

Various Government Schemes and Bank Measures to provide financial assistance during the pandemic

Humanity is facing one of the biggest challenges of the century, and an end does not seem very near. The COVID-19 pandemic has led to either one or more of emotional, physical or financial distress to most of us. The Government of India, state governments and financial institutions have devised schemes or extended existing schemes to offer financial succor to people, especially the vulnerable (rural poor, unemployed, old) during these times. Some have changed or discontinued, and some are ongoing. Here is an overview of the schemes that are ongoing to support the people who need it the most:

Pradhan Mantri Garib Kalyan Anna Yojana (PM-GKY)

The PM-GKY package uses existing schemes to provide additional benefits to farmers and rural households. Under the scheme,

- 5 kg of wheat and rice would be given for free in addition to the current 5 kg
- 1 kg of preferred pulse (based on regional preference) will be given for free to each household

This distribution will be done through Public Distribution Scheme (PDS) and can be availed in two instalments. The scheme is extended till November 2021

Mahatma Gandhi National Rural Employment Generation Act (MGNREGA)

Under this scheme, where the primary objective is to guarantee 100 days of wage employment per year to rural households, the people forced out of work due to the pandemic will be included and given jobs where it is possible to hire people to work during the pandemic times. The wages are increased by ₹20 to ₹202 per day with effect from April 1, 2020.

Government Measures for Financial Assistance.

Unemployment Allowance under the Atal Beemit Vyakti Kalyan Yojana (ABVKY)

People within a certain income level who are insured with ESIC and lose their job get an allowance. Many individuals lost their jobs due to the pandemic. Whosoever of these are insured with ESIC under specific schemes are entitled to the allowance including an increase of 25% to 50% of the average salary payable for a maximum period of 90 days of unemployment. Earlier, the sum was given 90 days after loss of employment. Now, it will be given within 30 days of losing one's job due to the pandemic. This is applicable till July 31, 2021.

COVID-19 relief under Antyodaya Anna Yojana (AAY)

The Antyodaya Anna Yojana (AAY) program identifies the poorest of the poor among the Below Poverty Line (BPL) families and provides them subsidized food grains. These priority households get an additional quota of free food grains at 5 kg per person. The extent of implementation varies from state to state. Many states have implemented it for May and June 2021.

Life Insurance under the Employees' Deposit Linked Insurance (EDLI) Scheme.

This scheme is applicable to a person who was employed and had been contributing to the Employee Provident Fund, and dies due to the COVID-19 virus. They will be eligible for life insurance in the range of ₹2,50,000 lakh to ₹7,00,000 lakh in proportion to the basic salary.

The maximum benefit under the scheme has recently been hiked to ₹ 7,00,000 from ₹6,00,000.

The scheme was earlier only for deaths related to employment.

Bank loans for COVID-19 treatment

Some public sector banks are offering loans for treatment for illness due to COVID-19:

- State Bank of India offers a loan for an interest rate of around 8.5%. The minimum loan amount is ₹25,000. The tenure of the loan is five years, and the loan does not require

Government Measures for Financial Assistance.

any collateral. Salaried persons, non-salaried persons, and pensioners are eligible for the SBI Covid personal loan.

- Union Bank of India offers loans at around 8.5%, and the tenure will be for five years. The loan can be availed by Government sector employees and existing retail customers.
- Canara Bank offers a personal loan with a minimum amount of ₹25,000 and a maximum of ₹5,00,000.

National Rural Livelihoods Mission

National Rural Livelihoods Mission (NRLM) is India's flagship program to reduce poverty by mobilizing poor rural women into self-help groups and building community institutions for the poor. It set up community kitchens with women employees to feed people who have been cut off from food supply chains, thus giving women displaced from their jobs financial relief.

Women who lost their jobs in rural areas were reemployed in facilities making masks, sanitizers and hand wash solutions.

Central Government Relief Package

Recently the Central government announced a relief package to spur the economy. Some of the measures are:

- Loan guarantee for Covid hit sectors.
- Credit guarantee to micro financiers.
- Emergency credit line guarantee scheme for small business owners.
- Loans will also be given to 2.5 million small borrowers under a new credit guarantee scheme through microfinanciers.
- Financial support for more than 11,000 registered tourist guides and other stakeholders in the tourism sector. Fully guaranteed loans up to ₹10,00,000 will be granted to each tourist agency, and up to ₹1,00,000 per tourist guide for discharging their liabilities and restarting the business.

Government Measures for Financial Assistance.

Many states have also offered relief packages throughout the pandemic. Here is an overview of the currently valid relief measures:

State	Relief Measures
Karnataka	<p>₹ 3,000 each will be given to auto & taxi drivers and construction workers</p> <p>₹ 10,000 per hectare to farmers engaged in floriculture works</p> <p>₹ 3,000 each for workers in the unorganised sector workers like barbers, washermen, tailors, porters, ragpickers, potters, goldsmiths, mechanics, blacksmiths, household workers, cobblers, etc.</p> <p>Roadside vendors registered under Aatma Nirbhar package will get ₹ 2,000 each</p> <p>Artists and art teams will be given ₹ 3,000 each.</p>
Tamil Nadu	<p>Children who have lost both their parents due to COVID-19 will receive financial assistance of ₹ 5,00,000 as a fixed deposit.</p> <p>The government will take care of the educational expenses of such orphaned children till graduation.</p> <p>Children who have lost one parent due to the pandemic will get ₹ 3,00,000 as compensation.</p>
Delhi	<p>Free education will be provided for all those who have been orphaned due to the pandemic.</p> <p>A monthly stipend of ₹ 2,500 till the age of 25 will be given to the orphans.</p>
Gujarat	<p>Children will get ₹ 4,000 per month till they turn 18.</p> <p>For higher studies, they will get an assistance of ₹ 6,000 per month till they turn 21.</p> <p>Girls orphaned by COVID-19 will get priority in admission to Kasturba Gandhi Balika Vidyalaya, a chain of residential schools run by the government with hostel expenses taken care of.</p> <p>Property tax will be exempted for hotels, restaurants, resorts and water parks for the financial year 2021-22.</p> <p>Fixed electricity charges will also be waived.</p>
Madhya Pradesh	<p>Children orphaned due to COVID-19 will get free education and ration.</p>
Kerala	<p>₹ 3,00,000 will be given to children who have lost their parents due to COVID-19. A monthly sum of ₹ 2,000 will be given till their 18th birthday.</p>

Appeals from various organizations

- Businesses in beauty and wellness industry include beauty parlours, barber shops, spas and clinics. The beauty and wellness industry has appealed for:
 - Health cover for employees,

Government Measures for Financial Assistance.

- Removal the cap on number of employees per organization
- Increasing the ₹15,000 limit on reimbursement of provident fund
- Automatic renewal of licences for one year and extension for GST payment for 12 months.
- The auto and taxi drivers in Karnataka have appealed to the government to instruct banks and private lenders not to force them to pay EMIs for vehicle loans for at least three to four months.
- The Tamil Nadu Small and Tiny Industries Association (Tanstia) has requested the state government to wave off fixed charges for Low Tension Electricity. It also requested for soap and detergent manufacturers to be considered as essential industries and provide working capital at subsidized rate for units producing essential goods

The state governments and central government has assured to look into more relief measures that can be provided for various industries.

Vidya Kumar

Dilzer Consultants Pvt Ltd
