

Shri. Narendra Modi
Hon'ble Prime Minister of India
NEW DELHI

Respected Sir,

GRANTING OF UNEMPLOYMENT ALLOWANCE TO INSURED PERSONS UNDER THE EMPLOYEES STATE INSURANCE CORPORATION SCHEME

The Cochin Chamber of Commerce and Industry, established in the year 1857, has completed 163 years of service to the region's commerce, industry and trade – this year. This Chamber, one of the oldest in the country, is a Promoter Chamber of the Associated Chambers of Commerce and Industry of India (ASSOCHAM), New Delhi, the oldest national Chamber in the country. The activities of the Chamber have undergone several changes over the years in keeping with the changing times and needs so as to provide prompt and effective services to its membership and the business community at large.

At a time when the Corona virus pandemic has seriously affected the day to day life of all concerned and also the business in our country, we applaud the Government of India for announcing a series of measures to tackle the Covid19 crisis. The measures relating to Statutory and Regulatory compliance matters across sectors in view of COVID-19 outbreak is expected to provide relief to the struggling economy. The allocation of Rs.15000/- Crores will definitely help strengthen the nation's health infrastructure. The Chamber also welcomes the series of announcements made by the Union Finance Minister last week, which was followed up by the relief measures offered by the Reserve Bank of India Governor to combat the economic stress that is setting in across the sectors following the unexpected economic shut down. We hope Government of India would monitor the developments closely and would come out with more measures to strengthen the economy and to ensure that the burden on trade and business is reduced wherever possible.

In this connection, we seek your kind attention to a possible intervention that could go a long way in supporting the large number of employees in the country and also provide some relief to the business establishments, which are struggling hard for survival.

As you are aware, many establishments in the country are remaining closed for the last so many days due to the lock down declared by the Government. The employees have thus turned unemployed and this could even push them to starvation. Employers are equally stressed, both financially and unable to find ways to keep the business afloat, and are harping in the dark in their efforts to find ways and means to support their employees.

In the present economic scenario, it is certainly not reasonable or for that matter feasible to require the employers to pay salary/wages to their employees, when the operations are completely shut down and there being no revenues from the business.

The Government or Government agencies alone will be able to support and provide any relief to the employers and employees in this critical situation. We earnestly believe that the Employees State Insurance Corporation of India (ESIC), which was established with a noble objective of providing security to the employees, should extend a helping hand to the insured persons who have been contributing to its ESIC Fund. Section 19 of the ESI Act empowers the ESIC to provide measures for the improvement of the Health and Welfare of Insured Persons. In pursuance of the said provision, the ESIC in its 175th meeting held on 18.09.2016, had formulated a Scheme christened as “Atal Bimit Vyakthi Kalyan Yojana” (ABVKY) to provide unemployment allowance to insured persons. As per this Scheme, the Insured Persons with at least two years valid ESI Coverage will be entitled to unemployment allowance upto 90 days @25% of their average daily wages. Despite the Scheme being very attractive, apparently for want of adequate publicity, nobody has so far been offered or anyone has availed of any benefit under this Scheme. As per the latest annual accounts, it is gathered that the ESIC has got huge reserves to the tune of Rs.91000/- Crores. It is also understood that the above Scheme would expire on 30.06.2020.

We would therefore humbly request you to kindly intervene urgently and instruct the ESIC to extend the benefits of the unemployment allowance under the above Scheme to the employees of various business establishments, who are beneficiaries under the ESIC, taking into account the unexpected predicament of the employees as also the employers. The business establishments of the country, both employees and the employers, would be greatly obliged to Government of India for this noble intervention and support.

Thanking you,

Yours sincerely,

(V.VENUGOPAL)

President

Cochin Chamber of Commerce & Industry