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THE IMPACT OF THE COVID-19 ON GDP GROWTH AND INDIAN FINANCIAL SERVICES AND POLICY MEASURES

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Abstract: Human history is facing a tough time fighting an invisible enemy; the novel COVID-19. Across the world, the COVID-19 has come up with serious disturbance even compared to the financial crisis during 2007-2008. The present study is undertaken to investigate the impact of COVID-19 on the GPD growth rate of India and the financial services sector particularly on the Banking, Non-banking financial services, and insurance sectors. This paper outlines the economic measures undertaken in India through the Economic stimulus package towards combating COVID-19. Measures are categorized into two parts, the first part includes the measures undertaken by the Government of India through Fiscal package by making changes in Fiscal policy. The second part includes the measures undertaken by the Reserve Bank of India through the Monetary package by making changes in Monetary policy.

Keywords: COVID-19, GDP growth, Banking sector, fiscal package, monetary package

I. INTRODUCTION

Coronavirus disease is primarily, a pandemic with possibly serious implications for people's health. It is an unparalleled challenge for our societies and health systems. The consequences of the coronavirus disease for the economy and the financial system across the world are unpredictable. The COVID-19 pandemic represents the biggest test of the post-crisis financial system to date. COVID-19 has already had a substantial impact on the financial service sectors across the world, including India, and it may have accounting and reporting implications for many entities. The uncertainty from COVID-19 will remain for the foreseeable future. Financial service sector including banks, NBFCs, Insurance companies has no choice apart from remaining vigilant and redraft their business continuity playbooks as circumstances changes.

Banks across the globe have been impacted the most than most sectors due to the rapid global spread of coronavirus disease sent financial markets into a tailspin.

The banking industry, in addition to facing its challenges, is expected to help customers in this hour of need. While banks have well-defined business continuity plans, they may be inadequate in handling a crisis of this scale and impact or address the large number of varying challenges emanating from the situation. Non-Banking financial companies are likely to face liquidity challenges. Small and medium-sized NBFCs are most at risk due to the disruption caused by the Covid-19 outbreak.

Governments and banks in many jurisdictions have introduced extraordinary measures to lighten the financial and economic impact of Covid-19. The relief measures undertaken by the authorities include government guarantees and a range of different payment moratoriums. A stabilization and partial recovery set in shortly after the middle of the period, on the back of unprecedented policy measures taken by central banks and other authorities. The government in India has introduced policy measures through the Fiscal package whereas Reserve Bank of India has introduced through the monetary package. The policy measures also marked a turning point in terms of the extent to which investors were differentiating across banks according to their pre-pandemic characteristics.

II. REVIEW OF LITERATURE

It is predicted in a study conducted by the economics expert that the coronavirus will have a serious impact on the economy. In the study, Economics experts analyzed that the COVID-19 will have a major impact on social welfare and economy at a large, in particular, it will impact financial markets trading, supply chain, import and export business, fuel prices, and production. Shambaugh,(2020) to support the matter argued that "various measures undertaken to limit the spread of COVID-19 will have positive outcomes for both social welfare and the economy".

The coronavirus disease will have an extraordinary impact on the global economy, reported by various international organizations. The impact may be much worse than the 2017 financial crisis, the measures towards restore and rebuild the economy will be hard and requires the world to stand together and strong to overcome the pandemic impact on the economy. S&P Global report,(2020), reported that "It's now clear that the hit to global economic activity from

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the measures to slow the spread of the coronavirus pandemic will be massive".

A study conducted on the selected public sector banks, it is revealed in the study that NPAs were increasing in numbers year by year. It is concluded in the study that there is a rapid increase in the NPAs of public sector Banks in India. (Gupta,2018).

