Chandigarh, March 28:
Punjab Chief Minister Captain Amarinder Singh on Saturday sought urgent intervention by the Union Finance Minister to mitigate the crisis caused by COVID-19 outbreak in the state, including immediate release of GST compensation arrears of Rs. 2088 crore, specific only to Punjab (as on 31/3/2020), as well as deferment of instalments of Industrial and Agricultural/ Crop loans by the Commercial Banks.

In a letter, that followed a telephonic conversation, the Chief Minister sought from Union Finance Minister Nirmala Sitharaman some additional urgent steps to mitigate the crisis caused by the outbreak of COVID-19 global pandemic. The Union Finance Minister had earlier called up the Chief Minister, who subsequently sent her a detailed letter listing out certain important proposals to help out the state in this critical time, according to an official spokesperson.

The Chief Minister conveyed to Sitharaman that for opening the banks, he had asked the State Finance Department to issue necessary guidelines to facilitate the common man in meeting his banking requirements.

In addition to the Punjab-specific GST compensation arrears, the Chief Minister proposed that the balance GST compensation due may be released with other States.

In his letter, Captain Amarinder further proposed that the Centre should ask the RBI to raise the ways and means advances for all States to tide over the shortfall in receipts. He also suggested that the Government of India may raise the borrowing limit of States under the FRBM Act from 3% to 4%.

In addition to deferment of instalments of Industrial loans, the Chief Minister has asked
that Commercial Banks should defer loan instalments for Agriculture/Crop loans, which the Punjab Government had already done for the State Cooperative Banks. Further, in line with the initiative taken by the State Government with respect to Cooperative Banks, he has also sought waiver of three months’ interest on Agricultural/ Crop loans by Commercial Banks.

Referring to the special insurance already announced by the Union Finance Minister for Health Workers, the Chief Minister has asked for a one-time special insurance on similar lines also for sanitary workers and police personnel, as they too are frontline warriors in the fight against COVID-19. He has also sought Grant of Rs. 300 crore for health infrastructure and personnel for fighting COVID-19.

Under MGNREGS, Captain Amarinder has proposed payment of 15 days Unemployment Allowance per month for three months to mitigate rural distress on account of lockdown on 90:10 sharing pattern. In addition, he has suggested allowing 10-day wages under MGNREGS to small and marginal farmers to defray labour costs.

Given the delay in harvesting of Wheat already announced by the state government, the Chief Minister has asked for bonus to farmers for delayed procurement of wheat to incentivise social distancing and prevent over-crowding in Mandis.

Line Ministries may be asked to take a pragmatic view of expenditures incurred by States under various Centrally-Sponsored Schemes (CSS), and also to avoid imposing any cuts in the next year’s allocations due to the situation of force majeure declared by Government of India, suggested Captain Amarinder.

In another key suggestion, the Chief Minister has proposed doubling of the component of 25% funds under Centrally-Sponsored Schemes that can be used as flexi funds for State specific needs, including for mitigation/restoration activities in case of natural calamities as per Ministry of Finance O.M. of 6th September 2016. The component of 25% flexi funds may be raised to 50% and also be fully funded (100%) by Government of India as a one-time measure in 2020-21, he proposed.

The Chief Minister requested the Union Finance Minister to consider these proposals favourably in overall national interest to help mitigate the crisis caused by the unforeseen and exceptional situation.