	Due date for monthly loan instalment AND borrower needs to Pay.
Dec	<p>⇒ IF borrower stopped paying loan instalments since Sept's due date, then by this time it'll have crossed 90 days from due date.</p> <p>⇒ And we know that Non-Performing Asset (NPA: अनर्जक परिसंपत्ति)= if principal or interest unpaid for more than 90 days from due date.</p> <p>⇒ So, this account will be classified as Non-Performing Asset (NPA).</p> <p>⇒ However, if we look from March to Nov= total 9 months or 270 days no loan is classified as NPA.</p>

1.3.2 🐼🦋🦋🦋 Loan Moratorium: how it benefits borrower

- ⇒ If his income ↓ due to Corona, he gets relief from Equated Monthly Instalments (EMIs) for 3 months. (It's not compulsory to skip EMI. Borrower can repay loan regularly, if his financial situation is sound.)
- ⇒ If a borrower opts for moratorium, it'll not be considered into his credit score / rating prepared by the credit information companies (CICs)
- ⇒ **Challenge / controversy?**
 - ✓ If he doesn't pay for 3 months, then Banks will continue to charge interest (on those 3 months) and add it to the total outstanding loan → compound interest rate system → his total burden may ↑
 - ✓ **SC PIL:** interest should be waived. But RBI opposed, because if borrowers don't pay interest, then how can banks give interest to depositors for their deposits. Banking system will become unsustainable!

1.3.3 🐼🦋🦋🦋 Loan Moratorium: how it benefits lender?

- ⇒ Unpaid loan doesn't accumulate under the 'NPA' category for a bank. Otherwise, their responsibilities may increase unnecessarily in
 - ✓ RBI Prompt Corrective Action (PCA) Framework
 - ✓ BASEL-III Capital norms

1.3.4 🐼🦋🦋🦋 RBI orders bank to pause/halt the Dividend Distribution

- ⇒ scheduled commercial banks and cooperative banks shall not make any further dividend payouts from profits made during FY 2019-20 until further instructions.
- ⇒ This will help the banks to conserve funds and absorb losses in an environment of heightened uncertainty in CORONA.



1.3.5 🦋🦋🦋 Loans → Insolvency & Bankruptcy code proceedings suspended

- ⇒ 🦋ATMANI: Government orders no fresh case will be registered in IBC code for upto next one year. (=suspended, नए केसों की कार्रवाई को स्थगित किया गया.)
- ⇒ **Before:** Insolvency bankruptcy code proceeding could be initiated for business loans default of minimum ₹1 lakh/>>.
- ⇒ **After:** Minimum ₹1 crore/>>. So even after suspension is lifted, most of the MSME will be spared from IBC proceedings.

1.3.6 🦋🦋🦋 Loans → MSME: new definition, ECLGS, subordinate debt, Equity infusion

- ⇒ Refer to ATMANI → Pillar4B part of this handout.



1.4 🧐🔍🧐🧐 RBI & STATES LOANS IN 🧐ATMANI

RBI relaxed the WMA and Consolidated Sinking Fund norms to help in govt's borrowing

1.4.1 🧐🔍🧐🧐 Ways and Means advances (WMA)

- ⇒ When Govt faces short term mismatch in receipt (income) and payment (Expenditure)
- ⇒ RBI Lends money on short term (3 months). Not counted in fiscal deficit figure.
- ⇒ Corona-crisis: \uparrow mismatch in cashflow because
 - \downarrow Govt Income: Sales \downarrow GST, Govt gave extension in tax payment deadlines
 - \uparrow Expenses: free LPG, food, mask etc.
- ⇒ So, RBI \uparrow WMA limits by 60% than before to help the Union (1.20lcr) and State Governments (₹51,560cr collectively).
- ⇒ If upto above amount of ₹ borrowed = its WMA: loan interest = repo%
- ⇒ If beyond above amount borrowed then 'Overdraft': loan interest repo+2%

^ above % or quantity not imp for scope of exam

1.4.2 🧐🔍🧐🧐 Consolidated Sinking Fund (CSF)

- ⇒ Started in 1999. It has >₹1.25 lakh crore by 2019. (समेकित घाटा निपटान निधि)
- ⇒ Annually, State Government has to contribute money equal to 1-3% of its outstanding market loans to this fund, kept with RBI.
- ⇒ CSF is a fund outside consolidated fund of the State and public account of the State.
- ⇒ CSF meant to be used for only 1 purpose= repayment/redemption of loans taken by the State Government. (बकाया ऋण चुकाने के लिए ही इस निधि का उपयोग होगा)
- ⇒ 2020-May: RBI relaxed technical norms related to withdrawal of ₹ from CSF till 31/3/2021 to help the State Governments. (तकनीकी नियमों में कुछ छूट दी गयी)

1.5 💰🇺🇸 CURRENCY EXCHANGE RATE → ATTRACTING DOLLARS: VRR AND FAR

To prevent weakening of ₹, we've to attract more \$ (and other foreign currencies) in India. So, RBI taken following notable measures:

Voluntary Retention Route (VRR: स्वैच्छिक अवधारण मार्ग)	⇒ Launched in 2019: If an FPI buys Indian Union/State Governments' G-Sec and Indian Corporates' Bonds through this route → FPI will be given more freedom in certain technical regulations of RBI & SEBI. ⇒ But, with condition= FPI must remain invested in India for minimum 3 years. (HotMoney वाला गेम खेल के भाग नहीं सकते) ⇒ RBI decides quantitative limits to how much money can FPI invest through this route.
Fully Accessible Route (FAR: सम्पूर्णतः सुगम्य मार्ग)	⇒ Budget-2020 had announced allowing non-resident investors to invest in G-Sec, without any restrictions. ⇒ 2020-March: RBI announced this window, non-resident individual investors (who're not FPI) can buy G-Sec. ⇒ No limits on amount of investment.

Benefit? Investors will convert \$ & other foreign currency into ₹ currency to buy G-Sec= more \$\$ coming towards India = helps keeping BoP and currency exchange rate stable during crisis.



Side note: RBI frequently \uparrow / \downarrow in FPI investment quota/limits in G-sec, depending on how RBI wants to shape bond-yield, flow of dollars & available quota of G-sec for local investors to play its repo & OMO games. But that ball by ball chase is NOTIMP.

1.6 🐼🦋: BASEL NORMS DEFERRED IN CORONA

1.6.1 🐼🦋📅 BASEL Norms: RBI deferred some norms

- ⇒ Liquidity Coverage Ratio, Capital Conservation Buffer (CCB), Net Stable Funding Ratio (NSFR) etc norms deferred/postponed.
- ⇒ ~~We need not loose sleep over new deadlines, as they may again get extended. So, dynamic information = dangers of answerkey becoming invalid, so, smart examiners usually avoid it.~~

1.6.2 🌐🦋📅 BASEL Norms: Switzerland's body deferred some norms

- ⇒ Some of the BASEL norms were to be effective from 1/1/2022 ~~such as IRB approach for credit risk, operational risk framework, CVA framework, market risk framework, Pillar 3 disclosure requirements. (what these words mean= NOTIMP)~~
- ⇒ Basel Committee's oversight body (group of Central Bank Governors in BIS) have deferred them to 1/1/2023.

1.7 📦 PILLAR1C: SEBI/CORPORATE GOVERNANCE IN 🐼ATMANI

Even before Atma Nirbhar, SEBI deferred many of its technical guidelines on listed companies. But, poor cost benefits chasing it for MCQ.

1.7.1 🐼ATMANI reforms in Share market

- ⇒ **Before:** direct listing by the Indian companies on foreign stock exchanges was not permitted. Likewise, foreign companies are also not allowed to directly list their equity shares on the Indian stock exchanges.
 - So companies had to use ADR/GDR/BharatDR type mechanisms,
 - But, relatively difficult to attract investors in through ADR/GDR routes, nowadays.
- ⇒ After 🐼ATMANI: Indian public companies allowed to directly list their shares in foreign nations stock exchanges. → Foreign capital/dollars can be attracted towards India → capital formation \uparrow → economic revival.

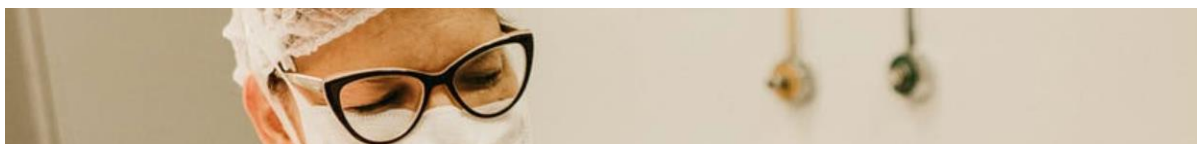
1.7.2 🐼🦋📦👤 Corporate Governance → Companies Act relaxed

- ⇒ Companies Act requires the companies to hold Meeting of the board of directors, and meeting of the shareholders every "x" number of days etc. This norm is relaxed due to corona lockdown. Guidelines also provided for e-voting and video conferencing.
- ⇒ Companies (Amendment) Bill, 2020 → Many offences under Companies Act have been decriminalised
 - i.e. villains can settle by paying fines, & he'll not face arrest/jail.
 - E.g. if Corporate social responsibility reports not submitted to Government on time, delay in holding Annual General Meeting of the shareholders etc.
- ⇒ We'll reduce Fines/penalties for Small Companies, One person Companies, Start Ups and Producer Companies*.
- ⇒ *A Producer Company (PC) is a registered company by a group of farmers/ agriculturists. We had learned about them in pillar4: Farmer Producer Company (FPC)



1.8 1D → INSURANCE & PENSION REFORMS IN ATMANI

💡 ATMANI's main focus here: ₹50 lakh health insurance for Corona health-warriors, ESIC coverage expanded, EPFO = Government to contribute money, social security for gig-workers (like Zomato Delivery boys), Women PM Jan Dhan Account = ₹500 deposit, poor elderly, widows, PH = ₹1000.