A study conducted reported that the economic recession is experienced globally to recover and restore the economy will be for the long due to the severe negative impact of the coronavirus disease on the global economy. ICAEW Report, (2020), on their report contribution, reported that "The COVID-19 pandemic made for difficult, if not entirely unexpected, listening, but did offer hope of a recovery in the longer term"

The literature identified the response outcome of the financial markets with the recent pandemic COVID - 19. Experts revealed that the financial markets have quickly responded to the COVID - 19 as it changes direction and becoming pandemic in the process of spreading all over the world. This will lead to the world recession, concerning financial market response to the COVID – 19. Ramelli & Wagner (2020) insisted that "These early results suggest that the market fairly quickly began to respond to concerns about the possible economic consequences of the novel coronavirus".

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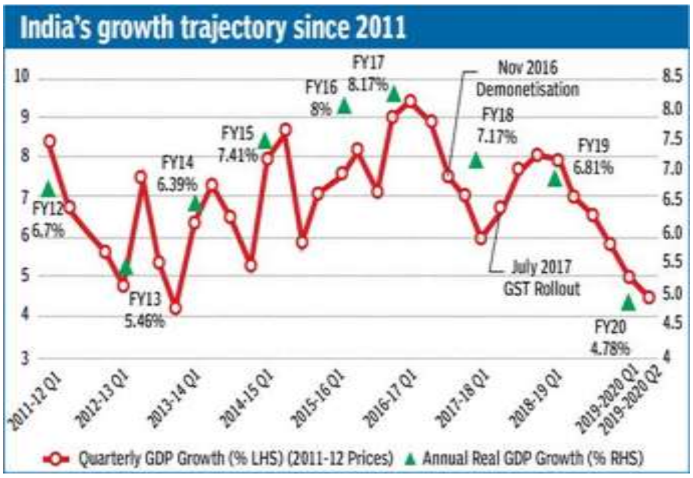
III. METHODOLOGY

The present study was descriptive. It was purely based on the secondary data collected from the government reports, RBI and other financial institutions reports, journals, different news articles, books, and authorized internet sources.

IV. IMPACT OF COVID-19 ON GDP GROWTH

The rapidly growing Covid-19 pandemic has adversely impacted the global economy. This global shock comes at a particularly critical time for India, as the country's economy was already on a very concerning downward route, since the turn of FY 2018-19 as shown in chart 1 below. More importantly every quarter, India's growth rate fell from around 8per cent in Q4 FY2018 to a new low of 4.5 percent in Q2 FY20.

Chart 1



SOURCE: Data from the Central Statistical Office

In January 2020 in its report to the world economic outlook, the International Monetary Fund (IMF) downgraded India's growth estimates for 2019 to 4.8 percent which was the lowest for over a decade and further revised its 2020 growth forecast to 5.8 percent, down 1.2 percentage points from the previous forecasts. These downgrades happened even before the onset of the pandemic, and now look overly optimistic.

World Bank in its report sharply scaled down its projections for India's economy, forecasting 3.2 percent contraction in the fiscal year 2020-21 because of the Covid-19 induced lockdown. It had earlier predicted 1.5-2.8 percent growth. The country's economy grew 4.2 percent in 2019-20, the slowest in 11 years.

"Stringent measures to restrict the spread of the virus, which heavily curtail short-term activity, will contribute to the contraction," World Bank said in its latest edition of the Global Economic Prospect.

It, however, stressed India's economy should bounce back in 2021-22 and pegged growth at 3.1 percent. Still, it is lower than 4-5 percent growth projected by the bank earlier.

India could lose the tag of the fastest-growing large economy to China for two years. China is projected to grow at 1 percent in CY2020, and 6.9 percent for CY2021.

V. IMPACT OF COVID-19 ON BANKING SECTOR

The unprecedented situations imposed by COVID-19 will remain for the foreseeable future. The banking sector has no other option but to remain vigilant and redraft their business continuity playbooks as circumstances change. The banking sector is likely to be affected in different areas, such as :

5.1 Spike in non- performing assets: banks in the country are likely to witness a spike in their Non-performing assets ratio by 1.9%, following the economic slowdown on account of the COVID-19 crisis.

