

STIMULUS PACKAGE

**KEY HIGHLIGHTS OF 2nd TRANCHE OF
ECONOMIC STIMULUS ANNOUNCED
BY FM ON 14.05.2020**



Key Highlights of the 2nd Tranche of Economic Stimulus Measures Announced By The Government Of India (GoI) On 14th May 2020.

The Union Finance Minister addressing the nation on 14th May 2020, announced the 2nd Tranche of Relief Measures with focus on migrant labours, street vendors, migrant urban poor, small traders, self-employed people and farmers.

Over 20% of India's 1.3 billion population lives on daily wages. Their daily wage earnings have been severely impacted post lockdown with threat to both life and livelihood.

A summary of Measures announced by the GoI are as under:

A. RELIEF MEASURES FOR THE MIGRANTS/URBAN POOR

Particulars	Measures of the Govt.	Impact
Free food grain supply for 2 months to Migrants	<ul style="list-style-type: none"> Migrants who are neither NFSA or State Card beneficiaries in the state they are stationed, will be provided free 5 kg of grains per person and 1 kg Chana per family per month for two months. 80 million migrants are to benefit. 	INR 35 billion (\$466 million approx.)
One Nation One Ration Card	<p>Technology Systems to be adopted enabling Migrants to access Public Distribution System (PDS) from any Fair Price Shop(FPS) in India by March 2021 enabling national portability.</p> <ul style="list-style-type: none"> 670 million beneficiaries covering 83% of PDS population will be covered by 	—

	<p>national portability of PDS by August, 2020.</p> <ul style="list-style-type: none"> • 100% National portability of PDS will be achieved by March, 2021. • All the States/UTs will complete full FPS automation by March, 2021. 	
<p>Affordable Rental Housing Complexes (ARHC)</p>	<p>GoI will launch a scheme for migrant labour/urban poor to provide ease of living at affordable rent by:</p> <ul style="list-style-type: none"> • Converting government funded housing in the cities into ARHC under PPP mode through concessionaire; • Incentivizing manufacturing units, industries, institutions, associations to develop ARHC on their private land and operate; and • Incentivizing State Government Agencies / Central Government Organizations on the similar lines to develop ARHC and operate. 	<p>—</p>

B. RELIEF MEASURES FOR SMALL BUSINESSES

<p>2% Interest Subvention for MUDRA-Shishu Loans</p>	<ul style="list-style-type: none"> • To support small businesses under Micro Units Development and Refinance Agency Bank (MUDRA), GoI will provide Interest subvention of 2% for prompt payees for a period of 12 months. 	<p>INR 15 Billion (\$200 million approx.)</p>
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C. RELIEF MEASURES FOR THE STREET VENDORS

Particulars	Measures of the Govt.	Impact
<p>Special Credit Facility to Street Vendors</p>	<ul style="list-style-type: none"> • Govt will launch a special scheme within a month to facilitate easy access of credit to street vendors. • Initial working capital up to INR 10,000 to be provided. • Digital payments will be incentivized through monetary rewards and enhanced working capital credit would be made available for good repayment behavior. • It is expected to support 5 million street vendors. 	<p>INR 50 Billion (\$666.67 million approx.)</p>

D. RELIEF MEASURES FOR MIDDLE INCOME GROUP

Particulars	Measures of the Govt.	Impact
<p>Extension of Credit Linked Subsidy Scheme (CLSS)</p>	<ul style="list-style-type: none"> • Govt will extend the CLSS Scheme for middle income group up to March 2021. • Will create jobs and stimulate demand for steel, cement, transport and other construction materials. 	<p>INR 70 billion (\$9.33 billion approx.)</p>

E. RELIEF MEASURES FOR SPURRING JOB CREATION

Particulars	Measures of the Govt.	Impact
Employment push using CAMPA funds	<ul style="list-style-type: none"> • Create job opportunities through Compensatory Afforestation Management & Planning Authority (CAMPA) set-up under Compensatory Afforestation Fund Act, 2016. • Plans worth INR 60 Billion (\$800 millions approx.) to be approved shortly. • It will create job opportunities in urban, semi urban, rural areas and for Tribals/Adivasis. 	INR 60 Billion (\$800 million approx.)

F. RELIEF MEASURES FOR FARMERS

Particulars	Measures of the Govt.	Impact
Additional working capital funding for farmers through NABARD	<ul style="list-style-type: none"> • National Bank for Agriculture & Rural Development (NABARD) will extend additional refinance support of INR 300 billion (\$4 billions approx.) for crop loan requirement of Rural Co-op Banks & RRBs. • This is over and above INR 900 Billion (\$ 12 billions approx.) to be provided by NABARD through the normal refinance route during this year 	INR 300 Billion (\$4 billion approx.)

	<ul style="list-style-type: none">• To meet post-harvest (Rabi) & current Kharif requirement in May/June.• Will benefit 30 million farmers.	
Concessional credit boost through Kisan Credit Cards	<ul style="list-style-type: none">• Special drive to be undertaken to provide concessional credit to PM-KISAN beneficiaries through Kisan Credit Cards• 25 million farmers will be covered and will benefit from credit flow of about INR 2 Trillions	INR 2 Trillion (\$26.67 billions approx.)

For details, please refer the link below to Press release of Ministry of Finance dated 14th May 2020:

[Click Here](#)

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