1.9 1D: INSURANCE → FOR HEALTH WORKERS FIGHTING CORONA

- ⇒ ATMANI → PM Garib Kalyan → this scheme
- ⇒ ₹50 lakh accident insurance scheme cover for health workers involved in managing the Coronavirus such as doctors, nurses, paramedical staff, ASHA workers etc.
 - If corona illness death / corona duty related accidental death (like mob lynching & stone pelting) = family gets ₹50 lakhs.
 - If corona led illness but recovered AND NOT DIED = no ₹ given to anyone. ~~(beoz presumed that health worker will get free treatment in Government hospital)~~
- ⇒ Age limit? None.
- ⇒ Company? New India Assurance, a public sector general insurance company.
- ⇒ Who pays premium? Ministry of Health and Family welfare
- ⇒ Duration? Period of 90 days, starting from March 30, 2020.

1.9.1 Insurance → ESIC Health Insurance

- ⇒ ESIC act = basically workers' medical insurance and unemployment allowance.
- ⇒ BEFORE: ESIC Act compulsory enrolment of (lower middleclass) workers in any establishment with 10/> employees.
- ⇒ AFTER ATMANI: Even if an establishment has <10 employees, they'll be covered in ESIC. This will become
 - compulsory for hazardous industries
 - voluntary for Non hazardous industries



1.9.2 Pension/Insurance → EPFO

- ⇒ EPFO applies to any establishment with 20/> workers. Among them, workers earning less than ₹15k per month salary = x% of their salary + y% from boss's pocket goes into EPFO = this we've learned in Pillar4D. ATMANI makes following reforms in it

EPFO →	worker	Boss	ATMANI Reform
Small firm (up to 100 workers)	12%	12%	⇒ Total 24% goes to EPFO ⇒ PM Garib Kalyan: Government to deposit this 24% deposit from its own pocket, for 3 months viz. March, April, May 2020. ⇒ ATMANI = we'll extend it for another 3 months = June July August 2020.



EPFO →	👤 worker	👤 Boss	👤 ATMANI Reform
Large firm (more than 100 workers)	12% 10%	12% 10%	<p>⇒ 🤖 Govt will not deposit ₹ from its own pocket for large firm (e.g. Reliance or Tata who've more than 100 workers.)</p> <p>⇒ So for them, workers and boss have to deposit ₹ from their own pocket into EPFO.</p> <p>⇒ But, government has ⬇️ their percentage from 12+12=24% to 10+10=20% (so that worker and boss will be left with more money to spend in their hands= demand⬆️= economic revival)</p>

1.9.3 EPF Withdrawal norms relaxed (खाते से रुपए निकालने के नियमों में छूट)

- ⇒ Further, EPFO's Employee provident fund (EPF) = worker (and his employer*) contributes money for his retirement.
- ⇒ Worker may withdraw part of the money before retirement age, subject to certain conditions like medical emergency, home buying, marriage of children etc.
- ⇒ So, 2020-March: PM Garib Kalyan Package → labour ministry allowed EPFO subscribers' to withdraw upto "X%" of EPF fund to help the workers during lockdown.

1.9.4 👤 Workers Minimum Wages & Social security in 🤖 ATMANI

- ⇒ The right to minimum wages will be applied to both organised and unorganised sector workers. (Earlier unorganised sector workers were not covered. असंगठित क्षेत्र में भी न्यूनतम वेतन का हक दिया जाएगा)
- ⇒ Appointment letter & annual health check-up for all employees. (नियुक्ति पत्र, स्वास्थ्य जांच) → formalization economy
- ⇒ Social security schemes will be extended to Gig workers and platform workers (गीग प्रणाली के श्रमिक e.g. Zomato delivery boys, Urbanclap beautician, uber taxi drivers etc.)
- ⇒ 👤 Women workers can be employed for all night work, IF safety arrangements made.
- ⇒ 🤖 ATMANI → PM GaribKalyan → Central Government's Building and Other Construction Workers Act, 1996: → workers contribute ₹ to a fund held by the State Government. State Governments ordered to use this money for helping them during COVID-19
- ⇒ Portability (सुवाह्यता) of social security benefits to migrant workers. E.g. If a construction worker deposits a premium in Gujarat building workers welfare fund → Afterwards he returns back to home state Odisha, he will get pension from there.

Sidenote: Lot of controversy because government has relaxed/suspended the labour laws during Corona, but we will study it separately under pillar 4. This Handout's objectives only 🤖 ATMANI

1.9.5 🤖 Social Security for Poor women, elderly, PH



- ⇒ 🤖 ATMANI → PM GaribKalyan → ₹500 per month to 20 crore women Jan Dhan accounts for three months.
- ⇒ ₹1,000 to poor senior citizen, poor widows & poor disabled (total 3cr person covered)



2 🏠 PILLAR2: TAXATION, DISINVESTMENT, DEFICIT & 🏠 ATMANI

2.1 🏠 TAXATION → 🏠 ATMA NIRBHAR BHARAT REFORMS

- ⇒ **Tax Ordinance 2020:** Income tax, TDS, TCS and GST filing date extended to June 30/30, Vivad se Vishwas Scheme & Sabka Vishwas LDS extended
- ⇒ Income tax refunds will be released in a faster manner.
- ⇒ Tax Deducted @Source (TDS) relaxation →
 - Whenever salary, contract, professional fees, interest, rent, dividend, commission, brokerage, etc. are paid, the payment giver is required to cut a certain % of the amount as TDS and deposit to the Income Tax Department. It helps in tracking tax evasion & tax avoidance. We had learned in original lecture series on budget.
 - These TDS rate% vary as per nature of payment. (It could be 0.5% on some payment, it could be 10% on some payment etc.)
 - FinMin has ⬇️ TDS% by 25% compared to their original rates so as to unlock ₹50,000 cr in the hands of people. = ⬆️ shopping → economic revival.

2.2 🏠 → 🏠 STRATEGIC DISINVESTMENT OF CPSE IN 🏠 ATMANI

- ⇒ Govt will notify a list of strategic sectors (महत्वपूर्ण / रणनीतिक क्षेत्र).

In Strategic sectors	In Non-Strategic sectors
⇒ We'll allow private players + We'll keep running at least one CPSE (Central Public Sector Enterprise: केंद्रीय सार्वजनिक क्षेत्र के उपक्रम). ⇒ If >1 CPSE already running for a given strategic sector then we will privatize / merge them into a single CPSE.	⇒ All CPSE will be privatized (=Strategic disinvestment) गैर-महत्वपूर्ण क्षेत्रों की सरकारी कंपनियों का निजीकरण कर देंगे।

2.3 🏠 🏠 FISCAL FEDERALISM: HELPING THE STATES IN 🏠 ATMANI

2.3.1 🏠 🏠 Helping States → Tax devolution and grants

- ⇒ Corona = Union's tax income ⬇️ ⬇️ but still Union has given the Tax Devolution and grants (कर अंतरण व अनुदान) to the states, as per the figures announced in the Budget and Finance Commission report.


2.3.2 🏠 🏠 Helping States → States' Fiscal deficit limits ⬆️

- ⇒ Constitution Article 239: States require union govt permission before borrowing money.
- ⇒ **Before:** Union had kept states net borrowing ceiling @3% of Gross State Domestic Product (GSDP)
- ⇒ 🏠 **After ATMANI:** 3% limit → raised to 5% for 2020-21. राज्य सरकार की राजकोषीय घाटे की मर्यादा को बढ़ाया गया।
- ⇒ But this relaxation will be linked to State Govt doing reforms in the areas of:
 - One Nation One Ration card scheme



- Ease of Doing Business (व्यापार मे सुगमता)
- Power distribution (बिजली वितरणमे सुधार)
- Urban Local Bodies (शहरी स्थानीय इकाइयोमे सुधार)

3 FISCAL DEFICIT: NEW DEVELOPMENTS

Mitron, Following section is not part of  ATMANI. In last handout, we saw FRBM trigger mechanism etc. This is just to update some data:

⇒ World Bank and BRICS New Development Bank (NDB) has given 1-1 billion dollar loan to India to fight Corona.

3.1.1 Fiscal Deficit for 2019-20

FinMin → Controller General of Accounts (CGA) has updated the data:

Fiscal deficit	2019-20
Originally planned in Budget 2019	3.3%
data Updated in 2020-Feb	3.8% of GDP
Ultimate reality	4.6% of GDP.

3.1.2 Fiscal Deficit for 2020-21

Fiscal Deficit	2020-21
Originally planned in Budget 2020	7.8 lakh cr
Data Updated in 2020-May	12 lakh cr.*


⇒ *In other words, Union to borrow more amount of money.

