



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry:

PHDCCI Representations to Government of India and State Governments

September 30, 2020

PHD RESEARCH BUREAU

PHD CHAMBER OF COMMERCE AND INDUSTRY

PHD House 4/2 Siri Institutional Area, August Kranti Marg, New Delhi 110016

Phone: 91-11-49545454 | Fax: 91-11-26855450, 26863135

Email: research@phdcci.in | Website: www.phdcci.in

PHD Chamber's Viewpoint



Dr D K Aggarwal
President

The proactive and combative measures undertaken by the Government to curtail the spread of pandemic COVID-19 are highly appreciable. The economic relief package of Rs 20 lakh crores is highly encouraging. PHD Chamber pledges to be the Pillar of Strength for building a Self-Reliant India based on the five pillars of economy, infrastructure, technology-driven system, vibrant demography and demand. The economic booster package giving equal importance to Land, Labour, Liquidity and Laws, MSMEs and taking equal care of all strata of society is highly appreciated and was the need of the hour to uplift the sentiments of farmers, workers, labourers, industrialists, among others. In addition, RBI's extensive monetary and regulatory measures such as reduction in repo rate, reverse repo rate, CRR, moratorium on term loans, among others will provide adequate liquidity in the system, bring down the cost of capital and would go a long way to address the issues of trade & industry. The recent amendment in the definition of MSMEs will bolster the manufacturing sector, increase its contribution in GDP and create millions of new employment opportunities for the growing young workforce in India. We are assertive that the continuous implementation of proactive reforms by the Government will help India to emerge victoriously in the fight against COVID- 19.



Shri Sanjay Aggarwal
Senior Vice President

Government's proactive and fast track measures to safeguard its people, economy, trade and industry against the wild tide of pandemic COVID-19 are appreciable. We appreciate the extensive relief measures announced by Hon'ble Finance Minister, Smt Nirmala Sitharaman ji as part of Rs 20 lakh crore stimulus package in 5 tranches to support Indian Economy's fight against pandemic COVID-19. Measures announced to mitigate the daunting impact, on economy's most vulnerable sector MSMEs, caused by pandemic COVID-19 and further strengthen Indian economies backbone and giving it a fresh start is a major breakthrough. Going ahead, it is suggested to provide a special interest subvention @ 3% in loans to MSMEs; to abolish all fixed charges of all the utilities and defer all utilities' bills by 3 months are crucial at this juncture.



Shri Pradeep Multani
Vice President

The reforms undertaken by the Government to contain the spread of pandemic COVID-19 in India are highly encouraging. The relief measures provided for farmers, housing sector, migrant workers and street vendors as part of Rs 20 lakh crore stimulus package will induce welfare, create employment and support demand in the economy. Further, the reforms measures for agriculture and allied activities will help in addressing rural stress, ensure food security, support demand and growth in manufacturing sector. Some of the long terms measures that must be undertaken include reducing income tax of the proprietorship and LLPs firms to the level of 22% for old and 15% for new companies; rationalisation of GST rate structure by merging 18% tax slab with 12% tax slab, among others are necessary to enhance the competitiveness of businesses.



Shri Saurabh Sanyal
Secretary General

The Government's special economic package of Rs 20 lakh crore, which is 10% of GDP to support Indian Economy's fight against pandemic COVID-19 is highly appreciable. The reform measures including credit support to businesses especially MSMEs; measures for migrants, farmers and street vendors; measures to strengthen Agriculture Infrastructure Logistics; structural reforms across sectors such as coal, defence, civil aviation, energy; among others will induce welfare, promote ease of doing business and support the growth of the economy. At this juncture, capacity building by the business firms would be crucial to rejuvenate the economy to its potential growth trajectory of 7-8% in the next few years.



Table of Content

S. No.	Title	Submitted to	Date	Remarks
152	PHD Chamber's suggestions for Banking and Financial sector issues	Shri Shaktikanta Das Governor Reserve Bank of India	25 th September 2020	Action is awaited and being followed up
151	Refund of Input Tax Credit to Taxpayer facing Inverted Duty Structure	Shri S K Rahman Joint Secretary Goods and Services Tax Council Ministry of Finance Government of India	23 rd September 2020	Action is awaited and being followed up
150	PHD Chamber submission for withdrawal of Provision for Private Limited Companies to place annual returns on the website of the company - vide notification dated 28 August 2020 as per section 92(3) together with section 134(3)(a) of The Companies Act 2013	Smt Nirmala Sitharaman Hon'ble Minister of Finance and Corporate Affairs Government of India	23 rd September 2020	Action is awaited and being followed up
149	Request for clarification /exemption regarding requirement of receipt of goods for claiming Input Tax Credit-Section 16 of	Smt Nirmala Sitharaman Hon'ble Minister of Finance and Corporate Affairs Government of India	10 th September 2020	Action is awaited and being followed up

	CGST Act			
148	PHD Chamber Submission on E-way Bill for Gems and Jewellery Sector	Smt Nirmala Sitharaman Hon'ble Minister of Finance and Corporate Affairs Government of India	3 rd September 2020	Action is awaited and being followed up
147	Request for consideration of requisite amendment in ECB Master Directions	Shri Shaktikanta Das Governor Reserve Bank of India	2 nd September 2020	Action is awaited and being followed up
146	PHDCCI urges to rollout the Amnesty Scheme in the Union Territory of Dadra & Nagar Haveli	Shri Sandeep Kumar Singh, IAS Joint Commissioner (VAT & GST) Dadar Nagar Haveli Department of Value Added Tax/Goods & Services Tax	1 st September 2020	Action is awaited and being followed up
145	Request for general extension of Three Months for the date of holding Annual General Meeting under the Companies Act,2013 for financial year ended 31.03.2020	Shri Nirmala Sitharaman Hon'ble Minister of Finance and Corporate Affairs Ministry of Corporate Affairs	24 th August 2020	Action is awaited and being followed up
144	PHD Chamber shares insights that will prove useful to the Government for policy-making	Shri Debasish Panda Secretary Department of Financial Services Ministry of Finance Government of India	21 st August 2020	Action is awaited and being followed up

	purposes and further boost the health of the Indian Financial System			
143	Request for support for the Indian Primary Copper Industry by reviewing the existing FTAs: India - ASEAN and India – Japan	Dr. Anup Wadhawan Commerce Secretary Ministry of Commerce and Industry Government of India	19 th August 2020	Action is awaited and being followed up
142	Report on PHDCCI Quick Survey on Post Lockdown Businesses Scenario and suggestive measures to mitigate the daunting impact of pandemic COVID-19 on trade and industry	Shri Narendra Modi Hon'ble Prime Minister of India PMO Office, New Delhi	25 th May 2020	Submitted key results of our survey on Post Lockdown Businesses Scenario to the Government. The Government has taken measures such as providing stimulus package of Rs 20 lakh crore, support to MSMEs, among others, along with reduction in the repo rate by the RBI. Action on the other suggestions is awaited and being followed up
141	Revised Definition of MSMEs- Need for clarity and further broadening of Turnover limit criteria of definition	Respected Shri Narendra Modi Ji, Hon'ble Prime Minister of India	15 th May 2020	The Government has amended the new definition of MSME with Rs 250 crore annual turnover and Rs 50 crore investments in plant and machinery for medium enterprises. Action on other suggestions are awaited and being followed up.
140	Request for reverting the status of Special Economic Zones (SEZs) to the benchmark of the year 2005-06	Smt Nirmala Sitharaman Hon'ble Finance Minister Ministry of Finance	1 st June 2020	Action is awaited and being followed up



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139	Request for deferment of advance tax instalments and allow payment out of CSR spend to provide relief to industry amid pandemic COVID-19	Shri Pramod Chandra Mody Chairman Central Board of Direct Taxes Department of Revenue Ministry of Finance	28 th May 2020	Action is awaited and being followed up
138	Request for Suspension of Section 29A under Insolvency and Bankruptcy Code to mitigate the hardships of industry amid pandemic COVID-19	Smt Nirmala Sitharaman Hon'ble Finance Minister Ministry of Finance	26 th May 2020	Action is awaited and being followed up
137	Suggestions to RBI by PHD Chamber of Commerce and Industry (PHDCCI) to mitigate the daunting impact of pandemic COVID-19 on trade and industry	Shri Shaktikanta Das Governor Reserve Bank of India	23 rd May 2020	RBI's has allowed stressed MSME borrowers to restructure debt if their loans were classified as standard as on 1 March 2020. RBI has also decided to provide a window under the Prudential Framework to enable the lenders to implement a resolution plan in respect of eligible corporate exposures without change in ownership, and personal loans, while classifying such exposures as Standard, subject to specified conditions. Action on the others suggestions is awaited and being followed up
136	Request for waiver of Interest liabilities under GST –Fiscal stimulus relating to Covid-19	Smt Nirmala Sitharaman, Hon'ble Finance Minister	4 th June 2020	In 40 th GST Council meeting, it has been announced that For all those who have no tax liability but have not filed GST returns for tax period July 2017 - Jan 2020, there shall be no late fee at all. For people who have tax liability, maximum late fee for

				non-filing of GSTR-3B returns for period Jul 2017 - Jan 2020 has been capped to ₹ 500. This will apply to all returns submitted during Jul 1, 2020 - Sep 30, 2020. Small tax payers whose aggregate turnover is up to ₹ 5 crore will have to pay no interest for late furnishing of GST returns till July 6, 2020; after that, the interest rate has been reduced to 9%, this will be valid till September 30, 2020. Small tax payers whose aggregate turnover is up to ₹ 5 crore will be provided a waiver of late fees and interest if they file the form GSTR-3B for the supplies affected in months of May, June and July 2020, by September 2020, no late fee or interest
135	Suggested Amendments in the Eligibility Criteria for MSMEs under the Emergency Credit Line of Rs. 3.0 lac crore	Smt. Nirmala Sitharaman Hon'ble Union Minister of Finance and Corporate Affairs Government of India	13 th July 2020	Action is awaited and being followed up
134	Request for conversion of interest on term loan, as would accrue during moratorium period of 6 months, into a Funded Interest Term Loan, which shall be repayable over the residual tenor of loan	Shri Shaktikanta Das Governor Reserve Bank of India	30 th June 2020	Action is awaited and being followed up
133	Questions and Suggestions for the growth of MSMEs in	Secretary Ministry of MSMEs Government of India	18 th August	List of questions and suggestions in respect of members of PHDCCI for the interaction on 19th Aug 2020 at

	India		2020	0530 pm onwards with Secretary, Ministry of MSMEs
132	Request for support for the Indian Primary Copper Industry in India - Peru FTA under discussion	Dr. Anup Wadhawan Commerce Secretary Ministry of Commerce and Industry Government of India	17th August 2020	Action is awaited and being followed up
131	PHD Chamber's suggestions on PLI Scheme for promotion of domestic manufacturing of identified critical Key Starting Materials (KSMs)/ Drug Intermediates (DIs)/Active Pharmaceutical Ingredients (APIs) in India	Dr. P. D. Vaghela Secretary Department of Pharmaceuticals Ministry of Chemicals and Fertilizers Government of India	17th August 2020	Action is awaited and being followed up
130	Request for reintroducing Export incentive of @2% on exports of copper Cathodes and Rods under MEIS	Shri Amit Yadav Director General Directorate General of Foreign Trade (DGFT) Ministry of Commerce and Industry Government of India	17th August 2020	Action is awaited and being followed up
129	Request for support for Indian Aluminium industry: No further tariffs/ restrictions on Caustic Soda in view of existing restrictions through tariff and	Shri Rajesh Kumar Chaturvedi Secretary Department of Chemicals & Petrochemicals Ministry of Chemicals	14th August 2020	Action is awaited and being followed up

	non-tariff barriers and challenging phase amidst COVID-19	& Fertilizers Government of India		
128	Request to not delay Commercial Coal Mine Auction Schedule any further and conduct them as per the amended schedule only for the benefit of industry	The Nominated Authority Ministry of Coal Government of India	12th August 2020	Action is awaited and being followed up
127	Request to drop the decision of imposition of Anti-Dumping Duty on tinplate/tin free steel (prime/non-prime) by DGTR	Shri A K Sharma Secretary Ministry of Micro, Small & Medium Enterprises (MSMEs)	11th August 2020	Action is awaited and being followed up
126	Request for support for a Self-Reliant India (AtmaNirbhar Bharat) for meeting Aluminium demand: Boost for Make in India & domestic value addition to create a thrust for Indian economy and industry	Dr. Anup Wadhawan Commerce Secretary Ministry of Commerce and Industry Government of India	7th August 2020	Action is awaited and being followed up
125	Request for early interim duty relief and initiation of investigations	Shri B B Swain Special Secretary & Director General Directorate General of Trade Remedies (DGTR), Ministry of	6th August 2020	Action is awaited and being followed up

		Commerce & Industry		
124	Non- Payment for Renewable Power Supplied to Jaipur Vidyut Vitran Nigam Limited (JVVNL) by Industrial Users	Managing Director Jaipur Vidyut Vitran Nigam Limited (JVVNL)	6th August 2020	Action is awaited and being followed up
123	Request for immediate support in availing emergency credit line under the Emergency Credit Line Guarantee Scheme (ECLGS)	Shri Durgesh Pandey Chief Executive Officer National Credit Guarantee Trustee Company Limited	5 th August 2020	Action is awaited and being followed up
122	Request for Income Tax Neutrality during the Merger & Asset Sale between a Urban Co-operative Bank to Small Finance Bank	Smt Nirmala Sitharaman Hon'ble Finance Minister Ministry of Finance Government of India	29th July 2020	Action is awaited and being followed up
121	PHDCCI'S representation on issues related to Goods and Service Tax	Shri S K Rahman Joint Secretary Goods and Services Tax Council Ministry of Finance Government of India	28th July 2020	Action is awaited and being followed up
120	PHD Chamber's suggestions on growth drivers of economy to reach USD 5 Trillion Economy by 2024	Shri Anurag Singh Thakur Hon'ble Minister of State Ministry of Finance Government of India	27th July 2020	Action is awaited and being followed up
119	PHD Chamber supports the Goal to	Shri Piyush Goyal Hon'ble Union	30 th June 2020	Action is awaited and being followed up

	make India a USD 5 Trillion Economy by 2024; Request for further enhancing Ease of doing business in the country- AYUSH Sector	Minister Ministry of Commerce and Industry Government of India		
118	Request for further measures to make India self-reliant in API manufacturing	Dr. P. D. Vaghela Secretary Department of Pharmaceuticals Ministry of Chemicals and Fertilizers Government of India	30 th June 2020	Action is awaited and being followed up
117	Clarifications required regarding new Commercial Mining policy	Shri Anil Kumar Jain, IAS Secretary Ministry of Coal	29 th June 2020	Clarifications are awaited
116	Request for allowing permission to export of HS Code 560312	Shri Amit Yadav Director General, Directorate General of Foreign Trade, Government of India	24 th June 2020)	Action is awaited and being followed up
115	Renouncing of usages of Chinese products in the Indian Industries/Markets	Secretary, Ministry of Defence, Government of India	20 th June 2020	Action is awaited and being followed up
114	Request to Include Critical & Strategic Raw Materials in Notified List of Items for Restricted Import	Shri Raj Kumar, IAS Secretary, Defence Production, Ministry of Defence, Government of India	19 th June 2020	In this regards, MoD on 9 th August 2020, notified list of 101 items for import embargo on beyond given timelines to boost indigenisation of defence production.



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113	Request to withdraw the decision to submit the NOC from Fire Department & Punjab Pollution Control Board for manufacturing, sale and distribution of high contents of Alcohol containing Sanitizers	Shri Karan Avtar Singh Chief Secretary Government of Punjab <u>Chandigarh</u>	15 th June 2020)	Action is awaited and being followed up
112	Regarding Levy of Land Tax on Industrial Land	Shri Ashok Gehlot Hon'ble Chief Minister Government of Rajasthan	7 th June 2020	Action is awaited and being followed up
111	Request for Exclusion of Bauxite Mining Leases/Mineral Bearing land in District Kolhapur from Ecologically Sensitive Area (ESA)	Shri Prakash Javedkar Hon'ble Union Minister Ministry of Environment, Forests & Climate Change	4 th June 2020	Action is awaited and being followed up
110	Request for withdrawal of notifications directing hotels to house COVID-19 patients and conversion into COVID hospital extensions	Shri Arvind Kejriwal Hon'ble Chief Minister <u>Government of NCT of Delhi</u>	4 th June 2020	In the wake of an unpredicted rise in the number of COVID-19 cases in the national capital, the Delhi government has asked 56 private hospitals to reserve 20 per cent beds for the patients of Economically Weaker Section and announced that 3 private hospitals — Moolchand, Ganga Ram and Saroj —will be COVID hospitals but with a number of beds reserved for poor patients there. Recently, a few hotels have been delinked from the hospitals they were attached to serve as COVID-19

				care facilities. However, decision on withdrawal of notifications directing hotels to house COVID-19 patients is awaited.
109	Request for Replacement of Advance Authorisation Scheme by Existing Duty Free Import Procedures under Customs Notification 24 and 25 dated 1st March 2005 for Duty Free Import of Inputs for Exports & Deemed Exports	Shri Amit Yadav Director General Directorate General of Foreign Trade (DGFT)	4 th June 2020	Action is awaited and being followed up
108	Request for relief to MSMEs by allowing increase in Government project rates on prorata basis vis-à-vis the INR - US Dollar exchange rate increase	Shri Nitin Gadkari Hon'ble Union Minister Ministry of Micro, Small and Medium Enterprises <u>Government of India</u>	1 st June 2020	Action is awaited and being followed up
107	Urgent assistance required to reduce rate of import duty of pharma grade gelatin, to avoid increase in prices and shortage of life-saving medicines	Dr. Ajay Bhushan Prasad Pandey Finance Secretary, Department of Revenue Ministry of Finance	3rd June 2020	Action is awaited and being followed up

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106	Request to not impose additional duties including COVID import tax on PTA and MEG to help industry to mitigate the daunting impact of pandemic COVID-19	Dr Anup Wadhawan Commerce Secretary Ministry of Commerce & Industry Government of India	2 nd June 2020	Action is awaited and being followed up
105	Regarding increase in rates of Raw water usage for industries	Shri Ashok Gehlot Chief Minister, Government of rajasthan	1 st June 2020	Action is awaited and being followed up
104	Request for exclusion of buy back of listed shares carried out by open market route through stock exchange from the scope of Sec. 115QA of the Income Tax Act, 1961	Shri Pramod Chandra Mody Chairman, Central Board of Direct Taxes Department of Revenue, Ministry of Finance	1 st June 2020	Action is awaited and being followed up
103	Request to Make Suitable Amendments in Place of Supply Laws	Shri Ashok Kumar Pandey Member (GST, CX, ST, Legal & CV) Central Board of Indirect Taxes and Customs Ministry of Finance	28 th May 2020	Action is awaited and being followed up
102	Urgent intervention to open Malls and Multiplex to ensure survival of organized retail as Millions of	District Magistrate, Avnish Awasthi, Addl. Chief Secretary Home, Lok Bhawan, Lucknow	27 th May 2020	MHA, on 30 th June 2020 issued order to re-open prohibited activities in a phased manner outside the containment zones. Following this, various states have

	livelihoods are at risk			issued detailed guidelines regarding opening up of economic activities in their respective states, including opening of malls. Action on other suggestion awaited and being followed up.
101	Request regarding CLSS scheme, Uttar Pradesh	Chief Minister, Uttar Pradesh	27 th May 2020	Action is awaited and being followed up
100	Request to restore the rate of depreciation at 30% / 45% on motor cars and motor vehicles acquired after 01.04.2020 to provide relief to industry amid pandemic COVID-19	Shri Pramod Chandra Mody Chairman Central Board of Direct Taxes Department of Revenue Ministry of Finance	22 nd May 2020	Action is awaited and being followed up
99	Request for Resumption of Chartered Flights for International Business Travel	Shri Hardeep Singh Puri Minister of State (I/C) for Civil Aviation, Housing & Urban Affairs and Commerce and Industry, Government of India	21 st May 2020	The government announced the resumption of domestic flight services from May 25 under specific rules and guidelines. Further, the Government allowed foreign businessmen coming to India on a Business visa in non-scheduled commercial/ chartered. Government is in talks with various countries to resume the international flights keeping in view various social distancing and other necessary restrictions and norms.
98	Request for Utilization of District Mineral Foundation Fund for welfare projects as enumerated in	Shri Pralhad Joshi Hon'ble Minister Ministry of Mines	18 th May 2020	Action awaited and being followed up

	PMKKKY scheme			
97	Requested to make GST payment for MSME sector from accrual to receipt basis till 31 March, 2021 during this critical situation of Covid-19	Shri M. Ajit Kumar Chairman Central Board of Indirect Taxes and Customs Ministry of Finance	18 th May 2020	Action awaited and being followed up
96	Indigenisation of Critical & Strategic Raw Materials	Dr Ajay Kumar, IAS Defence Secretary, Government of India	18 th May 2020	In this regards, MoD on 9 th August 2020, notified list of 101 items for import embargo on beyond given timelines to boost indigenisation of defence production.
95	Requesting to provide clarification on applicability of GST on remuneration paid to Directors by the Company	Shri M. Ajit Kumar Chairman Central Board of Indirect Taxes and Customs Ministry of Finance	18 th May 2020	Action awaited and being followed up
94	Suggestions for resuming flight operations in the country in a graded manner	Shri Hardeep Singh Puri Hon'ble Union Minister of Civil Aviation Ministry of Civil Aviation	14 th May 2020	Government allowed resumption of domestic flights in calibrated manner from 25 th May 2020 onwards.
93	Request for issuing mandatory instructions to banks to extend additional working capital	Shri Shaktikanta Das Governor Reserve Bank of India, Mumbai	14 th May 2020	RBI, on 22 nd May 2020, permitted lending institutions to extend the moratorium on term loan instalments by another three months, i.e., from June 1, 2020 to

	facilities to the eligible companies, extension of moratorium till 30th September 2020 and abolition of all processing charges on business transactions			August 31, 2020. Further, in respect of working capital facilities sanctioned in the form of cash credit/overdraft, lending institutions are permitted to recalculate the 'drawing power' by reducing the margins till the extended period, i.e., August 31, 2020 and also, lending institutions are permitted to restore the margins to the original levels by March 31, 2021. Action on other suggestions are awaited and being followed up
92	Suggestions to provide relaxations for opening of shops/establishments	Shri Manohar Lal Hon'ble Chief Minister Government of Haryana	14 th May 2020	MHA, on 30 th June 2020 issued order to re-open prohibited activities in a phased manner outside the containment zones. Following this, various states have issued detailed guidelines regarding opening up of economic activities in their respective states
91	Rule 170 – Notices to A.S.U. companies from Licensing Authorities	Shri Vaidya Rajesh Kotecha Secretary Ministry of AYUSH, Govt. of India	12 th May 2020	Action awaited and being followed up
90	Suggestions to provide relaxations for easing the labour laws to boost the industrial and commercial activities in the wake of COVID-19	Shri Manohar Lal Hon'ble Chief Minister Government of Haryana	12 th May 2020	Action awaited and being followed up

89	PHD Chamber Recommendation for DPP 2020	Secretary (DP) / Additional Secretary (DP)/ Joint Secretary (DIP) / Joint Secretary (LS) / Joint Secretary (NS) / Economic Advisor, DMOW / Joint Secretary (Aero)	9 th May 2020	Action awaited and being followed up
88	Regarding opening the Activities of Barber Shops, Beauty Parlours, Saloons, Spa's and other such facilities	Shri DB Gupta, Chief Secretary Government of Rajasthan	7 th May 2020	As the Central Government eased curbs across the country (on 30 th June 2020), many states have issued a new set of guidelines allowing shops, including liquor and barber shops, beauty parlors, spas to restore services.
87	Advisory to CERC with respect to - Order/Proposal dated 31.03.2020 regarding Determination of Forbearance and Floor Price for the REC framework issued by Hon'ble CERC, New Delhi	Secretary, Ministry of New and Renewable Energy	7 th May 2020	Action awaited and being followed up
86	Inputs by PHD Chamber of Commerce and Industry to attract foreign investments	Ms. Bindu Dalmia Chairperson National Committee on Financial Inclusion and Literacy NITI Aayog	7 th May 2020	Inputs submitted to NITI Aayog regarding attracting foreign investments in India
85	Requesting to extend the validity period of E-way bill generated after 15th April, 2020	Shri S.K Rahman Joint Secretary GST Council Ministry of Finance	6 th May 2020	Action awaited and being followed up



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84	Request for removing discrepancies in the GST act to boost the real estate sector on priority	Shri Hardeep Singh Puri Hon'ble Minister of State (Independent Charge) Ministry of Housing and Urban Affairs	5 th May 2020	Action awaited and being followed up
83	Representation from President, PHDCCI to Hon'ble Chief Minister of Himachal Pradesh dated 11.02.2020	Shri Ram Subhag Singh, IAS, Additional Chief Secretary, Government of Himachal Pradesh	4 th May 2020	Action awaited and being followed up
82	Collective Representation Regarding Industries related Queries from the Members of Rajasthan	Shri Ashutosh AT Pednekar, IAS, Managing Director, RIICO, Government of Rajasthan	2 nd May 2020	Integrative Video Conference with Shri Ashutosh AT Pednekar, IAS
81	Request for further measures to mitigate the daunting impact of pandemic COVID-19 on India's Logistics Sector	Shri Pawan Kumar Agarwal Special Secretary, Logistics Department of Commerce Ministry of Commerce and Industry	2 nd May 2020	The government has opened up the economic activities and advised states to issue guidelines for their respective states. Further, government has allowed workers stranded in relief camps to go to work within the states they were in. The Action on other suggestions are awaited and being followed up.
80	PHD Chamber congratulates you for taking charge Secretary Department of Economic Affairs, Ministry of Finance, Government of India	Shri Tarun Bajaj, IAS Secretary Department of Economic Affairs Ministry of Finance	2 nd May 2020	Congratulatory letter for taking charge as Secretary, Department of Economic Affairs, Ministry of Finance

79	Recommendation for 15% COVID 19 import tax on chemicals and other products from May 2020 to 31st March 2021 and Refund of all duties and taxes for export of products	Shri Amit Yadav, Director General, Directorate General of Foreign Trade and Dr. P D Vaghela, Secretary, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers	2 nd May 2020	Action awaited and being followed up
78	Immediate relief sought to mitigate the impact of increased minimum wages with effect from 1st April 2020 in Uttar Pradesh	Shri Yogi Adityanath Hon'ble Chief Minister Government of Uttar Pradesh	2 nd May 2020	The Government has announced an economic relief package of Rs 20 lakh crores for the year 2020, totaling to 10% of India's GDP. The scheme introduced as part of PMGKP under which Government of India contributes 12% of salary each on behalf of both employer and employee to EPF will be extended by another 3 months for salary months of June, July and August 2020. Statutory PF contribution of both employer and employee reduced to 10% each from existing 12% each for all establishments covered by EPFO for next 3 months. Action awaited on other suggestions and being followed up
77	Request for clarification on few points related to MHA circular number 40-3/2020-DM-I(A) dated 1st May 2020 on extended lockdown	Shri Ajay Kumar Bhalla, IAS Home Secretary Ministry of Home Affairs	2 nd May 2020	MHA, on 30th June 2020 issued new orders to re-open prohibited activities in a phased manner outside the containment zones. Following this, various states have issued detailed guidelines regarding opening up of economic

	guidelines w.e.f 4th May 2020			activities in their respective states
76	Concern over certain points regarding the guidelines for opening of industries	Dr Subodh Agarwal, IAS, Additional Chief Secretary, Industries Department, Government of Rajasthan	29 th April 2020	MHA, on 30th June 2020 issued new orders to re-open prohibited activities in a phased manner outside the containment zones. Following this, various states have issued detailed guidelines regarding opening up of economic activities in their respective states.
75	Request for clarification regarding ban on Rapid Test Kits for COVID-19	Prof. Balram Bhargava Secretary DHR & Director General, Indian Council of Medical Research	29 th April 2020	ICMR has issued guidance on rapid antibody test kits for COVID-19. Action on other suggestion is awaited and being followed up
74	Requesting to allow utilization of accumulated GST input credit balance for payment of certain taxes to improve liquidity for business	Shri Ajay Bhusan Prasad Pandey Revenue Secretary Ministry of Finance	29 th April 2020	Action awaited and being followed up
73	Representation for seeking the clarification on GST rate of COVID 19 Rapid Test Kits under Goods and Services Tax law	Shri Ashok Kumar Pandey Member (GST,CX,ST,Legal&CV) Central Board of Indirect Taxes and Customs	29 th April 2020	Action awaited and being followed up
72	Grant of Vesting Rights to Promote	Shri Susheel Kumar Secretary, Ministry of Mines	28 th April 2020	The government in 4 th tranche of stimulus package announced

	Exploration and Mining u/s 10A(2)(b) of the MMDR Amendment Act, 2015			introduction of a seamless composite exploration-cum-mining-cum-production regime; 500 mining blocks would be offered through an open and transparent auction process; distinction between captive and non-captive mines to allow transfer of mining leases and sale of surplus unused minerals; among others. Action awaited on other suggestions and being followed up
71	PHDCCI suggestions on immediate response to the daunting impact of COVID-19 on trade and industry	Shri Arvind Kejriwal Hon'ble Chief Minister Government of Delhi	26 th April 2020	Delhi Government has issue detailed guidelines regarding opening of the commercial activities and workforce. Action on other suggestions is awaited and being followed up.
70	Suggestions to help industries during the COVID-19 outbreak	Shri Satish Mahana Ho'ble Cabinet Minister Department of Infrastructure and Industrial Development Uttar Pradesh	27 th April 2020	Ministry of Home Affairs (MHA) has notified the Unlock 1.0, 2.0 and 3.0 allowing opening up of economic activities. In addition, States have been issuing guidelines for their respective states. Earlier, MHA has issued guidelines on restarting manufacturing industries after lockdown period. Action on other suggestions is awaited and being followed up.
69	Suggestions to provide certain relaxations for industrial and	Hon'ble Chief Ministers of all States	25 th April 2020	MHA, on 30 th June 2020 and thereafter issued order to re-open prohibited activities in a phased manner outside the containment

	commercial activities for the workers working in a factory			zones. Action on other suggestions is awaited and being followed up.
68	PHDCCI appreciates MHA's calibrated opening of economic activity under the revised guidelines-letter No. 40-3/2020-DM-I(A) of 24th April 2020	Shri Ajay Bhalla, IAS Home Secretary Ministry of Home Affairs	25 th April 2020	Letter appreciating MHA's calibrated opening of economic activity under the revised guidelines
67	Clarification on Government Guidelines for the "Medical Insurance for the Workers to be made Mandatory"	Shri Heeralal Samariya Secretary (L&E) Government of India <u>New Delhi</u>	24 th April 2020	Action awaited and being followed up
66	Request to expedite the manufacturing approval of Covid-19 test kit as it is approved by ICMR	Dr V G Somani DCGI, CDSCO	24 th April 2020	Government has taken measures to speed up the approval for COVID-19 testing kits.
65	Representation from the AYUSH Industry to help the nation fight Covid-19 pandemic	Shri Shripad Yesso Naik Hon'ble Minister, Ministry of Ayush	24 th April 2020	Action awaited and being followed up
64	Requesting State Governments to launches Amnesty Scheme to settle Pre-GST Tax Arrears	To Hon'ble CMs of all States	21 st April 2020	Action awaited and being followed up

63	Request to seek refund of PF Contributions deposited for the Wage Month of March 2020	Shri Heeralal Samariya Secretary Ministry of Labour & Employment	21 st April 2020	Action awaited and being followed up
62	Regarding various inputs by PHDCCI to government to mitigate the impact of COVID-19 on trade and industry	Smt. Bindu Dalmia Chairperson National Committee on Financial Inclusion and Literacy NITI Aayog	19 th April 2020	Submission of complied inputs to Niti Aayog for their kind consideration
61	No Cost Comprehensive Care Management Platform (COVIDCARE) in addition to "Aarogya Setu" for complete care	Dr Mandeep Kumar Bhandari Joint Secretary, Ministry Health and Family Welfare	18 th April 2020	Action awaited and being followed up
60	Request for Extension of due date for deposit of TDS for the month of March, 2020 and due date of payment of 1st installment of Advance Tax for FY 2020-21	Shri Pramod Chandra Mody Chairman, Central Board of Direct Taxes	17 th April 2020	In 1 st tranche of Rs 20 lakh crore stimulus, the due date of all Income Tax Returns for Assessment Year 2020-21 has been extended to 30 November, 2020. Similarly, tax audit due date has been extended to 31 October 2020. Action on other suggestion awaited and being followed up
59	Representation to Department of Commerce, Ministry of Commerce and Industry, for enhancing assistance under MAI Scheme	Dr. Anup Wadhawan Commerce Secretary Ministry of Commerce and Industry	16 th April 2020	Action awaited and being followed up

	due to pandemic COVID-19			
58	Relief measures sought for the real estate sector to mitigate the challenges and risks in the wake of COVID-19 by the State Government of Haryana	Shri Manohar Lal Hon'ble Chief Minister and Shri Rajesh Khullar (IAS), Principal Secretary to Chief Minister Government of Haryana	14 th April 2020	State Governments have been advised to invoke the Force Majeure clause under RERA. The registration and completion date for all registered projects will be extended up to 6 months and may be further extended by another 3 months based on the State's situation. Various statutory compliances under RERA will also be extended concurrently. The government has extended CLSS for boost housing sector. Action awaited for other suggestions and being followed up
57	Urgent support solicited for Steel Industry to minimize the impact of Lockdown	Shri Dharmendra Pradhan Hon'ble Minister Ministry of Steel	14 th April 2020	The government has introduction Commercial Mining in Coal Sector. A revenue sharing mechanism instead of regime of fixed Rupee/tonne. Any party can bid for a coal block and sell in the open market. Entry norms will be liberalised. Nearly 50 Blocks will be offered immediately. There will not be any eligibility conditions, only upfront payment with a ceiling will be provided; among others. Action on other suggestions are awaited and being

				followed up
56	Request for allowing submission of certificate for claiming deduction u/s 80G of the IncomeTax Act, 1961 in respect of donation made by an employee to the Chief Minister's Relief Fund	Shri Pramod Chandra Mody Chairman, Central Board of Direct Taxes Department of Revenue, Ministry of Finance	13 th April 2020	A few states such as Maharashtra, Tamil Nadu has declared that the donations under CM relief fund can be claimed as a deduction under Section 80G of the Income Tax Act. Further, our request to the government on the same is being followed up.
55	Request to restore Commodity Derivatives' Trading Timings to 11.30 pm from 15th April 2020	Smt Nirmala Sitharaman Hon'ble Finance Minister and Shri Ajay Tyagi Chairman, SEBI	13 th April 2020	Action has been taken
54	Relief measures sought for the real estate sector to mitigate the challenges and risks in the wake of COVID-19	Shri Hardeep Singh Puri Hon'ble Minister for State (I/C) for Housing and Urban Affairs Government of India	13 th April 2020	Reforms have been announced by RBI on 17 th April 2020 for real estate sector including NBFCs' loans to delayed commercial real estate projects can be extended by a year without restructuring and loans given by NBFCs to real estate companies to get similar benefit as given by scheduled commercial banks.
53	Suggestions for Relief to Non-Regulated Sector for Supply of Fuel	Shri Prahlad Joshi Hon'ble Minister for Coal, Mines and Parliamentary Affairs	12 th April 2020	The government has introduction Commercial Mining in Coal Sector. A revenue sharing mechanism instead of regime of fixed Rupee/tonne. Any party can bid for a coal block and sell in the open market. Entry norms will be

				liberalised. Nearly 50 Blocks will be offered immediately. There will not be any eligibility conditions, only upfront payment with a ceiling will be provided; among others. Action on other suggestions are awaited and being followed up
52	Request for permission to work at hydropower projects near to commissioning	Shri Sanjiv Nandan Sahai, IAS Secretary Ministry of Power	12 th April 2020	MHA, on 30 th June 2020 and thereafter issued order to re-open prohibited activities in a phased manner outside the containment zones. Further, the MNRE Granted Extension for RE Projects considering disruption on account of lockdown due to COVID-19 for a period of 30 Days beyond lockdown and notified that the lockdown due to COVID-19 to be treated as Force Majeure. For further measures, action is being awaited and followed up.
51	Representations from Industry to Uttarakhand Govt. during the Medical Emergency Lockdown	Shri Trivendra Singh Rawat Chief Minister Govt. Of Uttarakhand	11 th April 2020	Action awaited and being followed up
50	Request for return of Bank Guarantees to the prior allottees of the de-allocated coal blocks	Shri Prahlad Joshi Hon'ble Minister for Coal, Mines and Parliamentary Affairs	10 th April 2020	Recently, Ministry of Coal (MoC) launched a Project Monitoring Unit (PMU) for facilitation of early operationalisation of coal mines allocated by the Central Government. Action on the other suggestion is being followed up.

49	Suggestion to create District level Medicine Availability Task Force and Control Centre and provision of a strong message to the Local police team of ensuring Dignity and soft handling of the Health Soldiers	Shri. Piyush Goyal, Hon'ble Minister, Ministry of Commerce & Industry	9 th April 2020	Action awaited and being followed up
48	Request for amendments in the Demurrage payable order to Airport Operator/ Cargo Terminal Operator by Shipper or Consignee at Cargo Terminal, dated 1st April, 2020 (9th April 2020)	Shri Pradeep Singh Kharola Secretary Ministry of Civil Aviation,	9 th April 2020	The 50% waiver on Demurrage charges applicable on import air cargo has been announced by the Government. Action on our suggestion for 100% demurrage waiver is awaited and being followed up
47	PHD Chamber seeks clarification in reference to Notification No. 53 / 2015 – 2020 dated 24.03.2020 regarding amendment in export policy of Ventilators including breathing appliance/ device and sanitizers to ensure smooth exports under HS code 3402 (8th April 2020)-	Shri Amit Yadav Director General, Directorate General of Foreign Trade (DGFT) Ministry of Commerce and Industry	8 th April 2020	On 7 th May 2020, the Central Government has amended the export policy condition of Sanitizers with immediate effect. Now, Alcohol based hand sanitizers are prohibited for exports. Further, on 5 th August 2020, export Policy of Ventilators was amended to the extent that all ventilators including any artificial respiratory apparatus or oxygen therapy apparatus or any other breathing appliance/device are made “free” for export.

46	Request for measures to support tourism and hospitality sectors amid pandemic COVID-19	Shri Prahlad Singh Patel Hon'ble Minister of State (I/C) for Tourism Ministry of Tourism	8 th April 2020	The TDS rates for all non-salaried payment to residents, and tax collected at source rate have been reduced by 25 percent of the specified rates for the remaining period of FY 20-21. The government has taken various decisions in terms of Rs 30,000 crores Special Liquidity Scheme for NBFC/HFC/MFIs, issuance of Rs 18,000 crore pending refunds of income-tax, GST & custom by IT Department, allowance of moratorium of 3 months on term loans, among others. Action on other suggestions awaited and being followed up
45	Declaration of Defence Manufacturing and Supplies as Essential Services	Shri Raj Kumar, IAS Secretary Defence Production, Ministry of Defence	7 th April 2020	MHA, on 30th June 2020 and thereafter issued order to re-open prohibited activities in a phased manner outside the containment zones
44	Request to consider bringing all the raw materials requirement of Alloy Steel & Stainless Steel, Titanium Alloys and Super Alloys for defence manufacturing under the purview of Import Screening Committee	Shri Binoy Kumar, IAS Secretary, Ministry of Steel	7 th April 2020	Action is awaited and being followed up.
43	Impact of pandemic COVID-19 : PHDCCI	Smt Nirmala Sitharaman	7 th April 2020	The government has considered our representation to formulate

	suggestions for short and long term measures by the government	Hon'ble Finance Minister		an economic package, as a percentage of GDP, to relief the stricken Indian industry. The government has provided various measures to support people, trade and industry in form of Rs 20 lakh crore stimulus package. Going ahead, we look forward to action on other suggestions, sooner than later.
42	Request for support of various Project Implementation Agencies (PIAs) along with the Industry Partners, who are active contributor to Skilling	Shri Promod Kumar Das IAS Secretary, Ministry of Minority Affairs	5 th April 2020	Action is awaited and being followed up.
41	Request immediate Government intervention for making the necessary arrangements to bring our students back to India subject to medical protocols	Shri Dammu Ravi Additional Secretary & Coordinator-COVID-19 Ministry of External Affairs	5 th April 2020	Government has taken measures to bring back the stranded Indians in Abroad.
40	Request for a one-year moratorium on the invocation of corporate guarantees issued by Indian companies to offshore lenders due to pandemic COVID-19	Smt Nirmala Sitharaman Hon'ble Finance Minister	5 th April 2020	Action awaited and being followed up

39	Key Issues of Concern for the Defence Industries due to COVID-19 Lockdown	Shri Raj Kumar, IAS Secretary Defence Production, Ministry of Defence	4 th April 2020	MHA, on 30th June 2020 and thereafter, issued order to re-open prohibited activities in a phased manner outside the containment zones. Further, government in the fourth tranche of economic stimulus package announced the enhancing Self Reliance in Defence Production; Corporatisation of Ordnance Factory Board; increase in FDI limit in the Defence manufacturing from 49% to 74%. Also, MoD has released the draft Defence Production and Export Promotion Policy 2020. However, action on other suggestions is awaited and being followed up.
38	Request for one regulatory policy for Indian companies to mitigate the impact of pandemic COVID-19	Smt Nirmala Sitharaman Hon'ble Finance Minister	4 th April 2020	Action awaited and being followed up
37	Impact of pandemic covid-19: PHDCCI suggestions for short and long term measures by the government.	Smt Nirmala Sitharaman Hon'ble Finance Minister	3 rd April 2020	The government has considered our representation to formulate an economic package, as a percentage of GDP, to relief the stricken Indian industry. The government has provided various measures to support people, trade and industry in form of Rs 20 lakh crore stimulus package. Decision on other suggestions are awaited and being followed up.
36	Request for relief	Shri Pramod	3 rd April	CBDT has issued orders u/s 119 of

	measures under income tax regime to mitigate the impact of pandemic COVID-19 on trade and industry	Chandra Mody Chairman Central Board of Direct Taxes Department of Revenue, Ministry of Finance	2020	IT Act, 1961 to mitigate hardships to taxpayers arising out of compliance of TDS/TCS provisions. Government has also extended the due date of all Income Tax Returns for Assessment Year 2020-21 to 30 November, 2020. Similarly, tax audit due date will be extended to 31 October 2020. Action on other suggestions are awaited and being followed up
35	Representation regarding Inclusion of Union Territory of J&K in a Memorandum issued by Ministry of Skill Development & Entrepreneurship for Extension in Last Date for Enrollment of candidates under PMKVY-2016-20	J&K Affairs Division of Ministry of Home Affairs	2 nd April 2020	The request was considered and Department of J&K & Ladakh Affairs Ministry of Home Affairs issued directions through office Memorandum to Director Ministry of Skill Development & entrepreneurship to include J&K for Extension in last date for Enrollment of candidates under PMKVY-2016-20
34	Points to help Pharmaceutical & Medical Devices Industry	Shri Ajay Kumar Bhalla, IAS Home Secretary	2 nd April 2020	MHA, on 30th June 2020 and thereafter, issued order to re-open prohibited activities in a phased manner outside the containment zones. Private offices have also been allowed due to resume their operations through office premises. Action on other suggestions are being awaited and followed up.
33	Request to issue curfew passes n priority to	Ms. Sumita Dawra Joint Secretary Department for	2 nd April 2020	MHA, on 30th June 2020 and thereafter, issued order to re-open prohibited activities in a

	the accounts and managerial staff required for preparing the payroll and physical distribution of salary to the employees in the industries and businesses which are falling in the non-essential category	Promotion of Industry & Internal Trade		phased manner outside the containment zones. Following this, various states have issued detailed guidelines regarding opening up of economic activities in their respective states. Private offices have also been allowed due to resume their operations through office premises.
33	Request for issuing mandatory instructions to banks to fully transmit repo rate cut	Shri Shaktikanta Das Governor Reserve Bank of India, Mumbai	1 st April 2020	Action is awaited and being followed up
31	Request your kind intervention to assure that the reforms measures undertaken by the government are implemented at the ground level	Shri Piyush Goyal Hon'ble Minister of Commerce and Industry and Railways	1 st April 2020	We appreciate Government's proactive and fast track measures to safeguard trade and industry against the wild tide of pandemic COVID-19. However, effective implementation at the ground level is extremely important at this crucial juncture.
30	Request for clarification on the provision of Three Month Moratorium by RBI on loans falling due between 1st March, 2020 and 31st May, 2020	Shri Ajay Bhushan Pandey Finance Secretary Ministry of Finance	31st March 2020	Frequently Asked Questions on RBI Moratorium on EMI has been released by Ministry of Finance on 1 st April 2020
29	Request you to issue guidelines suggesting that the employees	Dr. P D Vaghela Secretary Department of	30 th March 2020	Over the last few months, Labour departments in some states have directed employers providing

	engaged in manufacturing esp. for the essential medicines and medical devices must attend work unless they are unwell or have any medical history to ensure the uninterrupted supplies of these important items during the lockdown of period of the COVID-19 outbreak	Pharmaceuticals, Ministry of Chemicals & Fertilizers,		essential services to take action on employees employed in essential services if they remain absent from work. Action on other suggestion is being followed up.
28	Request to cover under exemptions category for Export Oriented Company and Essential Products; Our plant located at plot No. SP-232,233 Riico Growth Center Phase-II, Maval, Abu Road District- Sirohi , Rajasthan	Shri D. B. Gupta, IAS Chief Secretary Government of Rajasthan	30 th March 2020	MHA, on 30 th June 2020 and thereafter, issued order to re-open prohibited activities in a phased manner outside the containment zones. Action on other suggestions are awaited and being followed up
27	VC with Mrs Harsimrat Kaur ji Badal, Hon'ble Minister for Food processing Industries	Mrs Harsimrat Kaur ji Badal, Hon'ble Minister for Food processing Industries	30 th March 2020	The government has allowed agriculture related activities and allowed inter-state movement of all goods traffic. Action on other suggestions is awaited and being followed up
26	Outdoor Media Industry – Relief	Hon'ble Prime Minister, Hon'ble	29 th March 2020	The government has opened various economic activities,

	sought due to the effect of Covid-19 on the Business	Finance Minister, Hon'ble Chief Ministers of States and Chief Secretaries of the State Governments		allowed working in private offices, train services have been started in phased manner, among others that will benefit the outdoor media industry. However, action on other suggestions are awaited and being followed up
25	VC with CIM Shri Piyush Goyal 28 March 2020	Ms. Sumita Dawra Joint Secretary Department for Promotion of Industry & Internal Trade	29 th March 2020	MHA, on 30 th June 2020 issued order to re-open prohibited activities in a phased manner outside the containment zones.
24	Request for the extension of coverage period: Under existing policy for 3 months in terms of premium already paid for General insurance policy holders	Dr Subhash C Khuntia Chairman Insurance Regulatory and Development Authority	28 th March 2020	While, Central Government has issued Notifications allowing Motor (Third Party) insurance policyholders to make premium payments till May 15 th which are due for renewal during COVID-19 lockdown. We are continuously following up with IRDA for consideration of our suggestion.
23	Requesting not to levy Electricity Bill and Electricity Fixed Charges payment for factories and Industries in state	Hon'ble Chief Minister of Jharkhand, Madhya Pradesh, Delhi	27 th March 2020	Action awaited and being followed up
22	Request To Extend The Time Period Regarding Compliances By Corporates	Shri Injeti Srinivas Secretary Ministry of Corporate Affairs And MoF	27 th March 2020	Decision has been taken relaxations in compliances by government such as SEBI relaxed guidelines for default recognition by Credit Rating Agencies; lockdown period not to be counted for purpose of any time



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				line of corporate insolvency resolution process, MCA has allowed companies to hold Extraordinary General Meetings through Video Conferencing; among others.
21	Electricity Bill and Electricity Fixed Charges payment for factories and Industries in your state	Shri Nitish Kumar Hon'ble Chief Minister of Bihar	27 th March 2020	Action awaited and being followed up
20	Request to exempt accounts personnel/officers of engaged in making salaries in offices not covered under essential services in the Indian states from the lockdown and direct all State Governments for issuing formal Curfew Passes for them	Dr Guruprasad Mohapatra Secretary Department for Promotion of Industry and Internal Trade	27 th March 2020	MHA, on 30 th June 2020 and thereafter, issued order to re-open prohibited activities in a phased manner outside the containment zones. Therefore, the private offices have resumed its operations.
19	Memorandum by PHD Chamber of Commerce and Industry, on behalf of member firms / organisations for the consideration by the Economic Task Force under the Hon'ble Union Finance	Smt Nirmala Sitharaman Hon'ble Finance Minister	27 th March 2020	Government has allowed transportation of all goods, without distinction of essential and non-essential, which will partially benefit the tyre industry.