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Before COVID-19, the decline in Gross NPAs from 11% to 9% during 2018-19, and higher recovery through IBC in visibly large cases, made almost everybody believe the worst was over. But due to recent developments in the eco-system are likely to generate more NPAs once again.

Table 1. Gross- NPA of the Banking sector.

Components	2017 (Crore)	2018 (crore)	2019 (crore)
Opening NPAs	6,12,000	7,26,500	10,38,684
Addition	4,15,700	6,04,300	3,14,449
Reduction	1,27,400	1,28,300	1,79,711
Write off	1,08,500	1,82,700	2,36,948
Closing NPAs	7,91,800	10,39,800	9,36,674
Gross NPAs (%)	9.30%	11.20%	9.10%
Gross Advances *	85,13,978	92,83,929	102,90,923

*Derived from closing NPA level & % reported

The opening NPA as at the beginning of each year is different from the closing NPA as of the previous year. This is due to rectification made by Banks after reporting the data to RBI.

The above table indicates the reduction in NPA from the year 2018 to 2019 from 11% to 9% reduction in NPA can be due to various factors like up-gradation of the asset from NPA to standard, after recovery of defaulted irregularity through in house recovery efforts like a settlement or by legal measures like security enforcement actions under SARFAESI debt recovery tribunal, Lok Adalat & finally through IBC.

Following the pattern, the gross Non-performing asset for the year 2020 was estimated to be 9.14%, however, taking into consideration the COVID-19 effect it is estimated to rise by 1.9%.

5.2 BANK CREDIT COST: Due to the adverse impact of coronavirus pandemic Banks in the country are likely to witness an increase in the Credit Cost Ratio by 130 basis points in 2020. Before the COVID-19 outbreak, a slower rate of recovery of bad loans was anticipated to rise in the range of 1.9 – 4.6 percent for the second half of the current fiscal year. After the outbreak of COVID-19, the pace of recovery has slowed down significantly since then, credit cost is expected to be marginally higher than the earlier estimates. The credit cost ratio could be worse, increasing by about 130 basis points that will result in an additional USD 300 billion spike in the Bank's credit cost due to the adverse impact of COVID-19.

5.3 ASSET QUALITY: An increase in bad loans for the banks along with a decline in the revenue will hurt the profitability of the banks, causing deterioration of capitalization. Indian banks will see the quality of their assets deteriorate by 200-600 basis points for at least the next two years due to increased lending pressure to revive the credit flow in the economy.

The impact will be more pronounced for private sector banks, where the center has not proposed any capital infusion for FY2020-21 and private sector banks expected to tap markets for funds. The Government so far has not announced any new plan to provide support to private sector banks.

The Government had infused Rs. 70,000 crore into state-owned banks in the fiscal year 2020. In FY2019, it had infused over Rs. 1 trillion in private sector banks(PSBs), with the last tranche of Rs. 48,239 crore in February 2019. So, if the Government makes more capital infusion into PSBs, as it had in the past few years, it will mitigate capital pressure for them.

5.4 operations and supply chain: Physical supply chain are far less significant for banking and capital market firms than for comparison in other sectors. But, these companies certainly finance clients that are affected by production and distribution interruptions. Banks themselves rely heavily on a network of interlocking vendors. COVID-19 has impacted the operation & supply chain. This has increased with the advent of Fintech. Virtually every aspect of modern banking and market now depends on the availability of third parties, such as lockbox operators, credit card processing networks clearinghouse, and depositaries.

