



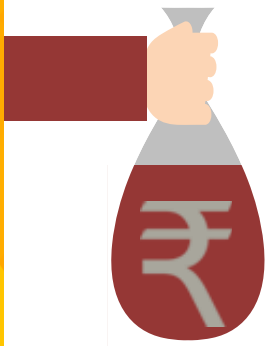
**Aatma Nirbhar Bharat Abhiyan
Economic Package 2.0 (Part 1)**

Overall Welfare and Stimulus amounts to 10% of India's GDP

Economy Package 2.0, *Significantly moves the needle*

The second economic relief package announced by the Government is a much-needed step for the most vulnerable businesses from the impact of COVID-19's economic fallout. The core theme remains providing cash for restarting as working capital. It also puts reforms (MSME definition) at the centre of growth that will help India position itself as a key destination for investment and long-term economic growth starting Q3-Q4 of this FY. We await additional sectoral announcements in the coming days, to complete the picture of Economic Package 2.0. Here is the summary of Day 1:

Relief for MSMEs



- **Emergency credit line to MSMEs from Banks and NBFCs (up to 20% of entire outstanding credit as on 29th Feb 2020)** - Creating facility of INR 3 lakh crore to benefit 45 Lakh units, through Collateral-free automatic loans for a period of 4 years. With a moratorium for a period of 1 year on principal and interest for business borrowers with turnover less than INR100 crore and loans of up to 25 crore outstanding
- **Stressed MSMEs (2 lakh MSMEs to benefit)** - Through a subordinate debt provision for NPAs and stressed MSMEs. Government to facilitate provision INR 20,000 crore, of which INR4,000 crore will be through CGTMSE
- **Fund of Funds** for infusing liquidity of INR50,000 crore to MSMEs that are viable
- **New MSME Definition:** Investment limits raised and criteria of turnover added
Micro Unit: Units with investment of up to INR1 crore and turnover of up to INR5 crore
Small: Units with investment of up to INR10 crore and turnover of up to INR50 crore
Medium: Units with investment of INR20 crore And turnover of up to INR100 crore
- **Government Procurement:** Global tenders to be disallowed for tenders up to INR200 crore
- **E- market Linkage** to be provided across the board and all the CPSEs and GoI receivables to be released within next 45 days.

EPF Support

- INR2500 crore EPF Support for Business & Workers for 3 more months. This will provide liquidity relief of INR2500 crore to 3.67 lakh establishments and for 72.22 lakh employees
- Statutory PF contribution of both employer and employee will be reduced to 10% each from existing 12% each for all establishments covered by EPFO for next 3 months. It will be applicable for workers who are not eligible for 24% EPF support under PM Garib Kalyan Package and its extension.

NBFCs/HFCs/MFIs

- INR 30,000 crore Special Liquidity Scheme for NBFCs/HFCs/MFIs
- Rs 45,000 crore Partial Credit Guarantee Scheme 2.0 for NBFCs

Power Sector

- **INR90,000 crore Liquidity Injection for DISCOMs.** PFC/REC to infuse liquidity to DISCOMs. Loans to be given against State guarantees for purpose of discharging liabilities of Discoms to Gencos.

Relief to Contractors

- Extension of up to 6 months (without costs to contractor) to be provided by all Central Agencies
- Covers construction/ works and goods and services contracts
- Covers obligations like completion of work, intermediate milestones etc. and extension of Concession period in PPP contracts

Real Estate

Extension of Registration and Completion Date of Real Estate Projects under RERA

- Treat COVID-19 as an event of 'Force Majeure' under RERA.
- Extend the registration and completion date by 6 months (suo-moto) for all registered projects expiring on or after 25th March, 2020 without individual applications.
- Regulatory Authorities may extend this for another period of up to 3 months
- Issue fresh 'Project Registration Certificates' automatically with revised timelines.
- Extend timelines for various statutory compliances under RERA concurrently

Tax Measures

- **Liquidity of INR 50,000 crore:** 25% deduction for TCS and TDS rates for the FY Year 20-21
- All pending refunds to be issued immediately to charitable trusts and non- corporate businesses & professions including proprietorship, partnership, LLP and Co-operatives
- Due date of all income-tax return for FY 2019-20 will be extended from 31st July, 2020 & 31st October, 2020 to 30th November, 2020
- Tax audit dates will change from 30th September, 2020 to 31st October, 2020
- **Date of assessments** getting barred on 30th September, 2020 extended to 31st December, 2020 and those getting barred on 31st March, 2021 will be extended to 30th September, 2021

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