	Minister			
18	Request to issue necessary Directive to the Police Departments across the States & UT to cooperate and allow the production and supply of essential goods and services to happen seamlessly under the laid guidelines and that no employee of any organisation suffer due to non-payment of salaries	Shri Ajay Kumar Bhalla, IAS Home Secretary	27 th March 2020	MHA, on 30 th June 2020 and thereafter, issued order to re-open prohibited activities in a phased manner outside the containment zones.
17	Requesting on behalf of the Indian MSMEs to issue a public notice/circular for extending the date of Submission of Bids and RFI/EoI Responses at least till 1st May or even further as has been done by the Ministry of Defence in the interest of the	Director Generals of Assam Rifles, Central Reserve Police Force, National Security Guard, Sashastra Seema Bal, Central Industrial Security Force, Indo-Tibetan Border Police Force, Border Security Force and additional Secretary (PM), Ministry of Home Affairs	26 th March 2020	Action awaited and being followed up

	Industry			
16	Requesting issue of a circular for the working of the AYUSH Industry, so that there is no restriction on the supply of the medicines and other essential supplies	Shri Vaidya Rajesh Kotecha Secretary Ministry of AYUSH	26th March 2020	MHA, on 30 th June 2020 and thereafter, issued order to re-open prohibited activities in a phased manner outside the containment zones.
15	Suggestions to provide relief to Industry, Entrepreneurs and People of Himachal Pradesh amid lock down due to COVID 19 outbreak	Shri Anil Kumar Khachi, IAS Chief Secretary Government of Himachal Pradesh	26 th March 2020	Action awaited and being followed up
14	Our Submission requesting relaxation in the Regulation 17(1)(c) of SEBI (LODR) Regulations 2015 and Regulation 17(2A) - of SEBI (LODR) Regulations 2015 for 3 months	Shri Ajay Tyagi Chairman Securities & Exchange Board of India (SEBI)	25 th March 2020	Various relaxations has been announced by SEBI with regard to Board meetings and date for disclosures to ease the compliances and requirements of businesses amid COVID-19 situation.
13	Representation seeking help for Shopping Centre (Malls) industry due to pandemic COVID-19	Smt Nirmala Sitharaman Hon'ble Finance Minister	25 th March 2020	MHA, on 30 th June 2020 and thereafter. issued order to re-open prohibited activities in a phased manner outside the containment zones. Further, under Unlock 1.0, government has decided to open up malls from 8 th June 2020. Other suggestion on which the decision has been taken



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				includes allowance of moratorium of 3 more months on term loans, relaxed guidelines by SEBI for default recognition by Credit Rating Agencies, among others. Action on other suggestions are being followed up.
12	Request to cover all agriculture, agri inputs, agro-chemicals and food items and their raw materials/ ingredients and packaging materials as also their logistics under the scope of Essential Commodities / Services and Exempted from manufacturing and movement restrictions	Shri Narendra Modi Hon'ble Prime Minister of India	24th March 2020	MHA, on 30 th June 2020 and thereafter, issued order to re-open prohibited activities in a phased manner outside the containment zones. Initially also, the Government allowed entire supply chain of milk collection and distribution including its packaging material under essential/exempted category.
11	Suggestions on the growing severity of the impact of COVID-19	Shri Narendra Modi Hon'ble Prime Minister of India	23 rd March 2020	The government has announced various measures in the 5 tranches of Rs 20 lakh crore stimulus package. Before this also, the Government and RBI have taken various decisions on the suggestions provided such as moratorium of 6 months on payment of installments in respect of all term loans, reduction in the repo rate by 115 bps, extension the Vivad se Vishwas scheme, among others.

10	Request to extend financial relief to Shopping Centre industry due to pandemic COVID-19	Smt Nirmala Sitharaman Hon'ble Minister of Finance	23rd March 2020	MHA, on 30 th June 2020 and thereafter, issued order to re-open prohibited activities in a phased manner outside the containment zones. Further, under Unlock 1.0, government has decided to open up malls from 8 th June 2020. Suggestion on which the taken has been taken includes allowance of moratorium of 3 months on term loans, relaxed guidelines by SEBI for default recognition by Credit Rating Agencies, among others. Action on other suggestions are being followed up.
9	PHD Chamber's submission requesting to declare capital markets as essential services on par with State of Maharashtra	Shri Ajay Tyagi Chairman Securities & Exchange Board of India (SEBI)	23 rd March 2020	MHA, on 30 th June 2020 and thereafter, issued order to re-open prohibited activities in a phased manner outside the containment zones.
8	PHD Chamber suggests to immediately issue a clarification to include "Stock Brokers and depository participants" as essential Services and exempt these services from the lock down in the NCT of Delhi	Hon'ble Chief Minister of Delhi and Hon'ble Deputy Chief Minister of Delhi	23 rd March 2020	Action has been taken

7	Avoiding Disruption of Essential Drugs & Medical Equipment Supply & Distribution Services to the Healthcare Institutions and patients: Exemption from 'Work from Home' esp for manufacturing and distribution services-Accepted by the Government, allowing Pharmaceuticals, Medical devices and healthcare industry to work on site	Dr. P D Vaghela Secretary, Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers	21 st March 2020	MHA, on 30 th June 2020 and thereafter, issued order to re-open prohibited activities in a phased manner outside the containment zones. Initially also, action was taken by Ministry of Home Affairs to exempt medical establishments, Pharmaceuticals, Medical devices, among others from nationwide lockdown measures.
6	Inputs/ Suggestions by PHD Chamber of Commerce and Industry on Global Disruptions in Supply Chains and their impact on India	Ms Kamna Dikshit Under Secretary FT(NEA) Division & ITPO Ministry of Commerce and Industry	20 th March 2020	The Hon'ble Prime Minister of India, Shri Narendra Modi on 12th May 2020 announced a Special economic and comprehensive package of Rs 20 lakh crores - equivalent to 10% of India's GDP and gave a clarion call for Aatmanirbhar Bharat Abhiyaan or Self-Reliant India Movement. Further, RBI has taken measures to reduce the cost of capital and Government is working to improve country's domestic supply chain and increasing its domestic production of essential items.



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5	Suggestions to COVID-19 Economic Response Task Force by PHD Chamber of Commerce and Industry (PHDCCI)	Smt Nirmala Sitharaman Hon'ble Finance Minister	20 th March 2020	The government has announced various measures in the 5 tranches of Rs 20 lakh crore stimulus package. Further, RBI has allowed a deferment of three months on payment of interest in respect of working capital facilities, reduced the policy repo rate, allowed a moratorium of 6 months on payment of installments of all term loans outstanding, injected liquidity into the system recently, among others. Action on other suggestions are being awaited and followed up.
4	Suggestions to RBI by PHD Chamber of Commerce and Industry (PHDCCI)	Shri Shaktikanta Das Governor Reserve Bank of India	19 th March 2020	So far, RBI has initially allowed a moratorium of 3 months on payment of term loans, which it extended for another 3 months. In addition, RBI reduced the repo rate to the level of 4.0% and has injected liquidity into the system through measures announced on 27 th March 2020, 17 th April 2020, 22 nd May 2020 and 6 th August 2020. Action on other suggestions are being awaited and followed up.
3	Request to Extend the Time Period for Submission of Annual Audited Financial Results by Listed Entity till 30th June	Shri Injeti Srinivas Secretary Ministry of Corporate Affairs	13 th March 2020	Government has taken various actions to provide relaxations in the regulatory compliances and disclosures to support the corporate sector



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	2020			
2	Drugs and Magic remedies (objectionable advertisements) (Amendments) Bill, 2020	Ministry of AYUSH, Govt. of India, NMPB, Ministry of Health & Family Welfare, Govt. of India, CCRAS	12th March 2020	Action awaited and being followed up
1	Representation on behalf of Healthcare Sector represented by PHDCCI and various other Chambers	Ministry of Health and Family Welfare		Government has undertaken proactive measures to mitigate the impact of pandemic COVID-19 such as reduction in the repo rate, 6 months moratorium on term loans, provision of health insurance to healthcare workers, among others.



Executive Summary

PHD Chamber appreciates the Government for undertaking proactive and fast track measures to combat the impact of pandemic COVID-19 on economy, trade and industry. PHD Chamber is quite optimistic that the Economic Response Task Force under the dynamic leadership of Hon'ble Finance Minister, Mrs. Nirmala Sitharaman ji will combat the impact of pandemic covid-19 on India's economy, trade and industry and economy will sooner than later resume its potential growth trajectory.

The Government's bold economic relief package of Rs 20 lakh crores for the year 2020, totaling to 10% of India's GDP is highly laudable. PHD Chamber of Commerce and Industry pledges to be the Pillar of Strength for building a Self-Reliant India based on the five pillars of economy, infrastructure, technology-driven system, vibrant demography and demand, laid down by our Hon'ble Prime Minister Shri Narendra Modi Ji.

We appreciate the extensive relief measures announced by Hon'ble Finance Minister in 5 tranches to support Indian Economy's fight against pandemic COVID-19. Measures announced to mitigate the daunting impact, on economy's most vulnerable sector MSMEs, caused by pandemic COVID-19 and further strengthen Indian economies backbone and giving it a fresh start is a major breakthrough.

The relief measures provided for farmers, housing sector, migrant workers and street vendors will induce welfare, create employment and support demand in the economy. Further, the reforms and measures for agriculture and allied activities will help in addressing rural stress, ensure food security, support demand and growth in manufacturing sector, create employment and attain socio-economic development of the country.

The structural reforms announced will attract private sector investments and strengthen state of the art infrastructure in the strategic and growth promising sectors of Indian economy including coal, minerals, defence, airports and aerospace management, power, space sector, atomic energy sector and civil aviation. String of economic reforms announced in the fifth and last tranche of Rs 20 lakh crore support package will accelerate private sector investments and significantly push industrial and socio-economic development in the country.

Further, the amendment in the new definition of MSMEs with Rs 250 crore annual turnover and Rs 50 crore investments in plant and machinery for medium enterprises will bolster the manufacturing sector, increase its contribution in GDP and create millions of new employment opportunities for the growing young workforce in India. Revised and broadened definition will enhance the production possibility frontiers of the MSMEs, increase their competitiveness and



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create a level playing field for them to tap new opportunities in the domestic and international markets.

Going ahead, PHD Chamber of Commerce and Industry suggests an automatic increase of 25% in working capital without any procedure and application to reduce stress on businesses; to convert increased WC in a term-loan with a provision of 3 years repayment period.

Other short term suggestions include immediate reduction in the lending rate by all the banks to percolate the full effect of recent cut in repo rate by RBI. Special interest subvention @ 3% in loans to MSMEs and other badly affected industries; to abolish all fixed charges of all the utilities and defer all utilities' bills by 3 months.

Government should pay 75% of salary of the workers of the lockdown period and employer contribution in PPFs during lock down period should be brought down to zero to ease the financial burden of the industry.

Suggestions for the long-term measures include reducing income tax of the proprietorship and LLPs firms to the level of 22% for old and 15% for new companies; reduce the customs duties on basic raw materials by at least 5 percentage points; reduce the cost of capital with a further reduction of 100 basis points cut in the repo rate to enhance the competitiveness of manufacturers and exporters in international market. Rationalisation of GST rate structure by merging 18% tax slab with 12% tax slab; further recapitalization of the Public Sector Banks, among others.



152. PHD Chamber's suggestions for Banking and Financial sector issues (25th September 2020)

Shri Shaktikanta Das
Governor
Reserve Bank of India

Respected Shri Shaktikanta Das ji,
Namashkar!

PHD Chamber's suggestions for Banking and Financial sector issues

At the outset, we would like to express our sincere thanks to you and your team for taking out time from your extremely busy schedule and allowing us to present our thoughts during our meeting held on 24th September 2020 through video conferencing.

We appreciate the extensive measures undertaken by the Reserve Bank of India (RBI) to mitigate the daunting impact of pandemic COVID -19 on economy, trade and industry.

The recent 115 basis points cut in repo rate, 100 basis points reduction in CRR and 155 basis points cut in reverse repo rate to combat COVID-19 are highly appreciable measures to reduce the cost of funds and to inject adequate liquidity in the banking system.

PHD Chamber of Commerce and Industry has been proactively supporting the Government by providing suggestions at each stage of development, creating awareness and disseminating knowledge among various stakeholders. The Chamber stands in complete solidarity and extends its all-out support to the Government in the fight for making India COVID-19 free country soon.

As discussed during the meeting, we are hereby submitting a few suggestions to further mitigate the impact of pandemic COVID-19 on India's economy, trade and industry for your kind consideration:

1. Bank Guarantee: The banks are insisting on a minimum period of 1 year to lodge a claim, for any guarantee beyond the validity period. This would imply that every bank guarantee would have to be kept open for lodging a claim for at least a year from the last date of its validity period (i.e. the period for which the bank guarantee is made). We are enclosing the RBI master circular No. RBI/2015-16/76/ DBR. No. Dir.



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BC.11/13.03.00/2015-16 dated 1st July 2015 in respect of bank guarantees to be followed by all the scheduled commercial banks and [our](#) detailed analysis on the same.

- a. Banks are insisting on keeping the margin money fixed deposits for a minimum period of 12 months beyond the validity period. Thus, if a performance Guarantee or Financial Guarantee is provided for a period of 3 months, the banks are insisting on margin deposits for a period of 15 months. Sir, this has been seriously impacting the cash flows of trade and industry. Furthermore, the limit of bank guarantee remains blocked for this additional 12 month period. The only exception is in case the Bank Guarantee beneficiary return the original Guarantee to the Bank or issue a release letter.
 - b. Unfair Bank guarantee Charges: A further serious implication is that banks are charging bank guarantee commission for this additional 12 month period. This is completely illogical as the guarantee may only be for a limited period of 3 months, then charging fee for 15 months is unjustified.
2. Sir, new loans are still not being disbursed. Moreover, whatever credit growth that we see on account of loans is towards PSUs/ AAA/ AA rated companies and under Emergency Credit Line Guarantee Scheme (ECLGS) to the Micro, Small & Medium Enterprises (MSMEs). We would request the RBI to give clear cut directions to the banks to disburse funds to below AA rated companies as well.
3. Some of the key issues related to the COVID-19 related stress resolution plan recently announced by the RBI are as under:
 - a. Financial Parameters: The five financial parameters to be fulfilled as per the threshold specified in the 28 sectors might not hold good for the companies of all sizes. Many large companies may qualify but those mid-sized corporates having outstanding loan of Rs. 25 crore to 100 crore are finding it very difficult to meet these parameters such as debt outstanding to Earnings Before Interest, Tax, Depreciation, Amortization (EBITDA) ratio, [we](#) would request you to relax this criteria for such mid sized corporates.
 - b. Project-wise: In case in a company there are multiple projects; for instance, a real estate developer has five projects and is facing stress in one of the projects then in such a case restructuring should be allowed project-wise and not for the whole company.



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- c. Resolution vetting to be done by rating agencies: Resolution plan under COVID-19 stressed cases must be vetted by rating agencies. It has been observed that banks are invariably asking for RP-4 rating. As per past experience, it can be established that rating companies are generally hesitant to give RP-4 rating due to the fact that if 10% of their RP-4 rating cases go wrong then their license can get cancelled.
 - d. NBFC's own loans: NBFC's own loan is not allowed to be restructured under this scheme. However, they would have to restructure for their borrowers. This aspect may be looked at to facilitate greater ease of business and revival of these stressed NBFC's.
 - e. No extra interest should be charged for restructured account by banks under COVID related stressed resolution plan.
 - f. RBI should allay fears in the minds of stressed borrowers that there would not be any adverse impact on their credit history in future for such borrowers who avail this resolution plan.
4. NBFC's below AA rating have not been able to get enough liquidity though RBI announced various schemes such as Targeted Long Term Repo Operations (TLTRO) Rs 25000 crore facility and the Partial Credit Guarantee Scheme. Banks have only availed Rs 12500 crore out of Rs 25000 crore under the TLTRO scheme which was announced for funding NBFC's below AA rating. Capping of interest rates under partial Credit Guarantee Scheme i.e., interest rates should be capped.
 5. Loans given by NBFC's to the MSME's sector under the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTSME) scheme being 100% risk free, we request the RBI that a separate credit line be created for funding such portfolio by banks.
 6. For refinancing the portfolio of Priority Sector Lending (PSL) by NBFC's where there is a co-origination, some of the very stringent conditions such as funding under PSL should have been given to the known corporate borrowers and that the loan amount should not be more than Rs 20 lakhs should be relaxed.

We trust our suggestions will be favourably considered by you for immediate and favourable action to mitigate the impact of COVID-19 on economy, trade and industry.

Thanking you,



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

Yours Sincerely

Dr D K Aggarwal

A handwritten signature in blue ink, appearing to read 'D K Aggarwal', is placed below the printed name.

President

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: +91 11 26855450

Email: president@phdcci.in



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151. Refund of Input Tax Credit to Taxpayer facing Inverted Duty Structure (23rd September 2020)

Shri S K Rahman

Joint Secretary
Goods and Services Tax Council
Ministry of Finance
Government of India

Respected Shri S K Rahman ji,

Greetings!

Refund of Input Tax Credit to Taxpayer facing Inverted Duty Structure

PHD Chamber of Commerce and Industry has been proactively supporting the Government by providing suggestions at each stage of development, creating awareness and disseminating knowledge among various stakeholders. We greatly appreciate the Government's intention to improve ease of living, improve business sentiments and reduce litigations. A consultative approach will go a long way in achieving the Government's objectives.

We would like to bring to your kind attention an issue being faced by the industry due to the divergent judgments given by two different High Courts pertaining to refund of GST on services in case of inverted duty structure.

It may be highlighted that the Madras High Court has ruled that refund of unutilised input tax credit would not be available to companies facing inverted duty structure under GST. The ruling is in contrast to one from Gujarat High Court that had allowed claims of such refunds.

Hon'ble High Court of Madras in the case of Tvl. Transtonnelstroy Afcons Joint venture held that that Section 54(3)(ii) does not infringe Article 14 and refund is a statutory right. It qualifies and curtails not only the class of registered persons who are entitled to refund but also imposes a source-based restriction on refund entitlement and, consequently, the quantum thereof. Whereas, the Hon'ble Gujarat High Court, in the case of VKC Footsteps India Pvt Ltd (2020-TIOL-1273-HC-AHM-GST) held that since the provisions of section 50(3) of the CGST Act, 2017 provides for the refund of input tax credit in case the rate of GST on input is more than the rate of GST on outward supply of goods, the refund cannot exclude the credit on input services by way of rule [89(5)]. In other words, the court held that the Rule cannot go beyond the provisions in the Act.



Businesses, which face higher goods and services tax (GST) on raw materials than on finished goods, are in a quandary over whether or not they will get refunds on taxes paid on services. Contrary to a Gujarat High Court (HC) verdict, the Madras HC on Monday held Rule 89(5) inserted by the government under the CGST Act on restricting such input tax refunds as valid. This means that the companies facing an inverted duty structure raw materials drawing higher GST rates than final goods will not be able to get refunds over taxes paid on the services inputs they used, while they will get it for merchandise inputs.

In case, the decision of the Hon'ble Madras HC is accepted, it is huge loss to the industries as they have not recovered the amount of GST paid on services. We are of the opinion that this cannot be the intention of the legislature. Further, this will give rise to unwarranted litigations and create chaos for the industry due to the conflicting High Court judgements.

It is therefore suggested that a suitable clarification or amendment to the legislation may be issued/brought on the above matter.

We trust our submission will be considered by the Government for immediate and favorable action.

Thanking you,

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Saurabh Sanyal', is written over a horizontal line.

Saurabh Sanyal

Secretary General

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: [+91 11 26855450](tel:+911126855450)



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

150. PHD Chamber submission for withdrawal of Provision for Private Limited Companies to place annual returns on the website of the company - vide notification dated 28 August 2020 as per section 92(3) together with section 134(3)(a) of The Companies Act 2013 (23rd September 2020)

**Smt Nirmala Sitharaman
Hon'ble Minister of Finance and Corporate Affairs
Government of India**

Respected Smt Nirmala Sitharaman ji,

Namashkar!

PHD Chamber submission for withdrawal of Provision for Private Limited Companies to place annual returns on the website of the company - vide notification dated 28 August 2020 as per section 92(3) together with section 134(3)(a) of The Companies Act 2013

At the outset, we appreciate the proactive and fast track measures undertaken by the Government to combat the daunting impact of pandemic COVID-19 on trade and industry.

We, at PHD Chamber of Commerce and Industry (PHDCCI) stand in complete solidarity with the Government and are happy to extend a full-fledged support to the Government and its countrymen in India's fight for against COVID-19. PHD Chamber would like to submit its viewpoint on the recent notification released [by the government as hereunder](#)

A. Vide Notification dated 28 August 2020 of the Ministry of Corporate Affairs , as per Section 92(3) and Section 134(3) (a) of the Companies Act 2013, every company is required to place the copy of the Annual Return (FORM MGT-7) on the Website of the company and the Weblink of such Annual Return has to be disclosed in the Board Report

B. The Annual Return of the Company (FORM MGT-7) , in addition to routine information , contains a lot of confidential /personal information about the affairs of the company & its Directors / Key personnel, such as - Turn over & Net Worth of the company , no. of promoter members, Details of Directors & Key Managerial personnel, % shares held by Directors, Name, DIN, Designation & no. Of shares held Share holders & their % share holding , Gross Salary & Commission of Directors & Key Managerial Personnel etc., Dates & attendance details of AGM , EGM & Board Meetings etc.

C. JUSTIFIED IN CASE OF LISTED PUBLIC LIMITED COMPANIES :



This provision in case of Listed Public Limited companies is justified as listed companies are widely held companies with large public investments & their stocks are freely tradable on the Stock Exchanges, So the existing stake holders & the prospective Investors wanting to buy their stocks may like to have ready access to the information about the company & its affairs to make their choice to Invest or not to Invest in a listed company by looking at the Annual Report of the Company on the company website.

As such , SEBI has already issued a notification no. SEBI/LADA-NRO/GN/2015-16/013 dated 2 Sept. 2015 providing for Listed Public Limited to place their Annual Return on their website & listed companies have to comply with this provision.

D. NOT JUSTIFIED IN CASE OF PRIVATE LIMITED COMPANIES :

The Companies Act 2013 , provides a legal right to promoters to form a Private Limited Company where only the limited promoters are interested & invested & the promoters want to maintain privacy of the affairs of their company within the provisions of The Companies Act 2013.

In case of a Private Limited Company , there is no Investment by public in general , the stocks of the Private Limited Company are not available for free trading on the Stock Exchange & so the General Public is neither interested nor needs to know about the affairs of the Company by way of having access to the Annual Return of the Company containing all the personal / confidential information on its website.

In case of the Private Limited Company , the Audited Balance Sheet together with Annual return is filed with ROC mandatorily & is uploaded on the website of the MCA /ROC. The same is also provided mandatorily by a company to Direct Tax authorities , Indirect Tax Authorities , Banks & Financial Institutions & share holders of the company. So all the stake holders are already being provided with all the Information contained in the Annual Return of the Company.

.Additionally , if any body wants to access this Annual Return information of any Private limited Company , he / she may download the same from the website of the MCA/ROC by giving his complete identity & paying the required fee. This way the identity of the person accessing this confidential / personal information of the Private Limited Company is traceable , in case of misuse of such information by such person.

In case this Annual Return (MGT- 7) is displayed on the website of the company (website is an open worldwide web with free access to any & everyone) , the personal / confidential information of the company & its promoters / Directors /Key Managerial Personnel is open to



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all kinds criminals / fraudsters making them easy targets of such any & every Anonymous anti-social elements

It is pertinent to mention that earlier , the residential address of the Directors was made available on the website of the company as “ View Signatory Details”. There were several reports about Misuse of this information by Anti Social Elements & the Ministry of Corporate Affairs , in its wisdom , has recently removed the residential address of Directors from the "View Signatory Details". The basic “ Principle of Information Sharing “ is “ Need to Know Basis “ . In case of Private Limited Companies , the same is already being followed & complied with legally as explained in Para 3 & 4 above.

Promoters choose to run their enterprises as Private Limited Companies because it provides them with some privacy of running the affairs of their companies & that should not be diluted by this provision of uploading Annual Returns (MGT-7) on their Websites as it goes against the basic spirit of a Private limited company.

By putting the information about Key Managerial Personnel on the website (as part of Annual return) , the Private limited Companies are exposed to easy poaching of their key Personnel by competitors.

This provision of uploading Annual Return of the Company (MGT - 7) will tantamount to " Infringement " on the " Right to Privacy " of a Private Limited Company

It may be mentioned that this provision is not Equitable as some Private limited Companies who do not have website will not be required to comply vis-a-vis companies who have their websites .

This provision is also against the declared statement of the Govt to provide " Ease of Business " as it increases one more return / task for a Private Limited Company.

In view of the above submissions, you are requested to kindly withdraw this notification dated 28 August 2020 & kindly do away with the requirement of placing Annual Return (MGT-7) on their website , in case of Private Limited Companies.

We trust our submission will be favorably considered by the department for immediate and favorable action.

Yours Sincerely,



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Dr D K Aggarwal

President

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: +91 11 26855450

Email: president@phdcci.in

Website: www.phdcci.in



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149. Request for clarification /exemption regarding requirement of receipt of goods for claiming Input Tax Credit-Section 16 of CGST Act (10th September 2020)

**Smt Nirmala Sitharaman
Hon'ble Minister of Finance and Corporate Affairs
Government of India**

Respected Smt. Nirmala Sitharaman ji,

Namashkar!

Request for clarification /exemption regarding requirement of receipt of goods for claiming Input Tax Credit-Section 16 of CGST Act

At the outset, we appreciate the proactive and fast track measures undertaken by the Government to combat the daunting impact of pandemic COVID-19 on trade and industry.

We, at PHD Chamber of Commerce and Industry stand in complete solidarity with the Government and are happy to extend a full-fledged support to the Government and its countrymen in India's fight for against COVID-19.

We would like to draw your kind attention to an issue being faced by the gold jewellery industry in claiming Input Tax Credit (ITC). It may be highlighted that Gold Jewellery and other articles of Gold classifiable under Chapter 71 of the Tariff under the Goods and Services Tax ("**Tariff**") ("**Gold Jewellery / Gold Products**") are frequently traded in the country. Even while the Gold Jewellery is in transit or even before the commencement of the transit, traders undertake further sale and purchase of the same to another recipient. Thus, even before physical receipt of the goods, the recipient may sell the same to another supplier and further sale of the same goods also takes place by the subsequent recipient supplier.

On account of this peculiar nature of the trade in gold jewellery industry, the requirement of receipt of goods for availment of Input Tax Credit under Section 16 of the Central Goods and Services Tax Act, 2017 ("**CGST Act**") requires clarification to the effect that insofar as the gold jewellery industry is concerned, delivery of documents of title to every subsequent recipient will also amount to receipt of the goods, provided the suppliers and the recipient fulfil all the conditions relating to availment of ITC under Section 16 of CGST Act.

In this regard, the explanation inserted in Section 16 by way of CGST (Amendment) Act, 2018 w.e.f. 01.02.2019 ("**Amendment Act, 2018**") already creates a deeming provision wherein,



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delivery of documents of title to the registered person or his agent has been considered sufficient for establishing receipt.

At this background, PHD Chamber of Commerce and Industry suggests to issue a clarification to avoid any doubt that the explanation will be applicable to every subsequent purchaser in the chain of trading of gold jewellery. This will smoothen the gold jewellery trading, enhance the ease of doing business in the industry and will stimulate the growth of the sector in the coming times.

Please find enclosed an Annexure to elaborate the above submissions for your kind consideration.

We trust our submissions will be considered for immediate and favourable action.

Thanking you,

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Dr. D K Aggarwal', is placed below the 'Yours sincerely,' text.

Dr. D K Aggarwal
President
PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri Institutional Area
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454
Fax: [+91 11 26855450](tel:+911126855450)
Email: president@phdcci.in



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148. PHD Chamber Submission on E-way Bill for Gems and Jewellery Sector (3rd September 2020)

Smt Nirmala Sitharaman
Hon'ble Minister of Finance and Corporate Affairs
Government of India

Respected Smt Nirmala Sitharaman ji,

Namashkar!

PHD Chamber Submission on E-way Bill for Gems and Jewellery Sector

At the outset, we appreciate the proactive and fast track measures undertaken by the Government to combat the daunting impact of pandemic COVID-19 on trade and industry.

We, at PHD Chamber of Commerce and Industry (PHDCCI) stand in complete solidarity with the Government and are happy to extend a full-fledged support to the Government and its countrymen in India's fight for against COVID-19.

As per our knowledge and understanding, the Government has formed a committee to see implementation of e-way bill for gems and jewellery sector. In this regard, we would like to mention that currently e-way is not applicable for gems and jewellery industry as it possess following challenges : -

1. If the information about e-way bill which includes value of goods, name of sender, mode of transport, quantity of goods, place of dispatch and destination is leaked and the said information is passed on to miscreants, it will possess great security threat.
2. Not only the movement of goods can be at risk but also the life of person moving such goods can be under threat.
3. Currently, goods are moved in small packets through couriers, aangadia and logistic service who are expert in this field. This movement of goods is with proper documentation in secured environment.
4. The goods are also moved by big time manufacturer to small time karigars like (Bengali karigars etc.) from one state to another for speciality of work and design and art of other state to a different karigar who expertise in this field. This karigar has no knowledge of e-way bill and they work like handcrafted industries in very small towns. Most of this small karigars are uneducated.

5. Bars that gets transported can vary anywhere between 50 grams to 1000 gram and its multiples. This would mean that not all the gold and gold jewellery gets transported using secured logistics providers like Brinks, sequel, BVC and Securitans. A large portion of it is still hand carried. A hand carried gold does not have to be unaccounted but there is an increased cost on using secured service provider, as for low volumes the cost increases. This would then lead to benefit only large manufacturers and retailers and not the small and medium sized retailers and small artisans.
6. On implementation, the Government would be successful in creating a tracking mechanism but the volumes would be shifted to a few group of manufacturers and impact the job creation in the country.
7. Manufacturing has multiple stages because a large part of jewellery manufacturing still operates as handloom industry and not comes under Factories Act. It is practically impossible to have e-way bill at each stage of manufacturing. It not only increases the cost of complying multi fold, in the early stage it will lead to harassment by tax officials as these artisans are hardly educated and have accumulated their wealth only in the form of gold. Their payments are also in gold. And this gold is normally kept at the same manufacturing centre. Making it all difficult for these financially illiterate manufacturers.
8. Imagine a scenario in which a carrier is taking gold in a train or plane, if due to system problem, the person is not able to generate the e-way bill, the trip will get cancelled.
9. Due to high value items, even the small piece of jewellery will be required to be routed through e-way bill. This also increase the cost of each items.
10. Moreover India has thousands of villagers where no precious metal logistics services are ever available, most of the time 2-3 different hands carry the same materials to reach a destination, it will not feasible to go with one airway bill to another when the hands change.
11. Most of the time the manufacturing of one single article involves multiple artisans and multiple places to arrive at the finished saleable article. In this scenario how and who will generate airway bill for the different processes / components as main person has to generate one bill for first process only and now then onwards he has no control of further completion for that article and its further movements, and this is on-going process and going to go on the road / different premises during one single day!!! How is it practically possible to maintain the details of movements in to airway bill?

Currently, the goods in this industry are moved in very secured environment and movement of goods is not exposed to anyone except sender and logistic service provider. We hope the decision in this regard will be taken by taking into account not only above mentioned points, but also considering robbery that has been minimal in the current environment of no e-way bill.



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Our humble submission is to not implement e-way bill for Gems and jewellery industry which causes security threat to goods and life of person moving such goods.

We trust our submission will be favorably considered by the department for immediate and favorable action.

Thanking you!

Yours Sincerely,

A handwritten signature in dark ink, appearing to read 'Dr D K Aggarwal', is positioned below the 'Yours Sincerely,' text.

Dr D K Aggarwal

President

PHD Chamber of Commerce and Industry

PHD House, [4/2 Siri Institutional Area](#)

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: [+91 11 26855450](#)

Email: president@phdcci.in

Website: www.phdcci.in



147. Request for consideration of requisite amendment in ECB Master Directions (2nd September 2020)

Shri Shaktikanta Das
Governor
Reserve Bank of India

Respected Sir,

Greetings!

Request for consideration of requisite amendment in ECB Master Directions

At the outset, we appreciate the extensive relief measures announced and commendable efforts put in by the RBI to mitigate the daunting impact of pandemic COVID-19 on people, economy, trade and industry. RBI has released extensive measures needed to protect Indian economy from the daunting impact of pandemic COVID-19 in the recent months and in the circular on “Resolution Framework for COVID-19 related Stress”.

It may be mentioned that due to unforeseen COVID-19, the construction activities were completely stalled from March 23rd 2020 to May 17th 2020, for a period of 2 months that has led to non-utilization of ECB Proceeds within the time limit.

A few member organizations of PHD Chamber have raised bonds in the international market in accordance with Master Directions on External Commercial Borrowings and the regulations issued by RBI from time to time. The ECB Master Directions permit that pending utilization of ECB proceeds can be kept in term deposits with Authorized Dealer (AD) Bank in India for the aggregate period of 12 months from the date of drawdown. In order to avoid interest loss, the unutilized funds have been kept by the member organizations in term deposits beyond the prescribed limit of 12 months so as to reduce the Interest During Construction (IDC) and to avoid increase in project cost.

The daunting impact of pandemic COVID-19 has stalled the projects and activities are been undertaken in phased manner, which has resulted in less utilization of ECB proceeds as projected.

At this backdrop, it is requested for requisite amendment in ECB Master Directions, allowing parking of proceeds of unutilized ECB in term deposits for an extended tenor by another 12 months.



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We trust our submission will be considered for immediate and favorable action to revitalize the economy.

Thanking you!

Yours sincerely,

Saurabh Sanyal
Secretary General
PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri Institutional Area
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454
Fax: +91 11 26855450
Email: sg@phdcci.in / saurabh.sanyal@phdcci.in
Website: www.phdcci.in



146. PHDCCI urges to rollout the Amnesty Scheme in the Union Territory of Dadra & Nagar Haveli (1st September 2020)

Shri Sandeep Kumar Singh, IAS

Joint Commissioner (VAT & GST)

Dadar Nagar Haveli

Department of Value Added Tax/Goods & Services Tax

U.T of Dadra & Nagar Haveli – 396230

Respected Sir,

Greetings!

PHDCCI urges to rollout the Amnesty Scheme in the Union Territory of Dadra & Nagar Haveli

At the outset, we appreciate the Government for undertaking proactive and fast track relief measures in the indirect taxation to combat the daunting impact of pandemic COVID-19 on economy, trade and industry.

PHD Chamber of Commerce and Industry has been proactively supporting the Government by providing suggestions at each stage of development, creating awareness and disseminating knowledge among various stakeholders.

After rollout of the Goods and Services Tax (GST), state governments have already introduced wide-range of reforms to ensure a seamless rollout of the new indirect tax regime. Several states have brought out amnesty schemes to shore up their tax revenues. The additional revenue collected through such schemes is convenient for bargaining with the Centre for a higher compensation after GST implementation. Significant progress is made by most of the states in this area. In line with the agenda of Government of India these amnesty schemes for cases related to Value Added Tax (VAT), Central Sales tax and Entry Taxes revolve around waiver of interest and penalty on payment of tax.

It may be noted that states like **Rajasthan, West Bengal, U.P, Bihar, Maharashtra, Kerala, Himachal Pradesh, Gujarat & Haryana** have already introduced the amnesty schemes. It may be observed that mostly states have benefited with these schemes & their tax revenues have increased significantly. These schemes have helped in optimization of the revenue and reduced cost of the litigations, and also the departmental officials have been able to devote additional time for GST compliances & audit work etc.



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A table representing the salient features of different Amnesty Schemes which were available for settlement of disputes under various state tax laws (applicable before implementation of GST) is enclosed for ready reference.

Further, it is a measured move by the states to improve their tax collection & clearing backlog of cases and free up officials to focus on transitional issues associated with the rollout of GST. If the pending cases of the current tax regime are resolved after GST is made effective, the government machinery could shift its focus to implement a robust GST regime and address other issues.

It may be highlighted that remaining states are also evaluating the potential cases which may be covered under amnesty scheme. It is therefore humbly submitted that the Government should roll out the similar proposal for amnesty scheme in the Union Territory of Dadra & Nagar Haveli to help them improve their tax collection and reduce the cost of litigations. This can benefit the Union Territory's Tax Department & all the manufacturing units located in Silvassa.

We trust our submission will be considered by the Government for immediate and favorable action.

Thanking you,

Yours sincerely,

Saurabh Sanyal

Secretary General

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: [+91 11 26855450](tel:+911126855450)



145. Request for general extension of Three Months for the date of holding Annual General Meeting under the Companies Act,2013 for financial year ended 31.03.2020 (24th August 2020)

Respected Madam,

Request for general extension of Three Months for the date of holding Annual General Meeting under the Companies Act,2013 for financial year ended 31.03.2020

At the outset, I would like to congratulate Ministry of Corporate Affairs (MCA) for being proactive in understanding the impact of the Covid 19 pandemic and acknowledging the challenges faced by the stakeholders during these testing times and has till now granted number of reliefs and relaxations to companies to navigate through the challenging times.

In pursuance of the same, we would like to highlight that PHD Chamber has been receiving grievances from industries and associations regarding general extension for the date of holding Annual General Meeting (AGM) for the Financial Year 2019-2020,

Due to COVID 19 pandemic, the businesses in India and worldwide has impacted largely. The resultant lockdowns and restrictions have proved to be a serious impediment to business and causing several challenges such as:-

1. All the operations were completely disrupted due to the series of lockdowns and frequent conversion of many districts as containment zones. Even till date, movement of people and commencement of economic activity is impaired so far due to less facilities of public transportation. This has hampered the compliances, book-keeping and accounting by corporates and audit of secretarial and cost records & financial statements of corporates.
2. All the companies restarted their operations with reduced staff and therefore unable to perform at optimal efficiency. The focus of the corporates was not on compliances and audit but to sustain existence by managing cash flow; debtors for recoveries, creditors for extended credit periods and banks and financial institutions for enhanced financial credit.
3. As, coronavirus related complications and the first phase of lockdown was implemented in the month of March 2020 which is a critical month in a financial year for all books closure related activities. It played a significant role in deferring the deadlines of compliances.

4. Also, for corporates that switched to work from home models, there are several aspects of financial book keeping for corporates and essentially for audit of financial statements for AGM that require physical verification at multiple sites across states such as checking cash in hand, stock, etc. that could not be carried out due to curbs on movements of office staff.

All these challenges are preventing companies from preparing financial statements and get them audited by Chartered Accountant for financial audit, Company Secretary for secretarial audit and Cost Accountant for Cost audits and also to fulfill other requirements for conducting the AGM. As we are at end of August, public transportation continue to remain largely suspended and businesses are not yet working at full capacity; it may prove counterproductive to expect preparation of financial statements on time. Also to note that the department of Revenue has extended the due dates of tax audits and filing Income tax returns till November, 2020 due to which companies have scheduled work data preparation, audits and compliances accordingly.

The MCA vide General Circular no. 20/2020 dated May 5 2020, has allowed the companies to conduct AGM through Video Conferencing or other Audio Visual means during the calendar year 2020. This dispensation works for large and listed companies but the stakeholders and directors of MSME sector and other corporates in sub urban/tier -2 cities and rural areas are facing difficulties in having these meetings through Video conferencing and audio visual means due to issues in internet connectivity in remote places, lack of digital hardware for conducting meetings through digital means and lack of trained employees to conduct meeting through digital means.

The MCA through Circular F No 2/4/2020-CL-V dated 17 August 2020 also issued clarification on extension of AGM for the financial year ended as at 31.03.2020- Companies Act, 2013 by filling form upto three months. However, it may not be feasible for every company to file Form GNL-1 for seeking extension for holding AGM with concerned ROC on or before 29th September, 2020 due to limited resources available with MSME corporates. The filing of form may also proven to be lengthy procedure as there is a requirement to pass a resolution through Board Meeting which may require internet connection and digital hardware which may not be available with MSME corporates and directors in non-metro cities. Also, after passing resolution, the corporates need to file the form with ROC along with requisite fees (which ought to be avoidable in line with principle of "ease of doing business"). Any delay in filing or errors may lead to serious consequences which results in non compliances including fines and prosecutions,



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Therefore, we request your good office to provide general extension of Three Months for conducting AGMs for the financial year 2019-2020. This would promote the cherished vision and initiative of Prime Minister of Ease of Doing Business and Minimum Government, Maximum Governance. Also with general extension, companies will gain the opportunity to put in place a working digital infrastructure or for those lacking the capital to invest in that at the moment.

We hope our suggestions will be considered in merits.

With best regards,

Yours sincerely,

(Dr. D. K. Aggarwal)

Shri Nirmala Sitharaman

Hon'ble Minister of Finance and Corporate Affairs

Ministry of Corporate Affairs

New Delhi



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

144. PHD Chamber shares insights that will prove useful to the Government for policy-making purposes and further boost the health of the Indian Financial System (21st August 2020)

Shri Debasish Panda
Secretary
Department of Financial Services
Ministry of Finance
Government of India

Respected Shri Debasish Panda ji,

Greetings!

PHD Chamber shares insights that will prove useful to the Government for policy-making purposes and further boost the health of the Indian Financial System

At the outset, we appreciate the Government for undertaking **proactive and fast track relief measures** to combat the daunting impact of pandemic COVID-19 on economy, trade and industry.

India has been **resilient** in fighting COVID-19 and the **big ticket economic reforms** including economic booster package giving equal importance to Land, Labour, Liquidity and Laws, MSMEs and taking equal care of all strata of society are highly appreciable.

PHD Chamber of Commerce and Industry has been proactively supporting the Government by providing suggestions at each stage of development, creating awareness and disseminating knowledge among various stakeholders.

Sir, we would like to share with you two articles by **Shri K S Mehta, Former President, PHD Chamber of Commerce and Industry** that have been carried out by leading newspapers:

- The article on **Reforming archaic tax laws** dwells on the need for restructuring the tax laws to facilitate the revival of business units especially stressed businesses and calls for an immediate action plan on archaic tax laws.
- The article on **Availability of Credit in the ongoing COVID-19 crisis** talks about the liquidity stress faced by businesses in these testing times and urges the Government to come up with liberalized schemes for borrowers.



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

Please find enclosed the above mentioned articles for your kind reference.

We sincerely believe that these insights will prove useful to the Government for **policy-making purposes** and further boost the **health of the Indian Financial System**.

Sir, We at Chamber are optimistic that India will emerge victoriously in the fight against COVID-19 and assure its full-fledged support to the Government and its countrymen in this extremely difficult time.

Thanking you!

Yours Sincerely,

A handwritten signature in blue ink, which appears to read 'Saurabh Sanyal', is written over a horizontal line.

Saurabh Sanyal

Secretary General

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: +91 11 26855450

Email: sg@phdcci.in; saurabh.sanyal@phdcci.in

Website: www.phdcci.in



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

143. Request for support for the Indian Primary Copper Industry by reviewing the existing FTAs: India - ASEAN and India – Japan (19th August 2020)

**Dr. Anup Wadhawan
Commerce Secretary
Ministry of Commerce and Industry
Government of India**

Respected Dr. Anup Wadhawan ji,

Greetings!

**Request for support for the Indian Primary Copper Industry by reviewing the existing FTAs:
India - ASEAN and India – Japan**

At the outset, we appreciate the Government for undertaking proactive and fast track relief measures to combat the daunting impact of pandemic COVID-19 on economy, trade and industry.

India has been resilient in fighting COVID-19 and the big ticket economic reforms including economic booster package giving equal importance to Land, Labour, Liquidity and Laws, MSMEs and taking equal care of all strata of society are highly appreciable.

PHD Chamber of Commerce and Industry has been proactively supporting the Government by providing suggestions at each stage of development, creating awareness and disseminating knowledge among various stakeholders.

Sir, we would like to draw your kind attention to the concern of member organizations of PHD Chamber of Commerce and Industry regarding **support for the Indian Primary Copper Industry by reviewing the existing FTAs: India - ASEAN and India – Japan**

Review of India – Japan CEPA: There has been a huge surge in imports of the refined copper products from Japan to India under the India – Japan CEPA thereby threatening the survival of copper industry.

The main reasons behind it is that the product specific Rules of Origin under the Comprehensive Economic Partnership Agreement (CEPA) between India and Japan for chapter 74 items are unrestrictive and have exposed the Indian market completely to Japanese copper products and which has the potential to inflict a serious injury to the domestic industry. The imports of

Refined Copper (Chapter 74) under the treaty are allowed only with the change in heading but with no minimum value addition criteria.

Threat to the copper industry under India – Japan CEPA

- Japan is the 3rd biggest manufacturer of refined copper in the world producing approximately 1.5 million tonnes i.e. 8% of total global refined copper production and has a surplus of around half a million tonnes of copper, which is equivalent to the current level of total refined consumption in India.
- While Japanese manufacturers have been the frontrunners in global copper industry and enjoyed prime position in the copper industry for many decades, Indian industry is still in the developing stage and undertaking all the required efforts to increase presence in the world economic system.
- Japan has access to quality raw materials (copper ores & concentrates) in Chile through strategic finance linked tie-ups, while India's freight-cost for import of raw material is significantly higher.
- Japanese companies enjoy very low rates of interest due to "Zero Interest Rate Policy" of its Government, while India is amongst the countries with comparatively high interest rates in the world. Due to high value of copper, interest costs for Indian smelters constitute a significant portion of the total cost and therefore adversely impact the competitiveness of Indian industry.