⇒ SBI research paper says that fiscal deficit is likely to be 7.9% for 2020-21 (But that depends on how much our GDP falls for current financial year 2020-21)

3.1.3 Fiscal Deficit = India sovereign rating ☆ ☆

Table 2: classification not important, sufficient to know AAA=best.

Rating →	Moody's sovereign rating ()
Prime	Aaa (e.g. US Treasury Bonds)
High grade	Aa1 to 3
investment grade: Upper medium	A1
investment grade: Lower medium	Baa1 to Baa3. 2020-June: India rating reduced to Baa3. because of weak fiscal position, rising fiscal deficit
Non investment grade (junk / रद्दी)	BA1 to lower ranks like "C".

So, now if India's sovereign rating  any step further= junk status= **Implications?**

⇒ Government will have to offer more interest to investors to lure them into buying g-sec

⇒ Flight of Foreign Capital from India (भारत से विदेशी पूंजी का उड़डयन/निर्गम):

- Foreign investors may fear Indian govt will default in payment of previous G-Sec
- So they'll dump it to other investors and run away from India.
- =Flight of capital from India = \$ strengthen, rupee weakens. (Why? Ref: pillar3)



3.1.4 🕒👤 Donation Funds: PMNRF vs PM CARES (दान)

PMNRF by Nehru 1948	PM CARES Fund by Modi 2020
⇒ PM National Relief Fund (PMNRF)	⇒ Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund
⇒ Originally for helping Pak-refugees. Nowadays for floods, cyclones, earthquakes, accidents, heart/kidney transplant, cancer, acid attack, riots etc.	⇒ For dealing with any kind of emergency or distress situation, e.g. COVID-19 pandemic
⇒ Not setup by Parliament. ⇒ No support given from the budget. ⇒ Only runs from donations of ordinary people and institutions & foreigners donations.	⇒ same
⇒ Donors get Income tax exemption. ⇒ If company donates money = counted under Corporate Social Responsibility (CSR).	⇒ same
⇒ PMO operates	⇒ same.
⇒ PM is the ex-officio chairman. He's assisted by officers.	⇒ Prime Minister is the ex-officio Chairman. ⇒ Ex-officio Trustees: Ministers of Defence, Home Affairs, Finance ⇒ 3 Nominated Trustees: health, science, social work, law etc. PM will select them.

Sidenotes:

- ⇒ 1962: a separate 'National Defence Fund (राष्ट्रीय रक्षा कोष/ निधि)' under PM to help military & paramilitary forces' families. Other features mostly similar to above funds.
- ⇒ Usually, such Government donation funds are registered under Indian Trust Act, 1882. But, some legal experts / critics suggest these donations should be brought under Public Account / Consolidated Fund to bring accountability & transparency.
- ⇒ Controversy? PM CARES Fund officials refused to give information to a person under Right to information Act (RTI), so now courtcase about applicability of RTI on this.

3.1.5 📄📦🔍 (Suggestion) Consol Bonds to mobilize funds for Corona revival

- ⇒ US Government (1870s) and British Government (1917) had issued Consol bond.
- ⇒ Consol is short form for 'consolidated annuities'.
- ⇒ Consol bonds have no maturity date. They are perpetual bonds that paid 4-5% interest rate (interest rate also known as 'coupon rate'), for an infinite time period.
- ⇒ However, in reality, the Government may redeem(/buyback) the bonds after certain years, by paying principal to the investor. (Recall AT1 Bonds in YesBank scam)



4 🧑🏫🧑🏫 PILL#4: SECTORS OF ECONOMY: ATMANI REFORMS

Sectors of Economy	🧑🏫 ATMANI's main thrust areas/ reform focus
Primary	<ul style="list-style-type: none"> - Agro: loans, legal reforms for APMC, food processing sector - Dairies: interest subvention - Fisheries: PM Matsya Sampada scheme - Mining sector reforms: ref pillar5 segment of this handout
Secondary Tertiary	<ul style="list-style-type: none"> - Electricity DISCOMs given funding - MSME definition changed, given protectionism in govt tenders - Ease of getting Loans and credit guarantee - Ease of doing biz for Corporates which we learned in 1C



4.1 🧑🏫🧑🏫 AGRO INPUT → FARMERS (कृषि)

- ⇒ 🧑🏫 ATMANI → PM GaribKalyan → ₹2000 PM-KISAN instalment to be paid ahead of time (also known as 'frontloading', अग्रभार/तय समय से पहले दे देना)
- ⇒ Suspension/Moratorium on the farm loans for 3 months. I.e. no compulsion to repay till June, July, August 2020. (कृषि ऋण-अदायगी स्थगित की गई)
- ⇒ Cheap loans via Kisan Credit Card will be given to PM KISAN beneficiaries, Fishermen and Animal Husbandry farmers. (रियायती ब्याज दर पे कृषि-ऋण देंगे)
- ⇒ NABARD to give additional refinance to Regional Rural Banks and Cooperative banks and. (क्षेत्रीय ग्रामीण बैंक और सहकारी बैंकों को पहले से अधिक पुनर्वित्त दिया जाएगा)
- ⇒ ₹ for NABARD's Rural infrastructure development fund → 📈 loans to states → 📈 rural infrastructure projects = job opportunities for poor people (ग्रामीण अवसंरचना निधि के द्वारा रोजगार सृजन)

4.2 🧑🏫🧑🏫 AGRO OUTPUT → SALES REFORM IN 🧑🏫 ATMANI



- ⇒ Minimum Support Prices (MSP: न्यूनतम समर्थन मूल्य) to be 📈.
- ⇒ Separately, 🧑🏫 ATMANI announced reforms APMC, contract farming and essential commodities act. To implement these reforms, three ordinances (अध्यादेश) signed by the President of India in 2020-June viz:

4.2.1 🧑🏫🧑🏫 Ordinance#1: on Farmers' Produce: Trade and Commerce

- ⇒ कृषि उत्पादन व्यापार और वाणिज्य अध्यादेश
- ⇒ Aims to fix shortcomings of State APMC Acts, (which we learned in Pillar4A handout)



⇒ Farmers can sell produce through competitive alternative trading channels (प्रतिस्पर्धी वैकल्पिक बिक्री माध्यम)-

- ⇒ (i) Within the state
- ⇒ (ii) Outside the state
- ⇒ (iii) via electronic markets

4.2.2 🏛️📜 Ordinance#2: on Farmers Agreement on Price Assurance & Farm Services

- ⇒ मूल्य आश्वासन और कृषि सेवा अध्यादेश
- ⇒ Nationwide uniform Framework for corporate farming (कॉर्पोरेट खेती के नियमों का ढांचा पूरे भारत में एक-समान होगा)
- ⇒ Will help farmers to engage with food processing firms, wholesalers, large retailers and exporters. (किसान को खाद्य प्रसंस्करण कंपनियों, थोक व्यापारी, निर्यातक से जुड़ने में मदद)
- ⇒ Farmer can sign such Corporate farming agreements for minimum one crop season and maximum to five years.

4.2.3 🏛️📜 Ordinance#3: on Essential Commodities Act (आवश्यक वस्तु अधिनियम)

- ⇒ Agricultural commodities like Cereals, Pulses, Oilseeds, Oils, Onions And Potatoes kept out of the essential commodities list. (सूची से हटाया जाएगा)
- ⇒ Stock limits can be imposed only under “very exceptional circumstances” like natural calamities and famines. (भंडारण सीमा को सिर्फ प्राकृतिक आपदा/अकाल जैसी स्थितियों में ही)
- ⇒ Stock limit can be imposed if, retail prices ⬆️ by:
 - 100% for horticulture food such as tomatoes
 - 50% by non-perishable food such as sugar
- ⇒ No stock limit on food processing companies and exporters.
- ⇒ **Benefit?** More investment in the agriculture infrastructure.

Above 3 are ‘ordinances’. UPSC prefers asking from ‘passed Acts’. So, we’ll come back to this in more detail, when Acts are passed happens.

अभी से salient feature में ज्यादा left-right करने की जरूरत नहीं।

4.2.4 📖📖 ES20: Essential commodities Act was harming India

- ⇒ Essential Commodities Act 1955 (ECA: आवश्यक वस्तु अधिनियम) aims to control the production, supply and distribution of certain goods considered as essential commodities e.g. foodgrain, pulses, edible oil, sugar, jute, fertilizers & seed, cattle-fodder, medicines, petrol, diesel, kerosene, etc.
- ⇒ Ministry of Consumer Affairs itself does not lay out Rules and Regulations but allows the State Govts to issue Control Orders related to dealer licensing, stock limits, restrict movement of goods and compulsory purchases during emergency.
- ⇒ 📖📖 Economic Survey 2020, vol1ch4 conducted case study of Onion inflation & found
 - 76,000+ raids conducted, yet less than 3000 traders penalized. It hints that raids are misused for bribery, harassment. (छापेमारी का डर दिखाकर रिश्वत मांगना)
 - Assuming every raid needs a minimum of 5 govt officials, this is a waste of manpower as well. (सरकारी महकमे के समय और ऊर्जा की बर्बादी)



- But, these raids and stock limits had no impact on onion inflation (2019) or pulses (2006) or Sugar (2009). (अप्रत्याशित रूप से स्टॉक लिमिट को लागू किया गया किंतु खाद्य महंगाई को कम नहीं कर पाए)
- ⇒ Under ECA, State Governments randomly impose stock limits on all wholesalers, distributors, and retailers.
- ⇒ But, fear of ECA (raids & stocklimit) discourages traders/ private sector companies from investing into agricultural warehousing and marketing, because they never know when govt will arbitrarily change the stocklimit norms. (कंपनीया गोडाउन, भंडार अवसंरचना में निवेश करने में निरुत्साह होती है, क्योंकि थप्पड़ से डर नहीं लगता, लेकिन, मनमाने ढंग से सरकार भंडारण सीमा के नियम बदल देगी ऐसा डर लगता है)
- ⇒ The ECA Act does not distinguish between genuine large firms that need to hold large amount of stock vs a greedy trader hoarding speculative profits. (कानून लालची व्यापारी की जमाखोरी और ईमानदार कंपनी के बड़े स्टॉक में कोई फर्क नहीं करता)
- ⇒ ECA Act was passed in 1955 when India was worried about famines, shortages, speculative hoarding and black marketing; it is irrelevant in today's India and must be discarded. (पुराने जमाने के इस कानून को फेंक देने का वक्त आ गया है)
- ⇒ So, ultimately, Government has implemented ES20's suggestion on ECA reforms via ATMANI → Ordinance ECA 2020.