VI. IMPACT OF COVID-19 ON NON-BANKING FINANCIAL COMPANIES (NBFC)

small and medium-sized NBFCs across the nation are mostly at risk owing to the disturbance caused by the coronavirus outbreak. Large lenders will be able to avail the RBI's benefit of Rs 1 lakh crore targeted longer-term refinancing operations (TLTRO) window but small and medium-sized NBFCs are like to face crunch. The following are the major areas that are most likely to be affected in the NBFCs :

a. LIQUIDITY PRESSURE Non-Banking financial companies across the nation are more likely to face liquidity issues owing to a lack of clarity on the applicability of the moratorium on their bank loan and poor collection provided by the Reserve Bank of India's due to nationwide lockdown amid Covid-19.NBFCs face a dual-issue because on one side they are offering moratorium to customers despite whereas on the other hand they have not been issued themselves from their lenders' banks. In the view of challenges faced by NBFCs such as access to fresh funding, and presuming nil collections, many NBFCs are likely to face liquidity challenges provided that they are unable to get a moratorium on servicing their bank loans and are forced to meet all debt obligations on time. NBFCs primarily match their liquidity by matching outflows, which mainly includes debt repayments, with inflows from customers loan repayments. The moratorium on customer loan repayment, initially effective from March 1, has led to

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a significant decline in the cash inflows and has adversely impacted the liquidity of NBFCs.

b. Business model re-assessment: NBFC firms are likely to revisit their business model assessment for their existing financial instruments, owing to a significant change in the market conditions. In case the sale of loans or investments is due to an increase in credit risk, then it would be consistent with the business model objective hold to collect as the credit quality of financial assets is relevant to the entity's ability to collect contractual cash flows and the sale is triggered due to significant deterioration in the market condition or counterpart specific credit risks problem.

c. Mark to market losses depleting capital: Given the sizeable portion of NBFCs' loan or investment portfolio may be classified at fair value through other comprehensive income (FVOCI), the market to market losses could wipe out a major amount of capital which would result into a possible breach of capital adequacy norms and it may further require capitalization to continue its trading operations.

VII. IMPACT OF COVID 19 ON INSURERS

Covid-19 also has a major impact on the insurance sector. Insurers are getting affected in terms of their assets and liabilities position reflected in the balance sheet. This, as a result, threatens their future growth as well as business continuity. The pandemic is an acid test for financial institutions and more so insurers as stress that they have tested and scrutinized in their financial risk analysis, operational risk analysis, and business continuity planning. As a result, insurers can expect to be engulfed with inquiries and claims across multiple insurance lines, whether that be for life or non-life cover, health. Following are the different areas which are likely to be impacted in the insurance sector :

7.1 Mortality claims: Life and health insurers while evaluating the impact of COVID-19 on their claims, may consider alternative scenarios that would have led to the spread of the pandemic. Life insurers with high exposures to morbidity and mortality risk could be hit particularly hard if the pandemic proves difficult to control. Mortality rates in severe scenarios could trigger meaningful pay-outs relative to capital. Health insurers also need to factor in the capacity of the Indian healthcare system and the effectiveness of actions taken by the government.

7.2 Loss of profit clause: Few companies may eye claims under the loss of profit clause in their insurance contracts. This is useful in covering losses owing to factory shutdowns when unprecedented situations such as fire or accident take place. Various insurance companies had taken insurance policies to overcome the losses arising out of certain unprecedented situations, however, it is not sure whether they will be covered for COVID-19 pandemic under such policies.

7.3 Financial and cash flow impact The insurance sector in India will need to analyze the impact of Covid-19 on their cash flows and financial statements which includes:

- On the asset side of the balance sheet, what is the potential range of monetary policy responses and how will these affect short-term yields? How will ratings and the expected loss in debt portfolio be affected? How will duration matching/asset and liability management (ALM) objectives be met amidst market uncertainty?
- On the liability side of the balance sheet, what will be the likely impact of the stretched healthcare system on mortality, which includes deaths due to COVID-19 and otherwise? How will the health, economic, and social impacts of the pandemic affect lapse rates?
- Broadly, all insurers need to analyze financial and operational risks and their impact on the cost of capital under different economic scenarios, viz., deflationary conditions, economic downturn, or stagflation. Accordingly, these insurers need to define the triggers for remedial management actions under each of these scenarios.

