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ROLE OF GOVERNMENT POLICIES TOWARDS ATMA NIRBHAR BHARAT

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ABSTRACT:

Atma Nirbhar Bharat is to make the country India as self-reliant. It is necessary to develop the nation as a self-reliant country and dependency level of the nation should be diminished. Atma Nirbhar Bharat Abhiyan started in May 2020 during COVID. India needs to strengthen the possible technologies to become self-reliant. Government policies act as the push plus support system for making India as self-reliant nation. Government of India supports manufacturing, micro, small and medium enterprises, agriculture and rural development, digital and infrastructural development. India focuses on economy, infrastructure, systems, demography and demand. The purposes of "Atma Nirbhar Bharat Abhiyan" are linked to the strengthening infrastructure and developing technologies in such a way that country will pride on their own available resources.

Keywords: Atma Nirbhar, Abhiyan, COVID, Digital, Technology

INTRODUCTION:

India is a developing country with over population. Indian economy is primarily based on agricultural activities. Recently, Pandemic Covid-19 has changed the world scenario and it hits economy of each nation. Due to this unforeseen event, the country, India is facing several problems and severe problems in unorganised sectors. Poverty, unemployment, inequality, poor health facilities, lack of infrastructure etc. are the major problems of India. To address these problems, India is facing huge challenges in several ways.

Students are the human capital and future maker of the country. The contribution of students may be significant in the "Atma Nirbhar Bharat Abhiyan". Students can make choice for research and innovation in various sectors like agriculture, manufacturing, health, information technology, biotechnology etc. Young population is the human capital of the nation and utilization of this in right direction is very important for developing the nation.

On 12th May 2020, the Hon'ble Prime Minister, Shri Narendra Modi, announced Atma Nirbhar Bharat Abhiyan with a special economic package of Rs 20 lakh crore. This amount is approximately equivalent to 10 per cent of India's GDP. The aim is not to make India isolated, but self-reliant and competitive globally.

The purpose of this scheme is to make the country independent against the tough competition in the global supply chain and to help in empowering the poor, labourers, migrants who have been adversely affected by COVID as it hit in 2020 and there were factories shut, imports stopped, medical crisis etc.

LITERATURE REVIEW:

The Atmanirbhar Bharat initiative's motto is transform India into a developed nation by the year 2047. The literature regarding this initiative incorporates various perspectives for policy implications, economic influence, and social scopes. A key part of understanding Atmanirbhar Bharat is looking at the history of India's economic policies. Many research works have looked into the policies and economic plans that are part of the Atmanirbhar Bharat program.

Mohan (2010) looks at the bigger picture of the world and where India stands in it. The study talks about the difficulties and chances that come from the worldwide economy and suggests the need for smart partnerships between different countries. The literature suggests that a good approach is to use international partnerships but also protect the country's own interests.

Das (2019) says the initiative is inspired by India's previous emphasis on being self-reliant. This idea is connected to the Swadeshi movement, which was a part of the struggle for independence. The paper explores how the Atmanirbhar Bharat initiative relates to the earlier concept of economic independence, highlighting a continuous connection in India's economic development.

Sharma (2020) looks at how Atmanirbhar Bharat affects society, highlighting the chance for growth that includes everyone and helps people gain power. The literature shows that social welfare policies and fair development are important to make sure that the advantages of being self-reliant reach people from all different economic and social backgrounds. Many research papers look into the difficulties and good chances that come with the Atmanirbhar Bharat plan.

Mishra and Gupta (2021) look at the main parts of self-reliance, focusing on how economic diversification plays a key role and how reducing reliance on outside sources is important. The literature shows that focusing on making things locally, coming up with new ideas, and sharing technology is very important for a country to be independent economically and stay competitive in the world. Atmanirbhar Bharat focuses a lot on technology and innovation as key factors for boosting the economy.

On the basis of above literature, this paper addresses the role of Government Policies towards Atma Nirbhar Bharat. Government Policies act as catalysts. They provide finance, credit protection and infrastructure to develop country as self-reliant nation

HIGHLIGHTS OF GOVERNMENT POLICY IN INDIA:

Hon'ble Prime Minister, Shri Narendra Modi, announced Atma Nirbhar Bharat Abhiyan with a special economic package of Rs 20 lakh crore on 12.05.2020. Following this announcement, the Finance Minister, Ms. Nirmala Sitharaman shared the specific details of the economic package during five press conferences. The following policy highlights and notes summarize the main points of the economic package. The borrowing limits for state governments will go up from 3 per cent to 5 per cent of the Gross State Domestic Product (GSDP) for the 2020-21 financial year. This is expected to provide states with additional resources of Rs 4.28 lakh crore.

