**Finance Minister announces Rs 1.70 Lakh Crore relief package**

**under Pradhan Mantri Garib Kalyan Yojana**

**for the poor to help them fight the battle against Corona Virus**

**26 March 2020**

* **Insurance cover of Rs 50 Lakh per health worker fighting COVID-19 to be provided under Insurance Scheme**
* **80 crore poor people will to get 5 kg wheat or rice and 1 kg of preferred pulses for free every month for the next three months**
* **20 crore women Jan Dhan account holders to get Rs 500 per month for next three months**
* **Increase in MNREGA wage to Rs 202 a day from Rs 182 to benefit 13.62 crore families**
* **An ex-gratia of Rs 1,000 to 3 crore poor senior citizen, poor widows and poor disabled**
* **Government to front-load Rs 2,000 paid to farmers in first week of April under existing PM Kisan Yojana to benefit 8.7 crore farmers**
* **Central Government has given orders to State Governments to use Building and Construction Workers Welfare Fund to provide relief to Construction Workers**

The Union Finance & Corporate Affairs Minister Smt. Niramla Sitharaman today announced **Rs 1.70 Lakh Crore relief package under Pradhan Mantri Garib Kalyan Yojana for the poor to help them fight the battle against Corona Virus**. While addressing the press conference here today, Smt. Sitharaman said “Today’s measures are intended at reaching out to the poorest of the poor, with food and money in hands, so that they do not face difficulties in buying essential supplies and meeting essential needs.”

The Minister of State for Finance & Corporate Affairs Shri Anurag Singh Thakur was also present besides Shri Atanu Chakraborty, Secretary, Department of Economic Affairs and Shri Debashish Panda, Secretary, Department of Financial Services. **Following are the components of the Pradhan Mantri Garib Kalyan Package: —**

**PRADHAN MANTRI GARIB KALYAN PACKAGE**

**I. Insurance scheme for health workers fighting COVID-19 in Government Hospitals and Health Care Centres**

* Safai karamcharis, ward-boys, nurses, ASHA workers, paramedics, technicians, doctors and specialists and other health workers would be covered by a Special insurance Scheme.
* Any health professional, who while treating Covid-19 patients, meet with some accident, then he/she would be **compensated with an amount of Rs 50 lakh under the scheme.**
* All government health centres, wellness centres and hospitals of Centre as well as States would be covered **under this scheme  approximately 22 lakh health workers would be provided insurance** cover to fight this pandemic.

**II.  PM Garib Kalyan Ann (अन्न) Yojana**

* Government of India would not allow anybody, especially any poor family, to suffer on account of non-availability of foodgrains due to disruption in the next three months.
* **80 crore individuals, i.e, roughly two-thirds of India’s population would be covered under this scheme**.
* Each one of them would be provided double of their current entitlement over next three months.
* This additionality would be free of cost.

**Pulses:**

* To ensure **adequate availability of protein** to all the above mentioned individuals, 1 kg per family, would be provided pulses according to regional preferences for next three months.
* These pulses would be provided **free of cost** by the Government of India.

**III. Under Pradhan Mantri Garib Kalyan Yojana**,

**Benefit to farmers:**

* **The first instalment of Rs 2,000 due in 2020-21 will be front-loaded and paid in April 2020 itself under the PM KISAN Yojana.**
* It would cover 8.7 crore farmers

**IV. Cash transfers Under PM Garib Kalyan Yojana**:

**Help to Poor:**

* A total of **20.40 crores PMJDY women account-holders** would be given an ex-gratia of **Rs 500 per month for next three months**.

**Gas cylinders:**

* Under **PM Garib Kalyan Yojana**, **gas cylinders**, **free of cost**, would be provided to 8 crore poor families for the next three months.

**Help to low wage earners in organised sectors:**

* **Wage-earners below Rs 15,000 per month** in **businesses having less than 100 workers**are at risk of losing their employment.
* Under this package, government proposes to pay **24 percent of their monthly wages into their PF accounts for next three months**.
* This would **prevent disruption in their employment**.

**Support for senior citizens (above 60 years), widows and *Divyang*:**

* There are around 3 crore aged widows and people in *Divyang* category who are vulnerable due to economic disruption caused by COVID-19.
* Government will **give them Rs 1,000 to tide over difficulties during next three months**.

**MNREGA**

* Under PM Garib Kalyan Yojana, **MNREGA wages would be increased by Rs 20 with effect from 1 April, 2020**. Wage increase under MNREGA will provide an additional Rs 2,000 benefit annually to a worker.
* This will benefit approximately 13.62 crore families.

**V. Self-Help groups**:

* Women organised through 63 lakhs Self Help Groups (SHGs) support 6.85 crore households.
1. Limit of collateral free lending would be increased from Rs 10 to Rs 20 lakhs.

**VI. Other components of PM Garib Kalyan package**

**Organised sector**:

* Employees’ Provident Fund Regulations will be amended to include Pandemic as the reason to **allow non-refundable advance of 75 percent of the amount or three months of the wages, whichever is lower, from their accounts**.
* Families of four crore workers registered under EPF can take benefit of this window.

**Building and Other Construction Workers Welfare Fund:**

* Welfare Fund for Building and Other Constructions Workers has been created under a Central Government Act.
* There are around 3.5 Crore registered workers in the Fund.
* **State Governments will be given directions to utilise this fund to provide assistance and support to these workers to protect them against economic disruptions.**

**District Mineral Fund**

* **The State Government will be asked to utilise the funds available under District Mineral Fund (DMF) for supplementing and augmenting facilities of medical testing, screening and other requirements in connection with preventing the spread of CVID-19 pandemic as well as treating the patients affected with this pandemic.**

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**Three Months Moratorium on Terms Loans**

## The Reserve Bank of India announced on 27 March 2020 a host of relief measures to alleviate financial difficulties arising due to Covid-19 restrictions.

## To give relief to all EMI payers, moratorium of three months on payment of instalments in respect of all term loans outstanding as on March 1, 2020 was announced. This deferment will also not impact credit history of the borrower. The text of the statement on Moratorium on Term Loans is reproduced below:

**Moratorium on Term Loans**

 All commercial banks (including regional rural banks, small finance banks and local area banks), co-operative banks, all-India Financial Institutions, and NBFCs (including housing finance companies and micro-finance institutions) (“lending institutions”) are being permitted to allow a moratorium of three months on payment of instalments in respect of all term loans outstanding as on March 1, 2020. Accordingly, the repayment schedule and all subsequent due dates, as also the tenor for such loans, may be shifted across the board by three months.

Full text of the Statement on Developmental and Regulatory Policies read out by the RBI Governor on 27 March 2020 is available at link:

<https://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/PR21302E204AFFBB614305B56DD6B843A520DB.PDF>