

REAYING A SAFETY NET

# Govt Unveils a ₹1.7-lakh-cr Relief Package for Poor



**FOR THE 'AAM AADMI'**  
A HOST OF STEPS UNDER 'PM GARIB KALYAN YOJANA'

**For Those On The Front Line**

₹50 lakh medical insurance to cover doctors, paramedics & other medical staff

**For Food security**

Additional 5kg wheat or rice per person for 3 months  
1kg free dal per household for 3 months  
Free LPG for Ujjwala beneficiaries for 3 months

**For Cash In Hand**

₹2,000 to 87 million farmers under PM Kisan in 10 days  
Increase in MGNREGS wages to ₹202 from ₹182

₹500/month to 200 million women Jan Dhan account holders for next 3 months

Ex-gratia of ₹1,000 to poor senior citizens, widows and disabled

₹20 lakh collateral-free loans to women SHCs

**For organised sector**

Govt to contribute EPF to cns with less than 100 workers contribution for both employer & employee

Non-refundable advance of 75% or 3 months wages, from PF account

**For Construction Workers**

States to use ₹31k cr construction worker's welfare fund  
States to use District Mineral Fund for medical activities

Also announces ₹50 lakh insurance cover for frontline medical personnel

Our Bureau

New Delhi: The government announced a ₹1.7 lakh crore relief package aimed at providing a safety net for those hit the hardest by the Covid-19 lockdown, along with insurance cover for frontline medical personnel. About 800 million people will get free cereals and cooking gas apart from cash through direct transfers for three months. The 21-day lockdown began on March 25.

The Pradhan Mantri Garib Kalyan Yojana includes higher wages under the Mahatma Gandhi National Rural Employment Act (MGNREGA), ₹1,000 ex-gratia payment to nearly 30 million poor senior citizens, widows and disabled as well as insurance coverage of as much as ₹50 lakh each for about 2 million healthcare workers battling the disease.

States have been asked to use the Building and Construction Workers Welfare Fund to provide relief to construction workers and the first instalment of ₹2,000 under the Pradhan Man-

tri Kisan Yojana will be frontloaded to reach 87 million farmers in April.

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## To Be Rolled Out Immediately

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"We've immediately responded within 48 hours of the lockdown. We've first reached out to the poorest of the poor, who need help," finance minister Nirmala Sitharaman said while introducing the programme on Thursday. The minister didn't say how it will be funded.

"The package will be rolled out immediately. We will think about the others... will gradually address if there's more to be done in," she said, when asked about a stimulus plan for companies, many of which have had to cease production, cut salaries or lay off employees because of the economic pain.

Industry and experts welcomed the announcements, even as the market responded positively with the Sensex closing at 50,411 points, up nearly 5% from Wednesday's close.

"It's a very well defined package, reinforcing government's intent that no one should be deprived of basic facilities in today's stressed times," said State Bank of India chairman Rajnish Kumar. "We are hopeful of more calibrated responses in coming weeks as the impact of the pandemic unfolds."

Under the package, the government will provide 5 kg of wheat or rice and 1 kg of pulses free every month for the next three months. Besides, 20 million women Jan Dhan account holders will get Rs

500 per month for the next three months. MGNREGS wages will rise to Rs 202 a day from Rs 182 to benefit 87 million families.

The measures will benefit the most vulnerable sections of society, said ITC chairman Sanjiv Puri. Such "critical and large-scale interventions" are the need of the hour, he said. "These timely measures... will go a long way in providing support to farmers, daily wage earners, SHG (self help group) women and poor senior citizens during such an unprecedented situation."

**ORGANISED SECTOR**  
The government said it will pay the entire provident fund contribution of those who earn less than Rs

15,000 per month to companies having less than 100 workers as they are at risk of losing their jobs. That amounts to 24% of basic pay—22% from the employee and 2% from the employer. This will be paid by the government for three months.

"This would prevent disruption in their employment," a finance ministry statement said. In addition, the Employees' Provident Fund Regulations will be amended to include the companies' pensioners as grounds for allowing a non-refundable advance of 75% of the corpus or three months of wages, whichever is lower, from their accounts.

**INDUSTRY DEMAND**  
India has sought help for distressed businesses across sectors such as tourism, hospitality, automobiles and aviation, besides micro, small and medium enterprises (MSMEs),

where cash flows are down on a critical and mandatory adherence to tax and statutory payments.

"We hope that the RBL will soon bring in relief measures for distressed businesses including a moratorium on debt repayments and restrictions on non-performing assets," said Confederation of Indian Industry director general Chandrajit Banerjee.

He added that the government could be more aggressive in its spending with an overall fiscal stimulus of 2.5-3% of GDP if disruptions continue for the next three months.

"Other segments of society, who are also looking forward to measures such as EMI waivers, as also extension of loan scheme tenures among others, economic package shall be on wait and watch mode," said Niranjan Hanumanthi, president of Assocham.