There will be a non-condition-based rise of up to 3.5 per cent in GSDP, followed by a 0.25 per cent increase that is connected to reforms in areas like making the 'One Nation One Ration card' system universal, improving the Ease of Doing Business, enhancing power distribution, and increasing revenues for Urban Local Bodies. Also, there will be a 0.5 per cent increase if three out of the four reforms are completed.

A new policy has been introduced for public sector enterprises, aiming to privatize them. However, some enterprises that operate in important sectors will not be privatized, and the government will list these sectors later. In important areas, there will still be at least one publicly owned company, but the private sector will also be permitted.

To reduce unnecessary administrative costs, the number of companies in important industries will usually be kept between one and four; the rest will be sold off, combined, or placed under larger parent companies. Businesses can get loans without needing to provide any collateral. This includes small and medium-sized businesses. The loans will be given automatically and can be up to three lakh crore rupees in total.

MSMEs are allowed to take loans up to 20% of their total existing credit as of February 29, 2020, from banks and Non-Banking Financial Companies. Borrowers who have a loan amount of up to Rs 25 crore and a turnover of up to Rs 100 crore are eligible for these loans. They can take advantage of this scheme until October 31, 2020. The interest charged on the loan will be limited, and banks and NBFCs will get full assurance for the principal and interest.

A special fund with a total amount of Rs 10,000 crore will be created to support MSMEs. This will offer equal funding to small and medium businesses that have the potential to grow and are likely to succeed. Rs 50,000 crore is expected to be used through this fund structure. Subordinate debt for small businesses: This program helps small and medium enterprises that are facing financial difficulties and have assets that are not being repaid. Under this plan, the people who start small businesses will get loans from banks, and that money will be treated like their own money in the business.

The government will help provide Rs 20,000 crore in subordinate debt to small and medium businesses. For this purpose, it will give Rs 4,000 crore to the Credit Guarantee Fund Trust for Micro and Small Enterprises, which will offer partial credit guarantees to banks that provide loans under the scheme. A special liquidity scheme was introduced where the government will invest Rs 30,000 crore in both buying and selling investment-grade debt papers of Non-Banking Financial Companies (NBFCs), Housing Finance Companies (HFCs), and Micro Finance Institutions (MFIs). The central government will fully guarantee these securities.

The current Partial Credit Guarantee Scheme (PCGS) will be expanded to help protect NBFCs from some of the risks related to borrowings by these entities, like when they issue bonds or commercial papers, which are part of their balance sheet liabilities. The first 20% of the loss will be covered by the central government. The PCGS program will help NBFCs get liquidity amounting to Rs 45,000 crores. Employee Provident Fund (EPF): As part of the PM Garib Kalyan Yojana, the government contributed 12 per cent of the employer's share and 12 per cent of the employee's share into the EPF accounts of eligible businesses for the months of March, April, and May.

This process will keep going for another three months, which are June, July, and August. This is expected to give around Rs 2,500 crore in liquidity support to businesses and workers. The required PF contribution from both the employer and the employee will be lowered from 12 per cent to 10 per cent each for all organizations covered by EPFO for the next three months. This plan will be for workers who can't get the 24 per cent EPF support from the PM Garib Kalyan Package and its continued version.

However, Central Public Sector Enterprises (CPSEs) and State Public Sector Units (PSUs) will still contribute 12 per cent as employer contribution. A special plan is going to be started within a month to help street vendors get credit more easily. Under this plan, banks will give credit to each vendor for starting capital up to Rs 10,000. This is expected to create liquidity of about 5,000 crore rupees.

INSIGHTS ON POLICY:

- Speeding up payments to MSMEs: The government and CPSEs will pay the outstanding amounts owed to MSMEs within 45 days. A special framework for resolving insolvency will be introduced for small businesses and medium enterprises under the Insolvency and Bankruptcy Code, 2016. To protect Indian small and medium businesses from competition with foreign companies, the government will not allow global tenders for projects worth up to Rs 200 crore in public procurement processes.