4.3 AGRO OUTPUT → FOOD PROCESSING (खाद्य प्रसंस्करण)



4.3.1 Operation Green expanded to all fruits and veggies

- ⇒ Food Processing Ministry → Budget-2018 launched a new sub-scheme under PM Kisan Sampada Yojana called Operation Greens for T-O-P: Tomato, Onion and Potato to improve infra for their storage & transport → round the year availability of T-O-P @affordable prices.
- ⇒ ATMANI= now we'll expand from T-O-P to ALL fruits and vegetables (TOTAL)
- ⇒ 50% subsidy on transportation from surplus to deficient markets.
- ⇒ 50% subsidy on storage infrastructure.
- ⇒ Benefit? reduced food wastage (अपव्यय/बर्बादी), Better prices for farmers, affordable food for consumers (किफायती दाम)

4.3.2 Food Enterprises promotion (खाद्य उद्यमों को बढ़ावा)

- ⇒ Existing (unorganized sector) micro food enterprises, Farmer Producer Organisations, Self Help Groups and Cooperatives will be given funding, training, support. (असंगठित क्षेत्र के लघु खाद्य उद्यमों को वित्त पोषण, प्रशिक्षण, समर्थन)
- ⇒ So, they can comply with FSSAI food safety standards, brand building, marketing



- ⇒ Cluster based approach of development e.g. Mango in UP, Kesar in J&K, Bamboo shoots in North-East, Chilli in Andhra Pradesh, Tapioca in Tamil Nadu etc. → Export (समूहबद्ध करके विकास, निर्यात में बढ़ोतरी)
- ⇒ Separately, herbal cultivation of medicinal plant, beekeeping will be encouraged (औषधीय पौधे और मधुमक्खी पालन को प्रोत्साहन)

4.3.3 Agriculture infrastructure fund

- ⇒ Worth ₹1 lakh cr to develop cold chain & Post Harvest Management infrastructure near farm gate. (शीतागार और फसल कटाई बाद की कृषि अवसंरचना के लिए निधि)
- ⇒ Benefit? spoilage of food = income for farmers, affordable prices for consumers.

4.4 AGRO → DAIRY AND FISHERIES



4.4.1 Dairy cooperatives (दुग्धालय सहकारी समितियां)

- ⇒ Corona lockdown = milk sales .
- ⇒ Government to give 2% loan interest subvention to dairy cooperatives + If they regularly repay loans then additional 2% = total 4% interest subvention (ब्याज में राहत).
- ⇒ National Animal disease control → 100% vaccination of domestic animals against Foot and Mouth Disease (FMD) and for brucellosis.
- ⇒ Animal Husbandry Infrastructure Development Fund will be setup with ₹15,000 cr (पशुपालन की बुनियादी अवसंरचना विकास निधि)

4.4.2 Pradhan Mantri Matsya Sampada Yojana (PMMSY)

- ⇒ It was already announced in Budget-2019. But not actually launched
- ⇒ ATMANI = Yes we'll launch PMMSY →
- ⇒ Marine, Inland fisheries, Aquaculture, Cage Culture, Seaweed farming, Ornamental Fisheries will be developed. (सामुद्रिक, अंतर्देशीय, शैवाल, सजावटी मत्स्य पालन)
- ⇒ Fishing Harbours (बंदरगाह), Cold chain, Markets will be created.
- ⇒ Fishermen will be given personal insurance and boat insurance (बीमा कवच).
- ⇒ Quality testing (गुणवत्ता परीक्षण), Laboratory Network → So, our exported fish/shrimp can comply with Food safety standards in USA/EU. (खाद्य सुरक्षा मानक का पालन करना)
- ⇒ Result? Jobs to 55 lakh people, Exports worth 1 lakh cr.



4.5 4B: SECTORS OF ECONOMY → MSME (सूक्ष्म, लघु और मध्यम उद्योग)

🔗ATMANI: MSME → main focus is Credit guarantee for MSME loans (ऋण अदायगी गारंटी), protecting them from foreign competition in govt procurement tenders. But first of all, we've to understand why Govt changed definition of MSMEs?

4.5.1 📄📄🔗🔗🔗 ES19: MSME dwarfism shd be discouraged (बौनापन)

CEA Subramanian K. observed: Following benefits available to Small firms:

Acts / Policy	Only Applicable on	Implications
<i>Industrial Disputes Act, 1947</i>	100/> workers	Factory owner must get Government approval before retrenching workers/shutting units
<i>Factories Act, 1948</i>	Min 10-20 workers depending on whether power is used in mfg/ or not?	Factory owner must provide restroom, creches and other facilities
<i>Employees' State Insurance Act, 1948</i>	10/> workers	Factory owner required to co-contribute ₹ ₹ in insurance / pension accounts of low-salaried workers
<i>Employees' Provident Fund & Miscellaneous Provisions Act, 1952</i>	20/> workers	Factory owner required to co-contribute ₹ ₹ in insurance / pension accounts of low-salaried workers

Similarly, small firms get benefit of

- **Priority Sector Lending**, Credit Guarantee Fund Scheme, Public Procurement Quota.
- Benefits in Government tendering such as no need to pay fees / security deposits. Some tender/contracts are exclusively reserved for MSME.
- **GST Composition scheme**: where they have to submit the collected GST to Government on a quarterly basis instead of monthly basis, if turnover less than “X” crores.

4.5.2 🧐🔗🔗🔗: 🧐 MSME ‘Dwarfism’ (बौनापन) caused by Govt schemes

📄📄ES19 observed above policies create a “perverse” incentive for firms to remain small.

- If the firms grow beyond these worker / turnover thresholds they will be unable to obtain the said benefits.
- So, entrepreneurs find it optimal to start a new firm to continue availing these benefits.
- But then firm doesn't benefit from economies of scale, as a result they can't create large number of jobs.
- Thus infant firms → giant companies...nope; but infant firms → ‘dwarfs’. Such dwarf firm contribute neither to productivity or jobs.
- As a result, a 40-year old firm in Mexico generates 40 per cent more employment than the average 40-year old Indian firm.
- Productivity level for 40-year old enterprises in the U.S. was more than 4x of a newly setup firm. Whereas in India, productivity level for 40-year old firms in India was only 60% greater than a newly setup firm.



4.5.3 🧐🔍🏢 MSME 'Dwarfism': Suggested Reforms by ES19

- Under Priority Sector Lending (PSL), banks are required to lend 7.5% of their annual loans to Micro enterprises. These norms should be tweaked to give first preference to loan applications by 'start ups' and 'infants' firms.
- **Sunset Clause for Incentives** (प्रोत्साहन के लिए सूर्यास्त उपनियम): MSME benefits should have a 'sunset' clause, say, after 5-7 years, the firm will no longer be able to claim it. If owner starts a new firm, then based on his Aadhar card number, the system should alert authorities, so he can't claim the MSME benefits in the new firm.
- Focus on High Employment Sectors such as rubber and plastic products, electronic and optical products, transport equipment, machinery, textiles and leather & leather products,
- Focus on Service Sectors with high **spillover effects** (प्लवन प्रभाव) such as Tourism. Because it can open up new jobs in tour and safari guides, hotels, catering and housekeeping staff, shops at tourist spots etc. It would also reduce the migration of the rural labour force to other States.

