

Dear Member,

In view of the disruptions caused due to corona virus pandemic, there are certain relief measures announced by the Government, details of which are given below:-

A. Announcements made by Ministry of Finance, 26th March 2020

Finance Minister has announced Rs 1.70 Lakh Crore relief package under Pradhan Mantri Garib Kalyan Yojana . Some of the key highlights are given below:-

- Wage-earners below Rs 15,000 per month in businesses having less than 100 workers
- Under this package, Government proposes to pay 24 percent of their monthly wages into their PF accounts for the next three months.
- 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 wages, whichever is lower, from their accounts.

Complete details of the complete announcements can be accessed here <https://pib.gov.in/PressReleaseDetail.aspx?PRID=1608345>

B. Announcements made by the Reserve Bank of India (RBI), 27th March 2020

RBI has announced, certain regulatory measures as given below:

(i) Rescheduling of Payments – Term Loans and Working Capital Facilities

1. In respect of all term loans (including agricultural term loans, retail and crop 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) ("lending institutions") are permitted to grant a moratorium of three months on payment of all instalments falling due between March 1, 2020 and May 31, 2020. The repayment schedule for such loans as also the residual tenor, will be shifted across the board by three months after the moratorium period. Interest shall continue to accrue on the outstanding portion of the term loans during the moratorium period.

2. In respect of working capital facilities sanctioned in the form of cash credit/overdraft ("CC/OD"), lending institutions are permitted to defer the recovery of interest applied in respect of all such facilities during the period from March 1, 2020 upto May 31, 2020 ("deferral"). The accumulated accrued interest shall be recovered immediately after the completion of this period.

(ii) Easing of Working Capital Financing - In respect of working capital facilities sanctioned in the form of CC/OD to borrowers facing stress on account of the economic fallout of the pandemic, lending institutions may recalculate the 'drawing power' by reducing the margins and/or by reassessing the working capital cycle. This relief shall be available in respect of all such changes effected up to May 31, 2020 and shall be contingent on the lending institutions satisfying themselves that the same is necessitated on account of the economic fallout from COVID-19. Further, accounts provided relief under these instructions shall be subject to subsequent supervisory review with regard to their justifiability on account of the economic fallout from COVID-19.

Complete details of the COVID-19 – Regulatory Package can be accessed here (<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11835&Mode=0>)

C. Ministry of Labour and Employment, 27th March, 2020

Insertion of provision in the EPF scheme, 1952 to provide advance to the EPF members in the situation emerging due to COVID-19 pandemic.

Complete details can be accessed here (https://labour.gov.in/sites/default/files/EPF_scheme%2C1952.pdf)

D. Employees' State Insurance Corporation, 18th March, 2020

One-time Relaxation to those Employers who did not file ESI contribution for the contribution period April, 2019 to September, 2019 within 42 days.

Complete details can be accessed here

(<https://www.esic.nic.in/attachments/circularfile/90d9cfbd30f9b90ba57af30c3e67469e.pdf>)

This is for your kind information.

With warm regards,

Yours sincerely,

Sanjeev Nandwani,
Secretary General,
AEPC