

**Finance Minister's Press
Conference
28th June, 2021**

Economic Relief From Pandemic

1.1 Lakh Cr Loan Guarantee Scheme for COVID Affected Sectors

Health Sector: Rs. 50,000 crore

Aimed at up scaling medical infrastructure targeting underserved areas.

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

Other Sectors: Rs. 60,000 crore

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

needs Normal interest without guarantee cover

is 10-11%

Additional 1.5 lakh Cr for Emergency Credit Line Guarantee Scheme

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

Rs 33,000 Crore Boost for Project Exports through National

Export Insurance Account (NEIA)

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

Rs. 88,000 crore Boost to Export Insurance Cover

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

Extension of Tenure of PLI Scheme for Large Scale Electronics Manufacturing

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

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

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

Financial Details

Scheme	Period	Amount (Rs in Cr)	Remarks
Economic Relief from Pandemic			
Loan Guarantee Scheme for COVID Affected Sectors	2021-22	1,10,000	
Emergency Credit Line Guarantee Scheme (ECLGS)	2021-22	1,50,000	Expansion

Scheme	Period	Amount (Rs in Cr)	Remarks
Economic Relief from Pandemic (Contd..)			
Additional Subsidy for DAP & P&K fertilizers	2021-22	14,775	
Scheme	Period	Amount (Rs in Cr)	
Impetus for Growth & Employment			
Boost for Project Exports through NEIA	2021-22 to 2025-26	33,000	
Boost to Export Insurance Cover	2021-22 to 2025-26	88,000	