So, 🏢🏢 ES19 asked govt to discourage MSME dwarfism. ATMANI aims to do that by changing definition of MSME

4.5.4 🧐🧐🏢 ATMANI: MSME Definition Changed by Government

- ⇒ MSME units get certain relaxations in the factory and labour laws compliance.
- ⇒ MSME are also eligible for priority sector lending loans and quotas in Government procurement.
- ⇒ If MSME firm grows bigger, it'll not get the above benefits.
- ⇒ So, if MSME firm#1 is growing bigger in size, its entrepreneur will create MSME Firm#2 to divert business.
- ⇒ Thus infant firms → giant companies...nope; but infant firms → 'dwarfism (बौनापन)'. Such firms contribute neither to productivity or jobs, said the 🏢🏢 ES19.
- ⇒ So, Government will amend the MSME definition in following manner

Table 3: सूक्ष्म, लघु और मध्यम उद्योग की व्याख्या में बदलाव

Existing MSME Classification			
Criteria : Investment in Plant & Machinery or Equipment			
Classification	Micro	Small	Medium
Mfg. Enterprises	Investment < Rs. 25 lac	Investment < Rs. 5 cr.	Investment < Rs. 10 cr.
Services Enterprise	Investment < Rs. 10 lac	Investment < Rs. 2 cr.	Investment < Rs. 5 cr.
Revised MSME Classification			
Composite Criteria : Investment And Annual Turnover			
Classification	Micro	Small	Medium
Manufacturing & Services	Investment < Rs. 1 cr. and Turnover < Rs.5 cr.	Investment < Rs. 10 cr. and Turnover < Rs.50 cr.	Investment < Rs. 20 cr. and Turnover < Rs.100 cr.



4.5.5 🖋️ 🏠 🏢 Mudra Loans → Shishu Loans pe 2% Interest subvention (ब्याज में मदद)

- ⇒ Micro Units Development & Refinance Agency (MUDRA, non-deposit taking NBFC, 100% owned by SIDBI) gives indirect lending to Micro units through “Pradhan Mantri Mudra Yojana”. We’ve covered this in original lecture series Pillar1.
- ⇒ 3 types of MUDRA loans: 1) Shishu (upto 50k) 2) Kishor (>50k-5l) 3) Tarun (>5l upto 10l)
- ⇒ ATMANI: 2% Interest subvention to Shishu loan borrowers, IF they’re prompt payees (=repaying the loans regularly). This offer is valid for 12 months.

4.5.6 🖋️ 🏠 🏢 MSME Non-NPA borrower → ECLGS

- ⇒ Corona Lockdown → MSME business hurt → need loans to restart business → Emergency Credit Line Guarantee Scheme (ECLGS: आपातकालीन क्रेडिट लाइन गारंटी योजना)
- ⇒ This scheme will expire when
 - A) 31/10/2020 is over or
 - B) Total ₹3 lakh crore worth loans have been distributed, whichever is earlier.
- ⇒ **Beneficiary?**
 - MSME with a turnover upto ₹100 crore. Mudra borrowers are also covered.
 - Previous outstanding loan account can’t be more than ₹25 crores, and can’t be not an NPA. (It may be a regular, SMA0 or SMA1 account, as on 29/2/2020).
- ⇒ **Loan Amount?** 20% of the outstanding loan.
- ⇒ **Loan Tenure?** 4 Years (मियादी/समयकाल)
- ⇒ **Loan Interest?** 9.25% (Bank), 14% (NBFC).
- ⇒ **Collateral?** Not required. (गिरवी कुछ भी नहीं रखना होगा)
- ⇒ If the borrower doesn’t repay loan principal or interest → Credit guarantee covered by NCGTC (National Credit Guarantee Trustee Company Limited), a company under the Department of financial services in FinMin. ऋण अदायगी गारंटी उन उधोगों के लिए जिनके लोन-खाते अभी एनपीए/अनर्जक परिसंपत्ति की श्रेणी में नहीं हैं

4.5.7 🖋️ 🏠 🏢 MSME NPA borrower → Subordinate Debt (गौण ऋण)

- ⇒ **Beneficiary?** MSME whose loan account is in NPA/ stressed category. लघु/
- ⇒ Such stressed MSME to be given subordinate loan Upto ₹75 lakhs to revive business.
- ⇒ **Tenure/Interest?** Not clearly mentioned.
- ⇒ If the borrower doesn’t repay loan principal or interest → Credit guarantee by CGTMSE (Credit Guarantee Trust for Micro and Small enterprises, an org funded by SIDBI + Govt). ऋण अदायगी गारंटी, उन आर्थिक तनावग्रस्त उधोगों के लिए जिनके लोन-खाते पहले से एनपीए श्रेणी में आ चुके हैं।

4.5.8 🖋️ 🏠 🏢 MSME Loans: FM tells Bankers not to fear 3C

- ⇒ Public Sector Banks’ officers are worried that if loans given to MSME turn NPA then 3Cs will harass them unnecessarily: (बेवजह परेशान किया/सताया जाता हैं)
 - Central Bureau of Investigation (CBI),
 - Central Vigilance Commission (CVC)
 - Comptroller and Audit General (CAG)
- ⇒ So, FM Nirmala.S has assured PSBs- don’t worry and give loans to eligible borrowers.

4.5.9 🏠 🏠 🏢 MSME → Equity infusion via Fund of Funds (निधियों की निधि)

- ⇒ Govt will set up a Fund of Funds with ₹10,000 crore.



- ⇒ This FoF will invest in daughter funds (who'll supply ₹40k cr from their funds). So, total $10k+40k=50k$ equity funding/infusion to MSME. (इक्विटी के रूप में कंपनी में जान फूंकना)

4.5.10 🏭 MSME → Protectionism (संरक्षणवाद)

- ⇒ PM asked the nation to be "local ke liye vocal" (to promote local goods) with an aim to make India self-sufficient in every way.
- ⇒ So, in Government procurement tenders up to ₹200 crore. → Foreign (global) companies will not be allowed to apply. (सरकारी खरीद के 200 करोड़ तक के टेंडर में विदेशी कंपनियों को अर्जी डालने पर प्रतिबंध)
- ⇒ This will help Indian MSME and other companies to revive business through 📦 purchase from the Government.
- ⇒ Sidenote: In an excessive and unplanned enthusiasm, Home Minister Amit Shah ordered CAPF canteens not to sell any "imported" items. But, many Indian companies were also kept on the banned list because of miscommunication or haste in preparing the list. So, the order has been withdrawn.


4.5.11 🏭 MSME → Misc reforms under 🇮🇳 ATMANI

- ⇒ If an MSME sold goods or services to the government or CPSE → their bill will be cleared within 45 days.
- ⇒ Corona → Trade Fair and exhibition will not receive a large crowd → So, Government will encourage e-market, e-exhibition etc. (ई-बाजार, ई-प्रदर्शनी).






5 **PILLAR5: INFRASTRUCTURE REFORMS IN** **ATMANI**




(बुनियादी अवसंरचना)	 ATMANI's main thrust areas/ reform focus
Mining and power	<ul style="list-style-type: none"> - Commercial mining in coal sector. - Joint auction for Bauxite and Aluminium - DISCOMs ko funding
Housing	<ul style="list-style-type: none"> - RERA → force majeure - PM-Awas Yojana middle class families loan subsidy deadline extended - Rental housing promoted
High tech	<ul style="list-style-type: none"> - FDI in defense, import ban on certain weapons. - Private sector collaboration in Atomic energy, space-tech
Investment	<ul style="list-style-type: none"> - PPP for new airports - VGF for Social infra - No penalty on road contractors

5.1 **MINING (खनन)**

- ⇒  ATMANI → PM GaribKalyan →  District Mineral Foundation Fund (DMF) ₹ → can be used for COVID-19 testing & related infra (जिला खनिज प्रतिष्ठान निधि)
- ⇒ Mineral Index (खनन सूचकांक) for different minerals will be prepared. But, details yet to be worked out.
- ⇒ **Joint Auction of Bauxite and Coal** mineral blocks so that: Coal → electricity → use it for smelting Bauxite into Aluminium =  electricity costs for mining company.
(साझा नीलामी ताकि बॉक्साइट पिघलाने के लिए बिजली लागत/खर्च कम हो)
- ⇒ We'll encourage **Coal Gasification / Coal Liquefaction, coal bed methane extraction** → creation of a **gas based Indian economy**.
- ⇒ **Commercial Mining** allowed in the Coal Sector, through revenue sharing model.
(वाणिज्यिक खनन: आय में से हिस्सेदारी का मॉडल).
 - Although, this reform was being done via Mineral Laws (Amendment) Ordinance 2020 before Atmani.
 - But in Atmani-tamasha, even previous reforms are counted.

5.1.1 **Energy → DISCOMs Liquidity injection (पैसा की तरलता देके जान फूंकना)**

- ⇒ Corona lockdown → Industry and railways shutdown →  demand for electricity → losses for Electricity/Power Distribution Company (DISCOM).
- ⇒ Government will give ₹ to (i) Power Finance Corporation (ii) Rural Electrification Corporation (PFC-REC) → they'll invest ₹ in DISCOMS.

5.1.2 **Energy infra → Electricity reforms (बिजली क्षेत्र में सुधार)**

- ⇒ We'll reform the electricity tariff policy (शुल्क नीति),



- ⇒ encourage DBT for electricity subsidy to farmers (सबसिडी का प्रत्यक्ष हस्तांतरण);
- ⇒ install smart prepaid meters
- ⇒ Will privatise the Union Territories' DISCOM/Power departments → More efficient operations in UT (केंद्र शासित प्रदेशों में बिजली की सरकारी कंपनियों का निजीकरण करेंगे)

5.1.3 ⚡☢️ Energy infra → Atomic energy (परमाणु ऊर्जा)

- ⇒ 🏭 PPP mode: **Research reactor** → produces **medical isotopes** → use in **cancer** treatment. (अनुसंधान रिएक्टर से केन्सर चिकित्सा के लिए समस्थानिक तत्व/आइसोटोप का निर्माण)
- ⇒ 🍊 PPP mode: **Irradiation facilities for Food preservation.** (खाद्य संरक्षण के लिए विकिरण)

5.1.4 ✈️ Transport infra → Civil Aviation (नागरिक उड़्डयन)

- ⇒ We'll develop more number of World-class Airports through PPP. (सार्वजनिक-निजी भागीदारी से नए विश्व-स्तरीय हवाईअड्डों का निर्माण)
- ⇒ Aircraft Maintenance, Repair and Overhaul (MRO: विमान रखरखाव, मरम्मत, जीर्णोद्धार) industry's tax regime will be finetuned → India becomes a global hub for it, just like we are the global-hub the Shipbreaking industry.