- The rates for Tax Deduction at Source (TDS) on non-salaried payments made to residents and Tax Collected at Source (TCS) will be lowered by 25% compared to the current rates. This decrease will take effect starting on May 14, 2020, and will last until March 31, 2021. This is expected to bring in about Rs 50,000 crore in liquid funds.
- It will be easier for big companies to do business because Indian companies will be allowed to list their shares directly in foreign countries where it is permitted. Private companies that issue Non-Convertible Debentures (NCDs) and list them on stock exchanges will not be classified as listed companies.
- NCDs are types of debt that companies issue to get funds for their business operations, and they have a set time period for which the money is borrowed. Unlike convertible debentures, NCDs cannot be turned into equity shares of the company that issued them at a later time.
- The definition of MSMEs will be updated by changing the Micro, Small and Medium Enterprises Development Act, 2006. According to the suggested definition, the maximum amount that can be invested will go up from 25 lakh rupees to 1 crore rupees for micro businesses, from 5 crore rupees to 10 crore rupees for small businesses, and from 10 crore rupees to 20 crore rupees for medium-sized businesses. A new rule about yearly sales will be added. The maximum turnover allowed for Micro, Small, and Medium enterprises will be Rs 5 crore, Rs 50 crore, and Rs 100 crore respectively.
- Starting insolvency process: The Insolvency and Bankruptcy Code, 2016 will be changed in a few ways. First, the minimum amount needed to start an insolvency case will go up from one lakh rupees to one crore rupees. Second, starting new insolvency cases will be paused for one year, depending on how the pandemic situation is. Third, debts related to COVID-19 will not be considered as a default under the Code, which means they cannot be used to begin an insolvency process.
- Amendments to Companies Act, 2013: The Companies Act, 2013 will be changed to include the following: Some violations under the Companies Act, 2013 will no longer be treated as criminal offenses. These include small issues like problems with CSR reporting, weak Board reports, missing filings, and delays in holding the annual general meeting. Several offenses that can be combined will now be handled through an internal decision-making process.

- Farmers will get special credit facilities at lower interest rates through Kisan Credit Cards. This plan will help 2.5 crore farmers by providing affordable loans totalling two lakh crore rupees.
- An Agri Infrastructure Fund of one lakh crore rupees will be set up to support the development of agriculture infrastructure projects at the farm level and at collection points like cooperative societies and Farmer Producer Organizations.
- Farm gate is a market where people can purchase products straight from the farmers. An extra amount of Rs 30,000 crore will be given as emergency working capital to help farmers. This fund will be given to Rural Cooperative Banks and Regional Rural Banks by NABARD to help them provide crop loans.
- This fund is expected to help three crore small and marginal farmers. In addition to the Rs 90,000 crore financial help that NABARD will give to RCBs and RRBs to cover the crop loan needs for this year.
- Support for fishermen: The Pradhan Mantri Matsya Sampada Yojana (PMMSY) will be started to promote integrated, sustainable, and inclusive growth in both marine and inland fishing sectors.
- Under this plan, Rs 11,000 crore will be used for activities related to marine, inland fisheries, and aquaculture, while Rs 9,000 crore will be allocated to build infrastructure like fishing harbours, cold storage facilities, and markets.
- A fund of 15,000 crore rupees will be created for developing animal husbandry infrastructure. This fund is meant to help private investors in areas like dairy processing, adding value to products, and building facilities for cattle feed. Rewards will be offered to companies that set up factories to produce and export specialized dairy products.
- The government will approve a plan worth Rs 6,000 crore using funds from the Compensatory Afforestation Management and Planning Authority (CAMPA) to create jobs for tribals and adivasis. These funds will be used for several activities, including planting trees and doing tree planting in urban areas, helping forests grow naturally or with support, managing forests, preserving soil and water, protecting forests, building necessary infrastructure for forests and wildlife, and taking care of wildlife and managing their habitats.

INITIATIVES OF RESERVE BANK OF INDIA (RBI):

The overall financial package that has been announced also includes the liquidity created through the measures introduced by RBI. Some of these steps include:

- The Cash Reserve Ratio was lowered, which helped provide Rs 1,37,000 crore in liquidity support.
- Banks' borrowing limits through the marginal standing facility were raised. This let banks get more Rs 1,37,000 crore of easy money at a lower MSF rate.
- The plan is to use a total of Rs 1,50,050 crore through Targeted Long Term Repo Operations (TLTRO) to invest in investment grade bonds, commercial paper, and non-convertible debentures, including those issued by non-banking financial companies and microfinance institutions.
- A special liquidity facility of Rs 50,000 crore was announced for mutual funds to help them get enough cash when needed. Special refinance facilities amounting to Rs 50,000 crore were announced for NABARD, SIDBI, and NHB at the policy repo rate.
- A three-month pause has been given on paying the instalments and interest for working capital loans for all kinds of loans.

The points mentioned above show the various steps and statements made by the Government of India and RBI to improve the current conditions of the country and strengthen the economy, with the goal of making India more self-dependent.

CONCLUSION:

In conclusion, the Atma Nirbhar Bharat initiative, launched in May 2020, is an economic roadmap designed to diminish the country’s import dependencies. It provides a comprehensive stimulus and policy support system to foster self sufficiency across manufacturing. Government of India has taken several steps and initiatives to make India as self-reliant country. Government policies play the pivotal role to enhance the MSMEs, agriculture and infrastructure towards Atma Nirbhar Bharat. These policies have a positive impact towards making India as self-reliant nation.

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