VIII. POLICY MEASURES TO TACKLE COVID-19

On May 12, in his address to the nation, Prime minister Sh. Narendra Modi announced an economic stimulus package under 'Atmanirbhar Bharat Abhiyan'(self-reliant India). The package totaling of Rs.20 lakh crore towards the COVID-19 crisis. The package of Rs. 20lakh crore comprised of earlier announced measures of Rs. 1.92 lakh crore stimulus such as the Pradhan Mantri Garib Kalyan Package worth Rs 1.7 lakh crore. A big chunk the largest, worth Rs 8.01 lakh crore of the economic package belonged to the various measures by the Reserve Bank of India.

Overall Stimulus provided by Atmanirbhar Bharat Package

S.NO.	ITEM		(Rs. Cr.)
1	Part 1		5,94,550
2	Part 2		3,10,000
3	Part 3		1,50,000
4	Part 4 and 5		48,100
		Sub-total	**11,02,650**
5	Earlier Govt. measures include PMGKP		1,92,800
6	RBI Measures (Actual)		8,01,603
		Sub-total	9,94,403
		GRAND TOTAL	***20,97,053***

Source: Financial express.

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In this study, the economic stimulus package is divided into two detailed parts, which include the measures taken by the Government of India through the Fiscal package and the measures taken by Reserve Bank of India through the Monetary package.

ECONOMIC PACKAGE

FISCAL PACKAGE

Fiscal package includes the Policy measures undertaken by Government of India by making Changes in fiscal policy.

MONETARY PACKAGE

Monetary package includes policy measures undertaken by Reserve Bank of India by Making changes in monetary Policy.

8.1 Fiscal package: measures undertaken by the Govt. of India by making changes in fiscal policy. fiscal policy is carried out by the Government of India and involves changes in:-

a) Level of Govt. spending

b) Level of taxation.

Fiscal package measures undertaken in five tranches by the government as part of the economic package announced by PM Modi for 'Atmanirbhar Bharat'.

8.1.1First tranche: The first tranche included funding as well as loan guarantees for small businesses, non-bank lenders, discoms, and salaried workers. MSMEs that have a GDP share of approximately 29 percent and employ around 11 crore people, considered to be the backbone of the Indian economy. The first set of relief measures were contributed towards MSMEs. Out of various announcements, major announcements were contributed towards to MSME segment to infuse liquidity. This includes collateral-free loans of Rs. 3 lakh crore and equity infusion of Rs 50,000 crore for MSMEs through fund of funds. A sum of Rs. 30,000 crore were also contributed towards NBFCs, HFCs as a liquidity relief measure. Also a sum of Rs. 90,000 crore contributed towards power distribution companies against receivables from Rural electrification corp. and state-owned power finance corp. This will allow these discoms to pay dues to power producers.

Besides Liquidity relief of Rs 2,500 crore EPF support to all EPF establishments. The EPF contribution will be paid by the govt for another 3 months (until August). It will benefit more than 72 lakh employees.

8.1.2 Second tranche: The second tranche of measures contributed towards street vendors and migrant workers. In the measures a sum of Rs. 5,000 crore was included as a special credit facility to support 50 lakh street vendors who will have access to an initial 10,000 working capital. Another important announcement was the introduction of 'one nation one card' which will allow migrant workers to buy ration from any depot in the country. Also, a sum close to Rs. 2 lakh crore will be given to farmers through Kisan credit cards(KCC) while 2.5 crore farmers, including animal husbandry farmers and fishermen, would be able to get institutional credit at a concessional rate. The government allowed states to fund the food and shelter facilities to migrant workers from the disaster response fund that would cost Rs 11,000 crore to the center.