Surge in Imports from Japan: Removal of tariff barriers on Chapter 74 items to Japan has opened the flood gates of imports. As a result, the Indian industry will not be able to compete with. This is leading to a crippling blow to the domestic custom smelters as well as the downstream industry. The details of the imports for the period from 2016-17 to 2019-20 are as follows:-

Sl. No.	HS Code	Item Description	2016-17		2017-18		2018-19		2019-20 (Apr - Jan (p))	
			Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
1	74081190	Copper Rods	164	1	761	6	3985	32	5449	38
2	74031100	Cathodes & Section of cathodes	4048	21	24560	167	59264	390	102350	642
3	74031300	refined copper; billets	272	2	366	3	461	4	385	3
4	74071020	of refined copper, other copper rods	281	2	302	3	320	3	299	3
Grand Total			4765	26	25989	179	64030	429	108483	686

It is very clear that even if the Vedanta plant starts, the imports will continue to rise on the account of the duty reduction which is set to become NIL by 2021 from 0.50 currently and also due to relaxed rules of origin criteria.

Inverted Duty Structure: The customs duty on refined copper products effective from April, 2019 is 0.50% which is lower than that of the basic raw material i.e. copper concentrate @ 2.5%. This inverted duty will progressively get worse when the duty under the treaty become zero by the year 2021

PHD Chamber's Submission: "A change to heading from any other heading, provided that there is a qualifying value content of not less than 35 percent" for the following products with HS codes:-

- 74081190 Copper Rods
- 74031100 Cathodes & Section of cathodes
- 74031300 refined copper; billets
- 74071020 of refined copper, other copper rods

Review of India – ASEAN FTA and threat to the industry under India - ASEAN FTA:

In ASEAN FTA and Malaysia CECA, Copper wire/rods of small diameter than 6mm are included in the list of items eligible for tariff value reduction and accordingly in ASEAN FTA, the import duty on these products (represented by HS codes 74081910, 74081920, and 74081990) has been reduced to NIL.

Hence, though the wire/rods of 8mm or more diameters are excluded from any import duty concessions, the duty concessions provided for wire/rods of diameter less than 6mm has led to shifting of demand to imports of smaller size wires/rods. Accordingly, imports of wire/rods of diameter less than 6mm have shown a significant and sudden increase over the last couple of years especially from Malaysia, hurting the domestic market of wires/rod of 8mm or higher diameter.

It can be seen that the imports have substantially risen to a level of 1.55 lac MT in the year 2018-19.



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

S. No.	Country	2017-18		2018-19		2019-20 (Apr - Jan (p))	
		Qty. (MT)	Value	Qty. (MT)	Value	Qty.	Value
1	INDONESIA	25600	173	20677	140	10033	65
2	MALAYSIA	47259	337	59535	394	52320	316
3	SINGAPORE	0.00	0.00	3915	27	2270	15
4	THAILAND	20662	140	32193	218	24843	159
5	VIETNAM SOC REP	34744	234	39276	266	26005	161
	Total	128265	884	155596	1045	115471	716

Source: <http://commerce-app.gov.in>

Inverted Duty Structure: Basic Rate of Custom Duty on copper wires/rods is 5%, however under the agreement the duty has been reduced to zero in January, 2017 whereas the duty on our basic raw material (Copper Concentrate) is 2.5% making it inverted duty structure.

PHD Chamber's Submission: "To review the India-ASEAN FTA and put a combined quantity restriction of 10kt on the copper wires under Tariff Lines HS codes 74081910, 74081920, 74081990".

Sir, we humbly request the Government to support the Indian Primary Copper Industry by reviewing India's existing FTAs with ASEAN and Japan.

We trust our submission will be favorably considered by the department for immediate and favorable action.

Thanking you!

Yours Sincerely,

Saurabh Sanyal

Secretary General

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: +91 11 26855450

Email: sg@phdcci.in; saurabh.sanyal@phdcci.in

Website: www.phdcci.in



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

142. Report on PHDCCI Quick Survey on Post Lockdown Businesses Scenario and suggestive measures to mitigate the daunting impact of pandemic COVID-19 on trade and industry (25th May 2020)

**Shri Narendra Modi
Hon'ble Prime Minister of India
PMO Office, New Delhi**

Respected Shri Narendra Modi ji

Namashkar!

Report on PHDCCI Quick Survey on Post Lockdown Businesses Scenario and suggestive measures to mitigate the daunting impact of pandemic COVID-19 on trade and industry

At the outset, we appreciate the extensive relief measures announced by you to mitigate the daunting impact of pandemic COVID-19 on trade, industry and economy.

We are extremely grateful to the Government for making a major breakthrough in the reforms for MSMEs, NBFCs, agriculture and allied sector, health sector, promotion of ease of doing business, employment generation, private investments, farmers, daily wage workers, among others. The much needed and eagerly awaited comprehensive relief package, along with other path breaking reforms announced by the government will certainly help MSMEs to resume, restart and revive to participate in growth trajectory of the country.

We would like to inform you that PHD Chamber of Commerce and Industry has recently conducted a quick survey of Industry stakeholders to know the impact of pandemic COVID-19 on Businesses in the lockdown period and their preparedness to face post Lockdown issues and challenges.

According to survey, the key challenges for businesses in the lockdown and post lockdown include maintaining price-cost margins/profitability, payment of wages/salaries to employees, availability of working capital, repayment of loans/payment of EMIs, among others.

While, key plans of the businesses in the post lockdown are to increase the sales volumes, enhance competitiveness of their respective businesses, cost cutting of their business operations and retaining of full workforce in their respective factories/ offices, among others.

PHDCCI Quick Survey report on Post Lockdown Businesses Scenario is attached for your kind reference.



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

We are hopeful that findings of the Survey would be useful for the policy formulation and relief measures to be provided to trade and industry, going forward.

Thanking you!

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Dr D K Aggarwal', is positioned below the 'Yours sincerely,' text.

Dr D K Aggarwal

President

PHD Chamber of Commerce and Industry

PHD House, [4/2 Siri Institutional Area](#)

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: [+91 11 26855450](#)

Email: president@phdcci.in

Website: www.phdcci.in

(Representation on the same subject has also been sent to Shri Shaktikanta Das, Governor, Reserve Bank of India, Mumbai)



141. Revised Definition of MSMEs- Need for clarity and further broadening of Turnover limit criteria of definition (15th May 2020)

Respected Shri Narendra Modi Ji,
Hon'ble Prime Minister of India
Prime Minister Office
Government of India

Warm Greetings!

Revised Definition of MSMEs- Need for clarity and further broadening of Turnover limit criteria of definition

At the outset, we are much Grateful and highly appreciate the extensive relief measures announced by you to mitigate the daunting impact on the economy's most vulnerable sector-of MSMEs caused by pandemic COVID-19. It would strengthen the Indian economy's backbone by giving it a fresh start.

The much needed and eagerly awaited comprehensive relief package, widened definition of MSMEs along with other path breaking reforms announced by the Government will ensure that the MSMEs are able to resume, restart and revive from the current distressed times.

2. There are however, certain concerns raised by member organizations of PHD Chamber regarding the new definition of MSMEs which prescribes that investment limit and turnover criteria have to be met for an enterprise to be termed as MSME. In this regard, there is wide spread confusion among our members as to whether both the criteria of Investment and Turnover or either one of them is required to be met for an enterprise to be classified as MSME.

The members have suggested that from the Investment and Turnover criteria, only one of them should be made as the eligibility condition for enterprises to be termed as MSMEs to percolate greater benefits to achieve the objectives behind widening of the definition of MSMEs.

In case both of the criteria are made applicable for the classification of MSMEs, it is apprehended that even some of the existing MSMEs would go out of the MSME classification because even though their investment may be within Rs 10.0/20.0 crore but their turnover exceeds Rs 100 crore. In such situation, the objectives of "Expansion, Growth and Technology Upgradation" of MSMEs for which the definition is being revised, would not be achievable if both criteria are applied together.

3. Incidentally, we may also bring to your kind notice that the then Finance Minister Hon. late Arun Jaitley ji, after the Union Cabinet's approval, had introduced a Bill in the last Parliament to amend the MSMEs' definition based on the following criteria:

- A micro enterprise to be defined as a unit where the annual turnover does not exceed five crore rupees;
- A small enterprise to be defined as a unit where the annual turnover is more than five crore rupees but does not exceed Rs 75 crore;
- A medium enterprise to be defined as a unit where the annual turnover is more than seventy five crore rupees but does not exceed Rs 250 crore.

The above criteria for defining MSMEs, based on turnover of enterprises, was considered advantageous of any other criteria due to the following reasons:

1. The new criteria would promote the 'ease of doing business' as the process of identification and dealings with MSMEs would become simpler and faster.
2. It is a simple criteria which is easy to apply and would not require any complicated calculations or paperwork, nor the certification of Chartered Accountants or experts.
3. With turnover of micro enterprises being proposed up to Rs 5.0 crore larger number of such micro enterprises would benefit from various Govt. Schemes.
4. The turnover of enterprises can be verified from their GST returns or by obtaining information from GST Network.
5. The proposed criteria was in line with the criteria which is internationally applied and understood.

It is therefore in the interest of the MSME sector and the country as a whole that the proposed amendment to the definition for classification of MSMEs on the basis of turnover criteria is implemented. Now, at this juncture, when two criteria of Investment in Plant and Machinery and Turnover have been specified, our request is that either the Investment criteria or the Turnover criteria is adopted for the new definition of the MSMEs and if it is only on the basis of one criteria then that should be on turnover criteria as per the turnover limits mentioned above in point 3 above.



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4. Further, the Trading companies should also be included in the definition of MSMEs, along with manufacturing and service enterprises as Trading Enterprises are currently not considered for such classification for many purposes. This will allow trading companies to access the concessions being made available to MSMEs and help them leverage greater economic benefits in the coming times.

We trust, our submissions will be considered in the interests of the promotion and growth of MSME Sector, for immediate and favorable action.

Thanking you!

Yours sincerely,

Dr D K Aggarwal

President

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: <callto:+91%2011%2026855450> +91 11 26855450

Email: <mailto:president@phdcci.in> president@phdcci.in

Website: <<http://www.phdcci.in/>> www.phdcci.in

(The representation was also sent to Shri Tarun Bajaj, Secretary (EA), Department of Economic Affairs; Shri Piyush Goyal, Hon'ble Minister, Ministry of Commerce and Industry; Dr. Anup Wadhawan, Commerce Secretary, Ministry of Commerce and Industry; Dr. Rajiv Kumar, Vice Chairman, NITI Aayog; Shri Amitabh Kant, Chief Executive Officer, NITI Aayog; Shri Rajiv Gauba; Cabinet Secretary; Government of India)



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

140. Request for reverting the status of Special Economic Zones (SEZs) to the benchmark of the year 2005-06 (1st June 2020)

**Smt Nirmala Sitharaman
Hon'ble Finance Minister
Ministry of Finance
Government of India**

Respected Smt Nirmala Sitharaman ji,

Greetings!

Request for reverting the status of Special Economic Zones (SEZs) to the benchmark of the year 2005-06

At the outset, we appreciate the Government for undertaking proactive and fast track relief measures to combat the daunting impact of pandemic COVID-19 on economy, trade and industry.

The relief measures announced by Ministry of Finance under your dynamic leadership including a mega economic relief package of Rs 20 lakh crores, credit support to businesses especially MSMEs, structural reforms, reforms for agriculture & allied activities, among others to address pandemic COVID-19 related hardships to economy, trade and industry are highly encouraging. Madam, we would like to bring in your kind notice the importance of SEZs in the promotion of trade and industry and overall economic growth trajectory of the country. Special Economic Zones (SEZs) have been recognized an important mechanism for trade and investment promotion, creation of infrastructure, employment generation, promotion of regional development, among others. At this juncture, as various foreign companies are looking at India for investments, facilitation to SEZs will be crucial to attract potential investors and to explore the full potential of SEZs.

Keeping in view the rapidly changing global trade and investment dynamics, more conducive policy environment for SEZs supported with strong and well-built facilities and incentives would be crucial not only to attract large chunk of foreign investments and boost industrial activities but also to create tremendous employment opportunities for the growing work force in India.

In view of the sudden outbreak of pandemic COVID-19 and the nation-wide lock-down of more than two months, the various relaxations provided by the Ministry of Commerce and Industry on compliance to be met by units / developers / co-developers of SEZs are highly appreciable.



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

Going ahead, amid the pandemic COVID-19 scenario, PHD Chamber of Commerce and Industry suggest to revert the status of Special Economic Zones (SEZs) to the same benchmark that was in the year 2005-06 for availing full facilities and incentives which allow foreign entities to invest seamlessly in various SEZs across the country. Thus, we suggest that 2006 policy environment should once again be adopted for SEZs where there was not MAT and DDT.

The decision to revert the status of SEZs to 2005-06 would enable SEZ developers to contribute significantly in the economic growth trajectory of the country and attract foreign companies with the lucrative benefits of SEZs thereby generating greater economic activity and employment opportunities.

Also, we suggest that lease rent of SEZs for the lockdown period should be totally waived off to mitigate the daunting impact of pandemic COVID-19 on trade and industry.

We trust our submission will be considered by the Government for immediate and favorable action.

Thanking you!

Yours sincerely,

Dr D K Aggarwal
President
PHD Chamber of Commerce and Industry
PHD House,
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454
Fax: +91 11 26855450
Email: president@phdcci.in
Website: www.phdcci.in

(Representation on the same subject also sent to Shri Piyush Goyal, Hon'ble Union Minister, Ministry of Commerce and Industry)



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

139. Request for deferment of advance tax instalments and allow payment out of CSR spend to provide relief to industry amid pandemic COVID-19 (28th May 2020)

Shri Pramod Chandra Mody
Chairman
Central Board of Direct Taxes
Department of Revenue
Ministry of Finance
Government of India

Respected Sir,
Greetings!

Request for deferment of advance tax instalments and allow payment out of CSR spend to provide relief to industry amid pandemic COVID-19

At the outset, we appreciate the extensive relief measures announced by the Government to mitigate the daunting impact of pandemic COVID-19 on economy, trade and industry. The announcements of mega economic relief package of Rs 20 lakh crores along with slew of structural economic reforms are highly appreciable.

We are extremely grateful to the Government for the relief measures including 25% reduction in rates of TDS / TCS on payments made during the period 14th May 2020 to 1st March 2021 which will help in infusing liquidity in the system and drive the consumption demand curve upwards. This relief will boost the cash flow in the hands of the industry stakeholders in view of lower TDS.

Going ahead, PHD Chamber of Commerce and Industry would like to give a few more suggestions regarding the advance tax instalments in view of relief granted by Hon'ble Finance Minister on TDS/TCS payments and deduction for CSR spends.

1. Lowering of TDS/TCS rates and deferment of advance tax instalments

May we request your kind attention that the industry and business houses have to pay advance tax in four instalments i.e. by 15th June / 15th Sept / 15th Dec and 15th March. Such advance tax is calculated after deducting the amount of TDS from the estimated tax liability of the year.

Thus, 25% reduction in TDS/TCS rate is not offering actual relief as the tax payer will have to pay higher advance tax equivalent to the above reduction in TDS / TCS. In this way, the cash flow relief allowed by the reduction in TDS / TCS rates is taken away by higher advance tax.



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

It is therefore requested that the adjustment may be provided by lowering the advance tax instalments or deferring the instalments due on 15th June / 15th Sept 2020/ 15th Dec to March 31st 2021 to actually pass on higher cash flow benefits to the businesses.

2. Deductions for CSR spending

As specified companies are required to spend 2% of its average profits of last three years on CSR activities provided in Schedule VII to the Companies Act. According to Explanation to Section 37(1), such expenditure shall not be treated an expenditure incurred by the assessee for the purpose of his business or profession and is disallowed. However, at the time of insertion of CSR provisions, CSR spend was optional. Now, this spend has been made mandatory with penal consequences for not complying with the provisions.

The Ministry of Home Affairs in the orders issued under the Disaster Management Act has asked the industry and business houses to pay wages of the workers without any deduction for the lockdown period. This is causing more constraint on cash flow due to payment of wages without any earning at the work place.

Thus, the industry is in the need of relief for such payments of wages and salaries paid under the lockdown period; PHD Chamber at this juncture suggest to consider all such payments of wages and salaries of lockdown period under the ambit of CSR spending and allow this amount as deductible while computing the taxable income.

In the backdrop of daunting impact of pandemic COVID-19 on trade and industry, PHD Chamber suggests following relief measures for your consideration to increase the cash flow of the industry in this extremely difficult time

1. Deferment of advance tax instalment falling due on June 15 / Sept 15/ Dec 15, 2020 to 31st March 2021
2. CSR spend should be allowed as expense and explanation to section 37(1) i.e. such expenditure shall not be treated an expenditure incurred by the assessee for the purpose of his business or profession may be deleted.
3. Wages and salaries paid under the lockdown period should be considered under the ambit of CSR spending and allow this amount as deductible while computing the taxable income.

We trust our submission will be considered by the department for immediate and favorable action.



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

Thanking you!

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Dr. D K Aggarwal', is positioned above the printed name.

Dr. D K Aggarwal
President
PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri industrial Area
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454
Fax: [+91 11 26855450](tel:+911126855450)
Email: president@phdcci.in



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

138. Request for Suspension of Section 29A under Insolvency and Bankruptcy Code to mitigate the hardships of industry amid pandemic COVID-19 (26th May 2020)

**Smt Nirmala Sitharaman
Hon'ble Finance Minister
Ministry of Finance
Government of India
North Block, New Delhi**

Respected Madam,

Namashkar!

Request for Suspension of Section 29A under Insolvency and Bankruptcy Code to mitigate the hardships of industry amid pandemic COVID-19

PHD Chamber of Commerce and Industry has been proactively supporting the Government by providing suggestions at each stage of development, creating awareness and disseminating knowledge among various stakeholders.

The slew of measures undertaken by the Government such as special insolvency resolution framework under Section 240 to be notified soon; Suspension of fresh initiation of insolvency proceedings upto one year and empowering central government to exclude Covid-19 related debt from the definition of default under the code to curtail the spread of pandemic COVID-19 are highly appreciable.

The growing severity of widespread pandemic COVID-19 on our economy is a matter of deep concern. PHD Chamber of Commerce stands in complete solidarity and pledges to extend its all-out support to the Government in the fight for making India COVID-19 free.

We appreciate the consideration by the Government of India for the Suspension of Section 7, Section 9 and Section 10 for one year to avoid forcing new companies into insolvency for the defaults owing to the pandemic. The support for such suspension amid the COVID-19 crisis stems broadly from the concerns regarding a massive increase in pressures of insolvency proceedings against companies, especially MSMEs (Micro, Small and Medium Enterprises) and the lack of new financiers and/or new buyers willing to support the successful insolvency resolution of the distressed companies, inevitably leading them into liquidation. Thus the government has already provided significant relief measure by increasing the minimum amount of default to trigger insolvency proceedings, from the earlier Rs 1 Lakh to Rs 1 crore that would alleviate apprehension of numerous filings.



In order to mitigate the hardships faced by industry stakeholders due to pandemic COVID-19 and promote streamlined functioning, the Insolvency and Bankruptcy Committee of PHD Chamber of Commerce and Industry at this juncture, sincerely request your esteemed department to support industry stakeholders by suspension of section 29A in this extremely difficult time. The member organizations of PHDCCI would like to submit the below mentioned suggestions for your kind consideration:

* Suspension of section 29A would potentially go a long way towards ensuring that the distress of firms will get resolved in an orderly and efficient manner, and not impose burdens on promoters who are victims of the economic downturn.

* The government should focus on enhancing the infrastructure, particularly the e-court infrastructure, for the NCLTs and consider exemptions from some dispensable process-related requirements so that the system is not overwhelmed by a larger number of insolvency resolution cases, and can in fact help resolve cases of financial distress more efficiently.

Going ahead, it is pertinent to note that the impression that the IBC, mandatorily requires new capital or financing to repay old debts and new equity investment is misconceived. This understanding seems to flow from restructuring, in addition to being time-bound, allows negotiations to be conducted in a formal setting leading to optimal price discovery and also decreasing concerns regarding vigilance for many bankers that are faced in restructurings or settlement outside IBC processes.

Besides these, in long run, it is suggested that the Section 29A of IBC 2016 may be restricted to only those promoters who are accused of willful default or fraud, rather than a blanket ban on all the promoters falling within the ambit of Section 29A. All NPA are not willful defaulters. There may be genuine business failures leading to defaults by the corporate entities. However, promoters of some of these entities may be willing to revive these entities, if given an opportunity. But Section 29A puts a blanket ban on these promoters.

To ensure that the promoters do not use the above strategy to get back the companies at a discounted amount/ease shedding off the existing liabilities and in view of the inherent advantage they have because of their past association with the Company and specialization in the industry, it is suggested that a premium of 20-25% may be applied on the promoters over and above any 3rd party bid for its comparison with the promoter's bid which would ensure a level playing field and also maximise the recovery of Bankers/creditors. And the same shall help in achieving the main objective of the Code which is revival of the Company.

Further, the promoters of the Corporate Debtor who are ineligible u/s 29A (barring willful



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

defaulters) should be allowed to submit a scheme of arrangement or compromise u/s 230 of the Companies Act, 2013 as the objective of the Code is reorganization of the corporate entities and not their liquidation. Here again, a premium may be put on the promoters while submitting any scheme.

We trust our submission will be favorably considered by the department for immediate and favorable action.

Thanking you!

Yours Sincerely,

Dr D K Aggarwal,
President
PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri Institutional Area,
August Kranti Marg, New Delhi-110016, India,
Tel: +91 49545454,
Fax: [+91 11 26855450](tel:+911126855450),
Email: president@phdcci.in



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

137. Suggestions to RBI by PHD Chamber of Commerce and Industry (PHDCCI) to mitigate the daunting impact of pandemic COVID-19 on trade and industry (23rd May 2020)

Shri Shaktikanta Das
Governor
Reserve Bank of India, Mumbai

Respected Shri Shaktikanta Das ji,

Namashkar!

Suggestions to RBI by PHD Chamber of Commerce and Industry (PHDCCI) to mitigate the daunting impact of pandemic COVID-19 on trade and industry

At the outset, we appreciate the extensive measures undertaken by the Reserve Bank of India to mitigate the daunting impact of pandemic COVID -19 on economy, trade and industry.

The recent 115 basis points cut in repo rate, 100 basis points reduction in CRR and 155 basis points cut in reverse repo rate to combat COVID-19 are highly appreciable measures to reduce the cost of funds and to inject adequate liquidity in the banking system.

Following are a few more suggestions to mitigate the impact of pandemic COVID-19 on India's trade and industry for your consideration:

1. Increase in working capital requirement of the businesses & request for issuing mandatory instructions to banks to extend additional working capital facilities to the eligible companies:-

An automatic increase of 25% in working capital be granted to all businesses in place of already approved 10% as lockdown has been extended and it would take some more time to restart the business operations on a normal scale. The so increased working capital should be permitted to be converted in a term-loan repayable in 4 years including moratorium of 12 months for repayment of principal.

Further, in RBI Circular Ref: RBI/19-20/186 dated 27 March 2020 https://m.rbi.org.in/scripts/BS_CircularIndexDisplay.aspx?Id=11835, whereby RBI has directed Banks to extend additional working capital facilities to the eligible companies facing stress in order to mitigate the hardship caused by the pandemic COVID-19.



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Further some of our members have expressed their concern that some of the banks which are under Prompt Corrective Action (PCA) regime, are denying the additional working capital which was allowed by you to borrowers stating that they are under PCA and that they have not received any instructions from RBI to provide additional working capital.

In the absence of specific instructions from RBI, the banks have stopped taking up the proposals for such working capital requests even from eligible companies. This is significantly impacting the ability of companies to make even essentials payments like salaries, utility bill's and other liabilities payments to the MSME's in these difficult times.

Therefore, necessary instructions are requested to be forwarded to banks by the RBI to extend additional working capital facilities to the eligible companies that are facing stress on account of the economic fallout of the pandemic, with immediate effect. This will provide major relief to industry stakeholders amid pandemic COVID-19.

2. One-time restructuring of loans

One-time restructuring of loans on the lines of the way it was allowed in 2008-09 global financial crisis is required at this juncture to mitigate the daunting impact of pandemic COVID-19 on trade and industry. The loans after restructuring should be classified as standard. This would not only help the business who are facing distress due to COVID-19 but also it would help the banking sector as a whole in containing NPA's which otherwise would result many viable enterprises becoming the victim of COVID-19 pandemic.

In case the above request is not accepted than kindly give the discretion to the individual banks to permit them to do restructuring on case to case basis.

Therefore, keeping in view the rising impact of COVID-19, one-time restructuring of loans should be allowed by RBI as it will not only help the struggling business' operations by giving them a new lifeline but would also help them raising necessary funds/finances in view of improved balance sheet, which would eventually contribute to keeping the foundation pillar of the economy strong and growing.

3. Higher Debtors ageing be accepted for calculating DP

It is requested that the debtors ageing which has gone up due to the lockdown as customers are not making payments in view of the lockdown affecting their liquidity flow. The qualifying criteria of debtors ageing for the purpose of calculating DP for working capital limits be relaxed by additional 2 to 3 months to mitigate the daunting impact of pandemic COVID-19 on trade and industry.



4. Request for necessary instructions to bank not to consider downgrade in credit ratings of borrower caused due to losses amid pandemic COVID-19. The banks should not reduce or withdraw any credit facilities of the borrower because of this reason.

The rating agencies will be revising the credit ratings of most of the companies whose working has been hit by the lockdown period. We request you to not to consider this downgrade in rating caused because of disruption due to COVID-19 and suitable instructions in this regard may be sent out to all the banks.

We trust our submissions will be considered by the RBI for immediate and favourable action.

Thanking you!

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Dr D K Aggarwal', is positioned above the printed name and title.

Dr D K Aggarwal

President

PHD Chamber of Commerce and Industry

PHD House, [4/2 Siri Institutional Area](#)

August Kranti Marg, New Delhi-110016, India

Tel: [+91 49545454 \(EXT 121/111/131\)](#)

Fax: [+91 11 26855450](#)

Email: president@phdcci.in

Website: www.phdcci.in



**136. Request for waiver of Interest liabilities under GST –Fiscal stimulus relating to Covid-19
(4th June 2020)**

Ms. Nirmala Sitharaman
Hon'ble Finance Minister of India
North Block
Government of India
New Delhi

Respected Madam,

Namashkar!

**Request for waiver of Interest liabilities under GST –
Fiscal stimulus relating to Covid-19**

At the outset, we welcome the announcement of eagerly awaited economic relief package of Rs. 20 Lakh Crore and 'Atmanirbhar Bharat Abhiyan' by the Hon'ble Prime Minister.

Undoubtedly, this stimulus will definitely fuel the economy which is clouded by the by countrywide lockdown due to unprecedented pandemic of COVID-19.

However, the fact remains that the economy of the country even before the onslaught of Covid 19 was not in the best of the health and was growing at a much slower pace than required, for the very same reasons which have further been compounded by the lockdown on both on supply and demand side. At the beginning of the outbreak of Covid-19 pandemic the Union government has declared certain concessions to tide over the difficult situations by the industry, more particularly in the area of GST in as much as that

1. The late fee and interest waived for taxpayers up to the turnover of Rs. 5 Crs for the months from Feb'2020 to April'2020 in case the returns are filed beyond the due date.
2. For taxpayers, having turnover of more than 5 Crs., interest rates reduced up to 9% only after 15 days from the due date provided the returns are filed before 24th June'2020.

In this respect, it is appreciated that it did not consider the fact that the PANDEMIC did not distinguish between small turn over and turn over beyond Rs. 5 Crores. The Virus has proved a terrible equalizer. Everyone is going through difficulties at different degrees.

The financial difficulties including the liquidity and cash flow have impacted the large turn-over industry to even higher magnitude.

The industry was expecting the government to remove the dichotomy, in as much as that instead of waiver of 9% of interest, a complete waiver of interest should have been declared in the stimulus package. Additionally, the interest liabilities accrued up to date and during the continuation of lockdown period should be waived. This will ease the cash flow situation and enable the industry in making a significant contribution towards achieving the laudable goal of "Atmnirbhar Bharat Abhiyan" of the Prime Minister.

The Central Government and apex policy makers have always appreciated genuine concerns of businesses and industries in difficult times and suitably addressed them. The opinion world over is that the Covid-19 is going to stay for quite some time and hence the economy as a whole will embrace roller-coaster curve.


In light of the above, we humbly request,

To extend the benefit of complete waiver of interests accrued up to the declaration of Pandemic and during the continuation of lockdown period, under GST for taxpayers having turnover of more than Rs.5 Crores.

Madam, we earnestly request you to take a sympathetic view on the above prayers and provide necessary relief to the industry.

With best regards,

Yours sincerely,



(Saurabh Sanyal)



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135. Suggested Amendments in the Eligibility Criteria for MSMEs under the Emergency Credit Line of Rs. 3.0 lac crore (13th July 2020)

Smt. Nirmala Sitharaman

Hon'ble Union Minister of Finance and Corporate Affairs
Government of India,
North Block, New Delhi

Respected Madam,

**Suggested Amendments in the Eligibility Criteria for MSMEs
under the Emergency Credit Line of Rs. 3.0 lac crore**

PHD Chamber of Commerce and Industry, which is an Apex Industry Chamber in the country, stands in complete solidarity with the Government and extends its wholehearted support to tide over the adverse impact of COVID 19. We further offer to work hand in hand with your Ministry to ameliorate the hardships being faced by the Micro, Small and Medium Enterprises (MSMEs).

We fully appreciate that the Government has been proactive in announcing various relief measures for removing the hardships of the MSME Sector and announcing a landmark decision by unveiling the economic stimulus to help businesses by announcing collateral-free loans up to Rs. 3.0 lac crore backed by government guarantee to help businesses suffering from a severe cash crunch.

According to the scheme, all business enterprises or MSMEs that have a combined outstanding loans across different banks, NBFCs and FIs up to Rs. 25 crore as on 29.2.2020, and have annual turnover up to Rs. 100 crore for FY 2019-20 are eligible for the Scheme.

In this connection, we wish to submit that the ceiling of turnover of Rs. 100 crore for MSMEs to become eligible for availing the said emergency credit line is restricting many MSMEs particularly the Medium Enterprises which have turnover exceeding Rs. 100 crore but within the maximum limit of Rs. 250 crore to avail this facility from their Banks. With the restriction of Rs. 100 crore turnover for being eligible for the facility, many MSMEs which need urgent assistance to tide over their liquidity constraints, are not able to draw the additional 20 percent of their borrowings as permitted under the scheme, causing undue hardships and adverse impact on their operations.

The above turnover limit of Rs. 100 crore was prescribed and announced in the stimulus package in May 2020 based on the then revised turnover ceiling of Rs 100 crore for



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the medium enterprises as per proposed definition of MSMEs which was also announced the same day. However, subsequently, the definition of MSMEs has undergone a change and as per the revised definition, MSMEs are classified with investment in P& M up to Rs. 50 crore and annual turnover up to Rs 250 crore. This revision in definition was announced subsequent to the announcement of the eligibility under the Emergency Credit Line of Rs 3.0 lac crore, but the Rs.100 crore turnover ceiling fixed earlier as the eligibility, has not been modified after the revision in definition to Rs. 250 crore.

We therefore submit that since the Emergency Credit Line is directed to help all the MSMEs, it is desirable that the ceiling of turnover for eligibility should be enhanced to Rs. 250 crore as per the revised definition of MSMEs so that all MSMEs can take the benefit of the scheme. Further, with the revision in the turnover ceiling, the maximum permissible credit outstanding for eligibility should also be revised upwards from Rs. 25 crore to Rs. 50 crore as the eligible outstanding credit as on 29th February 2020.

We would also like to mention that the above changes are also desirable keeping in view the current progress of sanctions and disbursements under the scheme which show sanctions and disbursements of Rs. 1.14 lac crore and 0.56 lac crore respectively i.e. little over one third of the total credit line proposed to be made available. Since on the one hand there is substantial room available in availability of credit line and on the other, many of the MSMEs are not covered under the existing eligibility criteria, the revision in eligibility as recommended above in the turnover criteria and the ceiling on outstanding amount will help both sides to fulfil the objectives of the scheme.

We therefore, request you to kindly consider and approve the above recommendations and arrange to issue the required amendments so as to provide much needed relief to the MSMEs which are presently not covered under the scheme.

We hope you will kindly consider our above suggestions and take required action in this regard.

With best regards,

Yours sincerely,



(Dr. D. K. Aggarwal)



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134. Request for conversion of interest on term loan, as would accrue during moratorium period of 6 months, into a Funded Interest Term Loan, which shall be repayable over the residual tenor of loan (30th June 2020)

Shri Shaktikanta Das
Governor
Reserve Bank of India, Mumbai

Respected Sir,

Namashkar!

Request for conversion of interest on term loan, as would accrue during moratorium period of 6 months, into a Funded Interest Term Loan, which shall be repayable over the residual tenor of loan

At the outset, we appreciate the extensive measures undertaken by the Reserve Bank of India to mitigate the daunting impact of pandemic COVID -19 on economy, trade and industry.

The recent 115 basis points cut in repo rate, 100 basis points reduction in CRR, 155 basis points cut in reverse repo rate, moratorium on term loans till August 2020, deferment of interest on working capital repayments by six months till August 31, 2020, among others to combat COVID-19 are highly appreciable measures to reduce the cost of funds and to inject adequate liquidity in the banking system.

At this juncture, PHD Chamber of Commerce and Industry would like to bring your kind attention to the recovery of interest on the term loan as charged by lenders during the moratorium period over the revised residual tenor.

On the basis PHD Chamber's discussions with the lenders, it has been learnt that few of the lenders are looking at recovering the said interest amount on term loan, promptly in the month of September 2020.

At this background, PHD Chamber requests RBI to kindly consider the conversion of interest on term loan, as would accrue during moratorium period of 6 months, into a Funded Interest Term Loan, which shall be repayable over the residual tenor of loan.

This would reduce the stress among the businesses in this extremely difficult time amid COVID-19 and prevent potential wide spread payment defaults in September, 2020. Further, this will help revive the domestic manufacturers from the daunting impact of COVID-19 by giving them



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adequate time to recover, normalise their operations and generate the pre-COVID-19 cash flows level.

Further, onetime restructuring of loans without classifying as sub-standard on the same lines as it was allowed in 2008-09 after the global financial crisis should be granted by RBI. It will not only help the struggling business' operations by giving them a new lifeline but would also help them raising necessary funds/finances in view of improved balance sheet, which would eventually contribute to keeping the foundation pillar of the economy strong and growing.

It is suggested to convert the 10% extra working capital which was given as COVID-19 loan as working capital term loan on the lines of Rs 3 lakh crore government guaranteed automatic loan facility for the benefit of trade and industry.

We trust our submissions will be considered by the RBI for immediate and favourable action.

Thanking you

Yours sincerely,

Dr D K Aggarwal
President
PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri Institutional Area
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454
Fax: +91 11 26855450
Email: <<mailto:president@phdcci.in>> president@phdcci.in
Website: <<http://www.phdcci.in/>> www.phdcci.in



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133. Questions and Suggestions for the growth of MSMEs in India (18th August 2020)

**Secretary
Ministry of MSMEs
Government of India**

Respected Sir,

Please find attached the list of questions and suggestions in respect of members of PHDCCI for the interaction on **19th Aug 2020 at 0530 pm onwards.**

Best Regards,

Col Saurabh Sanyal(retd)
Secretary General
PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri Institutional Area
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454 Ext: 109
Fax: +91 11 26855450
Email: sg@phdcci.in
Website: www.phdcci.in

Attachments 1:

10 specific questions for interaction with Secretary MSME on 19th August,2020

Question 1

The Government of India, in the Atmanirbhar package had announced six major initiatives to help the MSME sector to not only restart their operations but also provide newer opportunities to a large number of enterprises by changing the definition of MSMEs. Certain categories of enterprises like Traders are not covered in the definition of MSMEs. Does the Government have any such thought to include Traders or any other left out categories in the MSME definition?

Question 2

The Rs 3.0 lac crore 'Emergency Credit Line' mandated for providing collateral free loans to MSMEs and the Subordinated Debt Scheme for helping them to reorganize their Balance Sheets are highly effective financial measures to restore their liquidity and financial health. The said emergency credit line has greatly helped MSMEs to restart operations by giving them additional working capital support. While the overall pace of implementation of the ECLG scheme is good

but there are certain policy issues raised by MSMEs which are not able to avail the scheme like MSMEs which had the sanctioned limits with Banks but their utilization was much less or they had not utilized the full sanctioned limit on 29th February 2020. In addition, there is no provision for providing credit support to the MSMEs which did not have any credit outstanding on 29th February 2020 or were not at all availing any credit limit from the Banking system. Similarly, new MSME units have not been provided any credit support as part of the stimulus package.

Is the Government considering to include the above left out MSMEs also as eligible borrowers to avail the above Emergency Credit Line?

Question 3

The stimulus package also offers to infuse equity into MSMEs through a Fund of Funds in which the Government will provide Rs 10,000 crore as initial corpus to the Fund and leverage Rs 50,000 Crore which will be utilized to provide equity to MSMEs to help them get listed on the stock exchanges.

How and by when the Government is planning to implement this Fund of Funds and which organization is going to implement this Fund of Funds?

Question 4

Availability of workforce has become a challenge to restarting the operations and bringing back to the pre covid level of operations. Many workers have left for their hometowns and yet to return.

Is the Government planning to take any measures like special Trains and Buses or to provide any other incentives to bring back the workers from their places so that the Industry can catch up to the pre- covid level.

Question 5

Under the Government Procurement Preference Policy, the registered Micro and Small Enterprises get exemption from payment of Tender fee and Earnest Money deposit but they have to pay Security deposit which can go up to 10 percent of the order value. This practically Becomes very difficult and unaffordable for MSEs specially when they have to compete with bigger companies. MSEs can neither deposit the security nor get Bank Guarantees from Banks who demand 100 percent cash security whereas bigger competing companies are able to get BGs with 5-10 percent margin.

Can the Government reduce the security requirement for MSEs to help them participate in more Government tenders say by reducing it to 10 percent of requirement for Micro and 25 percent of requirement for Small enterprises? Further, is there any thought of including Medium enterprises also in the procurement policy?

Question 6

Prime Minister's Employment Generation Program (PMEGP) is a highly successful scheme of the Ministry of MSME. Since it offers assistance to a limited number of applicants, whether the Ministry is planning to substantially increase the budget under this scheme to cover larger



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number of applicants and whether PHD Chamber can be made an implementation partner for the scheme?

Question 7

Whether the Government is identifying the list of all products which are presently being imported from other countries like China and preparing a scheme for their manufacturing in India by offering incentives to those who would take up the manufacturing of these products? Assuring credit support, providing capital subsidy and giving tax rebate are some of the incentives which can be offered to them.

Question 8

Rationalizing the tax structures including GST and Corporate/ income tax to make them attractive and stable for the business enterprises including MSMEs has been the key demand of the entire business community. Is the Government considering to reduce income tax rates for Proprietary, Partnerships and LLPs on the lines of companies?

Question 9

Simplification of labour laws, removing Inspector Raj and restoring trust in business community would bring the real ease of doing business. Alternate Dispute Redressal Mechanism should be strengthened to bring down the contract enforcement period, an important yardstick to measure the ease of doing business. Any specific measures which the Government is planning to introduce in this regard?

Question 10

Ministry of MSME is implementing many schemes for providing assistance to MSMEs and their capacity building. PHD Chamber would like to work hand in hand with the Ministry for efficient implementation of all these schemes in case the Ministry would like to engage our Chamber as one of the implementing agency for schemes like PMEGP, MUDRA Loans, Credit Linked Capital Subsidy etc.?

Attachment 2:

Suggestions for the Growth of MSMEs

- **Eligibility Criteria for MSMEs under the Emergency Credit Line of Rs. 3.0 lakh crore-**
The revision in definition of MSMEs was announced subsequent to the announcement of the eligibility under the Emergency Credit Line of Rs 3.0 lakh crore, but the Rs.100 crore turnover ceiling fixed earlier as the eligibility, has not been modified after the revision in definition to Rs. 250 crore. Since the Emergency Credit Line is directed to help all the MSMEs, it is desirable that the ceiling of turnover for eligibility should be enhanced to Rs. 250 crore as per the revised definition of MSMEs so that all MSMEs can take the benefit of the scheme.



- **All MSMEs payments due with State/centre/PSU Government Departments should be released on priority-** There is a need to increase the liquidity in the economy, especially in the hands of MSMEs. Smooth functioning Public Sector Units (PSUs) without disruption due to payment problems is of paramount importance in these time of crisis. We request the Government to **provide adequate funds to the PSUs, so that they may be able to release the payments of the MSMEs** and other vendors urgently to provide them with liquidity and facilitate them to run their businesses. Additionally, there should be a monitoring system at place to check the delays.
- **Cash Flow and Working Capital:** Coronavirus has halted the production cycle, disrupted the supply chain, and impacted inventories. This, in turn, has hurt the cash flow and working capital of the MSME sector. In such a scenario, Chamber recommends an additional ad-hoc sanction of the working capital to the tune of 25% of the current sanctioned limit. Chamber urges the government to defer EMIs, installments, and term liabilities without affecting their credit rating and any adverse action on them resulting from the delays. A special MSME Factor Fund should be set up for faster realization of bills and extension of NPA norms in genuine cases, among many other provisions to restore the cash flow across the MSME sector. To ease the liquidity crunch, banks could extend the credit limit. Further, the focus should be on **ensuring provision of hassle free disbursements of loans vis-à-vis enhanced liquidity for MSMEs**, especially in rural sector, reducing the lending rate by all the banks, increasing working capital requirements of the businesses, promoting rural entrepreneurship, among others.
- **Welfare:** The MSME sector is the second-largest employer in India, besides agriculture. Therefore, the government should intervene to provide much-needed relaxation to both the workers and the sector. Creation of a corpus for paying wages during the compulsory shutdown, partly compensating the workers through the Employee State Insurance Corporation (ESIC), and supporting laid-off workers till normal operations resume are some of the measures to support the sector. An additional approach for the welfare of the workers could be explored by allowing CSR funds to support the payment of wages. The government could also consider a wage subsidy to the extent of 50%, especially in the manufacturing sector for all registered workers, for nine months.
- The MSME sector, which contributes nearly 25% of the services GDP and 33% of the manufacturing output, **needs to be communicated well about the schemes and the stakeholders should mandate 30% of the stimulus package to be released to enterprises falling into the micro and small categories** and relax norms so that borrowers can repay loans in a longer timeframe and allow exemption from bank guarantees.



- The revised and broadened definition is highly appreciable as it will enhance the production possibility frontiers of the MSMEs, increase their competitiveness and create a level playing field for them to tap new opportunities in the domestic and international markets. **However, out of Investment and Turnover criterias, there must be only one the criteria as the eligibility condition for enterprises to be termed as MSMEs.** In case both of the criteria are made applicable for the classification of MSMEs, the benefit of revised definition of MSMEs would not be percolated to ground levels as it is apprehended that even some of the existing MSMEs would go out of the MSME classification. Therefore, definition of MSME should be based on investment OR turnover and not both, as it negates the whole purpose of widening the definition.
- Further, the **Trading companies should also be included in the definition of MSMEs**, along with manufacturing and service enterprises as Trading Enterprises are currently not considered for such classification for many purposes. This will allow trading companies to access the concessions being made available to MSMEs and help them leverage greater economic benefits in the coming times.
- **Export income to be made tax free for MSMEs for 3 years.** This will help in partly compensating the additional cost of logistics and other bottlenecks which Indian MSMEs exporters face.
- We suggest for making GST payment for MSME sector from **“Accrual basis” to “Receipt basis** (i.e. GST to be deposited on payment received from the Customers)” till 31 March, 2021 during this critical situation of Covid-19. This will help to address the significant cash flow crunch faced by the sector in this extremely difficult time.
- We suggest that the **Corporate Tax for proprietorship and LLPs which are more than 95% of MSMEs should be reduced to the level of 22% for old and to 15% for new companies.**
- The MSMEs are **incurring huge financial losses on account of Indian Rupee (INR) falling to record lows against the US Dollar (USD) because of the COVID 19 pandemic.** This leads to a serious impact on the total cost of various projects and makes it unviable to execute those projects. It is suggested that there should be an increase in Government project rates on prorata basis vis-à-vis the INR - US Dollar exchange rate increase. This would further provide support to MSMEs to maintain the cash flow and facilitate timely execution of projects in the current dynamic business environment in light of the unprecedented situation brought in by COVID-19.



- MSMEs have a significant role to play in achieving the vision of “**Atmanirbhar Bharat**” of our Hon’ble Prime Minister Shri Narendra Modi ji. Efforts should be made to develop the **value chains of MSMEs** and making them more structurally competent and **linked with global value chains**. Strengthening of MSMEs to compete with imported products will enhance the contribution of MSMEs in manufacturing and thereby in overall economic growth and will help India to become Atma Nirbhar in the coming times.
- There is a need to provide **relaxation in the fixed costs to the business**, especially MSMEs, such as exemption on electricity charges, relief with reference to manpower cost, among others in this difficult times amid COVID-19. Further, **cost competitiveness of our businesses enterprises especially MSMEs should be enhanced** and a level playing field should be created. It is suggested that the cost of doing business, including cost of capital, cost of compliances, cost of logistics, cost of land and availability of land, cost of power/ energy and cost of labor, should be reduced in the country to provide a boost to the domestic businesses.
- **Reforms in labour laws:** Formulate flexible and uniform labour laws across the country. Flexibility is required in terms of freedom to hire contract labour, the freedom to retrench workers (based on Productivity, Quality and Discipline) and close down undertakings without prior government endorsement.
- **Simplify land acquisition-** Simplification of land acquisitions is required as it remains complex, because of the difficulties in establishing legal ownership and a 'clean' holding for purchase.



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132. Request for support for the Indian Primary Copper Industry in India - Peru FTA under discussion (17th August 2020)

Dr. Anup Wadhawan
Commerce Secretary
Ministry of Commerce and Industry
Government of India

Respected Dr. Anup Wadhawan ji,

Greetings!

Request for support for the Indian Primary Copper Industry in India - Peru FTA under discussion

At the outset, we appreciate the Government for undertaking proactive and fast track relief measures to combat the daunting impact of pandemic COVID-19 on economy, trade and industry.

India has been resilient in fighting COVID-19 and the big ticket economic reforms including economic booster package giving equal importance to Land, Labour, Liquidity and Laws, MSMEs and taking equal care of all strata of society are highly appreciable.

PHD Chamber of Commerce and Industry has been proactively supporting the Government by providing suggestions at each stage of development, creating awareness and disseminating knowledge among various stakeholders.

Sir, we would like to draw your kind attention to the concern of member organizations of PHD Chamber of Commerce and Industry regarding **support for the Indian Primary Copper Industry in India - Peru FTA which is under discussion.**

Sir, with respect to India's forthcoming Free Trade Agreements (FTAs) such as the India-Peru FTA, the domestic copper industry will need the much needed support of the Government. The impact of the said FTA on the copper industry will be critical in the times to come due to the presence of large reserves of the copper mines in Peru.

Dominance of Peru Copper Industry: The Peru Copper industry is blessed with access to world's best quality copper ore and world class infrastructure that enables the country to export close to 7.5 million tons of contained copper (annually) most of which is exported in the form of copper concentrates and refined copper metal. Peru accounts for over 15% (> 2.3



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Million tons) of global production of refined copper annually. Due to a very low domestic demand in Peru, almost all of the 2.0 million tons of surplus refined copper is exported by Peru.

In view of the recent slow/stagnant growth in European, USA and Chinese economy, there is a clear threat that Peru producers shall penetrate Indian markets by dumping refined copper in order to gain a foothold in the emerging and expanding Indian market. Thus, any proposal to reduce the Proposed PSR of CTH+40% VA basic duty for Chapter 74 will have significant and immediate adverse implications on sustainable operations of the Indian domestic refined copper industry, thereby, making it unviable.