5.1.5 🚂👤 Transport infra → Migrants ki GHAR Wapsi



- ⇒ (Not part of the part of 🇮🇳 Atma Nirbhar Bharat Package)
- ⇒ 🚂 **Shramik Special Trains:** to bring migrants within Indian states back to their home states in India. (भारत में ही स्थित प्रवासी मजदूर)
- ⇒ 🇮🇳✈️ **Vande Bharat Mission:** to bring home Indians who're stuck overseas during Corona. It's considered to be India's largest repatriation operation since the 1990's Gulf/Kuwait war. [But UPSC doesn't usually engage in superlatives-KBC-GK: biggest/largest/longest...so not really important whether it was bigger than Gulf rescue.#थोड़ा पढ़ो आगे बढ़ो]

5.1.6 📡🌐 Communication infra → Space Tech involving private sector

- ⇒ At global level, private sector space companies are rising such as **Elon Musk's SpaceX** and **Richard Bransons's Virgin Galactic.**
- ⇒ We will allow private sector players to use ISRO facilities for their projects.
- ⇒ Will allow private sector players for outer space travel & planet exploration (बाहरी अंतरिक्ष ग्रहअन्वेषण, अवकाश यात्रा में निजी क्षेत्र के कंपनियों को अनुमति)
- ⇒ We will share/sell Remote Sensing data to tech-entrepreneurs. This was even recommended in 📄📄 ES19 (तकनीक उद्यमियों को डेटा साझा करना)

5.1.7 🛡️🌐 Defence infrastructure → FDI (रक्षा क्षेत्र में विदेशी प्रत्यक्ष निवेश)

- ⇒ We will ban the import of certain weapons and equipment= to courage Make in India. (हथियारों के आयात पर प्रतिबंध)



⇒ FDI limit in the defence manufacturing (automatic route): from 49% to 74%

5.2 INFRA → HOUSING/REAL ESTATE (आवास)



5.2.1 Housing Infra → Builders, RERA and Force Majeure

- ⇒ In the RERA act, COVID-19 will be treated as 'Force Majeure' (अप्रत्याशित घटना).
- ⇒ So if builder couldn't finish the project in time, customers can't complain to the RERA authority.
- ⇒ Validity? for 6 months from March-2020. If RERA authority wishes, they can extend for another 3 months.

5.2.2 Housing Infra → PMAY (U) → CLSS extended

- ⇒ PM Awas Yojana (U) provided Credit Linked Subsidy Scheme (ऋण आधारित सब्सिडी) for
 - Economically Weaker Section (आर्थिक रूप से कमजोर वर्ग)
 - Low Income Groups (निम्न आय वर्ग)
 - Middle Income Group (MIG: Annual Income: ₹6-18 lakhs)
- ⇒ MIG component was to expire on 31/3/2020. But ATMANI extended it for one more year → middle class families can purchase homes →
 - demand for steel, cement, transport → economic revival
 - Jobs for the Construction Workers, Masons Electrician Plumber Etc.

5.2.3 Housing Infra → Rental Houses (सस्ते/किफायती किराए के मकान)

- ⇒ While Govt is running Pradhanmantri Aawas Yojana (Urban), but all migrants and urban poor cannot avail it because
 - 1) Family doesn't have enough money to buy the homes permanently
 - 2) Family doesn't have plans to live forever in the City.
- ⇒ So, Govt will build Affordable Rental Housing Complexes with the help of
 - 1) State Governments and
 - 2) public private partnership with real estate developers

5.2.4 Infrastructure → MPLADS

- ⇒ 2020-April: Member of Parliament Local Area Development Scheme (MPLADS) has been suspended for two years, till 2022. So, the Government can spare money for corona relief. But (this action) not part of ATMANI

5.3 PPP/INVESTMENT REFORMS IN ATMANI

5.3.1 Social infrastructure ke liye VGF

- ⇒ Govt to provide 30% Viability gap funding (व्यवहार्यता अंतर धन) for social infra projects such as schools, universities, hospitals, community housing, sports & public parks.



5.3.2 ⌚🤖 Contractors' will not facing penalty for delayed projects

- ⇒ Railways, Ministry of Road Transport & Highways, Central Public Works Dept hire Contractors to develop infrastructure/goods/services.
- ⇒ If contractor has not finished the project, he will be given 6 months extension to finish it without any penalty in payment. (की तुमने काम देरी से खतम किया तो सरकार तुम्हारा बकाया पैसा काट लेगी.)



5.3.3 🏠💰 Investment: Misc. announcements

- ⇒ Fastrack investment (तेजी से निवेश) will be encouraged in 12 champion sectors: IT & ITeS, Tourism and Hospitality, Medical Value Travel, Transport and Logistics, Accounting and Finance, Audio Visual, Legal, Communication, Construction and Related Engineering, Environmental, Financial and Education.
- ⇒ **All industrial parks will be ranked in 2020-21.** But, details yet to be worked out.
- ⇒ ~~Lot of Bol Bachchan that is not important for the scope of exam e.g.~~
 - ~~Project Management Unit (PMU) to support contract management in defense sector~~
 - ~~Project Development Cell in each Ministry to prepare investable projects,~~
 - ~~Technology Development cum Incubation Centres will be set up for fostering synergy between research facilities and tech-entrepreneurs.~~




6 PILLAR6: HUMAN DEVELOPMENT IN ATMANI



मानव विकास	 ATMANI's main thrust areas/ reform focus
Health	<ul style="list-style-type: none"> - E-Sanjeevani telemedicine - iGOT e-training platform for Corona-warriors - 50 lakh health insurance for Corona-warriors (Ref:1D)
Education	<ul style="list-style-type: none"> - E-learning/distance learning via PM eVIDYA initiative, SWAYAM PRABHA DTH channels
Food & shelter	<ul style="list-style-type: none"> - One Nation One Ration Card - Free 5kg grains and 1kg pulses via PM Garib Kalyan Ann - Free LPG cylinder to PM-Ujjwala beneficiaries - Shelter for urban poor/migrants
Poverty removal	<ul style="list-style-type: none"> - ₹500 in PM Jan Dhan accounts of women, ₹1000 for poor widows, elderly, PH - SHG: loans, procure masks and sanitizers produced by them - Street vendors ko ₹10k loans (SVANiDHI scheme) - MGNREGA wages and funding  - CAMPA funds for forest plantation related jobs

6.1 HRD → HEALTH (स्वास्थ्य) IN ATMANI



⇒ Will  public expenditure on health care and health research


6.1.1 Health → E-Sanjeevani telemedicine

⇒ Ministry of Electronics and Information Technology (MeitY) → Centre for Development of Advanced Computing (C-DAC, Mohali centre) → e-Sanjeevani Tele-Consultation Services (टेली/दूरसंचार से चिकित्सा परामर्श सेवाएँ).

⇒ It provides Patient registration, Audio-Video Consultation with a Doctor, ePrescription.

6.1.2 Health → iGOT

⇒ HRD Ministry's 'Digital Infrastructure Knowledge Sharing' (DIKSHA) platform For education and training → inside DISHA, they developed a new portal 'Integrated Government Online training' (iGOT) portal.

⇒ iGOT provides Training modules for Doctors, Nurses, Paramedics, Hygiene Workers, Policemen, civil servants@Union & State, National Cadet Corps (NCC), and other volunteers for Corona crisis=  capacity building.



6.1.3 📱🏠 HEALTH → AAROGYA SETU APP (2020-APRIL)

- ⇒ (NOT Part of 🏠ATMANI)
- ⇒ Aarogya Setu app uses Bluetooth technology and GPS location data to track people infected with Corona / those who came in close contact with infected patients.
- ⇒ It's developed by National Informatics Centre (NIC, under MEITY) with help of NITI Aayog & private sector IT experts.
- ⇒ **Controversy?** Privacy / hacking / misuse of data. (नागरिकों की निजता पर खतरा)

6.2 🏠🏠 HRD → EDUCATION (शिक्षा) IN ATMANI



6.2.1 🏠🏠📱 Edu → PM eVIDYA initiative

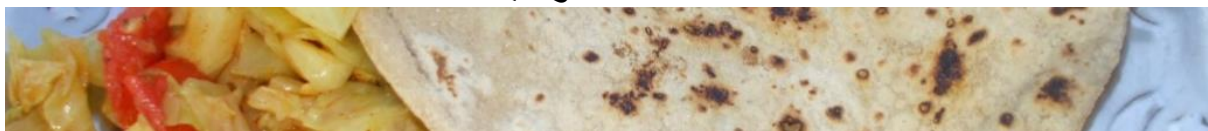
- ⇒ 📱 If student has internet: HRD Ministry → DIKSHA portal for e-learning,
- ⇒ 📺 If student has NO internet: HRD Ministry → SWAYAM PRABHA DTH channels for delivering lectures on TV, via GSAT-15 satellite. There will be One TV channel for each for class 1 to 12.
- ⇒ HRD Ministry → e-Paathshaala portal → more digital textbooks will be added.
- ⇒ (Physical) Textbooks to have QR codes. Scan them → watch digital lecture/Multimedia animation online.