8.1.3 Third tranche: The third tranche of the measures issued by the government contributed to strengthening the overall farm sector, A sum worth Rs. 1.5 lakh crore focused on the agriculture and allied sectors including animal husbandry, dairy, and fisheries. It was announced that Rs 1 lakh crore agriculture infrastructure fund for farm-gate infrastructure including using it for setting up cold chains and post-harvest management infrastructure. It also includes other major announcements made which include Rs. 10,000 crore towards formalizing micro food enterprise, through Pradhan Mantri Matsya Sampada Yojana Rs. 20,000 crore to be provided to fishermen. Rs 500 crore towards bee-keeping related infrastructure development and Rs. 15,000 crore towards Animal husbandry infrastructure development.

8.1.4 The fourth tranche: The fourth tranche of the 'Atmanirbhar Bharat Abhiyan' comprised of the reforms for sectors including defense production, airports, coal minerals, air space management, space sector, distribution companies in

UTs and atomic energy. Measures also include privatizing discoms in metros to streamline their functions for better accountability. It also included the participation of the private sector in the space sector along with coming up with a policy for private players.

8.1.5 The fifth tranches:

The fifth tranche focused on Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) by providing additional funding of Rs 40,000 crore towards

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job creation in India's hinterland. The government had earlier allocated Rs 61,000 crore in the budget for this financial year. In addition formulation of a new Public Sector Enterprises Policy that would allow for consolidation of the PSU firms in strategic sectors. Each sector would have up to four such firms while state-owned enterprises will be privatized. In addition, measures undertaken towards extended the initiation period of fresh insolvency proceedings against MSMEs by six months to up to one year for improved ease of doing business among MSMEs. Another provision is given to MSMEs excluding COVID-19 related debt from the 'default' category under the IBC code.

8.2MONETRAY PACKAGE: Monetary package includes the measures undertaken by Reserve Bank of India by making changes in Monetary Policy. Monetary policy is carried out by the Central Bank of the country and involves:-

- Changing interest rates
- Influencing the supply of money

Monetary package measures undertaken by Reserve Bank of India include the following :

8.2.1 Liquidity Management

Liquidity deals with any unexpected short-term crisis, the first set of measures is intended to ensure that adequate liquidity is available to all constituents so that COVID-19 related liquidity constraints are eased. The following steps are undertaken for liquidity management.

A) Targeted Long-Term Repo Operations (TLTROs)

In a step taken towards liquidity management, Reserve Bank of India announced to conduct an auction of the targeted long-term repos of up to three years tenor of appropriate sizes which will amount up to Rs.1,00,000 crore at a floating rate linked to the policy repo rate. The money so generated will be deployed in investment-grade corporate bonds, non-convertible bonds, and commercial papers.

B) Cash Reserve Ratio (CRR)

(i) The cash reserve ratio of the banks was reduced from 4 percent of NDTL to 3 percent of NDTL effective from March 28, 2020. This marked the reduction of 100 basis points in CRR. This dispensation will be available for one year ending March 26, 2021.

(ii) In addition to the action towards the reduction of CRR, the minimum daily CRR balance required by the banks was also reduced. It was reduced from 90 percent to 80 percent effectively from March 28, 2020. This dispensation will be available up to 3 months ending June 26, 2020.

C) Marginal Standing Facility (MSF)

Given the exceptionally high volatility in domestic financial markets and to provide comfort to the banking system, banks' limit for borrowing overnight under the MSF by dipping into their Statutory Liquidity Ratio (SLR) was raised to 3 percent of NDTL from 2 percent. This measure will allow the banking system to avail of an additional Rs 1,37,000 crore of liquidity under the liquidity adjustment facility (LAF) window at the reduced MSF rate of 4.65 percent.

D) Reduction in Policy Rate and Widening of the Policy Corridor.

(i) The policy repo rate under the LAF was reduced from 5.15 percent to 4.40 percent with immediate effect. This marks the reduction of 75 basis points in the liquidity adjustment facility. Also, the bank rate and MSF rate were also reduced from 5.40 percent to 4.65 percent.