Sir, the associated impact on investment and jobs would primarily lead to:

- Dependence on imports of finished goods for strategic metal like copper
- Multifold jump in refined copper imports leading to higher foreign exchange outflows from India,

Against this backdrop, the domestic industry with folded hands looks forward to the support of the Ministry of Commerce and Industry, Government of India in the proposed India – Peru FTA on the similar lines of India – Chile agreement as per the following: -

- Reduction of custom duty on copper concentrate from 2.5% to Nil
- Keep the refined copper products in the negative list
- Rules of Origin for rest of the Chapter 74 products should be kept as CTH + 40%

We trust our submission will be favorably considered by the department for immediate and favorable action.

Thanking you!

Yours Sincerely,

Saurabh Sanyal

Secretary General

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: +91 11 26855450

Email: sg@phdcci.in; saurabh.sanyal@phdcci.in

Website: www.phdcci.in



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131. PHD Chamber's suggestions on PLI Scheme for promotion of domestic manufacturing of identified critical Key Starting Materials (KSMs)/ Drug Intermediates (DIs)/Active Pharmaceutical Ingredients (APIs) in India (17th August 2020)

Dr. P. D. Vaghela
Secretary
Department of Pharmaceuticals
Ministry of Chemicals and Fertilizers
Government of India

Respected Dr. P. D. Vaghela ji,

Greetings!

PHD Chamber's suggestions on PLI Scheme for promotion of domestic manufacturing of identified critical Key Starting Materials (KSMs)/ Drug Intermediates (DIs)/Active Pharmaceutical Ingredients (APIs) in India

At the outset, we appreciate the Government for undertaking proactive and fast track relief measures to combat the daunting impact of pandemic COVID-19 on economy, trade and industry.

India has been resilient in fighting COVID-19 and the big ticket economic reforms including economic booster package giving equal importance to Land, Labour, Liquidity and Laws, MSMEs and taking equal care of all strata of society are highly appreciable.

PHD Chamber of Commerce and Industry has been proactively supporting the Government by providing suggestions at each stage of development, creating awareness and disseminating knowledge among various stakeholders.

Sir, the strategic nature of dependence on single source and potential supply shortage of essential drugs due to variations in the market dynamics poses a threat to India's drug security. Thus, there arises an urgent need to further improve India's self-sufficiency and boost domestic drug manufacturing to achieve global leadership.

The vision of an "**Atmanirbhar Bharat**" of our Hon'ble Prime Minister Shri Narendra Modi ji is very timely and will encourage self-reliance and local production in India while gradually reducing our imports.

We, at PHD Chamber applaud the efforts of **Department of Pharmaceuticals (DoP)** for greater focus and thrust on the development of the pharmaceuticals sector in the country.



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The Government's historic decision to promote domestic manufacturing of bulk drugs is a major step in the creation of a self-sufficient healthcare ecosystem in the country. The uniform, structured and sequenced approach in providing the Guidelines for the **Production Linked Incentive (PLI) Scheme for APIs, KSMs & Medical Devices** is highly encouraging.

Sir, future growth of the pharmaceuticals sector is contingent upon India's ability to ensure uninterrupted supply of quality bulk drugs and also the capacity to upscale manufacturing to face emergency situations.

Although, procedural requirements have been reduced and the communication between Government departments has become transparent and hassle free over the last few years, one of the major issues that affects the Indian pharma sector is that different Ministries/Departments of the Government deal with different aspects. For instance, the Department of Health deals with health-related and regulatory issues, Department of Pharmaceuticals with the drug policies, Department of Science & Technology with innovation, Ministry of Finance with taxation and Department of Commerce with trade-related matters. At this juncture, there is a need for coordinated and concerted action by all such departments to achieve the goal of USD 5 trillion economy by 2024-25.

It is suggested that the Government's thrust should be majorly on production economies of scale, acquisition of innovation and technological superiority and export-driven growth.

With this background, we appreciate the measures undertaken by the Government to attain self-reliance in the pharma sector and reduce import dependence in critical APIs / KSMs/ DIs so that India continues to be the pharmacy of the world in the coming times. A few suggestions to make India's pharma sector self-sufficient to meet the emerging needs of healthcare sector are appended for your kind consideration:

S.No.	Challenges	Details	Recommendations	Benefit(s)
1	High interest rates on loans and short repayment period	Loans to the API industry are available at high interest rates i.e., 11% to 18% with a tenure of 3-5 years	Grant "Infrastructure Status" to API industry Provide soft loans to API industry with lower interest rates and repayment period of 15-20 years	Granting Infrastructure status will enable: Borrow money from insurance companies, pension funds, and international lenders with a longer tenure (10-

				<p>15 years) and on easier terms (3%-4% interest rates).</p> <p>Access to foreign currency funding through the external commercial borrowing route (cost of fund is cheaper due to the lower rate of interest).</p> <p>Credit at competitive rates and on long-term basis with enhanced limits.</p>
2	High transaction cost and long refund period for export rebates	<p>Almost 30-40% of the working capital of businesses is blocked with Government in taxes, rebate claims and other subsidies.</p> <p>This collectively adds to about 3-4% of additional cost.</p>	<p>Further improve the procedures & processes to enable refunds.</p> <p>All accounts of GST to be made online, and all IT returns to be transparent.</p> <p>Tax free status to manufacturing companies for 10-15 years</p>	<p>This will help in reducing the regulatory burden for businesses.</p>
3	Low spending on Research & Development (R&D) by companies	The Government has reduced weighted deduction on R&D from	Reinstate weighted tax deduction of 200% on expenditure on R&D.	It will help the pharmaceutical industry to increase their R&D spend and boost

		200% to 150% from 2017 onwards and plans to further withdraw it in the near future		innovation in the country.
4	Limited funding for R&D and innovation in bulk drugs sector	Lack of funding mechanism in India for research and innovation in bulk drugs sector	<p>Public-private partnerships (PPPs)</p> <p>Industry-Academia linkages to promote research and innovation.</p> <p>Industry can adopt for a milestone-based funding mechanism for R&D in bulk drug sector</p> <p>The Government should fund a seed capital of INR 1000 crores to facilitate R&D and start-ups in key technologies such as fermentation, chiral chemistry, bio-catalysis, etc. similar to Biotechnology Industry Research Assistance Council (BIRAC).</p>	<p>Increased investments in the latest technology and R&D can facilitate novel and alternate routes to manufacturing and help to bring down the cost of production through more efficient processes and improved yields.</p> <p>Additionally, alternative routes of synthesis can be explored to reduce effluents, thereby reducing the environmental impact as well as the costs of effluent treatment.</p>
5	Limited funding for technology upgradation	Lack of funding options for technology upgradation and green technology	The Government should provide special grants to the industry for technology upgradation, green	Increased investments in the latest technology and R&D can facilitate novel and

		adoption in India	technology adoption, process efficiency improvements. For MSMEs and SMEs, an interest subvention scheme needs to be provided on the loans availed through a Public Sector Financial Institution for the purpose of technology and infrastructure development	alternate routes to manufacturing and help to bring down the cost of production through more efficient processes and improved yields.
6	Export-import implementation	Advance cargo declaration, upgrading port infrastructure, optimizing customs administration and publishing fee schedules	Authorised Economic Operator, or AEO, scheme	An importer gets preferential treatment from Customs for being compliant with supply-chain security standards. AEOs get benefits like fast-tracking shipments, deferred payments, exemption from issuing guarantees, and preferential treatment from Customs.
7	Import Duty on APIs	India imposes import duty on medicines, including vaccines and antibiotics. After the MSP and mark-ups, domestic taxes such as GST	Tax exemption or reduction for indigenously produced APIs. The selective application of tax policies would need to consider the potential	The cost of medicines will be 8-10 % less for the needy patients

		<p>are often the third largest component in the final price of a medicine in India.</p> <p>Countervailing duty (CVD) on China is understandable, however, blanket import duty should be be relooked at.</p> <p>The total domestic taxes and tariffs increase the price by nearly 30-40%, thereby making Indian products less competitive.</p>	<p>impact on equity, implementation feasibility and administration costs.</p>	
8	Price control exemption	<p>There should be a mechanism in place of keeping the cost of APIs of scheduled formulations in check too and to ensure companies are not forced to discontinue the products due to exorbitant increase in API cost which is not allowed to pass on due to the reason of the capping on the end MRP.</p>	<p>Drugs manufactured with indigenous APIs should get relaxation on price control and be exempted from provisions of Drug Price Control Orders (DPCO)</p> <p>Government should remove price control for formulations that have been manufactured using domestically produced APIs.</p>	<p>Exempting formulations made of local bulk drugs from price control will incentivize pharmaceutical companies to increase domestic production of APIs and would significantly reduce our dependence on China.</p>
9	Regulatory clearance	<p>Uneven Regulatory clearance for APIs,</p>	<p>There should be uniformity in the</p>	<p>This will help in reducing the</p>



		KSMs & Drug Intermediaries	approach by all the regulatory authorities	regulatory burden for businesses.
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Sir, we believe that to fulfil the vision of **Self-Reliant India** of our Hon'ble Prime Minister, both Government as well as Industry should come together to find effective solutions that will reduce India's dependency for APIs from other countries. Therefore, there is a need to focus on **strategic intervention as well as on operational excellence** to make the pharma industry in India self-reliant in producing the required APIs:

A: Strategic Intervention

1. Grant "Infrastructure Status" to bulk drug industry:

- Granting Infrastructure Status to the bulk drug industry will enable the businesses to borrow money from insurance companies, pension funds, and international lenders with a comparatively longer tenure of around 10-15 years and on easier terms of 3-4% interest rates.
- Access to foreign currency funding through External Commercial Borrowing (ECB) route.
- Availability of credit at competitive rates and on long-term basis with enhanced limits.
- Provide soft loans to API industry with lower interest rates and repayment period of 15-20 years.

2. Technology up gradation

- The Government should provide support for special grants to the industry for technology up gradation, green technology adoption, process efficiency improvement. For Micro, Small & Medium Enterprises (MSMEs), an interest subvention scheme should be provided on the loans availed through a Public Sector Financial Institution for the purpose of technology and infrastructure development.
- Increased investments in the latest technologies and R&D can facilitate novel and alternate routes to manufacturing and help to bring down the cost of production through more efficient processes and improved yields.

3. Self-Certification System

There are multiple methods & processes that are available to reach the final API from the KSMs and Drug intermediates. Each of the API / KSM/ DI manufacturer continues to explore the innovations whether process innovation or technology innovation. It becomes the said manufacturer's trade secret, commercial property, Intellectual Property whether patented or



not. Thus, it becomes an inimitable asset, which cannot be shared. Hence, to encourage “Developed in India” culture, the “Self-Certification System” by the incumbent applicant should be accepted.

We have examples of the development of the process technology. The production of penicillin using the indigenously developed process technology is 25-33% economical as compared to conventional penicillin production technologies. Thus, such a manufacturer needs to be encouraged for making APIs economical & faster.

We believe, Self-Certification System will certainly enhance the speed in processing of the applications.

B: Operational Excellence

- **Application window:** The application window of 120 days and approval thereafter within 90 days is too large; it should be shortened to 60 days and 30 days respectively.
- **DPR submissions:** Within 180 days of in-principle approval, should be shortened to 90 days.
- **Single window clearance:** Create a single-window clearance system for establishing an API manufacturing unit in India, for instance, Telangana State has implemented a Single-Window Clearance System for industrial projects. Telangana State Industrial Project Approval and Self-Certification System (TS-iPASS) provides various clearances at a single point based on the self-certificate provided by the industry. Single window clearance system is also required for all licences related to testing, imports, development etc.

On an average, intermediate plants require 9-12 months for approval from the Central Pollution Control Board. For companies with Zero Liquid Discharge, priority approvals are not provided and production quantity restrictions exist. The total time for getting permission for land acquisition from environmental clearances to commercial manufacturing takes around three to four years. Some of the suggestions regarding environmental clearances are appended below for your kind consideration:

- I. Green clearances should be given within 0-3 months to bulk drug manufacturing units with respect to pollution and effluent discharge from Central & State Governments.
- II. Categorise bulk drug manufacturing units in the B2 category for environmental clearances for faster clearances without the requirement for Environmental Impact Assessment (EIA) report.
- III. Allow existing bulk drug companies to modify their product mix or raw materials used without requirement of a new environmental clearance provided their pollution load remains constant (All states need to implement).



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- IV. Environmental permission can be provided for capacity addition based on self-certification for compliance with pollution load requirement.

Further, the scheme should to be extended to the brownfield projects; given excess capacity already in India and many companies can cost effectively enter using brown field projects wherein they have utilities and other capabilities. This will help in achieving the objective of the “PLI Scheme” to increase domestic production of APIs as well as providing an opportunity to reduce the timeline and early availability of indigenous APIs & KSMs.

In a nutshell, the pandemic COVID-19 related supply-chain disruptions have underscored the possible vulnerabilities in the drug supply chain. Hence, there is an urgent need to improve India’s self-sufficiency and boost domestic manufacturing to achieve global leadership.

We suggest that the Production Linked Incentive (PLI) Scheme should be extended to the existing facilities if the manufacturers ensure domestic value addition criteria of 70% for chemical synthesis and 90% for fermentation. This will ensure that the industry is not creating over capacity in certain molecules and will encourage manufacturers to backward integrate.

We are optimistic that the above suggestions when implemented will not only meet the objective of the “PLIS” but also bring indigenously manufactured APIs quicker to the market thus facilitating significant revival of the Indian API industry.

We trust our submission will be favorably considered by the department for immediate and favorable action.

Thanking you!

Yours Sincerely,

Saurabh Sanyal

Secretary General

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: +91 11 26855450

Email: sg@phdcci.in; saurabh.sanyal@phdcci.in

Website: www.phdcci.in



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130. Request for reintroducing Export incentive of @2% on exports of copper Cathodes and Rods under MEIS (17th August 2020)

Shri Amit Yadav
Director General
Directorate General of Foreign Trade (DGFT)
Ministry of Commerce and Industry
Government of India

Respected Shri Amit Yadav ji,

Greetings!

Request for reintroducing Export incentive of @2% on exports of copper Cathodes and Rods under MEIS

At the outset, we appreciate the Government for undertaking proactive and fast track relief measures to combat the daunting impact of pandemic COVID-19 on economy, trade and industry.

India has been resilient in fighting COVID-19 and the big ticket economic reforms including economic booster package giving equal importance to Land, Labour, Liquidity and Laws, MSMEs and taking equal care of all strata of society are highly appreciable.

PHD Chamber of Commerce and Industry has been proactively supporting the Government by providing suggestions at each stage of development, creating awareness and disseminating knowledge among various stakeholders.

Sir, we would like to draw your kind attention to the concern of member organizations of PHD Chamber of Commerce and Industry regarding **support for the Indian Primary Copper Industry through reintroduction of Export incentive of @2% on exports of copper Cathodes and Rods under MEIS**. A few of the points explaining the rationale for reintroduction of the said Export incentive are appended for your kind consideration:

- The export incentive hitherto available on export of copper cathodes and rods in the Foreign Trade Policy stands withdrawn under the Merchandise Exports from India Scheme (MIES) announced for April 1, 2015 - March 31, 2020.
- The new policy of MEIS covers more than 7000 tariff lines but it has left out the copper industry which is consistently exporting products worth of USD 2 billion.

- The refined copper is squarely covered within the policy criteria laid down by the Foreign Trade Policy which was meant to encourage exports of base metals and those goods which participate in the global value chain of intermediate goods and also requiring high skill technology.
- The export of around USD 2 billion was achieved with great help of export incentive available earlier which entitled the industry equivalent to 2% of the FOB value of the exports.
- Exports during 2018-19 & 2019-20 have come down as one of the plants of Vedanta at Tuticorin is closed. The current exports are limited to fulfilling the already signed long term contracts.
- Reinstatement of export incentive @2% will help in slightly bridging the trade deficit of USD 50 billion with China wherein 90% of India's copper exports are happening.
- The export incentive will help the industry to improve on the 80% capacity utilization which will be in line with our Hon'ble Prime Minister's vision of "Make in India".

Refined Copper fits in the criteria for MEIS Scheme

As per the document issued by the Ministry of Commerce & Industry, titled "**Highlights of the Foreign Trade Policy 2015-20**", the Government has selected certain category of products for incentive under MEIS. The Copper Cathode and rods fit under some of the criteria as mentioned below:-

Policy Criteria for MEIS	Relevance to Copper Cathode & Rods
Higher level of support to be granted to: <ul style="list-style-type: none"> ➤ Industrial products from potential winning Sectors, ➤ High tech products with high exports earning potential. 	Industry exports around Rs.12000 crores and has an export earning potential of Rs.15000 crores.
Support to major markets with certain products categories such as Iron, Steel and base metal products.	Copper Cathodes & Rods are part of the base metal.



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Participation in global value chain of intermediate goods. These goods become input in the manufacturing of other countries and with strengthen backward manufacturing linkages which are vital for India's participation in global value chain.	Copper Cathodes & Rods are intermediary products which are part of the global value chain and also strengthen India's manufacturing linkages with downstream Industries.
Technology based products requiring high skill technology – intensive manufacturing	Plants based on state of the art green technologies with global scales requiring higher skills.

It can be clearly seen that Copper Cathodes & rods fit under some of the Policy criteria adopted by the Government for selection of products under MEIS scheme and the said products have so far been left out.

In view of the above, we sincerely request the Government to kindly reinstate an incentive of 2% under the MEIS scheme on Copper Cathodes & Rods as the current Foreign Trade Policy is valid till 31st March 2021.

We trust our submission will be favorably considered by the department for immediate and favorable action.

Thanking you!

Yours Sincerely,

Saurabh Sanyal

Secretary General

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: +91 11 26855450

Email: sg@phdcci.in; saurabh.sanyal@phdcci.in

Website: www.phdcci.in



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129. Request for support for Indian Aluminium industry: No further tariffs/ restrictions on Caustic Soda in view of existing restrictions through tariff and non-tariff barriers and challenging phase amidst COVID-19 (14th August 2020)

Shri Rajesh Kumar Chaturvedi
Secretary
Department of Chemicals & Petrochemicals
Ministry of Chemicals & Fertilizers
Government of India

Respected Shri Rajesh Kumar Chaturvedi ji,

Greetings!

Request for support for Indian Aluminium industry: No further tariffs/ restrictions on Caustic Soda in view of existing restrictions through tariff and non-tariff barriers and challenging phase amidst COVID-19

At the outset, we appreciate the Government for undertaking proactive and fast track relief measures to combat the daunting impact of pandemic COVID-19 on economy, trade and industry.

India has been resilient in fighting COVID-19 and the significant stimulus package along with calibrated opening of all economic activities will support trade and industry and revive economic growth in the coming quarters.

PHD Chamber of Commerce and Industry has been proactively supporting the Government by providing suggestions at each stage of development, creating awareness and disseminating knowledge among various stakeholders.

With this background, we would like to draw your kind attention to the concern of member organizations of PHD Chamber of Commerce and Industry regarding proposal by Department of Chemicals & Petrochemicals (DoC&P) to recommend 15% COVID-19 Import Tax on chemicals and other products from May, 2020 to March, 2021 to safeguard the domestic industry.

Sir, as the COVID-19 pandemic has created massive disruptions and an unprecedented disaster world over, the Indian Aluminium industry has been adversely impacted. The industry

earnestly requests the Department to **exclude Caustic Soda from the list under consideration for any increase in import tariffs** and would also like to mention that there would not be any recommendation for further restriction on Caustic Soda.

The Aluminium industry is amongst the worst hit and facing several hurdles due to the lockdown and disruptions in supply chain of critical raw materials. Aluminium industry being a continuous process-based industry requires uninterrupted supplies of Caustic Soda for sustainable operations. Amidst the global meltdown of commodities, the Aluminium LME prices have crashed by around 40% (USD 870/MT) to an all-time low of USD 1421/MT level in April, 2020, from as high as USD 2290/ MT in May 2018, resulting in huge losses for primary Aluminium producers. On the other hand, the Indian Aluminium industry is struggling with the huge burden of unrebated Central & State taxes and duties, constituting around 15% of Aluminium production cost which is amongst the highest in the world. This is adversely impacting the sustainability and competitiveness of Aluminium industry.

Caustic Soda lye is a critical raw material for production of Alumina contributing to around 20% of production costs, and its imports are already restricted through various tariff and non-tariff barriers including:

- Compulsory use of Standard Mark under a licence from the Bureau of Indian Standards (BIS) as per Bureau of Indian Standard (Caustic Soda) Order, 2018 and conformity to BIS Standards (IS 252:2013).
- High Basic Custom Duty of 7.5%, leading to an inverted duty structure as custom duty on its finished product (Alumina) is 5%.
- Anti-Dumping Duty already in place for imports from China and Korea.

Sir, any further restriction on one of the major raw materials for Aluminium industry will hamper the economic viability of the industry to the extent of closure of operations thereby affecting the economic health of the overall economy. The burden of any additional tariffs will be detrimental for the growth of the Aluminium industry and defeats the purpose of promotion of trade and industry in a country. Unlike other industries, the Aluminium Industry cannot pass the burden of escalated costs to the end consumers as the global Aluminium prices are governed by London Metal Exchange (LME).

After the imposition of mandatory BIS license implementation, 98% of foreign Caustic Soda producers are already eliminated from competition since they have not acquired the requisite BIS license. Therefore, there is a significant non-tariff trade barrier in place to safeguard the domestic Caustic Soda industry and reduce imports of Caustic Soda based on the quality standards.



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The Industry's global competitors in Australia, Indonesia, Canada, Russia, Vietnam, among others have the advantage of procuring their input raw materials at competitive prices. Thus, the Indian Aluminium industry is at a disadvantage w.r.t. cost competitiveness vis-à-vis global players.

In view of the above and existing several restrictions on Caustic Soda with tariff & non-tariff barriers in place and in the best interest of Indian Aluminium Industry, any further increase in tariffs on Caustic Soda will be highly detrimental for the sustainability and cost competitiveness of already ailing Indian Aluminium industry.

Sir, India is self-sufficient in Aluminium production, yet 60% of country's Aluminium demand is met through imports. Indian Aluminium industry provides employment opportunities to around 8 Lakh people, directly and indirectly. There has been an investment of around 1.2 lakh Crores in the last few years. Hence, the proposed recommendation of 15% COVID-19 Import Tax on chemicals and other products from May, 2020 to March, 2021 would entail several socio-economic repercussions for the industry and will adversely impact the Government's visionary mission of "Make in India".

With this background, we sincerely request the Department of Chemicals and Petrochemicals to exclude Caustic Soda from the list under consideration for any increase in import tariffs, and provide a level playing field for the domestic industry.

We trust our submission will be favorably considered by the department for immediate and favorable action.

Thanking you!

Yours Sincerely,

Saurabh Sanyal

Secretary General

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: +91 11 26855450

Email: sg@phdcci.in; saurabh.sanyal@phdcci.in

Website: www.phdcci.in



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

128. Request to not delay Commercial Coal Mine Auction Schedule any further and conduct them as per the amended schedule only for the benefit of industry (12th August 2020)

The Nominated Authority

Ministry of Coal
Government of India
New Delhi

Respected Sir / Madam,

Greetings!

Request to not delay Commercial Coal Mine Auction Schedule any further and conduct them as per the amended schedule only for the benefit of industry

At the outset, we appreciate the proactive and fast track measures undertaken by the Government to combat the daunting impact of pandemic COVID-19 on trade and industry.

We appreciate the Government of India's efforts to open up coal mining sector for commercial players and also making it more investor-friendly and conducive for investment by both domestic as well as foreign players. The Government of India's efforts to proactively amend relevant laws and rules while holding extensive discussions with the private players serve to instil confidence in the industry.

It is highly laudable that with the introduction of Commercial Mining in Coal Sector will introduce competition, transparency and private sector participation in the Coal Sector. As result it will lead to reduce our dependence on import of substitutable coal and increase self-reliance in coal production.

We would like to draw your kind attention to the concern on delayed commercial coal mine auction. On 8th August 2020 the auction Schedule was delayed owing to certain concerns of investors and stakeholders regarding challenges in conducting mine visits etc and the revised Bid Due date stands at 29th September, 2020. In this regard, it is important to state that while tackling genuine concerns of stakeholders is important, **it is equally important that the auctions are not delayed further.**

Commercial Coal Mines are being auctioned for a lease period of 30 years while concerns regarding the pandemic are only relevant over next few months. Delaying the present tranche of auction will not only delay the future tranches but will also lead to an unjustified financial



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loss to the exchequer. Also it will cause a delay in operationalizing the coal mines and opening up of coal sector.

Another important issue to consider is the effect of opening up of coal mining for private players on the GDP growth rate. Commercial coal mining will have a huge positive impact on GDP growth. It will result in huge investments in one of the 8 core sectors which will have a significant multiplier effect in the economy.

Also the revised Bid Due Date of 29th September 2020 provides enough time to conduct due diligence and undertake mine visits for all investors and stakeholders.

In light of all of the above considerations any further delay in conducting auction of coal mines for commercial mining will not be in the best interests of the nation. Hence, we request the Government of India and State Governments to not delay the auction schedule any further and conduct them as per the amended schedule only for the benefit of industry.

We trust our submissions will be considered for favourable action.

Thanking you!

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Saurabh Sanyal', is positioned above the printed name.

Saurabh Sanyal

Secretary General

PHD Chamber of Commerce and Industry

PHD House, [4/2 Siri Institutional Area](#)

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: [+91 11 26855450](tel:+911126855450)

Email: sg@phdcci.in; saurabh.sanyal@phdcci.in

Website: www.phdcci.in



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127. Request to drop the decision of imposition of Anti-Dumping Duty on tinplate/tin free steel (prime/non-prime) by DGTR (11th August 2020)

11th August 2020

Shri A K Sharma

Secretary

Ministry of Micro, Small & Medium Enterprises (MSMEs)

Government of India

Respected Shri A K Sharma ji

Greetings!

**Request to drop the decision of imposition of
Anti-Dumping Duty on tinplate/tin free steel (prime/non-prime) by DGTR**

At the outset, we appreciate the Government for undertaking proactive and fast track relief measures to combat the daunting impact of pandemic COVID-19 on economy, trade and industry.

India has been resilient in fighting COVID-19 and the big ticket economic reforms including economic booster package giving equal importance to Land, Labour, Liquidity and Laws, MSMEs and taking equal care of all strata of society are highly appreciable.

PHD Chamber of Commerce and Industry has been proactively supporting the Government by providing suggestions at each stage of development, creating awareness and disseminating knowledge among various stakeholders.

This is in with reference to an urgent concern of our member organizations regarding the proposed Anti-Dumping Duty by Directorate General of Trade Remedies (DGTR) on a major raw material tinplate/ tin free steel. A few of our member organizations are involved in the manufacture, import, trade etc., of metal containers, closures/components, Tin Mill products, machinery etc and are mostly Micro, Small & Medium Enterprises (MSMEs).

Regarding Metal Packaging industry



The size of the Metal packaging industry is about 10% of the overall packaging industry which is close to USD 50 billion. It is estimated that the industry is expected to grow at 5 to 6% per annum over next five years.

Keeping in mind the focus on sustainable principle of reduce – reuse - recycle of packaging, PHD Chamber envisages the key role for Metal Packaging. Metal containers/cans are 100% recyclable and can form an important part of global strategy to ensure sustainability of environment. Metal packaging is an integral part of the packaging industry. The industry provides employment opportunities to more than 1 lakh people both directly and indirectly and is an essential packaging material for both food & non-food products and various other products.

Various products that are packed in metal cans are processed foods, dairy products, edible oil, marine products etc. and in non-food category products like paints, shoe polish, chemicals, pesticides, insecticides, etc. In addition to the above, the various non-critical products that are manufactured out of tinplate/ tin free steel are mosquito coils, piggy banks, stationery items, stamp pads, sign boards, paint brush, metal labels, among others.

Raw materials

The major inputs required by the industry are tinplate and tin free steel both prime and non-prime. The total demand in India is about 6,50,000 tonnes while the domestic availability is approx. 4,00,000 tonnes. Therefore, there is a demand-supply gap of 2,50,000 tonnes which is met through imports. Prime quality is mainly used for food and edible products while the use of non-prime quality is for non-edible and non-critical products.

Anti-Dumping Duty

The DGTR vide Notification dated 28th June, 2019 initiated Anti-Dumping proceedings against the import of tinplate/tin free steel (prime/non-prime) on the behest of local producers namely M/s. Tinplate Company of India (TCIL) (TATA Enterprise) and M/s. Jindal Vallabh Tinplate Pvt. Ltd., (JSW Steel Enterprise) from Japan, Korea, USA and EU. On 17th June 2020, DGTR gave its final findings and recommended imposition of anti-dumping duty ranging from USD 222 to USD 334 per M/T., for import from above mentioned countries.

The current import duties, as applicable on tinplate/ tin free steel are as follows:-

S.No.	Products	COUNTRY NAME	DUTY	TARIF ITEM NO.
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1.	TINPLATE PRIME	JAPAN	NIL	72101290
		KOREA	NIL	
		U.S.A.	12.50%	
		E.U	12.50%	
2.	TIN FREE STEEL	JAPAN	NIL	72105000
		KOREA	NIL	
		U.S.A.	12.50%	
		E.U	12.50%	

Generally the price differential between prime and non-prime materials is about 30% i.e., if prime material is imported at around USD 900 and the non-prime material is imported at around USD 600. We would like to inform your good office that our members have represented before DGTR and highlighted various issues including:

1. Separate comparison of prime and non-prime materials to arrive at dumping margin and injury margin.
2. Technical and commercial non substitutability of prime and non-prime materials.
3. To provide data relating to related party M/s. Tata Steel Limited on the price being charged by them on HR Coil supplied by them to TCIL.

Due to claim of excessive confidentiality by DGTR, it has resulted into impairing the ability of our members to defend their viewpoint. We firmly believe that the cost of the TCIL had increased due to change in the billing pattern between TATA steel and TCIL after introduction of GST on 1st July, 2017.

Sir, the dumping margin and injury margin of the products has been determined by the Hon'ble DGTR by a mere comparison of the imported goods with the domestically produced goods which is in violation of Article 2.4 of the Anti-Dumping Agreement i.e. no consideration has been given to the difference in the physical characteristic and the other differences affecting the price.

The domestic producers are exporting the subject goods in significant quantities at the price around USD 900 per M/T while their domestic price is USD 1000 per M/T and the imports in India for similar material stand at around USD 950 to USD 1000 per M/T. The Hon'ble DGTR has recommended nil anti-dumping duty against M/s. NIPPON steel, Japan as they participated in the proceeding and provided the relevant cost data. While the anti-dumping duty has been proposed for imports in India around the same price from other producers in Japan, Korea, USA and EU etc., as the exporters from those countries did not participate in the proceedings. We

believe that mere non-participation in the proceedings does not deserve anti-dumping duty as what is relevant is that at what price, exports to India are made by other producers.

Further, there are various grades and sizes of tinplate/tin free steel which are not manufactured by the local producers in India. Moreover, since the period of investigation, the exchange rate itself has increased around by 15%, thereby increasing the cost of imported material to India.

As mentioned above, non-prime material that cannot substitute prime material, is arising during production of prime material. This material may contain certain surface defects, pin hole etc., and is being sold generally through an auction by different producers of tinplate in their respective country. There is a non-prime arising in India as well and the local producers (TCIL/JSW) also sell this material in the Indian Market to trade/product manufacturers at a price which is around 25% less than the prime price. Non-prime material is used for manufacture of low end and non-critical products for which usage of prime tinplate is not commercially recommended like paper clips, mosquito coils, curtain rings, show boards etc., This material is mainly used by various enterprises in the MSME sector by engaging more people and sorting them out to put it to use.

Sir, the metal packaging industry is already passing through a difficult time due to pandemic COVID-19 since March 2020 and the imposition of anti-dumping duty at this time as suggested in Final Findings Notification No. ADD-OI 7/2019, dated 17th June 2020 would only worsen the overall situation. Furthermore, we would like to bring to your kind attention the following points:

- Tin cans are already much more expensive than other packaging materials like plastic, paper etc.
- Any more levies on the material will further increase the price of a tin can and in many cases, the market will shift to other less environment friendly packaging materials. This shift will happen mainly due to the increase in the cost of metal can or non-availability of the sufficient raw material.
- As mentioned above, the current import duty on tinplate/tin free steel is 12.50%. If the Government decides to impose Anti-Dumping duty, the impact of custom duty will range from 37% to 50% for prime material and 50% to 68% for non-prime material in case of import from Japan, Korea, USA and EU.



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- The move would result into substantial increase in the can price which is already higher as compared to other packaging material. It is estimated that the cost of the packaging to the food processor will increase around 16% and by 23% to paint manufacturers. This is expected to have an inflationary impact on the economy and increase the cost for final consumers.
- The Metal Packaging industry is already struggling with liquidity crisis and the situation will further worsen in case the Government decides to impose Anti-Dumping Duty. As a rough estimate, the industry imports material worth Rs. 1100 crores per annum and the impact of Anti-dumping duty on will be around Rs.500 crores i.e. 46% of the import value which the industry would not be able to afford. It may be noted that this impact will be in addition to the normal duty of 12.50% which is around Rs.8500 per tonne on prime and Rs.6500 per tonne on non-prime tinsplate.
- Tin free steel which is the other essential material, is being produced only by single producer M/s. Tinsplate Company of India once in a quarter This means that the supplies of this material to the industry will be seriously affected which is required to manufacture closures, deep drawn cans and can components etc.

With this background, we sincerely request the Government **to not impose the proposed anti-dumping duty on tinsplate/ tin free steel**. A few suggestions to support the Metal Packaging industry in this extremely difficult time are appended for your kind consideration:

- PHD Chamber fully supports the vision of “Self-Reliant India” of our Hon’ble Prime Minister Shri Narendra Modi ji to boost indigenous production and go Vocal for Local. It is suggested that a comprehensive timeline should be announced by the Government to achieve sustainable and sufficient domestic supplies of raw materials to MSMEs. Once that milestone is achieved, the proposed anti-dumping duty can be imposed.
- In order to promote “MAKE IN INDIA” and “ATMANIRBHAR BHARAT”, a special development fund should be created to provide soft loans to the Packaging industry at a minimal interest rates of 3-4% with a minimum tenure of 9-10 years for repayment for the development of import substitution units in the country.
- This would boost capacity building, introduce new technologies in India and manufacture various components such as easy open ends in India rather than imports. This will also build capacity for greater exports from India.
- It is suggested that the Government should consider taking equity in such units in initial years and once these units become self-sufficient, promoters should be given a chance to buy back their equity.



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Sir, we would like to reiterate that the industry provides employment (direct or indirect) to more than 1 lakh people and is used widely by the processed food and pharma industry and is the lifeline of Indian economy. Metal packaging is environmental friendly, sustainable and 100% recyclable packaging materials. It also helps in containing food loss and provides food security to the economy.

We once again, request you with folded hands to drop the recommendation of imposing ADD as recommended by Hon'ble Authority (DGTR) on tinsplate/ tin free steel till the domestic industry is further developed which may provide timely material to MSMEs at competitive rates.

We trust our submission will be considered by the Government for immediate and favorable action.

With best regards,

Yours sincerely,

(Saurabh Sanyal)

(The same representation was also sent to Shri Ajay Bhushan Pandey – IAS, Secretary (Revenue), Ministry of Finance, Government of India; Shri Devendra Kumar Singh, Additional Secretary & Development Commissioner (MSME), Ministry of MSMEs, Government of India)



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126. Request for support for a Self-Reliant India (AtmaNirbhar Bharat) for meeting Aluminium demand: Boost for Make in India & domestic value addition to create a thrust for Indian economy and industry (7th August 2020)

7 August 2020

Dr. Anup Wadhawan
Commerce Secretary
Ministry of Commerce and Industry
Government of India
New Delhi

Respected Dr. Anup Wadhawan ji,

Greetings from PHD Chamber !

Request for support for a Self-Reliant India (AtmaNirbhar Bharat) for meeting Aluminium demand: Boost for Make in India & domestic value addition to create a thrust for Indian economy and industry

At the outset, we appreciate the Government for undertaking proactive and fast track relief measures to combat the daunting impact of pandemic COVID-19 on economy, trade and industry.

India has been resilient in fighting COVID-19 and the significant stimulus package along with calibrated opening of all economic activities will support trade and industry and revive economic growth in the coming quarters.

PHD Chamber of Commerce and Industry has been proactively supporting the Government by providing suggestions at each stage of development, creating awareness and disseminating knowledge among various stakeholders.

We highly appreciate the vision of the Hon'ble Prime Minister for Atma Nirbhar Bharat (Self-Reliant India) and the motto of "Being Vocal to promote Local and become Global" to encourage self-reliance and local production in the country. At this juncture, indigenous production should be enhanced to reduce our import content and significantly boost domestic capacity building to meet domestic as well as foreign demand.

Sir, Aluminium is a sector of strategic importance for the country and an essential commodity for various other industries / Small & Medium Enterprises (SMEs) due to its critical role in diversified applications. Aluminium being one of the key growth sector, plays a crucial role in



several building blocks of India's economy and has a huge potential to contribute as a Wealth Creator for nation's economic growth. The commodity has a strong output and employment multiplier effect (backward and forward linkages) on other key sectors as well.

The Indian Aluminium industry whole heartedly supports the Atma Nirbhar Bharat mission and is very much capable to achieve this vision for making India Self-Reliant in Aluminium. India is a leading player in the global Aluminium Industry with 2nd largest Aluminium production capacity (4.1 million tons per annum) and is the 3rd largest Aluminium producer globally.

With this background, India's unique advantage of abundant raw material availability with 5th largest Bauxite and 5th largest Coal reserves in the world needs to be leveraged to develop a globally competitive Aluminium industry. Having a strategic geographical location, the country has immense potential to become a global Aluminium hub, going forward. India has a significant primary Aluminium capacity of 4100 kiloton (KT) and downstream processing capacity (3880 KT) that serves as a good platform for scaling up and leveraging our natural resources.

Indian Aluminium industry has made huge investments of Rs 1.2 lakh Crore (USD 20 billion) to enhance domestic production capacity from 2 mtpa to 4.1 million tons per annum (mtpa) to cater the country's Aluminium demand. It has created over 1 million jobs and developed 4000 SMEs in the downstream sector. Despite having sufficient domestic Aluminium capacity, currently around 60% of India's consumption is being imported, resulting in Forex Outgo of USD 5.5 billion (Rs 38,000 Crore). Even when Aluminium consumption growth was stagnant in FY2020, the share of Aluminium imports has increased resulting in declined domestic sales by 6%.

Further, Aluminium Scrap constitutes 60% of total imports, and 70% scrap is used in the automotive sector. It may be noted that even during the slump in the Indian Auto Sector, the scrap imports have remained at the same level for period of April 2019 to Jan 2020, as compared to the previous year (1036 KT v/s 1035KT).

Also, there is a huge potential threat of surge in imports from China, which despite of slump in consumption has not curtailed its production and is building huge inventories. China is the only country on course of recovery, and will start aggressively pushing its inventory at cheap prices once the situation improves, with India as the main target for dumping being a natural market.

Sir, Aluminium is a highly capital & energy intensive industry requiring huge investments with long gestations periods and involves huge risks due to immensely fluctuating global prices. At current global Aluminium prices, the Return on Capital Employed is around 3-5% against a cost of capital of about 12% plus. In last five years, no substantial investments have been made in

primary Aluminium industry due to various factors such as rising production costs due to various taxes, duties, cess etc., highly volatile global London Metal Exchange (LME) prices, huge surge in imports, declining domestic market share, among others. At this juncture, encouraging domestic industry would not only bring large investments and create jobs in the Aluminium industry, but will also create a thrust for other sectors by creating millions of job opportunities and giving a significant boost to overall industrial activity in the country. In this regard, please find appended a few suggestions to support the Indian Aluminium industry to fulfill the vision of a Self-Reliant India in Aluminium:

- Policy formulation by Ministry of Mines / Department for Promotion of Industry and Internal Trade (DPIIT) specific to Aluminium industry with preference for domestically produced Aluminium products in line with Public Procurement (Preference to Make in India) Order of DPIIT and Ministry of Steel Policy for Preference to Domestically Manufactured Iron and Steel Products (DMI&SP) in Government procurement.
- All Public Procurement tenders for Aluminium by all Central/ State Government agencies to be mandatorily fulfilled by domestic industry only, with preferential market access for domestic Aluminium industry to boost domestic value addition and hence 'Make In India'.
- Setting up an Aluminium Import Monitoring System for all Aluminium imports, similar to Steel Import Monitoring System (SIMS) implemented for Steel imports.
- Imposition of Quantitative Restrictions (QR) for overall Aluminium imports, across Chapter-76 HS Codes with a cap on average annual imports of last 3 years.
- Imposition of Minimum Import Price (MIP) based on average LME price of FY2020 to protect domestic industry from crashed LME prices.
- Expediting investigations of Countervailing Duty (CVD) petition filed with Directorate General of Trade Remedies (DGTR) in February, 2020 for imposition of CVD on Aluminium Wire Rod imports from Malaysia.
- Increasing basic custom duty on all Aluminium imports (Chapter-76) to curb imports, while saving Forex outgo and generating additional revenue for the government from such non-essential imports.

At this juncture, we sincerely request the Government to extend support to the domestic Aluminium industry and create a level playing field for the businesses to contribute in nation's economic growth and prosperity.



Going forward, we are optimistic that the Atma Nirbhar Bharat mission will provide a significant boost to Make in India and bolster domestic production and create massive employment opportunities in the country.

We trust our submission will be favorably considered by the department for immediate and favorable action.

With best regards

Yours Sincerely,

A handwritten signature in blue ink, which appears to read 'Sanyal', is written over a horizontal line.

(Saurabh Sanyal)
Secretary General

CC: Dr Guruprasad Mohapatra,
Secretary
Department for Promotion of Industry and Internal Trade (DPIIT)
Ministry of Commerce and Industry
Government of India
New Delhi

CC: Shri Sushil Kumar,
Secretary
Ministry of Mines
Government of India
New Delhi

CC: Shri Pradip Kumar Tripathi,
Secretary
Ministry of Steel
Government of India
New Delhi



125. Request for early interim duty relief and initiation of investigations (6th August 2020)

6th August 2020

Shri B B Swain

Special Secretary & Director General
Directorate General of Trade Remedies (DGTR),
Ministry of Commerce & Industry
Government of India

Respected Shri B B Swain ji,

Greetings!

Request for early interim duty relief and initiation of investigations

At the outset, we appreciate the Government for undertaking proactive and fast track relief measures to combat the daunting impact of pandemic COVID-19 on economy, trade and industry.

The facilitation measures announced by Directorate General of Trade Remedies allowing submission of documents in the Trade remedies investigation process through digital transmission/ online mode and provision of revised timelines for Sunset Review Investigation for Anti-dumping Duty are highly encouraging.

India has been resilient in fighting COVID-19 and the significant stimulus package along with calibrated opening of all economic activities will support trade and industry and revive economic growth in the coming quarters.

We at PHD Chamber of Commerce and Industry also appreciate the timely amendments undertaken by the Government of India in trade remedial measures to protect and strengthen the domestic industry in India.

Sir, we would like to draw your kind attention to the concern of business organizations of PHD Chamber of Commerce and Industry regarding the urgent need of interim duty recommendations wherever investigations have been initiated and fresh initiation of investigations wherever applications are pending for initiation.



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As you are aware, dumping is an established way of creating market distortions for self-commercial gains, wherein foreign producers dump their products in the Indian market, even if it causes injury to an established Indian industry. The growing size of attractive Indian market in general and the Indian Chemicals & Petrochemicals sector in particular is more susceptible to dumping considering the extremely price sensitive nature of the Indian market.

Recently, the Hon'ble Prime Minister has given a clarion call for Atma Nirbhar Bharat (self-reliant India) to encourage self-reliance and local production in India. At this juncture, indigenous production should be enhanced to eliminate imports from China and give a significant boost to produce or enhance the domestic production capacities.

Interim duties have been recommended in about six products such as Phthalic Anhydride, Polybutadiene Rubber, 1- Phenyl-3- Methyl-5-Pyrazolone, Ciprofloxacin Hydrochloride, Aniline and Black Toner in powder form. At this stage, there are about 25 products which are awaiting immediate interim duty relief such as Flat Rolled Products of Stainless Steel, Mono Ethylene Glycol, Fiberboards, Textured Tempered Glass, among others. The list of 25 products is mentioned in the annexure for your kind consideration.

At this juncture, when self-reliance and boosting domestic capabilities has assumed critical importance, the relevance of trade remedy measures has substantially increased in view of significant dumping of products in the country.

Hence, we request the Government to kindly expedite the need for interim duty recommendations wherever investigations have been initiated and also fresh initiation of investigations wherever applications are pending for initiation. This would help in supporting the domestic industry in this extremely difficult time.

We trust our submission will be considered by the Government for immediate and favorable action.

With best regards,

Yours sincerely,

(Saurabh Sanyal)



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

124. Non- Payment for Renewable Power Supplied to Jaipur Vidyut Vitran Nigam Limited (JVVNL) by Industrial Users (6th August 2020)

6th August 2020

Managing Director
Jaipur Vidyut Vitran Nigam Limited (JVVNL)
C Scheme, Ashok Nagar,
Jaipur – 302007 (Rajasthan)

**Non- Payment for Renewable Power Supplied to
Jaipur Vidyut Vitran Nigam Limited (JVVNL) by Industrial Users**

Dear Sir,

Industries are allowed to put rooftop solar power plants & the power distribution companies install a net metering system to calculate how much power has been pumped in by industry into the discoms system from the generation of rooftop solar power after meeting their consumption requirements.

However, surprisingly there is an order dated No. JP/SE(C)/XEN(OA)/F.D. 1025 dated 25.06.2019 from Jaipur Vidyut Vitran Nigam Limited (JVVNL).

The relevant part of the order which is causing the problem reads as under:-

“PROVIDED ALSO THAT IN CASE OF CONSUMERS, OTHER THAN DOMESTIC CATEGORY, THE CAPPING OF 4.8 UNITS PER KW OF THE APPROVED INSTALLED CAPACITY PER DAY SHALL ALSO BE APPLICABLE AND THE NET SURPLUS ELECTRICITY REMAINING AVAILABLE AT THE END OF THE BILLING PERIOD OF THE RESPECTIVE CATEGORY SHALL LAPSE AND NO PAYMENT SHALL BE MADE FOR THE SAME.”

The copy of the order is attached herewith for your ready reference.

Our members find the above referred clause of the order is counterproductive and instead of encouraging generation of Renewable Power, it is discouraging private sector and also resulting in losses to the companies in case the quantity of solar power injected into discoms system is higher than the units consumed by them from the discoms system in a particular billing period.

This was not a problem in the normal course of working but recently when there was a



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lockdown with the government order and industries were not able to run, the solar power plants were generating power that was injected into the discoms system but there was no consumption from the grid by the industries as the industries were not running.

This situation is still continuing since the plants are operating at very low capacity utilization. This has resulted in non-payment of the amount by discoms in Rajasthan for the renewable power injected into the grid system. Similar situation may continue for some more months, as the industries are running at a very low capacity as the demand is very less and workers are also not available as and when required.

This can also happen sometimes if there is a strike/lockout/any force majeure resulting in stoppage of operations of industries.

We request that this order should be withdrawn/modified and the industries should be paid for the power injected into grid systems from rooftop solar system without any condition. This will also encourage production of Renewable Energy and will ease the demand of thermal power.