6.2.2 🏠🏠📱 Edu → Misc. announcements in 🏠ATMANI

- ⇒ Manodarpan initiative → for psychosocial support of students, teachers and families for mental health and emotional wellbeing. (मानसिक और भावनात्मक स्वास्थ्य के लिए मनोसामाजिक परामर्श सेवाएं)
- ⇒ National Foundational Literacy and Numeracy Mission → so that every child attains Learning levels and outcomes in grade 5 by 2025. [ताकि NGO-Pratam's ASER report में सरकार की फजीहत थोड़ी कम हो]

6.3 🏠🏠🏠 POVERTY REMOVAL (गरीबी उन्मूलन): FOOD & SHELTER

6.3.1 🏠🏠🏠📱 Food security (खाद्य सुरक्षा)



- ⇒ 🏠ATMANI → PM GaribKalyan → Free monthly LPG cylinder to PM-Ujjwala beneficiaries for next 3 months.
- ⇒ 🏠ATMANI → PM GaribKalyan → PM Garib Kalyan Ann (अन्न) Yojana: 5 kg [wheat or rice] per person + 1 kg of pulses per family for free every month for the three months.



- ⇒ 🐼 ATMNI → 🌱 If a migrant is not covered under the National Food Security Act (NFSA) or unable to get food because he does not have a ration card....then, State Government will distribute (5kg grain per person + 1 kg chana per family) per month x for 2 months. Union will bear its full cost.
- ⇒ 🇪🇺 One Nation One Ration Card to be implemented across India by 2021-March. (At present only 20 States have done it) → Then migrants will be able to get NFSA's subsidized food at any place, irrespective of whether his name entered in given State's ratio card database or not.

6.3.2 🏠🚰🏠 Shelter for Urban Poor

- ⇒ State governments are allowed to use the State Disaster Response Fund for creating Shelters / Quarantine facilities. (राज्य आपदा प्रतिक्रिया कोष की धन से शरणस्थान बनाएंगे)
- ⇒ Urban homeless will be given 3 meals per day in shelters. (शहरी बेघर)

6.4 🐼🏠 POVERTY REMOVAL → LOANS/SKILL

6.4.1 🏠🏠 Self Help Groups (SHG) ko Loans/Skill



- ⇒ 🐼 ATMNI → PM GaribKalyan → Women Self Help Groups (SHGs) to be given ₹20 lakh collateral free loans.
- ⇒ We'll form new/more Self Help Groups for urban poor. (शहरी गरीबों के स्व सहाय समूह)
- ⇒ Government will procure masks and sanitizers prepared by SHG = ₹₹ income for poor families.
- ⇒ National Rural Livelihood Mission (NRLM) → skill training and loans to SHG (This scheme already exists).
- ⇒ These SHG are given additional 10-15k rupees as Revolving funds (RF: परिक्रमण निधि), if they're holding - regular meetings, regular savings, and maintenance of proper books of accounts etc.
- ⇒ ATMNI= RF fund disbursement will be done through PAISA webportal.

6.4.2 🏠🏠 Street vendors's AtmaNirbhar Nidhi Scheme (SVANidhi)



- ⇒ Boss? Ministry of Housing and Urban Affairs
- ⇒ Pradhan Mantri Street Vendor's AtmaNirbhar Nidhi Scheme (PM SVANidhi)
- ⇒ Street Vendors (सड़क विक्रेता/फेरीवाला) will be given ₹10,000 loan via banks, NBFCs, Micro Finance institutions
- ⇒ Loan Tenure: 1 year. Repayment to be done on a monthly basis.



- ⇒ Loan Interest? Not explicitly mentioned but if the vendor repays loan on a timely fashion → government will give 7% interest subsidy in his bank account. (फेरीवाला ने रुण अदायगी नियमित रूप से की तो ब्याज में सरकार राहत देगी)
- ⇒ Scheme Valid till: 2022-March.

6.5 🧑🔧 POVERTY REMOVAL → UNSKILLED JOBS



6.5.1 🧑🔧 MGNREGA se job creation

- ⇒ 📁 Budget-2020 allotted ₹61500 cr → Atma Nirbhar added another 40,000 crores.
- ⇒ MGNREGA workers daily wage ⬆ from ₹182 per day to ₹202.
- ⇒ Returning migrants will be enrolled in this scheme, and given job cards

6.5.2 🌳 Forest Plantation projects se job creation

- ⇒ Compensatory Afforestation Fund Act, 2016 → Compensatory Afforestation Management & Planning Authority (CAMPA: क्षतिपूर्क वनीकरण प्रबंधन और योजना प्राधिकरण).
- ⇒ CAMPA to give ₹ to State Government → forest plantation projects etc → job creation for poor families. (वनीकरण/वृक्षारोपण कार्यक्रमों द्वारा रोजगार सृजन)



7 **ATMANI: CRITICISM** (आलोचना/ THE HINDU JOB APPLICATION ESSAY)

As such criticism is not important, because Pro-Modi Bhakti toned questions are asked in UPSC exam nowadays. But some idea may be required for interviews.

7.1.1 Criticism: 20lcr = insufficient to revive Indian economy

Country	Japan	Malaysia	Singapore	India
Stimulus package as a % of GDP	20%	16.2%	12.2%	Just 10%

So, 20lcr is quite insufficient. अर्थव्यवस्था को पुनर्जीवित करने के लिए रकम पर्याप्त नहीं है

Counter argument: If Modi tried to give bigger fiscal stimulus THEN →

- ❖ Fiscal Deficit = Credit Rating = Flight of Foreign Investors = Currency exchange rate volatility.
- ❖ If the deficit is monetized by RBI printing more currency → demand side inflation like Post-WW1-ka Germany.

7.2 20LCR = STATISTICAL WINDOW DRESSING (अंको की फर्जी दिखावट)

- ⇒ 20lcr's Fiscal policy component (Tax cuts, subsidies, interest subvention, MSP hike, EPFO social security contribution, disinvestment, capital Expenditure for agri infrastructure etc.) = **very small in size**. राजकोषीय हिस्सा बहुत कम है
- ⇒ Most of the amount is by (+)(+) summing up bank loans to NBFC, MSME, farmers, builders, Public Private Partnership etc. So, funding generated from....
 - From RBI monetary policy decisions (CRR, Repo, Refinance etc)
 - From depositors' deposits → bank → loans to borrowers
 - PPP's private sector share is generated through shares/bonds issued in market.
- ⇒ So 20lcr is not entirely borne by the government from its own pocket.
- ⇒ IF more money available for loan → it does not mean MSME firms will automatically take loans, until there is an in the demand of goods/services. E.g. Hair Salon allowed it to be opened up but very few customers came. So, MSME produces hair combs, razor blades, shaving cream, talcum powders etc. will not see any demand. So, "xx cr available for loans" is an **imaginary figure, not real revival figure**.
- ⇒ **Even budget 2019's announcements** like Pradhan Mantri Matsya Sampada Yojana (PMMSY: 20kcr) **are added here**. पुराने बजट की घोषणाओं को यहां वापस जोड़ा गया है
- ⇒ ATMANI Press release even says "PM Fasal Bima Yojana: ₹6400 crore claim payment given" & counted in the ₹20 lakh package. But, if there is a natural disaster or pest attack= **insurance company is duty bound to pay insurance money to farmers. How is that a 'stimulus package'?**
- ⇒ National Animal disease control → **vaccination of animals** is also counted in the package. But, it's an **essential requirement of the Dairy Sector**, even if coronavirus didn't happen! So, it's not 'revival/stimulus package.'

7.3 STATES FISCAL PROBLEMS NOT GIVEN SUFFICIENT HELP

- ⇒ Corona lockdown= State governments' revenue collection drastically
- ⇒ Delhi Govt unable to pay salaries to its employees. Wants ₹5000 cr from union.