(ii) Because of tenacious excess liquidity, the existing LAF corridor was widened asymmetrically from 50 bps to 65 bps. Subsequently, the reverse repo rate was reduced from 4.90 percent to 4.00 percent. This marked 90 bps reduction in reverse repo rate. The purpose of this measure was to make it unappealing for banks to passively deposit funds with the RBI; instead, these funds should be deployed for on-lending to productive sectors of the economy.

(iii) Consequently, the MSF rate continues to be 25 bps above the policy repo rate whereas the reverse repo rate is now 40 bps lower than the policy repo rate.

8.2.2 Regulation and Supervision

In conjunction with the liquidity measures, steps must be taken towards mitigating the burden of debt servicing brought about by disruptions owing to the COVID-19 pandemic. Such steps undertaken will play an important role to ensure the continuity of viable business and will also provide relief to borrowers in these disturbing times.

A) Moratorium on Term Loans

All the financial institutions including Banks, NBFCs, and others are being permitted to allow a moratorium on payment of installments towards all term loans outstanding as on March 1, 2020. This moratorium period will be for three months. owing to the long spread of COVID-19 pandemic and Nationwide lockdown the RBI announced an extension of the moratorium on loan EMIs further by three months. This subsequent period will be up to August 31, 2020. This is an extension to the earlier three- months moratorium period on the EMIs on loan which was ending on May 31, 2020. This will now make it to the period of a total of 6 months of the moratorium on EMIs on loans. The extension will provide relief to many individuals.

B) Deferment of Interest on Working Capital Facilities

All the lending institutions are being permitted to allow a deferment on payment of interest in respect of working capital sanctioned in the form of cash/credit overdraft. Such deferment allowed for a period of three months on all such working capital instruments outstanding as on March 1, 2020. The deferment so provided specifically to permit borrowers to drift over the economic fallout from COVID-

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19. Hence, the same will not be treated as a change in terms and conditions of loan agreements due to the financial difficulty of the borrowers and, consequently, will not result in asset classification downgrade.

C) Easing of Working Capital Financing

In a step towards working capital facilities sanctioned in the form of cash credit/overdraft, lending institutions may recalculate drawing power by reducing margins and/or by reassessing the working capital cycle for the borrowers. All such changes in credit terms will permit the borrowers to specifically overcome the economic effect of COVID-19. Further, it also ensured that it will not be treated as concessions granted due to financial difficulties of the borrower, and consequently, will not result in asset classification downgrade.

D) Deferment of Implementation of Net Stable Funding Ratio (NSFR)

The Basel Committee on Banking Supervision (BCBS) had introduced the Net Stable Funding Ratio (NSFR) which works towards reducing funding risk by requiring banks to fund their activities with sufficiently stable sources of funding over a time horizon of a year to mitigate the risk of future funding stress. This step is a part of reforms undertaken by the Basel Committee on Banking supervision during the global financial crisis. As per the prescribed timeline, all the banks in the country were required to maintain 100 percent NSFR from April 1, 2020. However, amid COVID-19 pandemic it has now deferred by six months to October 1, 2020.

IX. Conclusion

Coronavirus pandemic primarily causing serious implications for people's health also has a serious impact on different sectors such as education, economy. Covid-19 has an adverse impact on the economy causing serious disturbance even compared to the financial crisis during 2007-2008. Covid-19 has adversely impacted the GDP growth rate of India along with various components of financial service sectors. In order to tackle the impact of covid-19 on the economy. The Union Government of India introduced an economic stimulus package under Aatmanirbhar Abhiyan (self-reliant). The package consists of measures undertaken by the government of India through fiscal package and Reserve Bank of India through Monetary package. It is found that all such measures undertaken will be beneficial in liquidity management in the short term and will directly stimulate the new economic activity in the short term. Aatmanirbhar Baharat camping is also a step towards making India self-reliant and resilient during both normal and crisis times. It does not necessarily mean isolation of the Indian economy from the rest of the word rather efforts are focused on the efficacy of the Indian enterprises and the government.

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