With best wishes,

Yours sincerely,

A handwritten signature in blue ink, which appears to read 'Saurabh Sanyal', is written over a horizontal line.

(Saurabh Sanyal)



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123. Request for immediate support in availing emergency credit line under the Emergency Credit Line Guarantee Scheme (ECLGS) (5th August 2020)

5 August 2020

Shri Durgesh Pandey
Chief Executive Officer
National Credit Guarantee Trustee Company Limited
New Delhi

Dear Shri Durgesh Pandey ji,

Greetings!

**Request for immediate support in availing emergency credit line
under the Emergency Credit Line Guarantee Scheme (ECLGS)**

At the outset, we appreciate the Government for undertaking proactive and fast track relief measures to combat the daunting impact of pandemic COVID-19 on economy, trade and industry.

India has been resilient in fighting COVID-19 and the big ticket economic reforms including economic booster package giving equal importance to Land, Labour, Liquidity and Laws, MSMEs and taking equal care of all strata of society are highly appreciable.

PHD Chamber of Commerce and Industry has been proactively supporting the Government by providing suggestions at each stage of development, creating awareness and disseminating knowledge among various stakeholders.

This has reference to an urgent concern of one of our member organization regarding delay in providing them with the EMERGENCY CREDIT LINE under the Emergency Credit Line Guarantee Scheme (ECLGS) launched by the Government to mitigate the economic distress being faced by MSMEs by providing them additional funding of up to Rs. 3 lakh crore in the form of a fully guaranteed emergency credit line.

Our member firm is a registered MSME unit and is an essential service provider manufacturing lubricants and supplying to Coal India Limited, Indian Railways & other State Government undertakings. The firm is enjoying credit limit with Punjab & Sind Bank (PSB) and Edelweiss



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Finance Co (ECL) and has approached PSB for emergency credit line; 20 % of the exposure with PSB and also against the 20 % of the exposure with ECL.

The Punjab Sind Bank (PSB) has sanctioned Rs 1,46,30,000.00 on 30/6/2020 (Annexure-A enclosed) and the break-up of the same is as follows:

Rs 69,19,000.00 against 20% of Exposure with PSB

Rs 77,11,000.00 against 20% of Exposure with ECL

As per the guidelines issued by National Credit Guarantee Trustee Company Limited (NCGTC), ECL issued a NOC to PSB but did not give consent to file Pari-Passu charge on the security held by ECL as additional second charge to the extent of amount being financed by PSB on behalf of ECL. The sanction of PSB stipulates that filing of charge and consent is a prerequisite for disbursement of Emergency Credit Line Relief of Rs 77, 11,000.00 against the exposure of ECL.

ECL has issued NOC dated 11/06/2020 (Annexure B enclosed), however, they are not responding and issuing consent for filing of Pari-Pasu charge. The security held by ECL is more than Rs 50 crores and their exposure is only Rs 4.5 crores as on date.

We would like to bring to your kind notice that norms and guidelines issued by NCGTC and RBI in view of the pandemic COVID 19 relief measures as announced by the Honbl'e Finance Minister under the the Emergency Credit Line Guarantee Scheme (ECLGS) should be strictly followed otherwise it will impact functioning of MSMEs units . Non-following of norms is against the spirit of the relief package announced for MSMEs by Government of India and asking borrowers to opt out the moratorium relief availed by the borrower.

In the case of our member firm, the NOC was conditional, that the firm has to opt out of the moratorium of 3+3 months as announced by the RBI and the same has been done by the firm under coercion and also have to pay the moratorium availed upfront. The firm paid the EMI by Demand Draft before getting the original NOC, which was defective and not in line with NCGTC guidelines. (Annexure-C enclosed)

In view of the above, ECL has informed that they want written communication from NCGTC that it is mandatory for the ECL to issue such consent. On the other hand, Puniab & Sind Bank has sanctioned the entire credit line on 30th June 2020 but has only disbursed their share and insisted that ECL should issue NOC for extension of charge on the asset mortgaged with them on Pari-Passu basis. (Annexure-D enclosed)

With this background, we sincerely request NCGTC to take immediate action to resolve the issue at the earliest as the ECLGS has been formulated as a specific response to the



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unprecedented situation caused by pandemic COVID-19 and the consequent lockdown which has severely impacted manufacturing and other activities in the MSME sector. We seek the urgent relief in this matter and recommend the following:

- 1) If the Consent of ECL for filing of Pari or Passu Charge is mandatory then Edelweiss Finance Company limited be directed to do so in writing.

Or

- 2) If the Consent is not mandatory and Pari-Passu charge is not required then PSB be directed to do so in writing.

We trust our submission will be considered by the department for immediate and favorable action.

With best regards,

Yours sincerely,

A handwritten signature in blue ink, which appears to read 'Saurabh Sanyal', is written over a horizontal line.

(Saurabh Sanyal)



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

122. Request for Income Tax Neutrality during the Merger & Asset Sale between a Urban Co-operative Bank to Small Finance Bank (29th July 2020)

**Smt Nirmala Sitharaman
Hon'ble Finance Minister
Ministry of Finance
Government of India**

Respected Madam,

Greetings!

Request for Income Tax Neutrality during the Merger & Asset Sale between a Urban Co-operative Bank to Small Finance Bank

At the outset, we appreciate the proactive and fast track measures undertaken by the Government to combat the daunting impact of pandemic COVID-19 on trade and industry.

The announcement of a mega economic relief package along with various structural reforms and relief measures to address COVID-19 related hardships of industry stakeholders, among others are highly encouraging.

As you may be aware that there are more than 1400 Urban Cooperative Banks in India, the Government of India and Reserve Bank of India (RBI) have been taking steps to improve governance and supervision of these banks. The recent amendment to Banking Regulation (BR) Act and policy of RBI to migrate Urban Co-operative Banks (UCBs) to Small Finance Banks SFBs (attached) are pointers in this direction

Globally small banks have merged with large banks and such transactions are Income Tax neutral. In India, while merger or asset sale between two UCBs or two commercial banks is tax exempt u/s 47 of Income Tax (IT) act , however, same is not for a transaction between a UCB and a Commercial Bank. There is no law in India which enables merger of a non-company entity with a company.

RBI has already sent a request to the Government for amending the Income Tax Act. This amendment will benefit commercial banks and will also clean up UCBs in banking space. The suggested provisions are mentioned in the Annexure--Income Tax (IT) Section 47 Amendments, for your kind consideration. This amendment has no tax implication by way of revenue loss for the Government.



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We, at PHD Chamber urges the Government for allowing Income Tax Neutrality during the Merger & Asset Sale between a Urban Co-operative Bank to Small Finance Bank for the benefit of banking sector.

We trust our submissions will be considered for favourable action.

Thanking you!

Yours sincerely,

Dr D K Aggarwal
President
PHD Chamber of Commerce and Industry
PHD House, [4/2 Siri Institutional Area](#)
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454
Fax: [+91 11 26855450](#)
Email: president@phdcci.in
Website: www.phdcci.in

Annexure-Income Tax (IT) Section 47

Amendments

Section	Existing provision	Proposed provision
47(vica)	(vica any transfer in a business reorganisation, of a capital asset by the predecessor co-operative bank to the successor co-operative bank (vi	(vica any transfer in a business reorganisation, of a capital asset by the predecessor co-operative bank to the successor co-operative bank <u>or a banking company</u>
47(vicb)	any t any transfer by a shareholder, in a business reorganisation, of a capital asset being a share or shares held by him in the predecessor co-operative bank if the transfer is made in consideration of the allotment to him of any share or	any t any transfer by a shareholder, in a business reorganisation, of a capital asset being a share or shares held by him in the predecessor co-operative bank if the transfer is made in consideration of the allotment to him of

	shares in the successor co-operative bank. <i>Explanation.</i> —For the purposes of clauses (vica) and (vicb), the expressions "business reorganisation", "predecessor co-operative bank" and "successor co-operative bank" shall have the meanings respectively assigned to them in section 44DB;	any share or shares in the successor co-operative bank <u>or a banking company</u> <i>Explanation.</i> —For the purposes of clauses (vica) and (vicb), the expressions "business reorganisation", "predecessor co-operative bank" and "successor co-operative bank" shall have the meanings respectively assigned to them in section 44DB;
44DB (5)d	<i>"business reorganisation" means the reorganisation of business involving the amalgamation or demerger of a co-operative bank;</i>	<i>"business reorganisation" means the reorganisation of business, <u>which shall include</u> the amalgamation or demerger of a co-operative bank or <u>transition of a co-operative bank into a banking company under the terms of relevant guidelines issued by the Reserve Bank of India or applicable laws, as the case may be.</u></i>
44DB (5)h	<i>"predecessor co-operative bank" means the amalgamating co-operative bank or the demerged co-operative bank, as the case may be;</i>	<i>"predecessor co-operative bank" means the amalgamating co-operative bank or the demerged co-operative bank <u>or a co-operative bank that transitions into a banking company under the terms of relevant guidelines issued by the Reserve Bank of India or applicable laws, as the case may be;</u></i>
44DB (5)k	<i>New clause</i>	<i><u>"banking company" shall have the same meaning assigned to it in clause (c) of section 5 of the Banking Regulation Act, 1949 (10 of 1949);</u></i>



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

121. PHDCCI'S representation on issues related to Goods and Service Tax (28th July 2020)

**Shri S K Rahman
Joint Secretary
Goods and Services Tax Council
Ministry of Finance
Government of India**

Respected Shri S K Rahman ji,

Greetings!

PHDCCI'S representation on issues related to Goods and Service Tax

At the outset, we thank you for sparing your valuable time to interact with the members of PHD Chamber of Commerce & Industry on 16 July 2020. We greatly appreciate the commendable work done by the GST Council to facilitate ease of compliance for the trade and industry.

PHD Chamber of Commerce and Industry has been proactively supporting the Government by providing suggestions at each stage of development, creating awareness and disseminating knowledge among various stakeholders. The Chamber stands in complete solidarity and pledges to extend its all-out support to the government in the fight for making India COVID-19 free.

Please find enclosed the PHD Chamber's representation on certain GST issues being faced by the members of trade & industry.

We trust our submission will be considered by the Government for immediate and favorable action.

Thanking you,

Yours Sincerely

**Dr D K Aggarwal
President
PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri Institutional Area
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454
Fax: [+91 11 26855450](tel:+911126855450)
Email: president@phdcci.in**



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

120. PHD Chamber's suggestions on growth drivers of economy to reach USD 5 Trillion Economy by 2024 (27th July 2020)

**Shri Anurag Singh Thakur
Hon'ble Minister of State
Ministry of Finance
Government of India**

Respected Sir,

Namashkar!

PHD Chamber's suggestions on growth drivers of economy to reach USD 5 Trillion Economy by 2024

At the outset, we appreciate the proactive and fast track measures undertaken by the Government to combat the daunting impact of pandemic COVID-19 on trade and industry. The announcement of mega economic relief package of Rs 20 lakh crore along with various structural reforms and relief measures to address COVID-19 related hardships of industry stakeholders, among others are highly encouraging.

Aatmanirbhar Bharat, a timely measure of self-reliant India can be successfully achieved by focusing on grassroot growth, infrastructure development and administrative overhaul to facilitate ease of doing business. By improving the quality of everything that the country produces from education to local goods produced by Indigenous industries, we will be competitive enough to secure a significant global market share.

The financial aid set aside by the government must reach the locals. E-platform should not only be confined to e-commerce. It should reach the grassroot level along with the e-base knowledge to extensively integrate in the economy. A single clearance window should be set up for everything under agriculture and manufacturing umbrella to unlock the economic potential of rural areas and territories.

Going ahead, please find appended certain suggestions of PHD Chamber to revive and drive the economic growth of India and make it a USD 5 Trillion Economy by 2024.

1. Vocal for Local and Local to Global: Strategy for enhancing the image of Brand India globally



- There is a need of large-scale investments in infrastructure, increased investments in innovation and research and development (R&D), massive skill development, among others to ensure long-term competitiveness of industry and enhance the image of Brand India globally. Further, the government needs to build up a well-integrated and competitive supply chain logistics including increase in the number of cargo containers to meet the growing global demand of Indian products especially spices, ceramics, home-ware, fashion and lifestyle goods, textiles, engineering goods and furniture, among others.
- The restrictions and lockdown at national and international level has made people to realise the true power of digital platforms. In this scenario, when almost every medium to communicate was off track, digital has come out as the only way to broaden the reach of communication. India should take the advantage of this digitisation trend to be Vocal for Local, enhance its marketing power, promote its local brands globally and strengthen its brand image.
- Some of India's products across food, personal care and health supplement categories are rejected at global levels due to several health and food safety norms vis-à-vis non-tariff barriers. China's unfair trade practices has undermined India's exports growth trajectory not only with China but also India's top export destinations as China dump goods in those economies with vested interests to impact our exports.
- The trade deficit between the two economies has increased from around USD 23 billion in FY2009 to USD 48 billion in FY2020. China's share in India's total imports is at around 14% while its share in India's exports is at around 5%.
- China has increased its share in total imports of top 10 world importers from 10% in 2001 to 16% in 2011 and 18% in 2019 while India has been able to increase its share in top 10 world importers from 0.6% in 2001 to 1.2% in 2011 to 1.3% in 2019.
- China has increased its share in the imports of India's top 10 export destinations from 10% in 2001 to 13% in 2011 and 17% in 2019. On the other hand, India's share in the total imports of its top 10 export destinations has increased only from 8% in 2001 to 10% in 2011 and has remained same at 10% in 2019.
- India should come out with more and more quality control orders and technical regulations for different products to check inferior and low quality imports from China. This will serve two purposes: one that we are enforcing these regulations even for our export consignments; this would avoid any charge of putting non-tariff barriers on India

against China and charge of discrimination in the WTO. Secondly, this would send out a positive message to the world about the stringent quality standards and would help in promoting Indian brands.

- Put most of the items which are imported from China on the restricted list or on Import Mentoring Mechanism. However, clearance for import of machinery and essential APIs for the pharmaceutical sector may be given time, till we put in place either alternative import country/manufacturing facilities in India, so that immediate impact is not there.
- At this juncture, India should take advantage of the global supply chain disruptions and become a global manufacturing and exporting hub, going forward.
- Efforts should be made to develop the value chains of MSMEs and making them more structurally competent and linked with global value chains.
- Strengthening of MSMEs to compete with imported products will enhance contribution of MSMEs in manufacturing and thereby in overall economic growth and will help India to become Atmanirbhar in the coming times.
- Going ahead, India should focus on moving away from imports from China, divert trade towards friendly economies, build domestic capacities and significantly scale up indigenous production with a thrust to become Self-Reliant.
- Efforts should be made to diversify the portfolio of our export products in terms of more countries and also in terms of more products, where India has core competence.
- Further, the focus should be put upon One District One Product(ODOP) Scheme that aims to give boost to the traditional industries and enable the people to gain expertise in one product. The scheme has the potential to contribute towards the growth of states' GSDP and raise the quality of the products. ODOP scheme will help improve the quality of the product, transform the product through packaging and branding and to strengthen the initiative of ODOP to national and international level.

2. Strategy for making export products more relevant and appealing to the global buyers

- At this juncture, bolstering manufacturing at competitive costs should be a key focus area for the Government in the post-COVID-19 period, if India wants to take advantage of the global supply chain disruptions and become a global manufacturing and exporting hub. It becomes crucial for India to think big and be ready with a strategy to further



improve quality, build capacity, bring in economies of scale, and improve price competitiveness to make our export products more relevant and appealing to the global buyers.

- Further focus should be put upon building of the value chain in the country instead of importing components and doing assembling activities. This will increase our economies of scale, reduce cost, ensure quality & dependability, increase traceability and help in maintaining speed of delivery. These are the crucial elements which will make our export products attractive at the global level.
- The Government should focus on further reducing the cost of doing business in the country including the costs of capital, costs of compliances, costs of logistics, costs of land and costs of labour. Reduced costs of doing business and level playing field in the country will not only increase the competitiveness of our exporters but also reduce imports of the items where India has domestic capabilities.
- Thus, focus should be put upon complying with international standards, global safety norms, quality control at all the levels, increase in traceability down the supply chain for domestic manufacturers, among others to increase the acceptability of Indian exports at the global level.

3. Suggestions to boost India's exports and reduce substitutable imports.

- To become AatmaNirbhar Bharat, it is now imperative for our country to reduce import content and divert trade towards friendly nations while focusing on enhancing indigenous production and domestic capacity building.
- India should completely stop the entry of products from China especially in the current difficult time amid pandemic COVID-19 which may hurt the growth prospects of indigenous manufacturers, divert trade towards friendly economies and significantly scale up industrial production.
- Further, indigenous production capacities with more and more deployment of labour, capital and technology should be focused. The emphasis of domestic production should move forward from labour intensive to capital intensive to high end technology products in the coming times gradually. Further, today's dynamic environment calls to look for new solutions or ways to stay ahead of the competition. This can be achieved through leveraging digital technology and faster adoption of Industry 4.0.



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

- The Government should focus on further reducing the cost of doing business in the country as this is necessary to attract foreign investment in the country and provide a boost to domestic businesses and investors. Going ahead, it is suggested that a Special Fund for exporters should be made to boost the competitiveness of India's exporters and increase exports of the manufactured goods in the country.
- Export income is requested to be made tax free for MSMEs for 3 years and income of large enterprises from incremental exports be made tax free. This will help in partly compensating the additional cost of logistics and other bottlenecks which Indian exporters face.
- Going ahead, the champion sectors identified by the Government in the manufacturing and services sector including automotive & auto components, pharmaceuticals and medical devices, bio-technology, capital goods, information technology & information technology enabled services (IT & ITeS), accounting and finance services, audio visual services, legal services, communication services, among others, should be focused upon in the short and medium term to increase India's exports.
- Buy technology, not product: India imports around US\$ 70-80 billion of electronics every year as the country does not have its own IC (integrated circuit) manufacturing technology. FAB Chip manufacturing requires huge investments in billions of Dollars. Though we have expertise in chip design and electronic manufacturing, there has been challenges. All the gadgets- PCs/tablets/mobiles, totaling to almost 2.2 billion units in 2019, require semiconductor chips to function. It has been seen that all those economies with a large production of chips have benefitted in enhancing the GDP of their countries. US, Japan, Korea, and Singapore are large producers of Semi-Conductor Chips. We urge the Government to buy the technology for the FAB and for 4G telecom technology to substantially reduce the electronic and telecom related imports of the country. A whole ecosystem for telecom and IT manufacturing could be created once the country buys the technology in some public sector unit, which could then be licensed out or provided on an open source basis to private sector. This will put India not only as a part of global supply chains but also as a part of global value chains.
- Replacement of Advance Authorisation Scheme by Existing Duty Free Import Procedures under Customs Notification 24 and 25 dated 1st March 2005 for Duty Free Import of Inputs for Exports & Deemed Exports: The Indian exporters are currently required to use Advance Authorisation Licences (AAL) to import the required inputs for exports at nil customs duty, which is a very cumbersome and complicated process where the manufacturer-exporter needs to deal with 3 separate Government authorities: Customs,

Excise/ GST and DGFT. A very simple procedure already exists for duty free import of goods used in the manufacturing of Telecom Products at zero custom duty under ITA - Information Technology Agreement wef 1st March 2005 (vide Notifications No. 25 and 24 both dated 1st March 2005 as amended) which has been found quite adequate for the past more than 14 years for controlling proper usage of duty free imports meant for use in the manufacturing of certain specified final goods. A similar kind of method with safe guards to ensure that the inputs / raw materials are going into production only for exports of products may help the country's manufacturers immensely in being internationally competitive.

- FTA's with ASEAN countries should be reviewed and country of origin rules be made tougher, so that Chinese origin products cannot enter through these countries. Also, service export and other merchandise terms should be re-negotiated, which so far have not been able to protect our interests.
- The golden opportunity, which has arisen because of many companies from Japan, USA, Korea and Europe are wanting to shift their manufacturing facilities out of China, should be used by India by laying Red Carpet and providing the most favorable terms of starting their manufacturing in India, including:
 - Single One window service with time bound approvals
 - Production based incentives on the lines of Samsung
 - Each state should have ready land bank with all the required infrastructure.
 - It is suggested that India should consider following the strategy of production by masses in place of mass production.
 - Reforms : -
 - Contract enforceability and other legal reforms;
 - Flexible Labour Laws;
 - Land reforms like digitizing land records.
 - Promote ease of doing business at national, state and district level, along with relaxing various compliances. States should rank districts in terms of various parameters of ease of doing business in the same way as Niti Aayog ranks various States.

4. Developing skilled manpower

- India must focus on re-skilling and multi-skilling its workforce with the rapid technological advances and the digitization that is transforming the world. There is a need to understand the domains that have more employable talent and how has employability changed over the years.



- There is a need to recognize that today we have to go beyond Automation, computers and electronics and focus more on digital technologies like internet of things (IoT), AI/ML, AR/VR, Blockchain, networking etc.
- At present we need to update our curriculum frequently as per the industry requirements in collaboration with industry experts. Students must be kept updated on industry trends through frequent industrial visits, internships and guest lectures. Imparting decade old theories and concepts must change to what the world will need in the coming years.
- Compulsory one year vocational & technical education in senior secondary education.
- India has the potential to emerge as a global hub for providing skilled manpower to the world.
- There is a need to map global skill requirement in different sectors and should align the country's standards with those of other nations, to help India tap the opportunities worldwide.
- International Communities has been showing keen interest in Indian talent and unique skills which may be leveraged to be at advantageous position in World tourism.
 - Skills such as Yoga, AYUSH and other traditional Indian Remedial therapies are much sought after internationally. These are much in demand at various international tourist destinations such as ASEAN (Thailand, Vietnam, Indonesia etc.), Japan, Australia, USA and Europe.
 - Indian Culinary is gradually getting traction amongst many countries.
 - Service Staff requiring soft skills such as Front Desk officers and Attendants have already been there in middle-East countries. It is high time that our North- Eastern youths are trained as per International requirements.
- Some of the suggestions are as follows:
 - Regional skills/strengths which are in-demand internationally shall be promoted at local level, for eg. ayurveda therapies in Kerala, service trades in North-East etc.
 - Setting up of India International skill Centres (IISC) shall be scaled up many folds in Public Private Partnership. There should be 2-3 IISC per state. Based on demand side, IISC may be domain or destination region/country specific.



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- Bilateral G-G/G-P/P-P arrangements shall be established. There may be targeted events towards the objective on the lines of buyer/seller meet to engage various stakeholders.
 - In addition to domain skills, IISC Trainees shall also be trained in Destination Language & Etiquettes. Such trained people from Indian will have a global demand in all the tourist destinations.
 - Private industries and proven training organizations shall be encouraged and promoted to participate in these initiatives.
- A Web Portal should be created where those available for jobs should upload their profile in the relevant category of their skill set. Similarly, there should be a separate provision of uploading job requirements, along with the required skill sets, by enterprises. Also, the Government should ensure that all the opportunities available internationally along with the required skill set be uploaded on this portal. This portal would ensure that the right skill training programs would be focused.

5. Ideas for developing Packaging Industry with focus to increase exports

- India's packaging industry is one of the promising industries with a size of USD 38 billion comprising of more than 22,000 units of which 10% are organised players and remaining 90% are from the MSMEs sector. The industry has registered a steady growth of around 10-15%, over past several years given the favourable factors such as rise of middle class, rapid expansion of organized retail, growth of exports, growing e-commerce sector, among others. Going ahead, the packaging industry of India has a high potential for expansion, particularly in the export market.
- Large number of players in packaging industry are dependent on imports of raw materials/inputs. Therefore, imposition of Anti Dumping Duties (ADD) by the Government on imports is not favourable for MSMEs players in packaging industry as they are heavily dependent on imports and anti-dumping duty will increase their costs of operations. Keeping in view the present difficult time amid COVID-19, imposition of ADD at this juncture will be very harmful for MSMEs to cope up with rising costs of doing business. We would recommend that till India has the technology and manufacturing capability to manufacture these raw materials required for packaging industry, till then, anti-dumping duties should not be imposed.
- There is an urgent need to promote investment in technology and research and development to provide impetus to the growth and development of this industry. Government should set up a Technology Up-gradation Fund for Indian



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Packaging Industry which will focus on technology development and providing Soft loans at 1-2% of rate of interest with long repayment period of around 10-15 years.

- To encourage environment friendly and sustainable packaging, Government should set up Special scheme to encourage domestic players to promote the same.
- With enhanced competitiveness and growth of packaging industry, other sectors especially food and pharmaceutical will also be given a huge thrust in terms of increase in their exports in global market.
- Further, the focus should be on enhancing quality standards applicable at the international level, moving towards eco-friendly packaging materials, bringing clarity in food packaging regulations, among others to make India's packaging export competitive and attractive at the global level.
- The up gradation of technology along with research and development will reduce the imports of raw materials for this industry and enhance the exports of packaged products, going forward

6. Ideas for competing and bagging International Awards for Export, organisations that validate and award products/exporters.

- To bag international awards, India must focus on quality competitiveness, timely delivery, sales negotiations and innovative packaging techniques.
- We should focus on our product strengths such as Basmati rice which is globally recognised and in great demand and target on those products
- India should encourage local exports by focus on prioritisation of promising industries, enhancing the credit flow, higher tax deduction for R&D, getting interest equalisation facility to agri-exports.

We trust our submissions will be considered for immediate and favourable action.

Thanking you

Yours sincerely,



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

A handwritten signature in dark ink, appearing to read 'Dr. D K Aggarwal', is positioned above the printed contact information.

Dr D K Aggarwal

President

PHD Chamber of Commerce and Industry

PHD House, [4/2 Siri Institutional Area](#)

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: [+91 11 26855450](#)

Email: president@phdcci.in

Website: www.phdcci.in



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

119. PHD Chamber supports the Goal to make India a USD 5 Trillion Economy by 2024; Request for further enhancing Ease of doing business in the country- AYUSH Sector (30th June 2020)

**Shri Piyush Goyal
Hon'ble Union Minister
Ministry of Commerce and Industry
Government of India**

Respected Shri Piyush Goyal ji,

Greetings!

PHD Chamber supports the Goal to make India a USD 5 Trillion Economy by 2024; Request for further enhancing Ease of doing business in the country- AYUSH Sector

At the outset, we appreciate the Government for undertaking proactive and fast track relief measures to combat the daunting impact of pandemic COVID-19 on economy, trade and industry.

The relief measures announced by Ministry of Commerce and Industry such as setting up of Control Room to monitor the issues of trade and industry, relaxations & extensions to various compliance and deadlines to address pandemic COVID-19 related hardships to trade and industry are highly encouraging.

Ease of doing business is crucial for the overall growth and development of trade and industry as it attracts foreign investments and provides a considerable boost to the domestic businesses. Therefore, a conducive business environment is crucial for starting and operating a business in any economy.

The Government has given major thrust to ease of doing business and has worked aggressively to ensure that India moves up on the rankings of ease of doing business of the World Bank. India has been continuously improving in World Bank's Ease of Doing Business Rankings and has jumped by 79 spots from 142nd rank in 2015 to 63rd rank in 2020 among 190 economies.

We, at PHD Chamber of Commerce and Industry appreciate the plethora of economic and business reforms undertaken by the Government in the last few years with the objective of providing ease of doing business in the country. Significant improvements in parameters such as starting a business, dealing with construction permits, getting electricity, getting credit,

paying taxes, enforcing contracts, resolving insolvency and trading across borders are highly laudable.

At this juncture, as various foreign companies are looking at India for investments, there is a need to sustain this momentum of implementing reforms both at the Centre and State levels to make India one of the best destinations to do business. Keeping in view the rapidly changing global trade and investment dynamics amid pandemic COVID-19, more conducive policy environment for trade and industry would be crucial. This will help in attracting large chunk of foreign investments and boost industrial activities and create tremendous employment opportunities for the growing work force in India.

Although, procedural requirements have been reduced and the communication between Government departments has become transparent and hassle free, however, the cost aspect of some of the parameters still needs to be relaxed further. There are various approvals, documentation requirements and multiple visits to departments that consume a significant amount of time and initial investment in a business.

Going ahead, amid the pandemic COVID-19 scenario, PHD Chamber of Commerce and Industry suggests the following Government departments should be reduced to less than 5 for removing excessive paperwork and procedures and ensure transparency in the smooth functioning of the economy:

S. No.	Type of Licenses / Department	Issuing Authority
1.	Trade licence or Trade Certificate of Enlistments	Concerned 'Municipality' or 'Notified Authority'
2.	Health licence / Food licence	Concerned municipality
3.	GST	GST Department
4.	Pollution Control <ul style="list-style-type: none"> No objection certificate Environment protection / Prevention and Pollution Control – Water / Air Consent 	Concerned Pollution Control Department
5.	Licences/Registration under the Factories Act, 1948, otherwise, memorandum to be filled to the central secretariat.	<ul style="list-style-type: none"> Chief Inspector of Factories/ Labour

		<p>Commissioner</p> <ul style="list-style-type: none"> District Inspector of Factories
6.	Employees State Insurance Clearances (ESIC)	ESIC
7.	Provident Fund clearances	Commissioner/Asst. Commissioner Public Provident Fund
8.	Dangerous/hazardous items	Concerned Pollution Control Department
9.	<p>Fire Licence</p> <ul style="list-style-type: none"> Licence No objection certificate (as per range of use) 	Directorate of Fire Service
10.	Food Processing Licence	Food Safety and Standards Authority of India (FSSAI)
11.	Drug Manufacturing Licence / Drugs and Cosmetic Act	Concerned Licensing Authority
12.	Forest License	Divisional Forest Officer
13.	Clearance under Town and country planning Act	Notified Area Development Authority
14.	Urban Land Ceiling Clearance	Notified Area Development Authority
15.	Conversion of land (Clearance) & Mutation	Notified Area Development Authority
16.	Boiler Registration Certificate If Boiler is of more than 1000 kg capacity	Chief Inspector of Boiler
17.	National Green Tribunal	National Green Tribunal
18.	Statistics	Ministry of Statistics and Programme Implementation, Government of India

19.	Income Tax	Central Board of Direct Taxes, Government of India
20.	TDS	Central Board of Direct Taxes, Government of India
21.	Electricity	Concerned Electricity department; Ministry of Power, Government of India
22.	Water	Concerned Jal Board; Department of Water Resources, River Development & Ganga Rejuvenation, Ministry of Jal Shakti, Government of India
23.	House Tax	Concerned House Tax Department (Municipal Corporation)
24.	Registrar of Companies (ROC)	Registrar of Companies, Ministry of Corporate Affairs, Government of India
25.	Bio-Diversity Act	National Biodiversity Authority, Ministry of Environment, Forest and Climate Change, Government of India
26.	Bankers	Reserve Bank of India
27.	Legal Metrology	Legal Metrology, Department of Consumer Affairs, Ministry of Consumer Affairs, Food & Public Distribution
28.	Import Export Code / Custom Department	Central Board of Indirect Taxes and Customs (CBIC), Department of Revenue, Ministry of



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		Finance, Government of India; Directorate General of Foreign Trade, Government of India
29.	Labour Department	Ministry of Labour & Employment, Government of India
30.	Police Department	Concerned Police department; Concerns related to repeated checking needs attention
31.	Drugs & Magic Remedies Act	Ministry of Health and Family Welfare, Government of India

We would like to mention that each of above department has its own Cell and enforcement.

Medicinal plants in same category as farm produce: The Government of India has brought in the revolutionary ordinance titled "The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Ordinance 2020". With the introduction of this ordinance, agriculture produce has been removed from all excessive paperwork and procedures and can be freely traded in. For doubling Farmers' Income, the Government has allocated a budget of Rs. 4000 crores for Medicinal Plants. Therefore, we request that medicinal plants should also be included in the Farmers' Produce Trade and Commerce (Promotion and Facilitation) Ordinance 2020 to enhance the availability of raw materials for the health sector.

One window service: We suggest that there should be only one time registration in every department along with one window service and approval within 5 working days OR deemed approved / permitted after 5 days.

Bureaucrats as Enablers: We suggest that inspection of industries should only be conducted by giving 15 days advance notice to the Industry (in writing). This should be done ONLY with the approval of the Commissioner of the concerned Department. For discrepancies, if any, considerable time should be given to rectify the same. This will go a long way in supporting business sentiments with the approach of all Government authorities as enablers.

Labour productivity: It is suggested that wages to labour should be linked to productivity. Also, fixed term employment should be permitted and effectively implemented across all the States. Presently, labour has no or minimal accountability.



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Level playing field: To attract significant Foreign Direct Investments (FDI) and make India ATMA NIRBHAR, a level playing field should be created for the industry and production linked benefits should be provided to increase the overall competitiveness of the industry

Sir, prosperity of businesses facilitates creation of jobs and generation of incomes which improves the country's position in socioeconomic and business rankings in global charts. At this juncture, it becomes important to further reduce the cost of doing business in India and attract significant foreign investments and achieve the goal set by our Hon'ble Prime Minister Shri Narendra Modi ji of a USD 5 trillion economy by 2024-25.

We trust our submission will be considered by the Government for immediate and favorable action.

Thanking you,

Yours Sincerely

A handwritten signature in blue ink, appearing to read 'Dr D K Aggarwal', is placed below the text 'Yours Sincerely'.

Dr D K Aggarwal

President

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: [+91 11 26855450](tel:+911126855450)

Email: president@phdcci.in



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118. Request for further measures to make India self-reliant in API manufacturing (30th June 2020)

Dr. P. D. Vaghela
Secretary
Department of Pharmaceuticals
Ministry of Chemicals and Fertilizers
Government of India

Respected Dr. P. D. Vaghela ji,

Greetings!

Request for further measures to make India self-reliant in API manufacturing

At the outset, we appreciate the Government for undertaking proactive and fast track relief measures to combat the daunting impact of pandemic COVID-19 on economy, trade and industry.

The relief measures announced by the Government of India including a mega economic relief package of Rs 20 lakh crores, credit support to businesses especially MSMEs, structural reforms, among others to address pandemic COVID-19 related hardships to economy, trade and industry are highly encouraging.

We are optimistic that the relief measures announced by the Government will uplift the sentiments of various segments of the economy and pave way for higher economic growth trajectory in the coming quarters.

Sir, the vision of an “**Atmanirbhar Bharat**” of our Hon’ble Prime Minister Shri Narendra Modi ji is a very timely measure and will encourage self-reliance and local production in India while gradually reducing our imports.

India is highly dependent on China for certain Active Pharmaceutical Ingredients (APIs) and other intermediates that give medicines their therapeutic value; around 70-80% imports of APIs are imported from China.

A few suggestions to make India self-sufficient with Active Pharmaceutical Ingredients to meet the emerging needs of healthcare sector along with boosting ease of doing business are appended for your kind consideration



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- **Greater facilitation measures and production linked benefits** would help the country become self-reliant in APIs in near future. Land should be made available at reasonable prices, interest rate to Indian industry should be reduced, Common Effluent Treatment Plants (CETPS) should be maintained and paid by the Government.
- We suggest that for boosting indigenous production, **all APIs should have 15% import duty by default with no exceptions.**
- There should be a **similar scheme as that of Advance Authorisation License** specifying that if advance license is granted then all imports of that intermediate are at 5% duty (for exports Zero duty).
- We suggest an **establishment of a credit insurance agency similar to that of China (SINOSURE)** that will allow all Indian API manufacturers to export upto 90 days with open credit as China does.
- We recommend **provision of Government subsidy against actual electricity bills and water bills** produced so that industry gets costs below consumers as per international practices. This provision may be initially for 5 years and then reviewed by the Government.
- The API industry should be classified as **Priority sector under banking norms** to ensure low cost credit flow to the industry.
- **Setting up of API mega industrial parks** can help improve the competitiveness of Indian pharma players significantly. New parks should only be for fermentation technologies otherwise there is excess capacity in India.
- **Freight subsidy for APIs air shipments** against actual bills of carriers should be for 5 years and then reviewed.
- There should be **100% depreciation benefit for any investment in API facility** by an Indian company (similar to what we had for solar and wind) to encourage greater capital expenditure.

Ease of doing business is crucial for the overall growth and development of trade and industry as it attracts foreign investments and provides a considerable boost to the domestic businesses. Therefore, a conducive business environment is crucial for starting and operating a business in any economy. We appreciate the plethora of economic and business reforms undertaken by the Government in the last few years with the objective of providing ease of doing business in



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments the country. A few suggestions to boost ease of doing business are appended for your kind consideration

- **Presence of multiple departments for approvals or licenses** for various industrial projects and business expansion tends to be cumbersome and time consuming. **One single window** service should be set up for clearances to ensure faster and efficient action on decision-making. Further, approvals should be provided within 5 working days OR should be taken as deemed approved / permitted after 5 days.
- **Instead of 41 Departments for getting various approvals**, there should be only 5 to 7 Departments along with one time registration and no licensing. It is suggested that approval of two of the highest authorities in the Department should be made necessary for raiding/ inspecting manufacturers or service providers, along with 7 days prior notice.
- **Excessive regulations and paper work** must be replaced with streamline process to attract investments at this juncture amid pandemic COVID-19.
- **Land for Industry should be made available at reasonable rates** and after 10 years of production, the same should be made Freehold.
- There should be **stability in tax rates, rather than changes every year**.
- **Labour reforms should be introduced immediately** with effective implementation of fixed term employment & productivity linked wages across all the states.
- **Compliance of National Green Tribunal (NGT) / Pollution norms should be of the states**. Also, Common effluent treatment plants (CETP) can be made which shall treat all Industry Effluents from industrial estates.

Sir, we are confident that the continuous reforms agenda of the Government will help India to achieve the goal set by our **Hon'ble Prime Minister Shri Narendra Modi ji of a USD 5 trillion economy by 2024-25**.

Going forward, we request the Government to provide further support to boost API manufacturing in India along with ease of doing business to contribute to the success story of the Indian pharmaceuticals industry.

We trust our submission will be considered by the Government for immediate and favorable action.



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

Thanking you,

Yours Sincerely

A handwritten signature in dark ink, appearing to read 'Dr. D K Aggarwal', is positioned below the 'Yours Sincerely' text.

Dr D K Aggarwal

President

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: [+91 11 26855450](tel:+911126855450)

Email: president@phdcci.in



117. Clarifications required regarding new Commercial Mining policy (29th June 2020)

Shri Anil Kumar Jain, IAS
Secretary
Ministry of Coal
New Delhi

Dear Sir,

Greetings from PHD Chamber of Commerce and Industry !!

This is further to my earlier mail seeking clarification from your office regarding new Commercial Mining Policy.

I shall be very grateful if your office could send us the clarification and guiding us about the details so that our members could plan and start taking the action accordingly

With best regards,

Saurabh Sanyal
Secretary General
PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri Institutional Area
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454 Ext: 109
Fax: +91 11 26855450
Email: sg@phdcci.in
Website: www.phdcci.in

#	Document	Clause No. and existing provision	Clarification required/ Submission/ Contention	Rationale for Clarification or Amendment
1	Standard Agreement for Auction of Coal Mines for Sale of Coal	Clause 16. Revision in mining plan upon allocation and flexibility in production	Bidders should be allowed to reduce the PRC downwards for blocks which afford mine life less than even the mining lease period.	<ul style="list-style-type: none"> The PRC of the blocks being offered has typically been planned by the prior allottee's on the basis of requirements of their linked EUPs. A new owner should be

				<p>provided some flexibility to lower the PRC to make the mine more acceptable and financially attractive</p> <ul style="list-style-type: none"> • Flexibility of Revision of the PRC, either downward or upward for a Coal Block should be allowed to optimize the investment over the life of mine thereby ensuing viability, which will also improve the bidding attractiveness for a block.
2.	Standard Tender Document for Auction of Coal Mines for Sale of Coal	Clause 3.10.1 (a) - Revenue share is linked to NCI or actual revenue, whichever is higher	The revenue share should be linked to the NCI only and not the actual revenue to keep the conditions more equitable	<ul style="list-style-type: none"> • The clause is one sided as is does not provide any discount in case the actual revenue is lower than NCI. The original decision paper brought out in January 2020 also had similar provisions
3	Standard Tender Document		The already operating blocks may be allowed to continue to operate with existing clearances for a period of say 2 years in order to provide buffer period to renew the clearances	<ul style="list-style-type: none"> • This will also enable quicker production and addition to domestic coal. The application for renewing of such clearances can be processed in parallel
4	Standard Agreement for Auction of Coal Mines for Sale of Coal	Clause 16.2.1 - Flexibility in coal production	Flexibility in production should be extended to 50% in any year and 70% over 5 years similar to the commercial mines given to PSU mining	In the times to come, coal is expected to be a turbulent market and moreover this will be equitable to PSU commercial mining companies

			companies	
5	Standard Agreement for Auction of Coal Mines for Sale of Coal	Clause 9 - Monthly payments and adjustment	Incentive for increased in capacity beyond the original mine plan should be brought in as was proposed in the discussion paper brought out in January 2020	It will be a really meaningful incentive in order to encourage blocks owners to augment capacities and increase domestic production.
6	List of 41 Coal blocks put up for Auction.	--	We request the upfront amount and fixed amount decided by the Ministry should be shared for all blocks without the purchase of tender documents on MSTC website	This is critical to make a clear financial assessment and Block specific Bidding Strategy. During the first few tranches of the captive block auctions this was done and it make the process more transparent.
7	Coal block Summary on MSTC website	--	Please share the additional requirements in the terms of clearances and expected timelines for such blocks in consultation with relevant ministries	It is extremely important for bidders to understand the process completely before taking critical financial decisions. We request Ministry to provide clarity on procedure here
8	List of 41 Coal blocks put up for Auction.	--	We request that tentative calendar for future coal block auctions be shared for people to take informed decisions	This is critical for the prospective bidders to be able to take informed decisions over the long term
9	Pre-bid	Pre bid	Please provide the date of pre-bid meeting to be held	The auction schedule provides a range of dates for the pre-bid meeting. Please indicate the specific date or explain the process.



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

116. Request for allowing permission to export of HS Code 560312 (24th June 2020)

Saurabh Sanyal
Secretary General

24 June 2020

Shri Amit Yadav
Director General
Directorate General of Foreign Trade
Government of India

Respected Shri Amit Yadav ji,

Greetings!

Request for allowing permission to export of HS Code 560312

At the outset, we appreciate the Government for undertaking proactive and fast track relief measures to combat the daunting impact of pandemic COVID-19 on economy, trade and industry.

The relief measures announced by the DGFT to monitor the issues of trade and industry, relaxations & extensions to various compliance and deadlines to address pandemic COVID-19 related hardships to trade and industry are highly encouraging.

We would like to inform you that a few member organizations of PHD Chamber of Commerce and Industry have an export order for supply of 1000 MT Medical Fabric (HS Code 560312) for manufacturing of Surgical Gowns.

Presently the export of HS Code 560312 is prohibited as per notification number 52/ 2015-2020 by DGFT dated 19 March 2020 https://dgft.gov.in/sites/default/files/Noti%2052_0.pdf which is textile raw materials for masks.

As the export of HS code 560312 will be used by the client for manufacturing of surgical gowns, therefore, we request the Government to kindly allow permission to export this item.

We trust our submission will be considered by the Government for immediate and favorable action.

With best regards,

Yours sincerely,

(Saurabh Sanyal)

115. Renouncing of usages of Chinese products in the Indian Industries/Markets (20th June 2020)

The Secretary,
Ministry of Defence
Government of India
South Block,
New Delhi

Dear Sir,

Renouncing of usages of Chinese products in the Indian Industries/Markets

You are aware that in view of the recent confrontation of the Indian Army & Chinese Army, our Army has lost 20 numbers of soldiers including Officers, JCOs, NCOs, and Jawans at the LAC in Galwan Valley in eastern Ladakh on Monday night.

In pursuant of Government of India's multi prong policy to contain the influence of China, Telecom Ministry has ordered to BSNL / MTNL and private companies to ban all Chinese deals & equipment. Also they have been asked to avoid Chinese equipment in up gradation. The decision by the Telecom Ministry as such could play a major role in the 4G up gradation purchases by its subsidies.

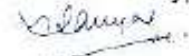
High Performance Polyethylene (HPPE) is a major input for fabrication of Bullet Resistant Jackets i.e. Hard Armour Plate (HAP) & Soft Armour Panel (SAP). Generally all the manufacturers in India are importing this material from companies based in Republic of China and as such a very sizeable foreign exchange is diverted to these Chinese companies being the payments against the import of said raw materials.

Sir, in view of the aforesaid events with the Chinese Army, may we request you to kindly make a policy to reduce dependence on the Chinese materials substantially so that the security and safety of our fighting soldiers is not compromised with in case the situation on the border escalates.

We request you to kindly give your directions to all the forces falling under Ministry of Defence namely Indian Army, Indian Air Force & Indian Navy for the future tenders for Bullet Resistant Jackets clarifying the use of Chinese raw materials for the manufacturing of Bullet Resistant Jackets being used in the Indian Army, Indian Air Force and Indian Navy.

With best regards,

Yours sincerely,



(Saurabh Sanyal)
Secretary General



114. Request to Include Critical & Strategic Raw Materials in Notified List of Items for Restricted Import (19th June 2020)

Dr. D K Aggarwal
President

19th June 2020

Dear Shri Raj Kumar ji,

Request to Include Critical & Strategic Raw Materials in Notified List of Items for Restricted Import

At the onset, we would like to sincerely thank you for giving us your valuable time for interacting with the Indian defence industry at the meaningful and timely PHD Chamber Webinar last week.

On behalf of the Indian Defence Industry, we are really thankful to the Government of India for announcing some path breaking measures in the endeavour to promote 'Make in India' for self-reliance in defence production giving a big impetus to the Indian Defence Industry. This will certainly create huge business opportunities for the Indian Defence companies especially the MSMEs. These measures are important to make India a self-reliant nation under the Hon'ble Prime Minister's vision of AtmaNirbhar Bharat.

Among many such measures, one key measure is to notify a list of weapons/platforms for restricting their import with year wise timelines. There are many such weapons, platforms, raw materials, components, assemblies and sub-assemblies which the Indian manufacturers are capable of supplying for all our defence production requirements.

We would also like to draw your kind attention again to the Committee Report on 'Indigenisation of Critical and Strategic Raw Materials for Manufacturing of Defence Products'. Among the eight critical and strategic raw materials which were identified in the Report, five materials (mentioned below) are well available in India and could be easily supplied by the Indian manufacturers.

- Super alloys (Nickel based; cobalt based & iron based)
- Titanium Alloys
- Special Steels
- Copper & Cupro Nickel
- Ceramics (Alumina ceramic, Boron Carbide and silicon carbide)

...2/-



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

On behalf of the Indian Defence manufacturers, we urge the Government to kindly include the above mentioned five critical and strategic raw materials in the notified list of items for their restricted import with a defined timeline. Such a move will be a big relief for the Indian defence manufacturers and will be a boost to 'Make in India'.

We look forward to your kind your kind consideration and an affirmative action on the above PHD Chamber request.

With best regards,

Yours sincerely,


(Dr. D K Aggarwal)

Shri Raj Kumar, IAS
Secretary Defence Production
Ministry of Defence
Government of India
South Block
New Delhi



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

113. Request to withdraw the decision to submit the NOC from Fire Department & Punjab Pollution Control Board for manufacturing, sale and distribution of high contents of Alcohol containing Sanitizers (15th June 2020)

Shri Karan Avtar Singh
Chief Secretary
Government of Punjab
Chandigarh

Respected Sir,

Greetings!