- ⇒ Bihar govt unable to pay its share for centrally sponsored schemes (CSS: केंद्र सरकार द्वारा प्रायोजित योजनाएं) such as MGNREGA, Pradhan Mantri Awas Yojna, PM Jan Arogya Yojana (PM-JAY: 5 lakh ka health insurance), mid-day meal etc. → So, Bihar wants the Union to pay the entire cost of CSS, else threatens to stop the implementation altogether.
- ⇒ 🙄 Some states imposed additional cess on liquor sales, but that too is insufficient to cover their revenue losses. (मदिरा पर डाला गया उपकर)
- ⇒ Telangana CM even urged the Union to ⬆️ FRBM limit and explore issuing 'Helicopter money' (Ref: Pillar3)
- ⇒ But, ATMANI has not adequately addressed fiscal problems of States. (राज्य सरकारों की वित्तीय समस्याओं को पूर्ण रूप से सुलझाया नहीं गया)

7.4 🐱🐼🐼 REGIONAL IMBALANCE (क्षेत्रीय रूप से संतुलित विकास नहीं होगा)

- ⇒ ATMANI focuses on loans to MSME/industries.
- ⇒ But, this will benefit more to southern and western Indian States, since they've more number of registered firms / organized sector. वहां पंजीकृत व्यापार उद्योग ज्यादा है
- ⇒ But low levels of entrepreneurship / prevalence of unorganized sector in eastern India and Hindi belt States = they'll will not benefit much. वह सिर्फ नरेगा के गड्डे खोद कर दो पैसे कमाएंगे उतना ही.
- ⇒ The Government reformed the mining sector → ⬆️ mining activities in the Chhattisgarh, Jharkhand, Odisha etc ASPIRATIONAL (=backward) states. But its benefits may be confined to the industrialist, and not percolate down to the mine-workers, until the minimum wages are increased and enforced. (न्यूनतम वेतन को लागू नहीं किया तब तक खनन क्षेत्र के मजदूरों को कोई लाभ नहीं)

7.5 🐱 MODI MERELY COPYING NEHRU'S IDEAS

Q. Compare and Contrast the ideas of PM Nehru and PM Modi on the India's economic self-reliance. भारत की आर्थिक निर्भरता के बारे में नेहरू और मोदी के विचारों में समानता और भेद पर चर्चा करें.

Ideas of PM →	🐼Nehru	🐼Modi
Self-reliance through Central Public Sector Enterprises (CPSEs).	Yes.	No. His plan is to privatize most of the CPSEs.
Self-Reliance through helping the private sector: निजी क्षेत्र को मदद करके आत्मनिर्भरता	No. Capitalism was seen with suspicion and controlled through License Quota Inspector raj.	Yes, Capitalism, PPP is embraced with open arms. Focus on Ease of doing business. (पूंजीवाद को शक/घृणा से नहीं देखते बल्कि गले लगाते हैं)
Self-reliance through protectionism	Yes, ban/high taxes on imported goods	Limited extend. (केवल मर्यादित रूप से) Import ban on selected defense items



Ideas of PM →	🧐Nehru	🧐Modi
आयात पर संरक्षणवाद		Global companies can't apply for tenders below "X" amount
Self-reliance through village-cottage industries ग्रामीण कुटीर उद्योग	Yes. Focus on SHGs. More 'collective' in nature. सामूहिकता पर ज़ोर दिया गया	Limited extend. More Focus on giving credit guarantee/ loans given to MSME / individual entrepreneurs /street-vendors/ Startups/homebuyers. + Jobs for MGNREGA workers Here, hardly 1-2 points for SHG in ATMANI = more individualistic in nature. व्यक्तिपरकता

7.5.1 📝🧐🧐 Conclusion: Self Reliance: Nehru vs Modi

- ⇒ Both PMs ideas on self-reliance were shaped by the needs and aspirations of their respective era.
- ⇒ Unlike Nehru, Modi can't be expected to be more 'protectionist' due to WTO & global pressure.
- ⇒ Unlike Modi, Nehru could be expected to be more Pro-business/Pro-Capitalist, due to immediate negative experience of British Imperialism & East India Company.
- ⇒ Nonetheless, both PMs played instrumental roles in shaping the economic vision of India during their tenure.
- ⇒ मोदी ज्यादा संरक्षणवादी बन नहीं सकते, ना ही नेहरू ज्यादा मुड़ीवादी बन सकते थे. दोनों ही अपने समयकाल के कारकों से बंधे हुए थे, लेकिन दोनों ही ने अपने समय के भारत की आर्थिक संकल्पना को आकार देने में महत्वपूर्ण योगदान दिया है।

7.6 🧐 ALTERNATE SUGGESTIONS TO REVIVE ECONOMY: अन्य सुझाव

Q. Suggest reforms in addition to 🧐ATMANI for revival of Indian Economy. (आत्म निर्भर भारत के अलावा और क्या-क्या सुधार करने चाहिए अर्थव्यवस्था को पुनर्जीवित करने के लिए?)

- ⇒ Mobilize funds through Consol Bonds.
- ⇒ 💰🧐 Bottom 80% of the households should be given Universal Basic Income of ₹15,000 → 📈 demand of goods/services → economic revival. (सार्वजनिक बुनियादी आय)
- ⇒ 🍲🧐 Public distribution system needs to be universalized. Free/subsidized cereals, pulses and cooking oil should be provided to all people irrespective of whether their name is in BPL list/ ration card or not. (सार्वजनिक वितरण प्रणाली)
- ⇒ 🧐MGNREGA scheme needs to be expanded to urban areas as well. MGNREGA's guaranteed number employment days need to be increased to 200 days from present 100 days. (मनरेगा योजना को शहरों में भी लागू करे, रोजगार दिनों की संख्या बढ़ाए)
- ⇒ 🏠🧐 PM Garib Kalyan component of ATMANI gave ₹500 DBT in Jan Dhan Bank account of women. But, many villagers don't have a bank in 5 km radius. And due to lockdown, staff shortage in banks. So we have to increase the digital payment ecosystem in rural areas. (डिजिटल भुगतान को प्रोत्साहन देना)



- ⇒ 🧑 We need to raise Minimum support prices for farmers and Minimum Wages for workers. (न्यूनतम समर्थन मूल्य और न्यूनतम वेतन को बढ़ाना)
- ⇒ 📅 From Jan to May 2020: Aviation Turbine Fuel (ATF) prices reduced from ₹64 per litre to ₹23 per litre but hardly any change in petrol diesel because govt kept raising the excise and VAT taxes. While this is justifiable for 🏛️ government's revenue, BUT cheaper fuel is also necessary for revival of the economy, and for reducing stress on middle class's pockets. (ईंधन के दामों को कम किया जाए)
- ⇒ (+) Plus all the suggestions already given in the Mrunal's economy pillar4 handout → how to become a \$5 trillion economy: reforms in FDI, GST etc.
- ⇒ 🔥 **Conclusion:** IF above suggestions are implemented, they'll greatly help in catalysing / augmenting the ATMANI in further revival of Indian economy.

ERROR: don't digress into 'governance/HRD' part like we should encourage virtual courts, virtual parliament, virtual classrooms. These are birbal-ki-khichdi in 'economic revival' of India Q. आपको प्रश्न में जो पूछा गया है उसका जवाब दीजिए, इधर-उधर का हारमोनियम मत बजाइए

This is more than sufficient to prepare 250 words answer. Additional effort in designing a PHD research paper= poor cost-benefit. Ex-CEA Arvind Subramanian also writing many columns suggesting technical reforms but no use UNLESS they appear in new Economic survey.

7.7 ✍️👉 CONCLUSION: ATMANI (APPRECIATIVE TONE)

- ⇒ Thus, ATMANI focuses on the well-being of the poors, credit to MSME, ease of doing biz for the corporate sector, reforms in agriculture and catalysing the development of infrastructure. ~~[No need to mention all the salient features in conclusion.]~~
- ⇒ OR Thus, ATMANI focuses on boosting the Supply and Demand side of the economy, it also aims for improving the ease of doing business and ease of availing loans/credit. मांग और आपूर्ति, व्यापार करने में आसानी, ऋण लेने में आसानी।
- ⇒ These reforms will certainly help in a long way to revive Indian economy in the aftermath of the Corona pandemic crisis. कोरोनावायरस के बाद अर्थव्यवस्था को पुनर्जीवित करने में बहुत योगदान देगा.

7.8 ✍️👉 DAY1👉 MOCK QUESTION FOR MAINS FROM ATMANI

1. "Atma Nirbhar Bharat 🇮🇳 is not just a mere fiscal stimulus package but also a set of reforms for ease of doing business and ease of availing credit. Elaborate" (सिर्फ राजस्व प्रोत्साहन नहीं, बल्कि व्यापार और ऋण में सुगमता भी है।)
2. "🇮🇳 ATMANI Economic package is a mix of supply-side and demand-side measures." Justify. (मांग और आपूर्ति दोनों को बढ़ावा देने का मिश्रण है)
3. Discuss in the brief, the significance of the agriculture reforms ushered by 🇮🇳 ATMANI package. (आत्मनि* द्वारा कृषि क्षेत्र में लिए गए सुधारों के महत्व की चर्चा करें।) **Similar question for MSME/infrastructure/Banking etc.**



4. “Atma Nirbhar Bharat 🇮🇳 aims to revive Indian economy by targeting land, labour, liquidity and laws”. Illustrate. (जमीन, श्रम, तरलता और कानून में सुधार द्वारा अर्थव्यवस्था को पुनर्जीवित करना चाहता है)
5. Suggest reforms in addition to 🇮🇳ATMANI for revival of Indian Economy. (आत्म निर्भर भारत के अलावा और क्या-क्या सुधार करने चाहिए अर्थव्यवस्था को पुनर्जीवित करने के लिए?)
6. Compare and Contrast the ideas of PM Nehru and PM Modi on the India's economic self-reliance. (भारत की आर्थिक निर्भरता के संदर्भ में नेहरू और मोदी के विचारों में समानता और भेद पर चर्चा करें.)
7. Suggest reforms in addition to 🇮🇳ATMANI for revival of Indian Economy. (आत्म निर्भर भारत के अलावा और क्या-क्या सुधार करने चाहिए अर्थव्यवस्था को पुनर्जीवित करने के लिए?)

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