



₹1.7 TRILLION GOVERNMENT ECONOMIC STIMULUS

-March 26, 2020



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The Government on March 26th, 2020 addressed major concerns of EWS, BPL, daily wage earners, health sector workers, and agriculture labour who are economically the hardest hit during the on - going lock - down. A **₹1.7 lacs crore (USD 22 bn)** immediate economic stimulus plan has been announced in this regard, major pointers from which are highlighted below:

Benefits to Medical Fraternity

Acknowledging the efforts of those in the frontline defence against the epidemic, including doctors, nurses and sanitation workers, and considering the kind of risk they are exposed to, the Government announced medical insurance cover of ₹50 lakhs / person working in the front – line against the COVID-19 virus.

Addressing Basic Needs of the Poor

- In a major move to address the daily basic needs of poor families, the Government announced that under Pradhan Mantri Kalyan Ann Yojana, additional 5 kgs of rice/wheat/household/month for the next 3 months to be provided free of cost in over and above the 5 kgs already being provided under PDS.
- Each of these households will also get 1 kg of pulses/month (region wise preference) for the next 3 months.

This is expected to benefit 80 crore poor people which constitute around 2/3rd of our population.

Other Announcements under Pradhan Mantri Kalyan Yojana:

1. **8.69 farmers to benefit:** First instalment of ₹2,000 from ₹6,000/ annum to be deposited upfront to their accounts in the first week of April to keep them cash ready.
2. **MNREGA:** Increase in daily wages from ₹182 to ₹202 for MNREGA workers.
3. **3 crores Poor senior citizens/ widows/ specially abled:** An ex – gratia of ₹1,000/person in next 3 months in 2 instalments will be paid.
4. **20 crores Women to benefit:** ₹500 to be deposited into Jan Dhan Accounts held by women.
5. **8.3 crores BPL Families:** Free cylinders to be provided to around 8 crore BPL families for next 3 months under Pradhan Mantri Ujjwala Yojna.
6. **7 crores households to get further liquidity:** Vide Deen Dayal Upadhyaya National Rural Mission Scheme, Women Self – Help Groups can now avail non – collateral loan of up to ₹20 lakh, to ensure monetary security during these hard times.

Organized Sector:

1. **GOI to pay full Provident Fund contribution for next 3 months** for employees (contributions from both employee and employer) working in establishments which have employees up to 100 in number and where 90% of those employees are drawing salaries of less than ₹15,000/m.
2. **PF regulations to be amended** to allow for withdrawal of up to 75% of contribution by employees in their respective PF accounts or an amount equal to 3 months of their wages, whichever is lower. This is expected to benefit around **4.8 crore workers**.

Construction Fund

For economic assistance to construction workers, the State Governments have been asked to utilize the welfare fund which at present has an amount of around ₹31,000 crores, **towards 3.5 crores registered construction workers** to protect them from economic disruptions in these times.

District Mineral Fund

The State Governments have been requested to utilize the District Mineral Fund towards supplementing and augmenting medical research/ screening and tests, which is the need of the hour to fight and prepare vaccinations for the prevailing COVID – 19 virus outbreak.

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