Request to withdraw the decision to submit the NOC from Fire Department & Punjab Pollution Control Board for manufacturing, sale and distribution of high contents of Alcohol containing Sanitizers / Hand Rubs / Disinfectants in Bulk Packs

At the outset, we appreciate the proactive and fast track measures undertaken by the Central and Punjab State Government to combat the daunting impact of pandemic COVID-19 on trade and industry.

Sir, we would like to draw your kind attention towards the notification No. Drugs [10] Pb.2020/810-61, dated 12th June 2020 regarding manufacturing, sale and distribution of high contents of Alcohol containing Sanitizers / Hand Rubs / Disinfectants in Bulk Packs by Food and Drugs Administration, Punjab (attached)

It has been stated in the aforementioned notification that the concerned manufacturers have to submit attested copies of NOC's obtained from Fire Department & Punjab Pollution Control Board for manufacture & storage of bulk packs above 1 Litre within 7 days from the date of issue of the said notification. Also, that the manufacture, sale and distribution of Hand sanitizers or Hand Rubs or Hand lotions or disinfectants or whatsoever the names, in bulk packs above 1 liter, with some exceptions, has been restricted without such permission.

At this juncture, the adequate availability of alcohol based hand sanitizers or hand rubs or hand lotions or disinfectants in controlling and combating the rapid spread of COVID-19 is critically important. Hence, attaining approvals from the concerned departments may create potential administrative delays in smooth manufacturing and distribution of hand sanitizers or hand rubs or hand lotions or disinfectants.



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

Therefore, we request the State Government of Punjab to kindly withdraw the decision to obtain NOCs from the Fire Department & Punjab Pollution Control Board for manufacturing & storage of alcohol based sanitizers bulk packs above 1 Litre.

This will help in maintaining adequate availability of such products in the state, boost ease of manufacturing, storing and distribution of hand sanitizers or hand rubs or hand lotions or disinfectants in these extremely difficult times amid pandemic COVID-19

We trust our submissions will be considered for immediate and favourable action.

With best regards,

Yours sincerely,

A handwritten signature in blue ink, which appears to read 'Saurabh Sanyal', is written over a horizontal line.

(Saurabh Sanyal)
Secretary General

(The representation was also sent to Shri Sibin.C , IAS, Director- Industries & Commerce, Government of Punjab)



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

112. Regarding Levy of Land Tax on Industrial Land (7th June 2020)

Date: 7th June 2020

To,

Shri Ashok Gehlot Ji,
Hon'ble Chief Minister,
Government of Rajasthan

Sub: Regarding Levy of Land Tax on Industrial Land

Respected Sir,

We would like to draw your kind attention to the Finance Department, Govt. of Raj. Notification No. F.6 (2) FD/Tax/2019-149 dated 30.3.2020 where by State Government has levied Land Tax payable on industrial land above 10000 Sq. Mtr. @ of Rs.2.00 per sq. meter. w.e.f. 1.4.2020.

In this regard it is humbly brought to your kind notice that RIICO is already charging yearly Service charges & Economic rent from the industrial units located in its industrial areas..It would thus not be appropriate to burden the industries with the additional Land Tax.

Sir, in the ongoing COVID-19 Pandemic scenario the entire eco system of industries is badly affected and the entrepreneurs are passing through a very difficult and struggling face to put things back on rail. At this point when Government under your leadership is giving relief's to all sectors to tackle the situation, the present imposition of Land Tax referred above would further burden the industry and also frustrate the efforts of State Government to bring Economy to normal levels.

We, therefore, request you to kindly intervene in the matter and withdraw the above notification with immediate effect to give relief to industries which are largely in MSME sector.

With Best Regards

Digvijay Dhabriya
Chairman
PHDCCI-Rajasthan
Mob: 9829052707

Suneel Dutt Goyal
Co-Chairman
PHDCCI-Rajasthan
Mob: 9414063537



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

111. Request for Exclusion of Bauxite Mining Leases/Mineral Bearing land in District Kolhapur from Ecologically Sensitive Area (ESA) (4th June 2020)

Shri Prakash Javedkar

Hon'ble Union Minister

Ministry of Environment, Forests & Climate Change

Government of India

Respected Sir,

Namashkar!

Request for exclusion of Bauxite Mining Leases/Mineral Bearing land in District Kolhapur from Ecologically Sensitive Area (ESA)

At the outset, we appreciate the Government for promotion, co-ordination and overseeing the implementation of India's environmental and forestry policies and programmes for sustainable development and enhancement of human well-being.

PHD Chamber of Commerce and Industry has been proactively supporting the Government by providing suggestions at each stage of development, creating awareness and disseminating knowledge among various stakeholders.

This has reference to Notification no. S.O. 5135 (E) (the **Draft Notification**) dated 03rd Oct. 2018 by the Central Government proposing to declare Western Ghats as Ecologically Sensitive Area (**ESA**) which is enclosed.

While various decisions are being taken to promote Environment and Industries hand in hand, we would like to draw your kind attention to the concern of our member organizations in reference to the above draft notification. We have certain suggestions and submissions to be made in this regard. We firmly believe that if such suggestion is considered, it will boost bauxite mineral production in the State of Maharashtra and other mineral production in the country with the dual effect of protection of environment and generation of huge employment opportunities. Our submission with the back ground of the matter is as follows.

Background:

The Draft Notification no. S.O. 5135 (E) has notified an area of 56,825 square kilometres as the Western Ghats ESA. The said area is spread across over six states in the following manner:

State	Area- Sq. km
Gujarat	449
Maharashtra	17,340
Goa	1,461
Karnataka	20,668
Tamil Nadu	6,914
Kerala [#]	9,993
Total	56,825
# Kerala ESA was earlier 13,108 Sq. Km. which was reduced to 9,993 Sq. Km. post consideration of Kerala State Government's request.	

The Draft Notification imposes a complete ban on mining, quarrying and sand mining within ESA and further provides that all existing mines are required to be phased out within 5 years from the date of issue of final notification or on expiry of mining lease, whichever is earlier. The Notification further prohibits any new thermal power plant/ red category industry as notified by Central Pollution Board and expansion of either of the above.

Sir, we would also like to place the following points for your kind consideration with regards to the Draft Notification particularly in relation to its application to the State of Maharashtra:

Maharashtra's bauxite resource inventory occupies 5th position in the country which is mostly **unexploited**. The bauxite deposits in Maharashtra are of good quality of metallurgical grade (i.e. suitable for production of Alumina) and more than 50% of it is located in the district of Kolhapur in its talukas of Chandgad, Radhanagari, Shahuwadi, Udgeri, etc.

The Draft Notification practically covers all the existing and potential bauxite mining leases falling in various talukas of district Kolhapur which will be the most impacted district if the Draft Notification were to be implemented. This will also adversely affect other industries that were established and are dependent on the availability of metallurgical bauxite from this region.

As a consequence of non-availability of metallurgical quality bauxite from Kolhapur, the industries in Belagavi in State of Karnataka are compelled to primarily import metal grade bauxite for continuation of their operations. Our member organizations are also domestically sourcing bauxite from distant locations in the country (more than 1000 km) which renders the



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operations of the Belagavi Refinery unviable. Therefore, in light of the above prevailing conditions, if the Draft Notification is made final, our member organizations would be constrained to consider shutdown of Alumina refinery at Belagavi in the coming times. **This will lead to not only loss of several employment opportunities (direct and indirect) but will also drain contribution to the exchequer.**

Sir, as you would be aware that in past, Mineral Exploration Corporation Limited (MECL), a Government of India body, has already conducted exploration activity in Dhangarwadi, Ringewadi, Shirala, Udgiri, Pundra, Dhamapur Latgaon areas. We understand that, this exploration by MECL has established significant quantum of bauxite resource in the above-mentioned area. With the proposed ban on mining, these areas will never get exploited and never be auctioned by the State Government.

We sincerely request the Government to consider the following factors of the Mining industry during the finalization of ESA of Western Ghat:

Minerals are site specific naturally occurring depleting resources.

Utilization of minerals is essential from mineral conservation point of view.

Bauxite mineral bearing land / mining lease area in District Kolhapur forms very small portion (approx.:25-30 Sq. km) in comparison to total ESA zone of 17340 Sq. km of entire Maharashtra.

It is further submitted that bauxite plateau is mostly devoid of vegetation in its original state due to non-percolation of water below bauxite horizon. Mining by removing bauxite allows percolation of water and back filling along with reclamation process creates green cover and plantation on the land which was originally barren. This unique and important aspect may please be emphasized and considered while taking decision with regards to the finalization of this Draft Notification.

We understand that the Government of Maharashtra has already recommended to Government of India for reduction of about 11% from proposed draft ESA of Western Ghat to promote essential development of the State which also includes bauxite mining in Kolhapur.

In view of the above, we would sincerely request the Ministry of Environment, Forests & Climate Change to consider the following:

To exclude villages /areas containing bauxite in District Kolhapur as proposed by the State Government of Maharashtra. While considering exclusion, large contiguous areas containing



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bauxite shall be given preference, for instance, villages such as Dhangarwadi, Ringewadi, Shirala, Udgiri, Pundra, Dhamapur Latgaon, among others.

Post exclusion, we request for allowing mining in ESA with sufficient safeguards.

Limiting the overall capacities of mining to restrict pollution load on the environment.

Ensure that eco –friendly mining without use of explosives is prescribed.

Grant mining leases with working permission for shorter durations (for instance 5 years). The next working permission may be granted only after satisfactory compliances of the earlier permission.

Transportation of minerals in ESA, if not avoidable, shall be allowed in day time only.

Thus, we humbly submit that, while preserving and protecting our environment cannot be under emphasized, it is also important to ensure that policy decisions taken to protect the environment should not be at the cost of shutting down industries which depend solely on natural resources. Therefore, any change in the policy environment should not be considered in isolation to the effect that it would have on the economy particularly if the natural resource is now to be imported at exorbitant cost and foreign exchange.

Sir, as you are aware, the entire country is facing an unprecedented crisis due to the pandemic COVID-19 and its daunting impact on economy, trade and industry. Recently, the Hon'ble Finance Minister while announcing the fourth tranche of the Rs 20 lakh crores economic relief package emphasized on the growth of the Aluminum sector and a transparent auction process which will enable a joint auction of Bauxite & Coal mineral blocks to enhance Aluminum industry's competitiveness. Considering the present provisions, the referred draft notification discourages bauxite mining and growth of Aluminium/Alumina sector in the country.

At this juncture, it becomes crucial to ensure inclusive development of India's Industrial sector with a special focus on mining of minerals. Such reform measures will create huge employment opportunities in remote areas and also generate revenue for the State Government in terms of Royalty, DMF, NMET auction prices and GST while effectively preserving the environment.



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In a nutshell, we sincerely request you to exclude bauxite bearing areas from the proposed referred Draft Notification in district Kolhapur of Maharashtra and allow mining in such areas with mitigative measures to protect Environment.

We are optimistic that the Government will undertake steps to achieve a right balance between economic development, job creation as well as protecting ecological balance.

We trust our submission will be favorably considered by the department for immediate and favorable action.

With best regards,

Yours sincerely,

A handwritten signature in blue ink, which appears to read 'Saurabh Sanyal', is written over a horizontal line.

(Saurabh Sanyal)
Secretary General



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

110. Request for withdrawal of notifications directing hotels to house COVID-19 patients and conversion into COVID hospital extensions (4th June 2020)

Shri Arvind Kejriwal
Hon'ble Chief Minister
Government of NCT of Delhi

Respected Shri Arvind Kejriwal ji,

Greetings!

Request for withdrawal of notifications directing hotels to house COVID-19 patients and conversion into COVID hospital extensions

At the outset, PHD Chamber of Commerce and Industry appreciates the commendable efforts being put in by Delhi Government under the leadership of Hon'ble Chief Minister, Shri Arvind Kejriwal ji and Hon'ble Deputy Chief Minister, Shri Manish Sisodia ji in fighting pandemic COVID-19.

PHD Chamber of Commerce and Industry stands in complete solidarity with the Government and extend its wholehearted support, in whatever means required and possible, to help the Nation stand against the wild tide of Covid-19 and overcome its adverse impact and come out victorious by defeating the Covid-19.

In view of the extended lockdown in the country, the Central and State Governments have been issuing various advisories for the opening up of economic activities. We appreciate all the relaxations and relief measures provided by the Delhi Government during this extremely difficult time.

PHD Chamber of Commerce and Industry has been proactively supporting the Government by providing suggestions at each stage of development, creating awareness and disseminating knowledge among various trade and industry stakeholders.

This is in with reference to the notification of Delhi government dated 29th May 2020: Order No: 52/DGHS/PH-IV/COVID-19/2020/prsecyhfw/9163-9232) involving 5 star hotels to house Covid 19 positive patients and notification dated 29th May 2020: Order No: 52/DGHS/PH-IV/COVID-19/2020/prsecyhfw/9103-9162 regarding certain hotels be converted into Covid 19 hospital extensions. (Enclosed)



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We would like to draw your kind attention to the concern of our member organizations in reference to the above mentioned notifications/ orders.

Sir, five star hotels are not a suitable solution for quarantine facilities for COVID-19 positive patients as untrained staff would not understand treatment processes and requirements of the patients. In addition, it becomes difficult to address their fears and those of their families regarding COVID-19.

Luxury hotels that are undertaken as an extension of a COVID 19 hospital or a quarantine facility for Covid positive patients are likely to be significantly impacted in terms of their economic prospects and preference for business & tourism.

Five star hotel rooms, though, furnished at considerable costs are not designed to serve the needs of medical care and, therefore are likely to be extensively damaged when used as a hospital room. As a result, this would lead to refurbishment requirements; an investment that hoteliers would find impossible to handle in this extremely difficult and stressful time.

Furthermore, central AC through common return duct and non-laminar flow will further complicate the situation for the service providers and lead to infections in the staff as well.

At this backdrop, please find appended our suggestions regarding meeting the rising requirement of health infrastructure in the National Capital in the wake of pandemic COVID-19:

It is suggested to identify 80% beds across all private hospitals and nursing homes since they have the necessary health infrastructure to provide required treatment and care to the patients.

It is suggested that Stadiums, Convention Centres and Exhibition Centres may be converted into hospital extensions.

Guest houses, lodges and 2 & 3 Star hotels may volunteer to cater to the need of extending the health infrastructure in the country amid the spread of COVID-19.

Sir, the Indian tourism industry has emerged as one of the key drivers of growth in India's service sector. The tourism sector has created more than 4 crore jobs in India in 2019 i.e., around 8 per cent of the total employment in the country. The industry also contributes around 10 % to India's GDP.



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At this juncture, the tourism industry has been contributing significantly to the economy of Delhi and will continue to contribute further to its revival in the future at the backdrop of proactive and fast track reform measures.

In view of the above, we sincerely request the Delhi Government that the orders should be withdrawn for the tourism and hospitality sector to bounce back and mitigate the wild tide of pandemic COVID-19.

We trust our submission will be considered by the Delhi Government for immediate and favorable action.

With best regards,

Yours sincerely,

A handwritten signature in blue ink, which appears to read 'Saurabh Sanyal', is written over a horizontal line.

(Saurabh Sanyal)
Secretary General



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109. Request for Replacement of Advance Authorisation Scheme by Existing Duty Free Import Procedures under Customs Notification 24 and 25 dated 1st March 2005 for Duty Free Import of Inputs for Exports & Deemed Exports (4th June 2020)

Shri Amit Yadav

Director General

Directorate General of Foreign Trade (DGFT)

Government of India

Respected Shri Amit Yadav ji,

Greetings!

Request for Replacement of Advance Authorisation Scheme by Existing Duty Free Import Procedures under Customs Notification 24 and 25 dated 1st March 2005 for Duty Free Import of Inputs for Exports & Deemed Exports

At the outset, we sincerely thank you for interacting with the members of PHD Chamber of Commerce and Industry and other industry stakeholders in Webinar on Impact of pandemic COVID-19 on India's Foreign Trade: Challenges, Reliefs & Opportunities held on 23rd May 2020.

We are pleased to submit our suggestions on replacement of Advance Authorisation Scheme by a much simpler already existing duty-free import procedures under customs notifications 24 and 25 dated 1st March 2005 for duty free import of inputs.

The Indian exporters are currently required to use Advance Authorisation Licences (AAL) to import the required inputs for exports at nil customs duty, which is a very cumbersome and complicated process where the manufacturer-exporter needs to deal with 3 separate Government authorities: Customs, Excise/ GST and DGFT.

The complexities of the restrictions on inflexible item-wise quantity and value governing AAL as also the complexities of the redemption process mostly result in the exporters being substantially penalised on one account or the other, not to mention the many man-years of bureaucratic time that are usually required to achieve the redemption/ closure of every single AAL file. It results in loss of competitiveness for the Indian exporters and the Indian economy.

A very simple and effective way to implement a procedure which allows for zero duty import of inputs for manufacturing of Information Technology Agreement (ITA) products (like telecom cables, calculators, PCBs etc) is already there through customs notification numbers 24/2005

Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments and 25/2005, wherein the importers just need to follow the “Customs (Import of goods at concessional rate of duty for manufacturing of excisable goods) Rules”.

A similar kind of method with safe guards to ensure that the inputs / raw materials are going into production only for exports of products may help the country’s manufacturers immensely in being internationally competitive.

Therefore, following suggestions are submitted for kind consideration:

In India, as well as in most of the countries, the intent of the Government is not to export domestic taxes and therefore to remove the impact of customs duties and local taxes like GST from the price of goods being exported; otherwise the exports would become costlier and uncompetitive.

To achieve this objective, India allows imports of all goods / inputs utilized in the manufacturing of goods being exported without the payment of any custom duty or countervailing duty. Alternatively, refund equivalent to the custom duties incurred on the inputs used by way of standard notified Duty Draw Back – DDB rates is allowed which usually end up being substantially lower than the actual duties incurred since a flat DDB rate covers a whole range or a wide variety of products that may have incurred at different levels of customs duty on their inputs.

Thus, the only way for manufacturers who wish to compete in the international markets for large value price sensitive exports is to import the inputs required for exports under the Advance Authorization Licenses (AAL).

The Advance Authorization process is extremely cumbersome and complicated right from the stage of making an application for the Advance Authorization, actual issuance of the license and finally for the closure of the license under EODC (Export Obligation Discharge Certificate) which consumes a huge amount of time and energy for the importers and the officials of DGFT (Directorate General of Foreign Trade) which is the controlling authority under the Ministry of Commerce.

The exporters are required to adhere to restrictions in terms of quantity and value of each input to be imported and any mismatch due change in input ratios or import prices or slight change in import product description/ specification usually results in denial of a large part of the duty-exemption due to the exporters.



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The exporters are further required to meet the rules and conditions of two more authorities on such imports- Excise/ GST Department, and the Customs Department, which results in further complications for the exporters.

Indian exporters are therefore forced to accept substantially lower duty drawback rates instead of availing duty-free imports of their inputs due to the complications in the AAL procedure, thereby losing out on competitiveness in the international markets.

A very simple procedure already exists for duty free import of goods used in the manufacturing of Telecom Products at zero custom duty under ITA -Information Technology Agreement wef 1st March 2005 (vide Notifications No. 25 and 24 both dated 1st March 2005 as amended) which has been found quite adequate for the past more than 14 years for controlling proper usage of duty free imports meant for use in the manufacturing of certain specified final goods.

The only additional compliance that the Ministry of Finance and / or Ministry of Commerce might wish to implement in addition to the existing procedure for imports of telecom inputs could be the need to check the foreign currency realization / BRC (Bank Realization Certificate) against individual export invoices. As per the current rules, all in coming remittances are by law required to be declared against individual export invoices making it possible for the Ministry of Finance and Ministry of Commerce to co-relate the payments receipt with the individual export invoices automatically under the EDI (Electronic Data Interface).

Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017 Notification No.68/2017 Customs (N.T.) dated 30-06-2017- and Customs (Import of goods at concessional rate of duty for manufacture of excisable goods) Rules, 1996- Notification No. 36/96- Cus. (N.T.), dated 23-7-1996 are enclosed for your kind reference.

We look forward to your positive consideration on this important matter.

With best regards,

Yours sincerely,

(Saurabh Sanyal)
Secretary General



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108. Request for relief to MSMEs by allowing increase in Government project rates on prorata basis vis-à-vis the INR - US Dollar exchange rate increase (1st June 2020)

Shri Nitin Gadkari

Hon'ble Union Minister

Ministry of Micro, Small and Medium Enterprises

Government of India

Respected Shri Nitin Gadkari ji,

Greetings!

Request for relief to MSMEs by allowing increase in Government project rates on prorata basis vis-à-vis the INR - US Dollar exchange rate increase

At the outset, we appreciate the Government for undertaking proactive and fast track measures to support India's fight against pandemic COVID-19. The announcement of a bold economic relief package of Rs 20 lakh crores for the year 2020, totalling to 10% of India's GDP is highly laudable.

The extensive relief measures announced by the Hon'ble Finance Minister Smt. Nirmala Sitharaman to further strengthen the backbone of India's economy i.e., the MSMEs sector are highly encouraging and will ensure that the MSMEs are able to resume, restart and revive from the current distressed times.

PHD Chamber of Commerce and Industry stands in complete solidarity with the Government and pledges to extend its wholehearted support, in whatever means required and possible, to help the Nation stand against the wild tide of Covid-19 and overcome its adverse impact and come out victorious by defeating the Covid-19.

Sir, we would like to draw your kind attention to the concern of member organizations of PHD Chamber of Commerce and Industry. Generally, most of the MSMEs operate on single digit margins and also have committed service delivery of over 3 to 5 years to the customer.

For organizations wherein overseas projects are executed for the Government of India against rupee payments with time lines of contracts ranging up to 5 years, the impact does not end at the level of one-time supply and implementation. There tends to be a cascading impact on cost of service commitment for the next 5 years as the services are procured in US dollars. Thus, the



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MSMEs are incurring huge financial losses on account of Indian Rupee (INR) falling to record lows against the US Dollar (USD) because of the COVID 19 pandemic. This leads to a serious impact on the total cost of various projects and makes it unviable to execute those projects.

In view of the above, we humbly request you to please consider issuing immediate necessary guidelines directing various Government departments and Central Public Sector Enterprises (CPSE's), regarding an escalation on the project cost by the ratio of increase in US Dollar prices, to neutralize the erratic increase of dollar prices. This will significantly help the MSMEs sector companies to maintain the cash flow and facilitate in timely execution of projects in the current dynamic business environment.

Sir, we at PHD Chamber appreciate the extraordinary relief measures provided by the Government in the past few days to the MSMEs sector in these extremely difficult and challenging times.

We once again request for immediate Government support on this matter and sincerely request you to consider our suggestion to allow increase in Government project rates on prorata basis vis-à-vis the INR - US Dollar exchange rate increase. This would further provide support to MSME businesses in light of the unprecedented situation brought in by COVID-19.

We trust our submissions will be considered by the Government for immediate and favourable action.

With best regards,

Yours sincerely,

(Saurabh Sanyal)
Secretary General



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107. Urgent assistance required to reduce rate of import duty of pharma grade gelatin, to avoid increase in prices and shortage of life-saving medicines (3rd June 2020)

Dear Dr. Ajay Bhushan Prasad Pandey Ji,

Greetings from the Chamber,

Subject: Urgent assistance required to reduce rate of import duty of pharma grade gelatin, to avoid increase in prices and shortage of life-saving medicines

At the outset, PHD Chamber sincerely appreciates the efforts being undertaken by the Government under the guidance of the Hon'ble Prime Minister to contain the impact of COVID 19. We strongly believe that all policy efforts are being undertaken to protect the Indian Economy and Industries in India post COVID-19 pandemic impact. Our Chamber is fully committed to meeting the challenges posed by Covid-19.

Capsules are an essential input for the pharmaceutical industry to manufacture life-saving medicines, including those for COVID-19. Like the rest of the Country we are greatly appreciative of the steps the Government has taken to protect our people. One of the steps has been to ensure availability of medicines at affordable prices. We need your assistance to maintain the supplies to the Pharmaceutical Industry so that they can ensure their supply of medicines to the public at affordable prices.

More than 85% of our raw material for manufacture of empty hard gelatin capsules is gelatin itself. The local gelatin Industry is threatening to greatly increase their prices and reduce their quantities of supply. It seems that the production and supply of raw materials is greatly affected due to the COVID-19 crisis, which has attracted the attention of the press (recent press item is enclosed).

Accordingly, the industry needs to fall back on importing larger quantities of gelatin, otherwise there will be a shortage of capsule supplies to the pharma industry which will lead to a shortage of medicines. The cost to the exchequer due to reduction in import duty is much less than the human cost which may occur due to disruption of medicine supplies to the public. Further, the continuity of production of medicines will enable the Exchequer to recover more from direct and indirect taxes than the value of import duty reduction.

The capsule industry is already importing gelatin, largely for the exports. The cost of imported gelatin is higher and the industry cannot afford to use the same for capsule supplies within India. Gelatin of particular specifications and value is only used to make pharmaceutical capsules, and cannot be diverted for other usages.



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Faced with this unforeseen situation, we request your Ministry to kindly take early action to reduce the rate of import duty of gelatin from the current 20% to “Nil” or at most to 7.5% as prevails for comparable products used by the pharmaceutical industry.

This list of comparable products and their import duties are given in the attachment at Annexure 1.

May we request your office to kindly suggest a date and time as per your convenience for a Call-On meeting with yourself & the industry members of PHD Chamber.

We look forward to hearing from you at an early date.

With regards and respects,

Yours Sincerely

(D. K. Aggarwal)

Dr. Ajay Bhushan Prasad Pandey

Finance Secretary,
Department of Revenue
Ministry of Finance
Government of India
New Delhi- 110 001

Encls: 1] List of comparable products and their import duties - Annexure 1.

2] A recent press item

(The representation on the same subject has also been sent to Shri. Anurag Singh Thakur Ji, Hon'ble MoS, Finance & Corporate affairs; Dr. Anup Wadhwan, Secretary (Commerce); Dr. P D Vaghela, Secretary, DoP, Ministry of Chemicals & Fertilizers, Government of India; Shri. Ajit Kumar, Chairman, CBIC)



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106. Request to not impose additional duties including COVID import tax on PTA and MEG to help industry to mitigate the daunting impact of pandemic COVID-19 (2nd June 2020)

**Dr Anup Wadhawan
Commerce Secretary
Ministry of Commerce & Industry
Government of India**

Respected Sir,

Greetings!

Request to not impose additional duties including COVID import tax on PTA and MEG to help industry to mitigate the daunting impact of pandemic COVID-19

At the outset, we appreciate the Government for undertaking proactive and fast track measures to combat the impact of pandemic COVID-19 on trade and industry. The announcement of a mega economic relief package of Rs 20 lakh crores giving equal importance to Land, Labour, Liquidity and Laws, MSMEs and taking equal care of all strata of society is highly appreciated and was the need of the hour to uplift the sentiments of farmers, workers, labourers, industrialists, among others.

The Government's decision to exit the Nationwide lockdown in a graded manner by giving equal importance to lives and livelihood of Indian citizens is highly inspiring. However, member organizations of PHD Chamber are of view that even after the full lifting of the lockdown in the coming times, industry will be requiring adequate time to get back to their normalized operations, clear their inventories and generate profit. This is specifically true for the textile industry, which does not come under the priority consumption. It will take atleast a few months for textile businesses to normalize their business based on the pickup in demand.

As you may be aware that the textile industry contributes around 2.3% to the country's GDP and provide employment to about 45 million workforce. Growth in textile industry is largely generated from the Man Made Fiber. Since years, a very high duty (anti-dumping duty and import duty) was being imposed on basic raw materials of Man made Fiber including PTA (Purified Terephthalic Acid) and MEG (Methyl Ethylene Glycol). Though in the last budget, the anti-dumping duty on PTA was abolished.

However, lately, there have been talks that the Government is planning to impose additional import duty of 15% on the basic raw materials – PTA (Purified Terephthalic Acid) and MEG (Methyl Ethylene Glycol).



This duty, if levied, will significantly impact the domestic textile industry of Man made Fiber as it will cause imports of finished products mainly POY (Polyester Pre-Oriented Yarn), DTY (Draw Texturised Yarn), PSF (Polyester Staple Fibre), Fabric and garments to come at lower prices. Further, this will severely affect the viability of operating all the plants producing Polyester fibre and filament yarns, along with affecting the downstream industry producers producing fabric and garments.

With this backdrop, we urge the Government to not to impose any additional duties including COVID import tax on PTA and MEG to enable smooth operations and revival of textile industry from the impact of COVID-19, sooner than later.

We trust our submissions will be considered by the Government for immediate and favourable action.

Thanking you!

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Saurabh Sanyal', is written over a horizontal line.

Saurabh Sanyal

Secretary General

PHD Chamber of Commerce and Industry

PHD House, [4/2 Siri Institutional Area](#)

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: [+91 11 26855450](#)

Email: sg@phdcci.in

Website: www.phdcci.in

(Representation on the same subject has also been sent to Shri Ravi Capoor, Secretary, Ministry of Textiles, Government of India)

105. Regarding increase in rates of Raw water usage for industries (1st June 2020)

Date: 1st June 2020

To,

Shri Ashok Gehlot Ji,
Hon'ble Chief Minister,
Government of Rajasthan

Sub: Regarding increase in rates of Raw water usage for industries

Respected Sir,

As per your notification dated 6th May 2020 under subsection (1) of section 60 of Rajasthan drainage act 1954 (Act No. 21 of 1954), the rates of Raw water usage for industries has increased.

In this scenario of Pandemic where it is a well known fact that each and every sphere and sector of industries is highly affected and is passing through a struggling phase. At this juncture of Time in the midst of this ongoing Pandemic the state government has increased the rates of raw water from (As per the letter issued by Assistant Engineer, Water Resources Department dated 17th May 1995 the rates were):

S No.	Item	Rate per thousand Cft.
1	Water supplied for industrial purpose	Rs. 20/-
2	Where water is used by industry directly from river/nallah without incurring any Government expenditure, the rates for such water use shall be levied @10% of the rate for water supplied for industrial purposes.	

To

S No.	Item	Rate per thousand Cft.
1	Water supplied for industrial purpose	Rs. 250/-
2	Where water is used by industry directly from river/nallah without incurring any Government expenditure, the rates is	Rs. 30/-

This is a big hike in usage of Raw water for industrial use



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Our kind request regarding the above mentioned matter is that the government should look into the matter kindly with a view of industry friendly approach and should take back the above mentioned incremental rates.

We will feel highly thankful and obliged.

With Best Regards

Digvijay Dhabriya
Chairman
PHDCCI-Rajasthan
Mob: 9829052707

Suneel Dutt Goyal
Co-chairman
PHDCCI-Rajasthan
Mob: 9414063537

Attachment

- Please find the notice dated 6th May 2020 enclosed
- Please find the Letter dated 17th May 1995 enclosed

CC to:

1. Chief Secretary, Government of Rajasthan
2. Additional Chief Secretary, Industries Department, Government of Rajasthan
3. Principal Secretary, Public Health Engineering Department (PHED) Government of Rajasthan
4. Secretary, Water Resources Department, Government of Rajasthan
5. Commissioner, Industries Department, Government of Rajasthan



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104. Request for exclusion of buy back of listed shares carried out by open market route through stock exchange from the scope of Sec. 115QA of the Income Tax Act, 1961 (1st June 2020)

**Shri Pramod Chandra Mody
Chairman, Central Board of Direct Taxes
Department of Revenue, Ministry of Finance
North Block, New Delhi-110001**

Respected Sir,

Greetings!

Request for exclusion of buy back of listed shares carried out by open market route through stock exchange from the scope of Sec. 115QA of the Income Tax Act, 1961

This is with reference to levy of tax on Buy Back of shares introduced vide the provisions of Sec. 115QA of the Income Tax Act, 1961 (here-in-after referred to as 'the Act'). Finance Act, 2013 has introduced Sec. 115QA of the Act to levy additional Income Tax @ 20% (plus surcharge & cess) on income distributed by unlisted domestic companies through buy back of shares from shareholders.

Consequently, Sec. 10(34A) of the Act was inserted to provide exemption in the hands of the shareholders in relation to income arising on account of buy back of shares by unlisted domestic companies.

Thereafter, vide Finance (No. 2) Act, 2019, scope of buy back tax (here-in-after referred to as 'BBT') has been extended to listed companies where buy back is announced on or after 05-07-2019. Consequential amendments were also made in Sec. 10(34A) of the Act.

It may be noted that Buy back of listed shares, as governed by SEBI (Buy-Back of Securities) Regulations, 2018 can be initiated through several routes, which amongst others, includes buy back by open market offer route through stock exchange. It is suggested that buy back of listed shares by open market offer route through stock exchange may be kept outside the scope of Sec. 115QA. The necessity for such exclusion is discussed in subsequent paragraphs:-

Buy back by open market offer route through stock exchange cannot be termed as indirect dividend payment, to be taxed u/s 115QA of the Act

The main objective of inserting Sec. 115QA of the Act, was to curb the practices adopted by domestic companies of resorting to buy back of shares instead of declaring dividend to avoid payment of dividend distribution tax u/s 115-O of the Act [here-in-after referred to as 'DDT']. The rationale for introduction of BBT could be ascertained from the Explanatory Memorandum to the Finance Bill, 2013 [BBT on Unlisted Companies] & Memorandum to Finance (No.2) Bill, 2019 [BBT on Listed Companies], which reads as under –

Explanatory Memorandum to the Finance Bill, 2013

“Additional Income-tax on distributed income by company for buy-back of unlisted shares.....A company, having distributable reserves, has two options to distribute the same to its shareholders either by declaration and payment of dividends to the shareholders, or by way of purchase of its own shares (i.e. buy back of shares) at a consideration fixed by it. In the first case, the payment by company is subject to DDT and income in the hands of shareholders is exempt. In the second case the income is taxed in the hands of shareholder as capital gains.

Unlisted Companies, as part of tax avoidance scheme, are resorting to buy back of shares instead of payment of dividends in order to avoid payment of tax by way of DDT particularly where the capital gains arising to the shareholders are either not chargeable to tax or are taxable at a lower rate.....In order to curb such practice it is proposed to amend the Act, by insertion of new Chapter XII-DA, to provide that the consideration paid by the company for purchase of its own unlisted shares which is in excess of the sum received by the company at the time of issue of such shares (distributed income) will be charged to tax and the company would be liable to pay additional income-tax @ 20% of the distributed income paid to the shareholder.”

Memorandum to Finance (No.2) Bill, 2019

“...Instances of similar tax arbitrage have now come to notice in case of listed shares as well, whereby the listed companies are also indulging in such practice of resorting to buy-back of shares, instead of payment of dividends. ...In order to curb such tax avoidance practice adopted by the listed companies, the existing anti abuse provision under Section 115QA of the Act, pertaining to buy-back of shares from shareholders by companies not listed on a recognised stock exchange, is proposed to be extended to all companies including companies listed on recognized stock exchange”

Buy Back of listed shares can be initiated through several routes as mentioned in Regulation 4(iv) of SEBI (Buy-Back of Securities) Regulations, 2018 which provides as under:-

(a) Tender offer (on proportionate basis)



- (b) Open market offer through Book Building process or Stock Exchange.
- (c) From odd-lot holders

SEBI regulations specifically prohibit promoters of listed companies from participating in buyback through open market operations. In case of dividend, distribution is done to all the shareholders of the listed company whereas, the benefit of buyback through open market is not extended to all the shareholders i.e. promoters are restricted to participate in such buy back.

Thus, by no stretch of imagination, buy back of shares through open market operations be considered as an indirect mode of dividend payment to the shareholders, as all shareholders cannot participate in the buy back through open market operations. Hence, the very intention of levy of buyback tax as explained in above Memorandum to Finance Bills fails in case of buy back through open market operations.

Definite double taxation in case of Buy Back by Open Market offer through Stock Exchange

In case of open market buy back offer through stock exchange, the shareholders offering their shares under buy back would not be able to claim exemption u/s 10(34A). In all other cases of buy back, the shareholders are well aware that they are tendering their shares to the company under buy back mechanism and hence their transaction is exempt from tax u/s 10(34A).

However, under open market buy back, the shareholders are not aware since transaction in stock exchange happens normally like purchase and sale of shares based on the bidding mechanism. Hence, shareholders would be paying capital gains tax on the same transaction on which company has paid Buy back Tax which results in double taxation of the same income. It is a well settled principle that no provisions of the Act can be so interpreted that it results in double taxation.

Extension of scope of Sec. 115QA to listed companies leads to potential double taxation due to irrational computation mechanism provided to compute the buy-back tax as per prescribed Rule 40BB

As per Sec. 115QA read with Rule 40BB, buy back tax is chargeable on distributed income (i.e. difference between the consideration paid to the shareholders and the amount received at the time of subscription of shares). The fact that listed shares are frequently traded is totally ignored in this computation mechanism.

Thus, levy of Buy Back Tax on listed companies result in indirect double taxation since the computation mechanism does not consider the fact that the shareholder may have purchased



the shares at a rate higher than the issue price & it may so happen that all the previous transfers would have already been taxed in the hands of the shareholders under Capital Gain.

Levy of Buy Back Tax (BBT) in the hands of companies contradicts the legislative intent of Abolition of DDT w.e.f. 01-04-2020

There is similarity in taxation regime for distribution of distributable reserves (whether distributed as dividend u/s 115O or Buy back u/s 115QA) from the perspective of company and shareholders. However, vide Finance Act, 2020 w.e.f. 01-04-2020, DDT has been abolished and classical system of dividend taxation which existed prior to insertion of Sec. 115-O has been re-introduced i.e. dividend shall be taxable in the hands of the recipient (i.e. shareholders) at the applicable rates.

The reason for abolition of DDT has been explained in the Explanatory Memorandum to Finance Bill, 2020 (Relevant extract of Memorandum is enclosed, which reads as under:-

“The incidence of tax is, thus, on the payer company/Mutual Fund and not on the recipient, where it should normally be. The dividend is income in the hands of the shareholders and not in the hands of the company. The incidence of the tax should therefore, be on the recipient.With the advent of technology and easy tracking system available, the justification for current system of taxation of dividend has outlived itself.

In view of above, it is proposed to carry out amendments so that dividend or income from units is taxable in the hands of shareholders or unit holders at the applicable rate and the domestic company or specified company or mutual funds are not required to pay any DDT.”

Thus, DDT has been abolished in order to shift the onus of taxability of dividend income from the hands of the domestic company paying dividend to the hands of the recipient who has actually earned dividend income. However, on Buy back of shares, company makes payment to the shareholders for purchase of own shares. The shareholders receives the money and therefore income arises in the hands of shareholders only.

Thus, levy of tax u/s 115QA of the Act in the hands of company has created discrimination among the two form of distribution of reserves (distribution of dividend and buy back), which were always kept on similar footing by the legislature.

Reduction of scope of Buy Back Tax under Open Market offer through Stock Exchange - Need of the hour in view of COVID-19 virus pandemic



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The primary objective of Buy Back through open market offer in stock exchange is to provide support to the share price, in a fluid or uncertain market. Free fall of share prices, in such a situation, could provide an opportunity to unscrupulous operators (including from overseas) to buy shares at throw away prices, at the cost of public investors, who may go for panic selling.

Thus, it is of great importance in the present time, to reduce the scope of BBT u/s 115QA so as to exclude Buy Back under Open Market offer through Stock Exchange. This would encourage more listed companies to resort to buy back mechanism when economy is facing an extremely uncertain future on account of COVID-19 virus pandemic.

In light of aforesaid, we request your goodself to reduce the scope of Sec. 115QA of the Act by excluding the levy of buy back tax on buy back of listed shares by open market offer route through stock exchange.

We trust our submission will be favorably considered by the department for immediate and favorable action.

Thanking you!

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Dr. D K Aggarwal', is placed above the typed name.

Dr. D K Aggarwal
President
PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri industrial Area
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454
Fax: +91 11 26855450
Email: president@phdcci.in



103. Request to Make Suitable Amendments in Place of Supply Laws (28th May 2020)

Shri Ashok Kumar Pandey

Member (GST, CX, ST, Legal & CV)

Central Board of Indirect Taxes and Customs

Ministry of Finance

Government of India

Respected Sir,

Greetings from PHD Chamber of Commerce and Industry!

Request to Make Suitable Amendments in Place of Supply Laws

PHD Chamber of Commerce and Industry has been proactively supporting the Government by providing suggestions at each stage of development, creating awareness and disseminating knowledge among various stakeholders.

We would like to draw your kind attention towards a problem faced by one of our members association. Members of that association are rendering services to overseas customers to source merchandise from India i.e. export of goods from India. They serve as a bridge between the international buyer and the Indian supplier.

Association represents buying agents, support service providers, liaison offices etc., in the MSME sector covering all products including garments, fashion accessories, shoes, home decor, furniture, textiles, carpets, and many other products that fall under the Ministry of Textiles. It is estimated that 70% of exports in these sectors is promoted by service providers /buying agents.

Prior to 2014, they were treated as service exporters, not taxable under Service tax. They are being treated as Intermediary under GST taxable at 18%. GST on the said transaction has a far-reaching negative impact on Forex earnings, promoting "Make in India" and will eventually cause greater employment issues. This is also cost to the intermediary as foreign buyer never pays GST. Further, this is also against the basic concept of GST. GST is a consumption based tax. In this case, the services are consumed outside India, hence it should not be taxed in India under GST.

In accordance with section 2(6) of the IGST Act, 2017" Export of Services" means the supply of any Service when

(i) The supplier of Service is located in India;



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- (ii) The recipient of Service is located outside India*
- (iii) The place of supply of service is outside India*
- (iv) The payment for such service has been received by the supplier of service in convertible foreign exchange and*
- (v) The supplier of service and the recipient of service are not merely establishments of a distinct person but distinct legal entities in accordance with Explanation 1 in section 8;*

As a Buying Agent for foreign entity, they meet all the given conditions of Export of Service. However, the issues in our case is on Sub Clause (iii) above. As per Section 13(8) of IGST Act, the place of supply for Intermediary services would be the "location of supplier of services. Buying Agents falls under "Intermediaries". The Term "intermediary" has been defined under Section 2(13) of the IGST Act to mean a broker, an agent or any other person, by whatever name called, who arranges or facilitates the supply of a service (hereinafter the 'main' service) or the supply of goods, between two or more persons, but does not include a person who supplies the main service or supplies the goods on his account.

In actual working, they are not facilitating supply for the seller without any consideration from exporters. They only facilitate purchase on behalf of our foreign customers/clients. Interpreting it in the true essence of work done by us, the place of supply of our services is the location of the recipient of the service and not India. However, due to the word "Agent" being associated with them, they are being taken as a local broker. More importantly, as a Buying Agent they cannot be put at par with a local broker as we are offering a bundle of services and not just connecting a buyer and seller.

It is of utmost importance that the place of supply Laws should be amended with respect to intermediaries in such cases. Immense damage is being done to service exports from India and threatening the existence of a sector that brings the much-needed Forex and promotes exports.

We request your goodself that the Place of supply provision for buying agents must be recognized as the place of recipient of service, viz our foreign customers to whom they render services consume these services, and who are located outside the national boundaries of India. We also request to recognize buying agents as bona-fide Exporters of Service as done prior to the Service Tax era.

We look forward to a favorable response.

With best regards,

Yours sincerely,



(Saurabh Sanyal)

Secretary General

102. Urgent intervention to open Malls and Multiplex to ensure survival of organized retail as Millions of livelihoods are at risk (27th May 2020)

PHD/LKO/2020-21/001

27.05.2020

To,

The District Magistrate Mahatma Gandhi Marg Hazratganj, Lucknow Uttar Pradesh

Request: Urgent intervention to open Malls and Multiplex to ensure survival of organized retail as Millions of livelihoods are at risk.

Respected Sir,

At the outset, we would like to commend the efforts of your Government under the leadership of the Hon'able CM Shri Yogi Adityanath to contain the spread of the Covid-19 pandemic and limit the number of cases and fatalities despite being the most populated state of the country.

Sir, the Central Government has considerably relaxed the lockdown across the country to the extent that almost 80% economic activities have been allowed (except those in containment areas). Now with Airlines and Railways being allowed to start gradually the "lock down" is almost over. **However, it is disappointing to see that the shopping Malls have, for some unknown reasons, have been excluded from any relaxations.**

We continue to bear the brunt of a strict prohibition imposed already on Malls despite the fact that as an organized industry and with controlled operations, we were best positioned to control the flow of visitors as well as to provide safest environment to prevent spread of COVID 19. We have already taken and continue to take umpteen measures to ensure a safe, hygienic and a controlled environment to consumers and have publicly released stringent SOPs as well.

As per the reference Press Release, we are quite perplexed to see many anomalies as well as misgivings particularly regarding the following points:



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1. **That Malls would remain fully shut WHILE shopping complexes can open:** It seems that there is major confusion between what the Malls are and what the Shopping complexes are. All Central Government notifications/guidelines treat Malls/Shopping Centers as different from Market Complexes- which are more like assembly of large number of independent shops in markets like Aminabad in Lucknow, Chandani Chowk in Delhi, Lokhandwala market in Mumbai etc.
2. **Even the air-conditioned Shopping complexes should open only without the air-conditioning as if Air- Conditioning would help spread COVID- 19.**
3. **Even within the Shopping Complexes it's mentioned that only 1/3 shops should be opened, while the right thing would be to restrict the number of visitors to 50% or 33% and not 33% shops. Opening fewer shops cannot ensure fewer crowds, at all.**

We understand from the Press Release that there is an unfounded fear and perception about central Air-Conditioning (AC) and hence the safety of Shopping Centers / Malls. **However, what is most striking is that while the Government has allowed the opening of Offices which run Air Conditioning units (including central air conditioning); is running AC Coaches and Trains; has allowed Domestic Air Travel; all standalone shops (a large number of these run Air Conditioners) unfortunately the Shopping Centers / Malls have been kept under lockdown. We take this opportunity to dispel any misgivings about Air-conditioning:**

- Central Air Conditioning has been found safe by **ASHRAE, ISHRAE, John Hopkins** University and research institutions who have all released their advisories that there is no evidence that central air-conditioners help in propagation of the Corona Virus.

Sir, the industry has factored in all possible scenarios and, our new SOPs have incorporated measures in accordance to HVAC guidelines approved by CPWD as well as ISHRAE. Some of these, as part of our SOPs, are enlisted for your reference:

- Dedicated technical team to monitor and implement air- conditioning measures.
- Replace or clean/disinfect HVAC Air-filters prior to re-opening.
- Disinfection and cleaning of Filters, grilles, diffusers & internal surfaces.
- Disinfection / treatment of condensate drain pan.
- Coil cleaning and sanitization as per protocol.
- AHU's / CSU's filter cleaning will be increased & dilution of some disinfection chemical can be used in water to wash filters. Necessary arrangements to be made to ventilate indoor environments with outdoor air as much as possible as per the guidelines framed by ISHRAE and approved by DG, CPWD of Government of India.
- AHUs to run on maximum fresh air.
- Frequent air-sanitization.



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- Fresh air, 40% humidity/ controlled temperature; regular checks of ambient air quality.
- Maintain temperature between 24-30 degree centigrade.

Sir, if some misgivings still persists, please allow us a meeting in person.

You may also note that, while malls in general have not been allowed to open to public, they have continued to remain operational to allow Hypermarkets/Grocery under the essential services category (ESMA) and have ensured due maintenance and upkeep even during lockdown times.

Sir, we are taking the liberty to once again reiterate some of the most pertinent and critical points about the industry:

- Retail Industry contributes over 10% to India's GDP, the second largest after agriculture.
- Employs 8% of the overall workforce, making it the third largest in the country
- In UP alone the Retail industry is amongst the largest employers and SGST contributor to the State
- Cover more than 650 malls of over 100,000 Sq. Ft .each, of which over 550 are owned by standalone developers
- 1000+ smaller shopping centers spread across India in Tier 1,2 & 3 cities are the only places for socializing, shopping, leisure & entertainment and have become lifeline of locals.
- Provides livelihoods to over 12,000,000 citizens directly and indirectly
- Almost 1 crore livelihoods are for Blue Collar workers who are close to subsistence wages
- Catalyst of organized retail and major contributor to success of Entertainment, Fashion, Cinema, F&B, Electronics, FMCG and many other drivers of the economy.

The prolonged lockdown has put the industry in huge distress thus leading towards total collapse in the near term. We are already beginning to fear job losses in the short to medium term within the organized retail industry.

It also seems, unfortunately, that **all Retailers within Malls/ Shopping Centers have been denied level playing field or even equitable treatment. You would kindly appreciate the inequity caused, as all local markets- with No entry control, No possibility of social distancing, No organized management structures and practices are allowed whereas Malls which can take care of all these aspects are still not allowed to operate.** All in all Sir Malls and Multiplexes are and can do a better job of sanitization, crowd control, limiting the spread and following Govt. guidelines.

It is our humble request to kindly help:

A. Consider the opening of Shopping Centers / Malls in Non- Containment Zones (as soon as the Central Government allows),



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B. Remove the inequity caused, between organized Retail like us and unorganized retail (as in most market complexes) allow the level playing field.

Thanking you in anticipation. Yours Sincerely

Atul Srivastava

(The representation was also sent to Avnish Awasthi, Addl. Chief Secretary Home, Lok Bhawan, Lucknow)



101. Request regarding CLSS scheme, Uttar Pradesh (27th May 2020)

मनोज गौर
चेयरमैन
उत्तर प्रदेश चैंबर



PHD/LKO/2020-21/002
27.5.2020

मा० मुख्यमंत्री जी,
उत्तर प्रदेश।

मान्यवर,

भारत सरकार के द्वारा प्रधानमंत्री आवास योजना सबके लिये आवास(शहरी) मिशन के अन्तर्गत आर्थिक रूप से कमजोर वर्ग तथा निम्न आय वर्ग के परिवारों को आवास दिये जाने की योजना 17 जून, 2015 को प्रारम्भ की गई थी और इस योजना के अन्तर्गत वर्ष 2022 तक शहरी क्षेत्र के सभी पात्र परिवारों को आवास प्रदान किये जाने के उद्देश्य की पूर्ति हेतु केन्द्रीय एवं राज्य सरकारों द्वारा अनुदान के माध्यम से सहायता प्रदान की जा रही है।

उत्तर प्रदेश में आपके कुशल एवं प्रभावी नेतृत्व में आर्थिक रूप से कमजोर वर्ग (ई0डब्ल्यू0एस0) के पात्र लाभार्थियों को विकास प्राधिकरणों एवं निजी क्षेत्र की सहभागिता से (एफोर्डेबल हाउसिंग-इन-पार्टनरशिप) योजना अन्तर्गत आवास उपलब्ध कराये जा रहे हैं। आपके मार्गदर्शन में राज्य में दो लाख से अधिक निम्न आय वर्ग के परिवारों को आवासों को उपलब्ध कराया

जा चुका है तथा प्रदेश ने देश में इस योजना में प्रथम स्थान प्राप्त किया है, जो निःसंदेह प्रशंसनीय है।


वर्तमान में विद्यमान परिस्थितियों में प्रवासी मजदूरों को रोजगार के अक्सर उपलब्ध कराना एवं उन्हें प्रदेश में ही सनायोजित करना प्रदेश सरकार के सामने एक बड़ी चुनौती है। मान्यवर, आप अवगत ही हैं कि प्रधानमंत्री आवास योजना-सबके लिये आवास (शहरी) मिशन के अन्तर्गत अल्प आय वर्ग(एल0आई0जी0) के लाभार्थियों के लिये आवासों का निर्माण निजी विकासकर्ताओं द्वारा कराये जाने के लिये भारत सरकार के द्वारा घोषित किये गये आर्थिक पैकेज के अन्तर्गत CLSS (क्रेडिट लिन्क्ड सव्सिडी स्कीम) की अथवा 31 मार्च 2021तक बढ़ाये जाने की घोषणा की गई है। इस योजना अन्तर्गत पूरे प्रदेश में शहरी सीमा की परिधि में अल्प आय वर्ग के लिये आवासों का निर्माण निजी विकासकर्ताओं के माध्यम से कराये जाने से न केवल विस्थापित हुये प्रवासी मजदूरों को आवास प्राप्त हो सकेगा, बल्कि उन्हें रोजगार के पार्वत अक्सर भी प्राप्त हो सकेंगे।

मान्यवर, उपरोक्त वर्णित परिस्थितियों में CLSS योजनाअन्तर्गत आवासों के निर्माण के लिये प्रदेश सरकार की प्रोत्साहन योजना शीघ्र लाये जाने की मज्ती आवश्यकता है।

अतः आपसे विनम्र निवेदन है कि कृपया इस विषय पर हम लोगों को आपके समक्ष अपनी बात रखने का एक अक्सर शीघ्र प्रदान करने की कृपा करें।

सादर एवं सन्मान सहित,

आपका



मनोज गौर



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

100. Request to restore the rate of depreciation at 30% / 45% on motor cars and motor vehicles acquired after 01.04.2020 to provide relief to industry amid pandemic COVID-19 (22nd May 2020)

**Shri Pramod Chandra Mody
Chairman
Central Board of Direct Taxes
Department of Revenue
Ministry of Finance
Government of India**

***Respected Sir,
Greetings!***

Request to restore the rate of depreciation at 30% / 45% on motor cars and motor vehicles acquired after 01.04.2020 to provide relief to industry amid pandemic COVID-19

At the outset, we appreciate the extensive relief measures announced by the Government to mitigate the daunting impact of pandemic COVID-19 on trade, industry and economy.

We are extremely grateful to the Government for announcing significant relief measures including immediate release of all pending refunds, reduction of rates of TDS and TCS by 25% of the existing rates, extension of due dates of assessments, income-tax return for FY 2019-20 to 30th November, 2020, Vivad se Vishwas Scheme to 31st December 2020 and Tax audit to 31st October, 2020. These measures will go a long way in infusing liquidity in the system and provide much needed relief to tax payers.

May we request your kind attention towards the announcement made by Hon'ble Finance Minister on 23.08.2019 to boost the auto sector by increasing the rate of depreciation on motor cars acquired between 23.08.2019 and 31.03.2020 to 30% as against the earlier rate of 15%.

Further depreciation on motor buses, motor lorries and motor taxis used in the business of running them on hire and purchased between 23.08.2019 and 31.03.2020 was also increased to 45% from earlier rate of 30%.

However, for acquisition of motor cars, motor buses etc. after 31.03.2020, the old reduced depreciation rate will be applicable.

In the backdrop of daunting impact of pandemic COVID-19 on trade and industry, member



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organisations of PHD Chamber have expressed their concern regarding extreme distress in auto sector due to COVID-19 resulting in fall in sales. Further, the distress in the auto sector will also have cascading effect on all other sectors in the coming times.

In view of the above, it is requested that the rate of depreciation on motor cars and motor vehicles as described above acquired after 01.04.2020 may be restored to 30% / 45% to provide relief to the businesses and industries.

We trust our submission will be considered by the department for immediate and favorable action.

Thanking you!

Yours sincerely,

Dr. D K Aggarwal
President
PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri industrial Area
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454
Fax: [+91 11 26855450](tel:+911126855450)
Email: president@phdcci.in



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99. Request for Resumption of Chartered Flights for International Business Travel (21st May 2020)



NATIONAL APEX CHAMBER

PHD CHAMBER OF COMMERCE AND INDUSTRY

Dr. D K Aggarwal
President

21st May 2020

Hon'ble Minister,

Subject: Request for Resumption of Chartered Flights for International Business Travel

PHDCCI would like to place on record our sincere thanks for the efforts being put by the Government of India for pro-actively and diligently handling the COVID-19 pandemic. The unprecedented pandemic has thrown unprecedented challenges and Ministry of Civil Aviation has risen to take up enhanced responsibilities. PHDCCI also applauds the **Vande Bharat Mission**, the largest repatriation exercise undertaken by **Ministry of Civil Aviation** to bring home Indian Citizens stranded in various countries due to suspension of International flights on account of COVID-19 pandemic.

Coupled with well-being and health implications, COVID-19 threat brings along with it a grave disruption to all walks of life and the aviation sector is hardest hit. As a result, the global aviation industry has been dealing with a particularly difficult blow and is buckling up for turbulent times. Travel restrictions are certainly impacting the aviation industry, but just as impactful are the personal decisions that travellers are making to avoid commercial travel so they can limit their exposure to large crowds and do their business meetings wherever necessary. This is why private aviation serves as a good alternative for these travellers. Everything about private aviation is direct and personal for the traveller.

PHDCCI, on behalf of its members and industry at large would like to submit the point for your consideration:

We request **lifting of suspension of Chartered Flights for International Business Travel** to countries which are allowing International Travel from India with social distancing and other guidelines issued in this direction. The passenger safety and airline safety are of paramount importance and Indian Civil Aviation Industry is aligned to highest standards of safety and quality measures.

Needless to add that the industry and trade will adhere to all **COVID-19, Indian Government Norms for International travel, adopt highest level of precautions and hygiene in the common interest of all concerned.**



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We hope you will kindly consider our above request for resumption of **Chartered Flights for International Business Travel** in a safe manner. Please note that implementation of this measure can immensely help the Indian Industry people who are willing to travel through chartered flights for business meetings.

Thanking you in anticipation.

With best regards,

Yours sincerely,


(Dr. D K Aggarwal)

Shri Hardeep Singh Puri

Hon'ble Minister of State (I/C) for Civil Aviation,
Housing & Urban Affairs and
Minister of State for Commerce and Industry Ministry of Civil Aviation
Government of India
Rajiv Gandhi Bhawan
Safdarjung Airport
New Delhi - 110003

CC:

Shri V Muraleedharan

Hon'ble Minister of State for External Affairs and Parliamentary Affairs
Ministry of External affairs
Government of India
South Block
New Delhi - 110001



"Towards Inclusive & Prosperous New India"



PHD House, 4/2 Sit Institutional Area, August Kranti Marg, New Delhi - 110 016 (India) • Tel : +91-11-2686 3801-04, 49545454, 49545400
Fax : +91-11-2685 5450, 49545451 • E-mail : president@phdcci.in • Website : www.phdcci.in, CIN: U74899DL1951CGAP001947

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98. Request for Utilization of District Mineral Foundation Fund for welfare projects as enumerated in PMKKKY scheme (18th May 2020)

**Shri Pralhad Joshi
Hon'ble Minister
Ministry of Mines
Government of India
New Delhi**

Respected Sir,

Namashkar!

Request for Utilization of District Mineral Foundation Fund for welfare projects as enumerated in PMKKKY scheme

PHD Chamber of Commerce and Industry has been proactively supporting the Government by providing suggestions at each stage of development, creating awareness and disseminating knowledge among various stakeholders.

The proactive and combative measures undertaken by the Government to curtail the spread of pandemic COVID-19 are highly appreciable. The growing severity of widespread pandemic COVID-19 on our economy is a matter of deep concern. PHD Chamber of Commerce stands in complete solidarity and pledges to extend its all-out support to the Government in the fight for making India COVID-19 free.

District Mineral Foundation (DMF) was introduced in [March 2015](#), through amendment in Mines and Minerals (Development and Regulation) Act. DMF was set up as a non-profit trust in all mining districts of India, with an intent to share benefit with mining-affected communities. It was also aligned with the important the Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY) scheme, that was launched in [September 2015](#) to implement various developmental projects and welfare programmes in mining affected areas with DMF funds.

In just a five-year period (upto [March 2020](#)), the cumulative accrual in DMF trusts is nearly Rs. 37,932 Crores. Out of which only about 37% i.e. Rs. 14,170 Crores was utilized for various projects, as per available information with the Ministry of Mines. Hence a corpus of Rs. 23,762 Crores which is about 63% is unutilized and available with district administrators. Government estimates suggest that about Rs. 6,000 Crores are likely to be collected by DMFs annually. The



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DMF fund, therefore, is the largest non-tagged, non-plan money available for the benefit of some of India's poorest and marginalised populations living in mining areas. The money is to be spent on improving human development indicators through investments in sectors such as healthcare, education, women and child development, improving sustainable livelihood and income opportunities in these areas and ensuring long-term security of the mining affected communities. These have been identified as 'high priority' issues for DMF spending by the centre as well as state governments under the law.

The industries engaged in mining activities often gets request from populations living in mining areas for development of their locality, healthcare facilities and support to establish a sustainable livelihood. These mining industries are already contributing to the state exchequer in the form of Royalty, NMET and DMF Funds. It becomes additional burden on the mining companies when they have to further expend on request from the local population despite contributing to the DMF Funds.

In view of the above, we would request the august ministry to pass suitable instruction to the State Department of Mines and Geology so that they issue further directions to the district administrators to expedite allocation of funds for the welfare projects as enumerated in PMKKKY scheme.

We trust our submission will be favorably considered by the department for immediate and favorable action.

Thanking you!

Yours sincerely,

Dr D K Aggarwal
President
PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri Institutional Area
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454. Fax: +91 11 26855450
Email: president@phdcci.in



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97. Requested to make GST payment for MSME sector from accrual to receipt basis till 31 March, 2021 during this critical situation of Covid-19 (18th May 2020)

Shri M. Ajit Kumar
Chairman
Central Board of Indirect Taxes and Customs
Ministry of Finance
Government of India

Respected Sir,

Greetings!

Requested to make GST payment for MSME sector from accrual to receipt basis till 31 March, 2021 during this critical situation of Covid-19

PHD Chamber lauds the extensive relief measures announced by Hon'ble Finance Minister Smt Nirmala Sitharaman, to mitigate the daunting impact, on economy's most vulnerable sector, caused by pandemic COVID-19 and further strengthen Indian economies backbone and giving it a fresh start.

We are extremely grateful to the Hon'ble Finance Minister Mrs. Nirmala Sitharaman for making a major breakthrough in the reforms for MSMEs. The much needed and eagerly awaited comprehensive relief package announced will ensure that the MSMEs are able to resume, restart and revive from the current distressed times.

Going ahead, as you are taking lots of various laudable steps as stimulus to the MSME sector, but we would like to draw your attention on GST payment system as per time of supply provisions under the GST Act is on "Accrual basis" for all taxpayers including MSME Sector i.e. GST is payable on accrual basis, it is immaterial whether payment from customers is received or not. The stated accrual system of payment of GST without receiving the same from customers is also creating cash crisis for the MSME sector.

We would like to request your goodself for making GST payment for MSME sector from "Accrual basis" to "Receipt basis (i.e. GST to be deposited on payment received from the Customers)" till 31 March, 2021 during this critical situation of Covid-19. This will help to address the significant cash flow crunch faced by the sector in this extremely difficult time.

We look forward to a favorable response.



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Thanking you.

Warm Regards,

Dr. D K Aggarwal

President

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: [+91 11 26855450](tel:+911126855450)

Website: www.phdcci.in



96. Indigenisation of Critical & Strategic Raw Materials (18th May 2020)

Dear Dr. Ajay Kumar ji,

Indigenisation of Critical & Strategic Raw Materials

At the onset, we hope and wish you a good health,

On behalf of the Indian Defence Industry, we are really thankful to the Government of India for announcing some path breaking measures in the endeavour to promote Indigenisation and give a big impetus to the Indian Defence Industry. This will certainly create huge business opportunities for the Indian Defence companies especially the MSMEs. These measures are important to make India a self-reliant nation under the prime Minister's vision of AtmaNirbhar Bharat.

We would also like to draw your kind attention to the fact that some of the critical and strategic raw materials are imported in large quantity annually for the various defence requirements. A Committee was constituted by the Department of Defence Production to study the roadmap for the 'Indigenisation of Critical and Strategic Raw Materials for Manufacturing of Defence Products' with PHD Chamber as the Convenor of this Committee. The Committee submitted its Report to the Department of Defence Production. A copy of the Report is attached for your kind reference.

Eight critical and strategic raw materials were identified in the Report. Among other findings in the Report, it was found that there is an annual import of Rs. 14,000 Cr. of these critical and strategic raw materials which otherwise could have been sourced from the available Indian manufacturers. We can save around USD 2 billion of foreign reserve by checking these imports. The capability does exist with the Indian manufacturers to supply the following raw materials for critical and strategic uses:

- Super alloys (Nickel based; cobalt based & iron based)
- High end Aluminium alloys
- Titanium Alloys
- Special Steels
- Copper & Cupro nickel
- Composite materials (Carbon Fibre)
- Tungsten
- Ceramics (Alumina ceramic, Boron Carbide and silicon carbide)



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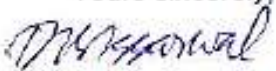
On behalf of PHD Chamber, we urge the Government to restrain the import of these critical and strategic raw materials and give the opportunity to Indian Defence Companies to manufacture and supply these to the OFB/DPSUs/DRDO. We also request that the Foreign OEMs be made to procure their raw materials requirement from Indian manufacturers only.

We will like to invite you to kindly address the Industry Members for a Webinar on Indigenisation of Critical and Strategic Raw Materials. We request your good office to kindly indicate a date and time in the coming week, as per your convenience, to organise this meaningful and timely discussion.

We look forward to your kind consideration and a confirmation on the above request.

With best regards,

Yours sincerely,


(Dr. D K Aggarwal)

Dr. Ajay Kumar, IAS
Defence Secretary
Government of India
South Block
New Delhi

(Also sent to Shri Shripad Yesso Naik, Hon'ble Minister of State for Defence, Ministry of Defence; Shri Rajnath Singh, Hon'ble Raksha Mantri, Government of India)



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95. Requesting to provide clarification on applicability of GST on remuneration paid to Directors by the Company (18th May 2020)

**Shri M. Ajit Kumar
Chairman
Central Board of Indirect Taxes and Customs
Ministry of Finance
Government of India**

Respected Sir,

Greetings!

Requesting to provide clarification on applicability of GST on remuneration paid to Directors by the Company

PHD Chamber of Commerce and Industry has been proactively supporting the Government by providing suggestions at each stage of development, creating awareness and disseminating knowledge among various stakeholders.

The proactive and combative measures undertaken by the Government to curtail the spread of pandemic COVID-19 are highly appreciable. The growing severity of widespread pandemic COVID-19 on our economy is a matter of deep concern. PHD Chamber of Commerce stands in complete solidarity and pledges to extend its all-out support to the Government in the fight for making India COVID-19 free.

Going ahead, we would like to draw your kind attention on one of the critical issue arising out of the divergent rulings given by two different State Authority of Advance Rulings in the matter of applicability of GST on remuneration paid to the Director by the Company.

Firstly, one of the rulings by the Rajasthan Authority of Advance Ruling in the matter of M/s Clay Crafts India Pvt. Ltd [RAJ/AAR/2019-20/33], ruled that the directors are not the employees of the Company, hence the services provided by the Directors to the Company are not covered under Clause (1) of the Schedule III to the CGST Act 2017, therefore making the said services taxable under reverse charge method (RCM) vide Entry No. 6 of the Notification No. 13/2017 – CT (R) dt. 28th [June 2017](#).

Whereas the Karnataka bench of the Authority for Advance Rulings (AAR) in the matter Anil Kumar Agrawal (GST AAR Karnataka); Advance Ruling No. KAR ADRG 30/2020; [04/05/2020](#) ruled that the salary of a director is not chargeable to GST. The AAR



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bench has clarified that if the director, is an employee of the company, there will be no incidence of GST. However, if the director is a non-executive director, and provides his or her services to the company, then the remuneration paid is subject to GST. In such cases, the 'reverse-charge' mechanism will apply and it is the company (recipient of the services) who will pay the GST.

Such advance rulings have created confusion in the industry rather than providing easy understanding of the GST Law as to whether remunerations paid to the Directors, working as the employees of the Company is chargeable to GST as specifically termed as neither as a supply of goods nor supply of services in the light of Entry 1 of the Schedule III of the CGST Act and not leviable to GST under RCM vide Entry No. 6 of Notification No. 13/2017-Central Tax (Rate), dated 28-6-2017 i.e. any other remunerations paid by whatever name called, to the Directors, working not in the capacity of employees of the Company is only liable to GST under RCM vide said Notification.

Soon the audit would resume after the temporary halt due to COVID-19, and in order to provide clarity in the matter & to remove the ambiguity which may results in unnecessary dispute between the department and the assessee, we request your goodself to issue suitable clarification in the said matter.

We look forward to a favorable response.

Thanking you.

Warm Regards,

Dr. D K Aggarwal
President
PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri Institutional Area
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454
Fax: [+91 11 26855450](tel:+911126855450)
Website: www.phdcci.in



94. Suggestions for resuming flight operations in the country in a graded manner (14th May 2020)

Shri Hardeep Singh Puri
Hon'ble Union Minister of Civil Aviation
Ministry of Civil Aviation
Government of India

Respected Sir

Greetings!

Suggestions for resuming flight operations in the country in a graded manner

At the outset, we appreciate the Government for undertaking continuous and extensive reforms to mitigate the daunting impact of COVID-19 on economy, trade and industry, along with all the preventive measures undertaken to keep the citizens safe and in good health. The Government's proactive measures to ensure smooth functioning of the airports and airlines, and all their allied services and associated organizations across the country serving international and domestic air cargo movements are highly laudable.

We, at PHD Chamber of Commerce and Industry (PHDCCI) stand in complete solidarity with the Government and are happy to extend a full-fledged support to the Government and its countrymen in India's fight for a COVID-19 free nation.

As part of the nationwide lockdown amid the spread of pandemic COVID-19, all domestic and international commercial passenger flights have been suspended for the lockdown period except cargo flights and special flights as permitted by the Directorate General of Civil Aviation (DGCA). In this regard, efforts by Ministry of Civil Aviation to prepare draft standard operating procedures (SOPs) for resuming flight operations in the country in a graded manner are appreciable. Some of the suggestions to bring the flight operations to normalcy with appropriate social distancing norms and health guidelines are as follows:

To maintain a considerable degree of social distancing, flight operations should be allowed to resume with only one-third of passengers. This would allow more space between the passengers and minimize the risk of infection.

There should be no age bar on the passengers travelling by air; some passengers may need to travel for medical, social or religious purposes. Conditions of being physically fit, furnishing a



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COVID free certificate, temperature screening measures, among others may be imposed to ensure the safety of passengers.

A **small food packet (dry)** must be allowed from home or the airport for passengers suffering from chronic illness including diabetes, blood pressure, etc.

No restrictions should be imposed on domestic or international **charters**.

The Ministry of Home Affairs (MHA) should allow the operations of **helicopters to hill stations** or any other destination where it is considered a private journey of the passenger especially if it is by a helicopter owned by a private entity and the helicopter is to land in their own property.

Frisking of passengers must be minimized and should be carried out only if the door frame metal detector beeps to significantly reduce the risk of infection.

High powered **sanitization** must be carried out in and outside the airport premises along with mandatory wearing of masks, gloves, etc and use of the Aarogya Setu app by all the passengers, cabin crew & airport staff.

We trust our submissions will be considered by the Government for immediate and favourable action.

Thanking you!

Yours sincerely,

Dr D K Aggarwal
President
PHD Chamber of Commerce and Industry
PHD House,
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454
Fax: [+91 11 26855450](tel:+911126855450)
Email: president@phdcci.in
Website: www.phdcci.in



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

93. Request for issuing mandatory instructions to banks to extend additional working capital facilities to the eligible companies, extension of moratorium till 30th September 2020 and abolition of all processing charges on business transactions (14th May 2020)

Shri Shaktikanta Das
Governor
Reserve Bank of India, Mumbai

Respected Shri Shaktikanta Das ji,

Greetings!

Request for issuing mandatory instructions to banks to extend additional working capital facilities to the eligible companies, extension of moratorium till 30th September 2020 and abolition of all processing charges on business transactions

At the outset, we appreciate the extensive measures undertaken by the Reserve Bank of India to mitigate the daunting impact of pandemic COVID -19 on economy, trade and industry.

The significant 75 basis points cut in repo rate, 100 basis points reduction in CRR and 115 basis points cut in reverse repo rate under LAF by RBI are appreciable measures to reduce the cost of capital and to inject adequate liquidity in the banking system.

This is in reference to the RBI Circular Ref: RBI/19-20/186 dated 27 March 2020 https://m.rbi.org.in/scripts/BS_CircularIndexDisplay.aspx?Id=11835, whereby RBI has directed Banks to extend additional working capital facilities to the eligible companies facing stress in order to mitigate the hardship caused by the pandemic COVID-19.

However, some of our member organisations have expressed their concern that some of the banks which are under Prompt Corrective Action (PCA) regime, are denying the additional working capital to borrowers stating that they are under PCA and that they have not received any instructions from RBI to provide additional working capital.

In the absence of specific instructions from RBI, the banks have stopped taking up the proposals for such working capital requests even from eligible companies. This is significantly impacting the ability of companies to make even essentials payments like salaries, and committed payments to the MSME's in these difficult times.

Therefore, necessary instructions are requested to be forwarded to banks by the RBI to extend additional working capital facilities to the eligible companies that are facing stress on account



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments of the economic fallout of the pandemic, with immediate effect. This will provide major relief to industry stakeholders amid pandemic COVID-19.

Further, all processing charges on business transactions by banking sector may not be levied for the entire financial year 2020-21 to provide ease of working environment for businesses. We also request that extension of moratorium should be granted by RBI till 30th [September 2020](#) to mitigate the daunting impact of pandemic COVID-19 on trade and industry.

We trust our submissions will be considered by the RBI for immediate and favourable action.

Thanking you!

Yours sincerely,

Dr D K Aggarwal
President
PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri Institutional Area
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454
Fax: [+91 11 26855450](tel:+911126855450)
Email: president@phdcci.in
Website: www.phdcci.in



92. Suggestions to provide relaxations for opening of shops/establishments (14th May 2020)

**Shri Manohar Lal
Hon'ble Chief Minister
Government of Haryana**

Respected Sir,

Greetings!

Suggestions to provide relaxations for opening of shops/establishments

At the outset, PHD Chamber appreciates the commendable efforts being put in by the Central government and the respective State governments in fighting the pandemic COVID-19 to mitigate its daunting impact on trade and industry.

PHD Chamber of Commerce and Industry has been proactively supporting the Government by providing suggestions at each stage of development, creating awareness and disseminating knowledge among various stakeholders.

In a move to mitigate the daunting impact of pandemic COVID-19 on trade and industry, the State Government of Rajasthan has decided to permit opening of shops/establishments as per the Order No.F.33(2)Home/Gr.9/2019 dated 13th [May 2020](#). We appreciate all the relaxations and relief measures provided by the State Governments during this extremely difficult time.

The decision on providing relaxations for shops to remain open by the State Government of Rajasthan is encouraging as it will help in reviving the sentiments of business activities in the coming times. Some of the related announcements for shops/establishments permitted to be opened by the State Government of Rajasthan are as follows:

- Restaurants and eateries-for take away/home delivery only
- Mithai shops-for take away/home delivery only
- All Dhabas on highways
- Hardware shops (for plumbing, carpentry, paint, etc.)
- Building material shops
- AC, cooler, TV, electronic, electrical material shops
- Electronic repair shops/service
- Automobile sale outlets



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In this context, we would like to request the State Government of Haryana to kindly issue similar notification for opening up of the shops/ establishments in your state and help the trade and industry to mitigate the impact of pandemic Covid-19.

We are quite hopeful that Haryana will also come out with such notification on allowing opening of shops / establishments to revive the economy, boost investments and mitigate the daunting impact of pandemic COVID-19.

Notification issued by the Rajasthan Government is attached for your kind reference

We trust our submission will be considered by your esteemed government for immediate and favourable action.

Thanking you!

Yours sincerely,

Dr D K Aggarwal
President
PHD Chamber of Commerce and Industry
PHD House, [4/2 Siri Institutional Area](#)
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454
Fax: [+91 11 26855450](#)
Email: president@phdcci.in
Website: www.phdcci.in



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91. Rule 170 – Notices to A.S.U. companies from Licensing Authorities (12th May 2020)

Saurabh Sanyal
Secretary General

IND-AYUSH/54
12th May 2020

Dear Respected Vaidya Rajesh Kotecha Ji,

Greetings from the Chamber,

Subject: Rule 170 – Notices to A.S.U. companies from Licensing Authorities.

On behalf of PHD Chamber, we would like to thank Ministry of AYUSH, Govt. of India for dedicatedly working towards containing the spread of COVID-19 and uplifting the entire AYUSH Industry by ensuring the availability of essential services at the grass root level.

This is to bring to your kind attention the fact that numerous ASU Industries had moved High Courts objecting to the proposed amendments in Rule 170 of Drugs & Cosmetics Act.

The Hon'ble High Court of Delhi had ordered that 'NO COERCIVE ACTION' shall be taken against any of the members of AMAM as also the members of PHD Chamber which are common with AMAM during the pendency of the case. The next date of hearing is 01/06/2020.

That during our various meetings with you & Ministry of AYUSH, Government officials on this subject of Rule 170, we were informed that CDSCO is formulating some New Policy & that some relief shall be provided to ASU Industry in the near future.

We therefore request you to that instructions may be issued to the Licensing Authorities to kindly honour the orders of the Delhi High Court.

We are keen to personally meet you & explain to you the problems faced by us, However due to the advise that Social Distancing should be maintained, we shall appreciate if we can be given an opportunity for a VIDEO interaction Session with all our PHD Chamber members.

Your urgent intervention shall provide great relief to all our members.

Looking forward to hearing from you.

With best regards,

Yours sincerely,

(Saurabh Sanyal)

Shri Vaidya Rajesh Kotecha
Secretary
Ministry of AYUSH, Govt. of India
New Delhi-110023



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

90. Suggestions to provide relaxations for easing the labour laws to boost the industrial and commercial activities in the wake of COVID-19 (12th May 2020)

Shri Manohar Lal
Hon'ble Chief Minister
Government of Haryana

Respected Sir,

Greetings!

Suggestions to provide relaxations for easing the labour laws to boost the industrial and commercial activities in the wake of COVID-19

At the outset, PHD Chamber appreciates the commendable efforts being put in by the Central government and the respective State governments in fighting the pandemic COVID-19 to mitigate its daunting impact on trade and industry.

PHD Chamber has been proactively supporting the Government by providing suggestions at each stage of development, creating awareness and disseminating knowledge among various stakeholders.

In a move to mitigate the daunting impact of pandemic covid-19 on trade and industry, the State Governments of Uttar Pradesh and Madhya Pradesh have decided to provide relaxations on labour laws for industry stakeholders. We appreciate all the relaxations and relief measures provided by the State governments during this extremely difficult time.

We would like to bring in your kind notice that the Government of Uttar Pradesh has decided to provide exemption from almost all Labour Laws to industries for next 3 years. The decision on relaxing labour reforms for the industry is encouraging as it will help in reviving the sentiments of business activities in the coming times.

Some of the other related announcements are as follows:

- The State Government approved the ordinance exempting businesses from Labour Laws to revive the economy of state and boost investments following the COVID-19 outbreak.
- A Few labour laws those will remain enforced are, Building and Other Construction Workers Act, Workmen Compensation Act, Bonded Labour Act and Section 5 of Payment of Wages Act.



- Provisions of laws pertaining to women and children, like the Maternity Act, Equal Remuneration Act, Child Labour Act and section 5 of the Payment of Wages Act which states time of payment of wages to workers employed in factory or industrial establishments, In which the total number of workers is less than 1000, must receive wages before the expiry of the seventh day and worker employed in other than these establishment must receive the same before the expiry of the tenth day from the last day of the wage period for which the wages are payable.
- Moreover, workers if laid-off, must be given his wages before the expiry of 2nd working day from the date of termination of employment and each employer must ensure that wages are paid on a working day.
- Other labour laws frozen include those related to settling industrial disputes, health and working conditions of workers and trade unions, contract workers and migrant workers.

In this context , we would like to provide a suggestions to the Government to kindly issue similar notification for the establishments/ Industries in your state and help the trade and industry to mitigate the impact of pandemic and also this would help the state to attract FDI into the state including from those companies from USA, Japan,Korea and EU which are looking to shift their manufacturing base from China.

We are quite hopeful that Haryana will also come out with such ordinance on exempting businesses from Labour Laws for next three years to revive the economy, boost investments and mitigate the daunting impact of pandemic COVID-19

Notification issued by the Uttar Pradesh Government is attached for your kind reference

We trust our submission will be considered by the department for immediate and favorable action.

Thanking you!

Yours sincerely,

Dr D K Aggarwal

President

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: [+91 11 26855450](tel:+911126855450)

Email: president@phdcci.in

Website: www.phdcci.in

89. PHD Chamber Recommendation for DPP 2020 (9th May 2020)

PHD Chamber Recommendation for DPP 2020

The Indian Defence Industry, especially the MSMEs, are in a dilapidated state due to the already existing slowdown in the economy and defence business and moreover the current COVID-19 crisis.

Though the Draft DPP 2020 was prepared much before the pandemic, but due to the lockdown now the industry needs larger support from the Government to survive.

A latest report estimates that around 40% of the Defence MSMEs in India may close down within three months. So, an industry friendly DPP 2020 is what the industry expects from the Government to come out of this crisis.

There are many areas that draft DPP has improved upon such as

- Inclusion of a new category Make III – Buy Global (Manufacture in India)
- Increase of Indigenous Content in all the Categories by 10%
- A new chapter on Post Contract management is added

But the draft DPP 2020 has few important points to improve upon or change as per the need of the Indian Industry

Few Key Suggestions for a pro-industry DPP 2020:

1. The provision of Offset Banking has been removed from the draft DPP 2020. But we recommend that offset banking should be allowed as it also favors the Indian companies and help them to integrate themselves with the global supply chain.
2. A large list of items has been removed from the offset items list. We request the Government to reconsider it and bring back the list in final DPP 202 as it would more avenues for the Indian MSMEs to work in.
3. The draft guideline offers OEMs discharging offset obligation a highest multiplier of 4 in case it is with DPSUs and 3 if it is DRDO and only 2 if it is with Private sector. This will adversely impact the offset business for the Indian private sector. This needs to be addressed and brought at par with the DPSUs and DRDO.
4. It is also suggested to create a parallel offsets facilitation cell which is parallel to current organisations like DOMW with assigned annual targets to facilitate / push offsets.

5. In DPP 2016, the offset applicability limit was extended for contracts more than Rs 2000 Crores. This has deprived India of many Opportunities. Many of the countries apply Offsets to contracts as low as \$10 million. It is recommended to extend Offsets again to contracts of Rs 300 Crore and above (which is approx. \$40 M at current exchange rate). This will benefit a large number of Indian MSMEs by getting the offset business in small volumes as per their capacity.
6. A simple timeline audit on the progress made post approval of AONs would give a true picture on progress of acquisitions. Quarterly institutionalized monitoring by DPB / SPB should be introduced to carry out 'Review of all Post AoN Cases' to ensure that timelines are being adhered, as per DPP policy.
 - a. Any case for which a contract has not been concluded after 2/2.5 years (multi-vendor/resultant single vendor) after approval of AON, should be compulsorily put up for review by DAC, also to apportion accountability for delay or condone responsibility.
 - b. A system of 'Mandatory withdrawal or extension of AoN', only within its validity period, should be introduced to curb the norm of AoNs lapsing due to non-issue of RFP.
 - c. Similarly, extensions to RFP stipulated timelines should be an exception with compulsory approvals by AoN according authority.
7. The progressive implementation of Annual Acquisition Plans (AAPs) can be similarly monitored and needs to be ensured. A quarterly review for implementation of AAP by DPB / SPB should be institutionalized. All carry forward cases should be fully justified to DPB / DAC.
8. The Indian Defence MSMEs would request the Government to allow them the Advance Bank Guarantee/Performance Bank Guarantee to be issued from all the Scheduled Banks for all the contracts.
9. We recommend the Government that they should stop foreign purchases or postpone the same for 2 - 3 years and use the money for procurement under Make in India and help the Indian MSMEs.
10. Indian industry should share the list of items they are capable of and are looking at making through offsets. This list should go to the government for approval and should be part of the DPP. This would enable offsets to be meaningful for both the FOEM and the Indian Offset Partner.
11. The Industry also needs clarification on the Control of the company which will manufacture under make III category, whether the control will rest with the Foreign OEM or will be with the Indian partner.

12. In discharge of the Offset obligation, a multiplier of 0.5 is permitted for the Components of eligible products for the private sector whereas it is 1.0 in the case of DPSUs/DRDO. We request that the Multiplier for the Components of Eligible Products should be increased back to 1 for the private sector also.
13. Reference Chapter II, Appendix D, Annexure VI, Paragraph 7. "Other Defence Products" Sub Paragraph (b) "Personal Protective Equipment" has been mentioned. This Sub Paragraph to read as It is recommended that this Sub Paragraph be amplified to include CBRN (Chemical, Biological, Radiological and Nuclear) and the Subparagraph may read as:-

(b) Personal Protective Equipment to include CBRN (Chemical, Biological, Radiological and Nuclear).
14. **DAC may consider partial or full waiver of offset clause.**

This also is taking the Offset Policy backwards and counters the Make-in-India objective. Hence, it is important to apply minimum 30% offset obligations in all cases without the approval of DAC. The approval of DAC should be considered when higher percentage is required.
15. Another area for attention is the simplification of the DPP policy document, so that monitoring as well as implementation by all stakeholders becomes convenient. **It is requested to consider abridging the DPP document considerably.**
16. Removal of Civil Aerospace Products will undo the effort in introducing these in DPP 2011. This implies that the foreign vendors would no longer be able to source civil aircraft products from India under the Offset obligations. Large amount of Offset work and attendant technologies brought to India are for commercial aircraft. Many of these are dual use. We recommend that the Civil Aerospace Products should be brought back in the eligible list of offset items.
17. Where capability exists in the country and volume and cost are not the determining factors: OFB and DPSUs, which have ToT Agreements with the FOEMs/Foreign Vendors, should impress upon them to decontrol the critical and strategic raw materials for indigenisation.
18. Where capability exists in the country but volume and cost are the inhibiting/restrictive factors: OFB and DPSUs should utilise their Indigenisation Fund to carry out indigenisation of the critical and strategic raw materials for the equipment manufactured by them. For the indigenisation purpose, OFB/DPSUs should make out business case for the feasibility and viability of the project and assured order to the indigenous developers/manufacturers of the indigenised materials. The assured orders could also be in the form of Long Term Orders (upto 10 years) to the Indian manufacturers of the indigenous materials by OFB/DPSUs. The business case should also include provisions for decontrol of

the critical and strategic raw materials from FOEMs/Foreign Vendors, which are intended for indigenisation and procurement from Indian manufacturers.

19. In addition to the above mentioned Indigenization Fund, utilisation of the R&D Fund for indigenisation of the identified above categories of critical and strategic raw materials should be made mandatory with minimum of 2% of sales turnover of the OFB/DPSUs earmarked for the purpose.
20. The Procurement Manuals/Procurement Procedures of OFB/DPSUs/Services should be suitably amended to include a clause that all critical and strategic raw materials used in the manufacture of defence equipment must be sourced from indigenous manufacturers only and not traders. During procurement from indigenous manufacturers, reasonability of cost should always be maintained for which Long Term Orders should be considered as viable option. These agencies should resort to procurement of such materials from traders only if they are not available for sourcing from indigenous manufacturers. It is observed that the materials sourced from traders are largely imported and not indigenous, which is an impediment to the indigenisation efforts by the Indian Industry including OFB/DPSUs
21. Domestic manufacturers who have developed critical and strategic raw materials and new products indigenously should be facilitated for testing and certification by CEMILAC/DGQA/DGAQA/DRDO. Enabling provisions should be incorporated in the testing and certification procedures of these institutions to ensure that the indigenous manufacturers are given priority in the testing and certification processes. Further, OFB/DPSUs should give support to the indigenous developer by conveying their consent to the Testing and Certification Agencies for the end-use of the material. However, the use of the developed materials may not be restricted for the equipment manufactured by OFB/DPSUs but can also be utilized for defence exports. Moreover, these Testing and Certification Agencies should create a funding mechanism for providing requisite financial support to the domestic manufacturers who have developed such materials and offered them for testing and certification.
22. One of the key areas requiring policy and procedural interventions for giving a big boost to the indigenisation of critical and strategic raw materials would be paradigm shift in the Defence Offset Policy. The 3.1 (a) avenues of Defence Offset Guidelines envisages fulfillment of contracted offset obligations through Direct Purchase of Products and Services. Annexure A to the Guidelines contains a list of eligible defence products for offsets. Defence materials including raw material (basic, critical, strategic), assemblies, sub-assemblies and components should be made explicit in the list of eligible offset products.

Further, it should be made mandatory under offsets that if offset discharge is through the avenue of 3.1(a), out of the total discharge under this avenue, minimum 30 percent should be through direct purchase of defence materials. For example, if under an offset contract, 10 MUSD offset discharge is planned under 3.1 (a), then out of this 10 MUSD, minimum 03 MUSD must be through purchase of eligible defence materials only. In order to ensure that defence material is sourced through established indigenous sources, it needs to be stipulated in the Offset Policy that offset credit will be assigned to the Foreign OEMs (FOEMs) only if the defence material is purchased from indigenous defence manufacturers registered with MOD/DGQA/OFB/DPSUs/DRDO/DPIIT or Certified Government Agency and not from traders. This will give a fillip to the indigenisation process and at the same time give a major boost to those defence manufacturers which have already indigenously developed and are already manufacturing defence materials for supply to OFB/DPSUs/DRDO/Private Industry/Foreign Vendors.

3. Additional Recommendations for D & D Trials

Chapter IIIA (page 433 onwards) of DPP 2020 concerns the acquisition process for the systems designed and developed by DRDO/DPSU/OFB. The following needs to be clarified / incorporated:-

a. Para 4(f): Issue of Commercial Request for Proposal (RFP) to Development cum Production Partner (s) – DcPP(s)/ Production Agency (ies)- PA(s) of DRDO / DPSU/OFB and Para 4 (g) Field Evaluation Trials (FET). Issue of Commercial Request For Proposal (RFP) has been brought out at Para 29 to 30 at chapter III A. However, it is not clear whether the Trial Directive for FET will be a part of RFP or not as mentioned at Para 54 - Trial Methodology under Chapter II for Buy (Indian) and Buy and Make (Indian) cases.

b. Para 4(g): Field Evaluation Trials (FET) (Para 31-33 under chapter III/A). It should be mandatory that all requirements of EMI/EMC and other ET/QT be validated during Developmental Trials. No surprises/ change in trial parameters should be envisaged during User and QA trials during FET. In case, such changes are incorporated in the trial directives at FET stage, it should necessarily involve 'Design Review and Validation' with justification approved by competent authority, as new testing parameters could necessitate going back to design & developmental stage with loss of time and efforts.



- i. EM/EMC, in case required, should normally be the first tests undertaken after successful functional tests at design level to ensure that no major changes in components are required subsequently.
- ii. Once Developmental Trials /UATT are over, PSQR is converted to GSQR and then RFP is issued. When the prototypes are already designed/ developed and design validation for all environmental conditions already completed, introduction of any new testing parameter at FET stage puts the whole development cycle back to square one. Hence, it is recommended that all such testing is taken care of during design Validation/ Developmental or Demonstration Trials/UATT or PSQR Trials. And no additional testing parameters are introduced during FET including QA/QT evaluation.

(Sent to Secretary (DP) / Additional Secretary (DP)/ Joint Secretary (DIP) / Joint Secretary (LS) / Joint Secretary (NS) / Economic Advisor, DMOW / Joint Secretary (Aero))

88. Regarding opening the Activities of Barber Shops, Beauty Parlours, Saloons, Spa's and other such facilities (7th May 2020)

Date: 7th May 2020

To,

**Shri D. B. Gupta, IAS
Chief Secretary
Government of Rajasthan**

Sub – Regarding opening the Activities of Barber Shops, Beauty Parlours, Saloons, Spa's and other such facilities

Respected Sir,

As we all know that our country is facing a lockdown since 24th March 2020 and it is almost more than 45 days till now. The scenario is not good in economic as well as social impacts. Closure of above mentioned facilities is causing a slow metabolic disorder and sort of depression on the people which have a mind set of proper presentation of themselves. Haircut and other related activities comes under skilled act so could not be performed by normal individuals. It is resulting in the normal tidiness and presentable approach of common citizens, professionals as well as bride and grooms who are getting married in these days. To be tidy and presentable is a feeling based phenomenon which gives extra courage and confidence and in turn increases the work efficiency of individuals.

In this regard we have got certain suggestions which are as follows:

1. People who are into this business or service should be allowed to work following all the norms and **National / International standards** of hygiene, social distancing and sanitizations.
2. Distilled use of instruments like: blades, razors, scissors, towels etc. should be made mandatory before use.
3. Shops in malls following all standards and having a proper space should be allowed to function so that atleast people who can afford the prices can take use of such facilities.



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4. Home services for such skilled persons should be allowed with specific precautions.

It will help in opening a trade for many people including associations which have become idle and jobless in these circumstances.

So kindly look into the matter and try to resolve it by issuing a **standard's of procedure (SOP)** and by keeping a socio-economic friendly view.

Thanks & Warm Regards

Digvijay Dhabriya
Chairman
PHDCCI-Rajasthan
Mob: 9829052707

Suneel Dutt Goyal
Co-chairman
PHDCCI-Rajasthan
Mob: 9414063537

CC to:

1. Additional Chief Secretary, Home Department, Government of Rajasthan
2. Additional Chief Secretary, Health Department, Government of Rajasthan
3. Additional Chief Secretary, Industries Department, Government of Rajasthan
4. Managing Director, RIICO, Government of Rajasthan
5. Commissioner, Industries Department, Government of Rajasthan



87. Advisory to CERC with respect to - Order/Proposal dated 31.03.2020 regarding Determination of Forbearance and Floor Price for the REC framework issued by Hon'ble CERC, New Delhi (7th May 2020)

From: Dr. Yogesh Srivastav <yogesh@phdcci.in>
To: secy-mnre@nic.in
Cc: subu@nic.in
Sent: Thu, 07 May 2020 14:46:09 +0530 (IST)
Subject: Determination of Forbearance and Floor Price for the REC framework issued by Hon'ble CERC

Secretary

Ministry of New & Renewable Energy

Block 14, CGO Complex, Lodhi Road

New Delhi - 110003

Re: Advisory to CERC with respect to --- Order/Proposal dated 31.03.2020 regarding Determination of Forbearance and Floor Price for the REC framework issued by Hon'ble CERC, New Delhi

Dear Sir,

We are highly thankful for all the time cooperation extended by your Ministry to attract the investment in the renewable energy. The said issue was also discussed during Webinar held on dated 16th April 2020 with the then Secretary, MNRE. The issue was raised by one of the participant in the Webinar.

We have received comments/objections(copy enclosed with this letter) from All India Renewable Energy Protection Association (Regd) in connection with the above-mentioned Order/Proposal dated 31.03.2020 issued by the Hon'ble CERC, New Delhi for reduction of Forbearance and Floor Price for Non-Solar RECs in the REC framework.

The Association has raised a concern, amongst others, that if the Proposal is implemented, it would in effect withdraw the threshold level of revenue certainty of SHP generators, and provide a single choice to obligated entities to purchase Renewable Energy at generic preferential tariff, which is lower in cost than the REC option, rendering the REC mechanism otiose.

The Association has also raised concerns regarding the method of computation, the choice of data and the comparisons made or adopted in the Proposal. It also stresses on the need to have a re-look at the classification under the REC and RPO framework, i.e. the categories of Solar and Non-Solar RECs, in today's context of changed circumstances wherein it may no longer be feasible to place SHPs and Wind Power in the same category while continuing a separate category for Solar Power.

Calculator



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We have gone through the attached comments/objections in detail and find merit in the concerns raised therein. It is common knowledge that the cost of Wind and Solar Power has come down considerable over time and today's costs of these technologies cannot be compared with the rising costs being incurred by SHPs on account of various factors. This difference in costs involved in these different RE technologies has been duly factored in by the Central and State Commissions in their tariff orders issued from time to time. Even the REC framework, therefore, needs to factor in this gap in costs involved in different RE technologies to ensure that all such technologies remain viable and one does not suffer on account of another. One of the principle objectives of the REC framework is to provide for minimum price for REC along with forbearance price, to ensure the threshold level of revenue certainty to generators and becomes relevant in the existing scenario where the prices for SHPs under the REC framework are being fixed at par with Wind Energy.

Besides, the COVID-19 induced pandemic has resulted in a drop in power demand throughout the country and this demand is unlikely to be restored to normal standards in the near future. It is therefore essential that the price band of RECs must accordingly be fixed for different RE technologies keeping in mind their independent cost factors.

We accordingly urge the Hon'ble MNRE to favorably consider the attached comments/objections submitted by the Association and request CERC to adopt policies that ensure sustainable adoption of a healthy mix of different RE technologies in the country. It will be better if some advisory is issued to CERC to delay the draft order for a period of 2 years as everything is disturbed by COVID 19 and continue with earlier order.

With best wishes,

Yours sincerely,

Dr Yogesh Srivastav

Principal Director

PHD Chamber of Commerce and Industry

New Delhi

(The representation was also sent to The Secretary, Central Electricity Regulatory Commission)



86. Inputs by PHD Chamber of Commerce and Industry to attract foreign investments (7th May 2020)

Ms. Bindu Dalmia
Chairperson
National Committee on Financial Inclusion and Literacy
NITI Aayog

Dear Madam,

Greetings!

This is in reference to your advise to send the vital points to attract foreign investments/companies to establish production base in India. As desired, please find appended a few suggestions by PHD Chamber of Commerce and Industry for your kind perusal.

1. Firstly, we have to reduce bureaucracy and red-tapism to ensure faster and efficient action and decision-making.
2. Secondly, there should be decriminalisation of business laws. This will have a twin benefit of promoting the ease of business climate in the country and also lowering the burden of the judiciary.
3. Thirdly, we need to make our taxation system simple and rational, as this will result in lower compliance cost for companies and simplified business processes.
4. Fourthly, we need to reduce the costs of doing business.

4.1 Cost of Capital:

The banking sector should transmit the full effect of 75 basis points cut in repo rate and lower the lending rates immediately to reduce the cost of capital for the businesses.

There should be further reduction of 100 basis points in the repo rate to rejuvenate domestic demand and enhance the competitiveness of exporters in international market.

4.2 Cost of Compliances:

Mandatory regulatory compliances result in a cascading effect on the overall costs of doing business.

Simplification of compliances would help in making the policy environment more industry friendly, allow firms to focus on their core business and keep compliance costs low.

All regulatory bodies including SEBI, Ministry of Corporate Affairs, among others must ease the regulatory procedures and must have lenient view on the policy environment during this difficult period.

4.3 Cost of Logistics:

Over the years, time involved in transportation of goods has reduced significantly. However, the cost of logistics still remains high thereby leading to an increase in the overall cost of doing business.

Going ahead, the Government should further improve the export logistics infrastructure; remove bottlenecks at ports to reduce costs and improve ease of doing business for industry.

The National Logistics Policy formulated by the Ministry of Commerce and Industry is highly appreciable and will improve India's trade competitiveness, performance in global rankings, create more jobs and pave the way for India to become a logistics hub.

Over the years, time involved in transportation of goods has reduced significantly.

However, the cost of logistics still remains high thereby leading to an increase in the overall cost of doing business.

4.4 Cost of Land and Availability of Land:

Obtaining land is one of the most important ingredients of ease of doing business. The procedure to acquire land should be free from complex and costly procedural bottlenecks. Land reforms such as increase in the lease period and creation of land banks for the use of industry should be focused.

4.5 Cost of Power/ energy:

In India, costs associated with getting electricity has reduced significantly over the years. The Government has taken many steps to make getting electricity easier, faster and cheaper. For electricity bills of Centre and State, clause of minimum fixed charges should be waived and Government should charge on the basis of actual charges.

Energy is one of the most critical components of infrastructure which is crucial for the economic growth and welfare of nations. A strong and efficient power generation, transmission and distribution capacity is instrumental for strong and sustainable economic growth.

India's power sector is one of the most diversified in the world. Going ahead, power generation capacities should be equipped with more power storage technologies. This will reduce the transmission and distribution losses.

Formulation of an Integrated Energy Policy with definite role and long term plan for each primary fuel type would be crucial for the sustainability and competitiveness of the enterprises.

The Government may initiate skill development plan for smart metering managers on how to re-engineer the existing business and operations and maintenance processes to drive the benefits for discoms.

There is a need to encourage faster execution of pipelines and city gas projects to boost demand, along with easing the licensing requirements in gas projects.

Timely payment of power purchase by all utilities (especially State Electricity Boards) must be ensured. This shall prevent NPAs and bring back the much desired liquidity and provide much needed boost to the sector.

4.6 Cost of Labour:

The cost of labor is one of the most substantial operating costs for businesses.

It is particularly important for sectors employing large number of workers such as construction, manufacturing and other industries having non-automated operations.

At this juncture, the Government should focus on a skilled and high productivity manpower base to increase the competitiveness of firms in the international and domestic market.

5. Reforms in labour laws

This is an ongoing process to update the legislative system so as to make them more effective, flexible and in sync with emerging economic and industrial scenario.



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Over the years, the Government has undertaken various steps to simplify, amalgamate and rationalize the relevant provisions in different labour laws prevalent in the Indian economy.

The commitment has been towards job security, wage security and social security for each and every worker in India.

However, we suggest that fixed term employment should be promoted to provide flexibility to the employers in order to meet the challenges of global headwinds, new practices and methods of doing businesses.

This would substantially decrease exploitation of contract workers as the employer would directly hire the worker without any mediator in the form of contract for a fixed term.

Flexible and uniform labour laws across the country will facilitate ease of doing business and increase competitiveness in the international and domestic market.

Creation of a policy framework for re-skilling and up skilling is necessary to evolve a flexible and industry responsive workforce. Government and Industry collaborative training module must be formed to provide on-job training to the workforce engaged in various sectors of the economy.

Warm regards,

Dr. S P Sharma
Chief Economist



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85. Requesting to extend the validity period of E-way bill generated after 15th April, 2020 (6th May 2020)

**Shri S.K Rahman
Joint Secretary
GST Council
Ministry of Finance
Government of India**

**Respected Sir,
Greetings!**

Requesting to extend the validity period of E-way bill generated after 15th April, 2020

PHD Chamber of Commerce and Industry has been proactively supporting the Government by providing suggestions at each stage of development, creating awareness and disseminating knowledge among various stakeholders.

The proactive and combative measures undertaken by the Government to curtail the spread of pandemic COVID-19 are highly appreciable. The growing severity of widespread pandemic COVID-19 on our economy is a matter of deep concern. PHD Chamber of Commerce stands in complete solidarity and pledges to extend its all-out support to the Government in the fight for making India COVID-19 free.

Going ahead, we would like to draw your kind attention on one of the critical issue of automatic expiry of time period validity of E-way bill generated under rule 138 of the CGST Rules 2017 unless otherwise extended.

Though one-time relief was granted by the Government in terms of notification No. 35/2020-Central Tax, dated 03.04.2020 --> *"where an e-way bill has been generated under rule 138 of the Central Goods and Services Tax Rules, 2017 and its period of validity expires during the period 20th day of March, 2020 to 15th day of April, 2020, the validity period of such e-way bill shall be deemed to have been extended till the 30th day of April, 2020.."*

This is further amended vide Notification No. 40/2020 – Central Tax Dated [May 05](#), 2020 issued by CBIC, which further extends the validity of E-Way Bill till [May 31](#), 2020, for those E-Way bills which has been generated under rule 138 of the CGST Rules, 2017 on or before [March 24](#), 2020, and its period of validity expire's during the period [March 20](#), 2020 to [April 15](#), 2020.



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But, with a view to prevent the spread of COVID-19, the Government has further extended the lockdown till 17 May 2020 and in amidst of this lockdown time period, lots trucks were stuck at national highways due to the lockdown and thereby, time limit validity of e-way bills for goods in transit may have expired during the period April 16, 2020 to May 3, 2020 because of no movement or slow movement of trucks.

Further, there is stringent penalty provisions in the GST law whereby if the goods are transported without an e-way bill (or expired e-way bill), then, the GST authorities can levy a fine equivalent to the tax amount payable. Such goods can even be seized or detained, and the goods may be released only on payment of the tax amount along with a penalty.

Thus, to avoid such a situation, therefore, we earnestly request your goodself to appropriately amend the Notification No. 40/2020 – Central Tax Dated May 05, 2020 and allow relaxation and validity should be extended to May 31, 2020 for all e-way bills expiring till May 3, 2020. This would provide much needed relaxation to the trade, in combating the circumstances arising out of pandemic COVID-19.

We look forward to a favorable response.

Thanking you.
Warm Regards,

Dr. D K Aggarwal
President
PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri Institutional Area
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454
Fax: +91 11 26855450
Website: www.phdcci.in

(The Representation was also sent to Shri Ashok Kumar Pandey, Member (GST,CX,ST,Legal&CV), Central Board of Indirect Taxes and Customs; Shri Yogendra Garg, Principal Commissioner, Central Board of Indirect Taxes and Customs; Shri M. Ajit Kumar, Chairman, Central Board of Indirect Taxes and Customs)



84. Request for removing discrepancies in the GST act to boost the real estate sector on priority (5th May 2020)

Shri Hardeep Singh Puri
Hon'ble Minister of State (Independent Charge)
Ministry of Housing and Urban Affairs
Government of India

Respected Sir

Greetings!

Request for removing discrepancies in the GST act to boost the real estate sector on priority

At the outset, we appreciate the Government for undertaking proactive and fast track measures to combat the daunting impact of pandemic COVID-19 on economy, trade and industry. We are quite optimistic that Ministry of Housing and Urban Affairs will continue to take necessary steps to combat the impact of pandemic COVID-19 on India's economy, trade and industry.

The real estate sector is one of the largest contributors to the country's GDP and provides a large number of job opportunities especially in the unorganized sector. The sector has a spillover effect on many other sectors of the Indian economy. The measures undertaken by the Government in recent times for the sector are highly appreciable and will give a significant boost to affordable housing in the country.

Sir, in view of the unprecedented current situation arising out of the pandemic COVID-19, the real estate sector will be amongst the hardest hit sectors as consumer decisions to buy property would be deferred in the near future. The sector has welcomed the introduction of GST with open arms, however, over time certain discrepancies have crept in not just only the GST Act but also through the various changes that are in violation of the Act itself as well as the Constitution:

- The GST Act clearly states that sale/ purchase of land is not subject to GST as it is a state subject and subject to stamp duty. The setting off benefit of GST paid is the beauty of the Act.
- The various notifications have indicated that while the sale of a flat after obtaining the completion certificate will not be liable to GST, however, if the sale is done prior to the completion certificate, the same shall be liable to 5% GST on total



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sale consideration with no set off benefits. The total sale consideration by its definition includes land & construction thereon, therefore, charging GST on total sale consideration is a violation of the Act and the Constitution itself. It is suggested that GST be charged on the construction cost only with set off benefits.

- Further, certain modifications have talked about Transfer of Development Rights (TDR). This means that in a collaboration, the owner's share that he had retained and may or may not have sold, will be charged GST at the value of the flat sold by the builder. For instance, in Delhi, where four flats are allowed to be built and the owner retains three floors and gives one floor to the builder and the builder sells his flat, for say Rs 5 crores, then the owner will be liable to pay 5% GST on Rs 15 crores (Rs 5 crores x 3) even if he may not have sold any flat.

A majority of our member organizations have tried to reach out to the appropriate authorities that the transfer of land right for one floor to builder by the owner is compensated with the construction cost incurred by the builder and the money paid to the owner and thus, GST for construction of owner share is liable to GST with input benefits and no concept of TDR can prevail but to no avail.

We sincerely request to address the above-mentioned discrepancies on an urgent basis. Since the real estate industry is intrinsically linked with several other industries, growth in this sector will have a positive effect in releasing stress in other major sectors of the Indian economy as well. Furthermore, to boost the real estate sector and increase employment, the GST on sale of flats under construction should be exempted from GST for a period of one year. This temporary relief will go a long way in boosting demand.

We trust our submissions will be favourably considered for immediate and favourable action.

Thanking you!
Yours sincerely,

Dr D K Aggarwal
President
PHD Chamber of Commerce and Industry
PHD House,
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454
Fax: +91 11 26855450
Email: president@phdcci.in
Website: www.phdcci.in



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83. Representation from President, PHDCCI to Hon'ble Chief Minister of Himachal Pradesh dated 11.02.2020 (4th May 2020)

From: Dr. Yogesh Srivastav <yogesh@phdcci.in>
To: powersecy-hp@nic.in
Cc: dir.doehp <dir.doehp@nic.in>
Sent: Mon, 04 May 2020 15:31:53 +0530 (IST)
Subject: Hydro Power Policy

Sh. Ram Subhag Singh, IAS

Additional Chief Secretary (MPP & Power)

Government of Himachal Pradesh

Shimla

Subject : Representation from President, PHDCCI to Hon'ble Chief Minister of Himachal Pradesh dated 11.02.2020

Respected Sir,

It is requested that our President Sh. D K Aggarwal, PHD Chamber of Commerce had sent the detailed presentation to Hon'ble Chief Minister, Government of Himachal Pradesh with regard to applicability of PPA with regard to COD only vide our letter dated 11.02.2020. We came to understand from the office of Chief Minister that the same has been forwarded to you on 26.02.2020 vide Chief Minister's letter ref. Secy/CM-E1208/2017-DEP-B-206972. In the same subject our organisation has made further detailed study by consulting various experts and same is being forwarded for your kind consideration.

We hereby request you to kindly examine this issue based on our enclosed note which will be more helpful for the Ministry to take the decision on the said subject in the interest of justice and equal treatment in the state of Himachal Pradesh in comparison to other states in the similar manner.

Kind regards,

Dr Yogesh Srivasta

Principal Director

PHD Chamber of Commerce and Industry

New Delhi

CC: Smt. Manasi Sahay Thakur, IAS, Director Energy, Directorate of Energy, Himachal Pradesh



82. Collective Representation Regarding Industries related Queries from the Members of Rajasthan (2nd May 2020)

Date: 2nd May 2020

To,

**Shri Ashutosh A.T. Pednekar, IAS
Managing Director
RIICO
Government of Rajasthan**

Subject: Collective Representation Regarding Industries related Queries from the Members of Rajasthan

Respected Sir,

PHD Chamber of Commerce and Industry, Rajasthan Chapter organized an Interactive Video Conference with Mr. Ashutosh A.T. Pednekar, IAS, Managing Director, RIICO, Government of Rajasthan on Problems in Re-Starting of Industries in Present Scenario of COVID-19 lockdown.

As discussed in the webinar yesterday and with your kind consent we are forwarding you some basic concerns and practical problems in the form of questionnaire which we are facing in Re-starting of industries in the present scenario of COVID-19 lockdown, Which are as follows:

1. Mr. Sanjay Aggarwal, Senior Vice President, PHD Chamber

As per Mr. Aggarwal Concerns:

Q.1. Khushkhera, Bhiwadi and Dharuhera, Haryana are practically a single area. A large number of employees at our Khushkhera plant reside in Bhiwadi and Dharuhera. We request that we should be permitted to use buses with adequate social distancing and sanitization to be allowed to pick-up and drop employees from Bhiwadi and Dharuhera.

Q.2. Very few passes have been issued for the management as also production, maintenance, QA and admin staff. We request that curfew/ movement passes be issued for at-least 50% of the staff and 100% of the senior management for own vehicles- car or 2-wheeler.

Q.3. Most of our customers are Govt Departments, Electricity Boards and PSUs who need to inspect all materials physically before dispatch. Many of the inspectors need to visit our factory from other cities in Rajasthan and outside. We request that RIICO HQ may please issue inter- district movement passes for the inspectors on the basis of supporting letter from the Inspecting Agency.

Similarly RIICO or the State Government may please issue inter-state movement passes for the inspectors coming from outside Rajasthan on the basis of supporting letter from the Inspecting Agency.

Q.4. Many of our migrant workers from nearby areas in other states, especially Western UP and MP are requesting transportation for re-joining duty. We may kindly be issued inter-state bus passes to arrange buses for picking up these employees.

Q.5. Out-station inspectors, owners, senior management and other visitors for essential works like urgent repairs and maintenance of machinery require hotels to stay. It is requested that it may be clarified that such persons are covered under the provisions of Para4.vii of the MHA Lockdown guidelines dated 1st May, 2020.

Q.6- Commuting of factory owners from Delhi, Gurugram and nearby areas to the catchment zones of Bhiwadi and Dharuhera is needed to allow MSMEs to resume operations. They may kindly be allowed inter-state movement passes with limitations on travel frequency.

Q.7- Stay of female workers is neither safe and nor possible at factory premises due to security reason. They may please be allowed to commute by company bus.

2. Mr. Digvijay Dhabriya, Chairman, Rajasthan Chapter, PHD Chamber

Q.1- Concerns for relaxations in commuting, issuance of passes, issues of salary and wages, relaxations in electricity bills etc.

3. Mr. Suneel Dutt Goyal, Co-chairman, Rajasthan Chapter, PHD Chamber

Q.1- He suggested that RIICO is having more than 370 industrial areas in Rajasthan. All are working with their own offices which are governed and run by either clerical or supervisor staff or at GM level. As RIICO officers are working in RIICO industrial area campus so I suggest that as Managing Director RIICO you should appoint one nodal officer or single solution window for redressal of all the issues concerned to that particular area, irrespective of whatever the department may be. The nodal officers should be fully authorized to coordinate with all concerned departments for providing urgent solutions.

Q.2- His second concern is regarding migrated labour which has gone in other states and which is not willing to comeback so to replace them with the native labours of Rajasthan who have either returned or willing to return. The native labours which are in quarantine should be asked to provide following information's regarding them.

- A. What are their skills
- B. Name of the previous company in which they have worked
- C. Last salary drawn

His suggestions to the government is that the above mentioned informations should be provided to all factories owners and industrialists of Rajasthan so that they can resolve their labour issues by choosing labour of their relative field within the native labours of the states itself.

Q.3- His concerns was for very small scale industries which are under the municipal board areas and within the walled city. As the number of labours is very less in these units and mostly family members are running these small scale units. So relevant permissions should be granted to them so that their livelihood does not come to a stake

4. Mr. Anil Khaitan, Former President, PHD Chamber

Q.1- suggested said that a district wise committee should be made for redressal of problems and should be chaired by district collector.

5. Mr. Ashish Wig, Member, PHD Chamber

He suggested that more foreign zones like that in Neemrana should be invited.

6. Mr. Surendra Jhunjhunwala, MD, Excel Colour & Frist Ltd., Sitapura Industrial Area, Jaipur

Our unit which comes under MSME and is situated on Plot G-1, 553 & 554 in Sitapura Industrial Estate. We are attaching herewith photos of drain adjoining our factory.

Q. 1. The drain is meant for rain water only but there is continuous discharge of sewerage water from adjoining factories upstream resulting in foul smell and breeding of mosquitoes which has earlier affected health of our workers by causing dengue.

The whole atmosphere is unhealthy and not safe for our employees.

Q- 2. Few downstream industries have constructed concrete covers on the drain to suit their needs thereby blocking the flow in the drain, causing accumulation of sludge and waste materials.

On one hand we have arranged sanitising spray equipment and masks for protecting the workers but on other hand this drain is a health hazard and catalyst for breeding of virus of all sorts.

It is our earnest request for getting the drain cleared by the authorities before work commences for safety of all.

7. Mr. Ami Lal Meena, CEO, Grow Well Organic and Eco Products Pvt. Ltd., Sitapura Industrial Area, Jaipur

Q-1. What public transport arrangements will be done to bring back the labourforce, drivers & other work force, which had gone to their native places in nearby villages/town on 21/03/2020 being Saturday before Janta curfew on 22/03/2020 & lockdown from 23/03/2020?

Q-2. What relaxation will be given so that logistic services, which are backbone of industries, can function smoothly after following corona safety guidelines? Eg. Transport for goods, Courier Services, Movement of officials from factory to Government Offices, ICDs, etc. for obtaining certificates, permits, test reports etc.

Q-3. What relaxation will be given for supporting service providers for packing materials, printing etc.

Q-4. Availability of raw materials and packing materials is a big problem as vendors are not able to mobilize/ arrange the labour due to restrictions on movement of people, so what support Government is going to give in this regard?

8. Mr. Alok Agarwal, Director, Uttam Bharat Electricals Pvt Ltd., Vishwakarma Industrial Area, Jaipur

Q-1. Request RIICO to consider issuing passes for selected staff members like store keeper, quality managers, despatch officers, accountants etc to facilitate the production since they can not be forced to stay in the factory premises with workers.

9. Mr. Ashutosh Deora, Sr. Vice President, Bagru Industrial Association, Jaipur

Q-1. Movement of worker who reside nearby RIICO Industrial area within in one or two KM be allowed with company letterhead declaring of working with .

As it is difficult to get passes of worker who walks down to premises. Such proposal of VKI association was came for discussion .Bagru is situated outside of city like many area of jaipur.

It will help to manage with very few worker available and may further counting may be less due to movement back to their respective state.

10. Mr. R. B. Kabra, President HSIL Ltd.

Q-1. We were allotted industrial land in Giloth Industrial Area

Since lot of operational limitations are placed by NGT in NCR area we have surrendered the land to RIICO few months ago but have not received the refund amount

It should be refunded immediately

Q-2. We have one industry in Kaharani industrial area and a matter of possession of small part of the allotted land is pending for more than 8 years

We have been regularly following up by letters as well as personal visits but it has still not been sorted out despite assurances always from RICCO that it will be sorted out soon

11. Mr. Sanjay Saxena, Proprietor, Durga Associates, Jaipur

Q-1. My question is for the movement of a service technician in interstate movement, as i have water & wastewater treatment manufacturing unit, due to sudden lockdown maximum units have closed their RO / ETP units without following the SOP's for long time closure. Since Industries are going to open now, they require technical support from us, hence either RIICO or Govt. Rajasthan will allow or release pass to the movement of the service technician.

12. Mr. Rajeev Akar

Q-1. We had taken a land in RIICO designated are under women entrepreneur Proprietorship firm

Now we wish to change to a company owing to lower taxation benefit so is that permissible under RIICO if the women entrepreneur holds 51% equity.

Q-2. Is there going to be extension on PMT which was falling due on July 2021 owing to this covid pandemic.

13. Mr. Basant Jain, Saraswati Printing Industries, Jaipur

Q-1. We have our paper product industries in wall city from last many years .our products are files ledger cash book (indian accounts books). We are in curfew area. We want some days operation as our consumers are facing the their accounts items. Shops are in city only.

14. Mr. Shashank, Jaipur

We have two manufacturing units based in Jaipur. The turnover is also quite good. Due to corona virus we had to shut down our unit.

We are working in stainless steel manufacturing. The steel industry is based on higher turnover and low profit. From past few years due to foreign policy there was a huge import of stainless steel from Indonesia, Vietnam, china etc. Making stainless steel business very less marginable item. It is neither essential commodity. We employ around 300people.

For working we have some questions for you. If they are not solved sooner or later my industry will get closed due to state and central policy.

Q-1. Government is helping in movement for labour and on other side they are asking to start the units again. How is it possible? Every labour has different job to do, someone is a helper someone is in maintenance someone is operator and all work is interrelated to each other. Even one department doesn't work the other departments will fail. How will we start our unit?

Q-2. The government is asking to pay electricity bill. We are ready to pay that as well. But atleast we should be given time, even banks are giving time for repayment of loans why not govt? Why they are asking for penalty for delayed payment?

Q-3. When our income is already less due to govt policies how are we supposed to take burden of salary when none of the labour worked for us. Half of the labour is already in there state, why should we pay them too when they are not with us currently. They are already enjoying there holiday at home. During current sxienrio atleast for steel industry there should be exemption for salary part during lockdown period.

15. Industrial Area Manufacturers Association, Jhotwara

Q-1. Interference in operation of industry by any government department should be stopped for a minimum of three months. Here he will remain committed to maintain and abide with all rules and regulations of the concerned departments. However daily or monthly verification initially for three months should be stayed.

Q-2. Passes if required, to employees will be issued by the concerned factory management which will remain valid for the employee from residence to factory. However, these can be issued with proper numbering and under intimation to RIICO/Department of Industries.

Q-3. It well known fact to all that as of now entire funds in industries are stacked due to lockdown. Accordingly to give a fresh start to units they require additional working capital to the tune of 25% extra from their existing requirement. We therefore suggest that these extra funds to be made available to these units at concessional interest rate and that too without asking for additional collateral.

Q-4. As well as know the supply chain is the backbone of MSME units. Therefore, immediate and effective steps to be taken for smooth functioning entire supply chain.

Q-5. Payment of electricity bills, interest, emi's should be deffered.

Q-6. All statutory return filling should be deferred for six months.

Q-7. RIICO DIC's BIP should be directed to provide helping hand on case to case basis on the industry.



16. Other Questions

Q-1. Government should allow movement of factory labours to and fro, everyday with some pass system without which it would be really difficult to operate the small factories.

We again thanks for your kind consideration and humble presence and will always appreciate your support and industrial friendly attitude rendered to us. Kindly go through our above mentioned queries and suggestions and try to solve them as per your best.

Thanking You

Yours Sincerely

Digvijay Dhabriya
Chairman
PHDCCI-Rajasthan
Mob: 9829052707

Suneel Dutt Goyal
Co-chairman
PHDCCI-Rajasthan
Mob: 9414063537



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

81. Request for further measures to mitigate the daunting impact of pandemic COVID-19 on India's Logistics Sector (2nd May 2020)

**Shri Pawan Kumar Agarwal
Special Secretary, Logistics
Department of Commerce
Ministry of Commerce and Industry
Government of India**

Respected Sir,

Greetings!

Request for further measures to mitigate the daunting impact of pandemic COVID-19 on India's logistics sector

At the outset, we appreciate the Government for various proactive and fast track relief measures to combat the daunting impact of pandemic COVID-19 on India's trade and industry. We are quite optimistic that Government of India and respective Ministries/ Departments will continue to take necessary steps to help businesses and to rejuvenate economic growth trajectory of the country.

In view of the unprecedented current situation arising out of the pandemic COVID-19, the logistics sector may suffer huge losses due to the lockdown in the country. We, at this juncture, sincerely request the following measures for the consideration of your esteemed department to support trade and industry in this extremely difficult time.

- Consider logistics sector as a priority sector for lending i.e., sanctioning of soft loans ; existing loans may also be extended at a lower rate.
- A reduction in the GST rate lower than 12 per cent
- Auto renewal of national movement permits till [September 2020](#)
- Issuance of digital permits and support from the National Highways Authority of India (NHAI) for delivery of packaged food for drivers after every 50 kms.
- Waiver of revenue share and lease rental payable by PPP operators to the Government till [September 2020](#) as well as waiver of minimum performance obligations of private operators till [September 2020](#).



- Extension of construction period of ongoing PPP projects by 6 months to 1 year besides allowing of GST input credit for such projects.
- A Government-sponsored health insurance cover for all the employees of the sector to provide morale boost to the industry.

It may be mentioned that transportation is a major issue as the transporters are refusing to go to the various States districts and demanding unrealistic fares. The trucks, containers are standing at different locations for which Government of India has already issued orders which are not yet followed at large at the States' level. Immediate action is required for smooth movement of goods at this juncture.

Further, the normalization of cash flow will take around 6 months after the lock down is over. Majority of labor and work force have already re-located themselves to their home towns and logistics are not majorly intact vis-à-vis unavailability of work-force such as drivers etc., hence, the trade and industry look forward to more dynamic reforms measures and a great hand-holding in this extremely difficult time.

We believe that the above mentioned relief measures would go a long way in supporting the logistics sector to mitigate the impact of pandemic COVID-19 and rise in these extremely difficult times.

As our Hon'ble Prime Minister, Shri Narendra Modi has reiterated that India, with the right blend of the physical and the virtual can emerge as the global nerve centre of modern multinational supply chains in the post pandemic COVID-19 World. Hence, continuation of effective reforms at the ground level would help the logistics sector to grow multifold in the coming times and contribute significantly in India's goal to become a US \$ 5 trillion economy.

We trust our suggestions will be considered for the immediate action.

Thanking you!
Yours sincerely,

Dr D K Aggarwal
President
PHD Chamber of Commerce and Industry
PHD House,
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

80. PHD Chamber congratulates you for taking charge Secretary Department of Economic Affairs, Ministry of Finance, Government of India (2nd May 2020)

**Shri Tarun Bajaj, IAS
Secretary
Department of Economic Affairs
Ministry of Finance
Government of India
New Delhi**

Respected Sir,

Greetings!

It is my honour and pleasure to extend my heartiest congratulations to you for taking charge Secretary Department of Economic Affairs, Ministry of Finance, Government of India. I highly appreciate your great dedication and commitment towards the economic development of the country. Your appointment as the earlier Additional Secretary, Prime Minister's Office and now as Secretary, Department of Economic Affairs speaks volumes about your experience in managing portfolios of strategic importance.

You are a great visionary and well known for your astute administrative skills and integrity. I am confident that you will turn around India's economy to the new highs and make it the most attractive investment destinations for Investors across the globe.

Your excellent leadership will help the country to achieve strong and sustainable growth trajectory post pandemic COVID-19 scenario.

Looking forward to work under your dynamic guidance in the coming times.

Thanking you,
Yours Sincerely
Dr D K Aggarwal
President

**PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri Institutional Area
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454
Fax: [+91 11 26855450](tel:+911126855450)
Email: president@phdcci.in**



79. Recommendation for 15% COVID 19 import tax on chemicals and other products from May 2020 to 31st March 2021 and Refund of all duties and taxes for export of products (2nd May 2020)

Saurabh Sanyal

Secretary General

**Ind-Health/54
2nd May 2020**

**Dear Shri. Amit Yadav Ji,
Greetings from the Chamber,**

Subject: Recommendations for 15% COVID 19 import tax on chemicals and other products from May 2020 to 31st March 2021 and Refund of all duties and taxes for export of products

At the outset, PHD Chamber sincerely appreciates the efforts being undertaken by the Government under the guidance of the Hon'ble Prime Minister for the impact of COVID 19. We strongly believe that all policy efforts are being undertaken to protect the Indian Economy and Industries in India post COVID-19 pandemic impact. Our Chamber is fully committed to meeting the challenges posed by Covid-19.

We appreciate the step, suggested for arranging the refund of all duties and taxes for export of products under the chapters 28, 29, 32, 38, 39, 40, 54, 55 at the earliest.

We understand that the government is planning to impose 15 % COVID Tax on import of chemicals and other products to safeguard the domestic industry with an intent to protect domestic producers and avoid dumping of material from other countries.

Our member companies believe it is an opportunity for the Indian pharmaceutical sector to export to other countries and contribute to the Indian Economy by way of Foreign Exchange earnings. However, we strongly believe that both, export of the finished formulations and API's and import of chemicals required for the pharmaceuticals exports and domestic consumption are important for meeting requirement of the medicines for the needy patients.

We would like to humbly submit the following points as to why the 15% COVID 19 import tax should not be levied, particularly on the chemicals being imported as base raw material for APIs and KSM chemicals being used for bulk drugs and the finished formulations and not on chemicals in general, for your kind consideration:



1. Operational Factors

a. The same quality raw material may not be available indigenously, so it may impact the final formulation. In addition, the change in the supply chain will take time to locate new and quality domestic suppliers, test their materials or no alternative suppliers in India, which will disrupt the supply chain with increase in prices.

b. It will put some additional strain on the working capital management of our Pharma Sector, as cash crunch is being faced by Indian Industry.

c. If there are specific cases of dumping, action should be expeditiously taken against that and systems should be geared towards that. But putting omnibus duty on all imports to prevent dumping of some specific items defies economic logic.

d. The government has asked to develop appropriate mechanism for this, which will be challenging and have various operational issues delaying clearance and overall availability. Also, it is not clear how much duty will be exactly collected at the time of import. If it is collected later whether interest will also be charged on this or not?

e. There are cases of chemicals and base materials— many for which there is no indigenous substitute available, so we depend on import. And even if some similar finished formulation is made from the indigenous chemicals, it will not be of the same quality despite high cost, from the patient's perspective, as it will not give the desired result.

2. China Factor

a. All material prices (including API, Bulk Drugs, KSM from China as well as from the domestic suppliers) have gone up, the supply being less as compared to the demand. This has to be also looked in from the perspective of exchange rate (INR has depreciated) wherein the dollar has appreciated to the rate is Rs 78/- for one dollar, today as against Rs 65/- last year, which has an adverse impact on the landed cost of materials in India.

b. The COVID- 19 got initiated in China from Jan 2020 end & we are under lockdown since mid-Mar 2020. This has resulted into lesser purchases during this period. This gap will lead to increased purchases during the period May 2020 till June end/July 2020.If we impose 15 % COVID Tax on the import duty, it will have heavy impact on the already stressed bottom line of many pharma companies, which cannot be passed on to the final customer.

In summary

The COVID 19 has already affected the economy & its adverse impact will last for many more months. Further, increasing the import duty will impact Pharma industry performance negatively which will impact the overall health of the sector.

Our member companies feel that this is very regressive step. Why tax an industry, that is already reeling under the pressure of COVID-19. In fact, there should be a COVID tax deduction of 15% for any import that is required for the pharmaceutical, devices and diagnostics industry so that the government is seen to be helping the industry manage and survive this pandemic without too much of a negative impact.



To encourage local manufacturing of APIs so that we reduce our dependence on China, to facilitate local R&D (Make in India) we must support the industry and not add tax burden at all.

Further, it is an opportunity to showcase to the world that India can be the next favourable destination to cater to their manufacturing needs for which till now they were dependent on some other countries like China.

Considering all above, a conscious call needs to be taken, so that 15 % COVID-19 import Tax should not be a barrier for Pharma Industry.

However we could impose a 15 percent duty on final API being imported, provided that they are being manufactured in India and not on chemicals being used for manufacturing APIs and other KSM chemicals

Looking for to your kind support

With best regards,

Yours Sincerely,

(Saurabh Sanyal)

Shri. Amit Yadav,

Director General,

Directorate General of Foreign Trade,

New Delhi – 110011

(Also sent to Dr. P D Vaghela, Secretary, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Govt. of India)



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

78. Immediate relief sought to mitigate the impact of increased minimum wages with effect from 1st April 2020 in Uttar Pradesh (2nd May 2020)

Shri Yogi Adityanath
Hon'ble Chief Minister
Government of Uttar Pradesh

Respected Sir,

Namashkar!

Immediate relief sought to mitigate the impact of increased minimum wages with effect from
1st April 2020 in Uttar Pradesh

At the outset, we appreciate the Government of Uttar Pradesh for its pro-active and extensive preventive measures to protect its citizens from the daunting impact of pandemic Covid-19.

With the onset of the Covid-19 outbreak that has affected the trade and industry worldwide, disruptions in economic cycles are bound to impact the operations of trade and industry. At this backdrop, increase in the minimum wages by the State Government of Uttar Pradesh w.e.f. 1st April 2020 is not appropriate in the ongoing difficult business environment.

The member organizations of PHD Chamber of Commerce and Industry have expressed their apprehension and concerns regarding this announcement as the businesses are reeling under huge pressure and shortage of liquidity due to daunting impact of pandemic COVID-19. Such announcement at this juncture would make it arduous for businesses to recuperate their finances and maintain sustainability, going forward.

Industry, at this juncture, is eagerly waiting for a significant stimulus package from the government to survive in such a difficult environment due to pandemic COVID-19. Hence, we request the State Government of Uttar Pradesh to immediately withdraw this decision for the benefit of trade and industry in the State.

We trust our submissions will be considered for immediate and favourable action.

Thanking you!

Yours sincerely,



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

Dr D K Aggarwal
President
PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri Institutional Area
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454
Fax: +91 11 26855450
Email: <mailto:president@phdcci.in> president@phdcci.in



77. Request for clarification on few points related to MHA circular number 40-3/2020-DM-I(A) dated 1st May 2020 on extended lockdown guidelines w.e.f 4th May 2020 (2nd May 2020)

**Shri Ajay Kumar Bhalla, IAS
Home Secretary
Ministry of Home Affairs
Government of India
New Delhi**

Respected Sir,

Greetings!

Request for clarification on few points related to MHA circular number 40-3/2020-DM-I(A) dated 1st May 2020 on extended lockdown guidelines w.e.f 4th May 2020

At the outset, PHD Chamber of Commerce and Industry welcome Ministry of Home Affairs decision to further extend the lockdown period till 17th May 2020 to eradicate the pandemic covid-19 from the country.

The decision to exit the Nationwide lockdown in a graded manner by giving equal importance to lives and livelihood of Indian citizens, and allowing select economic activities in all zones, Red (hotspots), orange and green, based on the intensity of the spread of pandemic Covid -19 is highly appreciable.

However, member organizations of PHD Chamber have raised few points related to working of private sector in red zones and e- commerce of essential and non-essential items. The points of the circular circular number 40-3/2020-DM-I(A) dated 1st May 2020 of MHA for clarification are hereunder :

- 1. Private offices can operate with upto 33% strength as per requirement, with the remaining persons working from home :** Our Member organizations have expressed their concern on seeking clarity from the Government on Point number 7 of the circular number 40-3/2020-DM-I(A) dated 1st May 2020 which states that in red zones, private offices can operate with upto 33% strength as per requirement, with the remaining persons working from home.

However, the point 7 (ii b) of the circular dated 1st May 2020 states that manufacturing units of essential goods, including drugs, pharmaceuticals, medical devices, their raw material and intermediates; production units, which require continuous process, and their supply chain; Jute industry with staggered shifts and social distancing; and manufacturing of IT hardware and manufacturing units of packaging material will continue to be permitted.



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We request the Government to provide clarification whether all private offices are allowed to open across all sectors or not.

2. if, private sector is allowed, is there any need of separate passes for movement of workforce of private offices

Our member organizations would like to know whether passes are required or not for the movement of workforce of private offices w.e.f 4th [May 2020](#).

3. E-commerce activities, in the Red Zones, are permitted only in respect of essential goods.

E commerce has been allowed to deliver to orange and green zones for non- essential goods. However, in the Red Zones e-commerce activities are permitted only in respect of essential goods as per point number 7 (ii-e) of the circular.

We would like to bring in your kind notice that various member organizations of PHD Chamber have raised concerns that their fulfillment centres of e-commerce are in red zones where only essential activities are allowed as of now, hence, the usage of those fulfillment centres remains prohibited for non-essential activities/goods. So, they will not be able to deliver the non-essential goods in the orange and green zones.

Therefore, we request the government for an early clarification on the above points.

Thanking you!

Yours sincerely,

Dr D K Aggarwal
President
PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri industrial Area
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454
Fax: [+91 11 26855450](tel:+911126855450)
Email: president@phdcci.in

76. Concern over certain points regarding the guidelines for opening of industries (29th April 2020)

Date: 29th April 2020

To,

**Dr. Subodh Agarwal, IAS
Additional Chief Secretary
Industries Department
Government of Rajasthan**

Sub: Concern over certain points regarding the guidelines for opening of industries

Respected Sir,

We have studied your guidelines regarding opening of industries with certain special measures and we appreciate them. But we have certain concerns regarding a few points which might create certain practical problems upon implementation. Almost the entire community of factory owners and industrialist have raised or agreed with the following concerns,

- A. Our first collective concern is regarding the point that factories need to work with only upto 50% of their labourers, roster wise. This is leading to the following problems.
 1. Because all skilled labourers have got their specialization in certain specific areas and have always been allotted work accordingly, so it's difficult to replace them with others. And especially, so many at once.
 2. A sense of dissatisfaction is arising in the mind of many labourers, regarding why should they work when their counterpart or fellow workers are not working and still getting the same wages.
 3. Because of the same dissatisfaction as mentioned in point 2, many of the labourers who are being asked to work are also demanding increased wages.
- B. Our second collective concern is regarding the point that only staff will get community passes and not the labourers. This again might create certain practical problems:
 1. If factories are to run, the labourers will have to be located in the factory premises. Most factories don't have sufficient facilities to accommodate the labourers full time, for a number of weeks.

2. Many of the labourers living with their families are not ready to get located in the factory premises because of security concerns about their families. Commuting will not be possible for them and many such labourers will not be able to work.
3. Also, the guidelines say that there should not be any movement of labourers outside the factory premises. We completely understand and agree with the reason and logic behind this point, but we would like to point out further that in case any labourer or a group of labourers forcefully or stealthily try to get out of the factory due to any general or personal reason, it cannot be always completely blamed on the owner.
4. As per the guidelines, the safety of labourers as well as their families is the responsibility of factory owners. With the problems mentioned above, it's not possible for most factory owners to be able to take this responsibility; and if forced upon, it will only look unjustified.

We all will corporate and fight against the current situations, playing our part in keeping the country strong. Our full support will always be with whatever the government decides as best for the nation. The only thing we expect is a bit more support from the government to be able to work positively and successfully in the current scenario.

We hope that you will understand our problems with a positive outlook and provide suitable solutions to them.

Thanking You,

Warm Regards



Digvijay Dhabriya
Chairman
Rajasthan Chapter
PHD Chamber of Commerce and Industry



75. Request for clarification regarding ban on Rapid Test Kits for COVID-19 (29th April 2020)

Dr. D K Aggarwal
President

Ind-Health/54
29th April, 2020

Dear Prof. Balram Bhargava Ji

Greetings from the Chamber,

Sub: Rapid Test Kits for COVID-19

As you are aware, several Indian companies have developed Rapid Test Kits and obtained approval of their samples from ICMR. They are now manufacturing high quality test kits in the country by bringing in the best ingredients and procuring only some raw materials from various countries around the world.

We believe that these MSMEs have nationalist mindset as they started local production at the call of Hon'ble Prime Minister Shri Narendra Modi to meet the emergency requirement of the country in the fight against COVID-19. They have invested time, energy and resources to manufacture the product meeting ICMR requirements and test parameters.

Unfortunately, ICMR has banned the use of two specific Rapid Test kits from Chinese Manufacturers for testing COVID-19 as these rapid test kits imported from China were defective.

Even though an advisory has been issued to stop the usage on the Chinese Rapid testing kits to the Chief Secretaries of the States and the UTs, this is being misinterpreted as stopping of the usage of the Rapid Testing kits from even the Indian manufacturers and is creating a lot of inconvenience to the domestic manufacturers who have invested in the same considering that the states/UTs have withheld all orders. This will also result in the disruption of the testing of patients which will in turn affect the diagnosis of the new cases.



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An early clarification on use and purchase of the Rapid Test kits for detection of Covid-19 Virus, manufactured by the Indian companies may be sent to the States and the UTs so that they may resume their production of Kits and make supplies of the large quantities urgently needed by the Indian Doctors, Hospitals and Labs.

We request you kindly spare some of your valuable time for having discussions with us and some of the companies involved in the field over a Video Conference at your earliest convenience.

Thanking you,

Yours Sincerely

A handwritten signature in blue ink, appearing to read 'D. K. Aggarwal', is placed below the 'Yours Sincerely' text.

D. K. Aggarwal

Prof. Balram Bhargava
Secretary DHR & Director General
Indian Council of Medical Research
New Delhi



74. Requesting to allow utilization of accumulated GST input credit balance for payment of certain taxes to improve liquidity for business (29th April 2020)

Shri Ajay Bhusan Prasad Pandey
Revenue Secretary
Ministry of Finance
Government of India

Respected Sir,

Greetings!

Requesting to allow utilization of accumulated GST input credit balance for payment of certain taxes to improve liquidity for business

May I take this opportunity to draw your kind attention on one of the critical issue of accumulated GST input credit balance and as how to use the same under COVID-19 situation when India Inc is facing acute scarcity of liquidity of funds.

We believe that GST tax credits in excess of rupees one lakh fifty thousand crore is lying unutilized in the country. With further borrowings becoming extremely difficult in the present times, it would help business if the locked-up amount is allowed to be utilized for discharging GST in areas where cash is needed otherwise. The said fund can be utilized in the following manner:

1. Transfer to another taxable location of the same entity (same PAN) for paying GST there. It is important to note that this was permissible in the Service Tax regime.
2. For payment of GST under 'Reverse Charge Mechanism. This mode of adjustment is already allowed in other countries.
3. Use of CGST and IGST for payment of Basic Customs Duty and IGST. Such cross utilization of export incentives was permissible for payment of Central Excise and service Tax in pre-GST regime.
4. Subject to concurrence of States, SGST and IGST for Payment of specified State taxes.

The proposals are revenue neutral in the medium run and will help tide over the liquidity issues for the business while government can go for temporary borrowings. The Government has in



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any case allowed delayed payment of GST with interest @9% pa. This measure will save the interest burden for the taxpayers.

The operational mechanism for the above could be as under:

1. Taxpayer to claim refund of excess tax credit; refund to be given as a scrip (or similar manner) that can be used for the permissible areas;
2. The eligibility criteria for this could be that taxpayers be registered for at least one year who have unutilized GST credit before March '20;
3. The facility to be available only for a specified period; say FY 20-21.

We believe that above operational mechanism may need minor tweaking in GST laws.

In addition to above, we would also like to state that time is ripe now for the Government to take bold and pragmatic decisions and thereby tax credit can also be allowed as follows:

1. CGST and IGST for payment of Income Tax. This is already allowed in number of countries world wide.
2. Payment of non-tax levies by Government.

We look forward to a favorable response.

Thanking you,
Yours sincerely,

Dr D K Aggarwal
President
PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri Institutional Area
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454
Fax: +91 11 26855450

(The representation also sent to Shri M. Ajit Kumar, Chairman, Central Board of Indirect Taxes and Customs; Shri G.D. Lohani, Joint Secretary (TRU I), Central Board of Indirect Taxes and Customs; Shri Manish Kumar Sinha, Joint Secretary (TRU II), Central Board of Indirect Taxes and Customs; Shri Ashok Kumar Pandey, Member (GST,CX,ST,Legal&CV), Central Board of Indirect Taxes and Customs)



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73. Representation for seeking the clarification on GST rate of COVID 19 Rapid Test Kits under Goods and Services Tax law (29th April 2020)

Shri Ashok Kumar Pandey
Member (GST,CX,ST,Legal&CV)
Central Board of Indirect Taxes and Customs
Government of India

Respected Sir,

Greetings!

Representation for seeking the clarification on GST rate of COVID 19 Rapid Test Kits under Goods and Services Tax law

This representation is being filed with the purpose of sharing the key concern of the Medical Industry regarding the applicability of GST rate on COVID 19 Rapid Test Kits.

At present, the Medical Industry is clearing the COVID 19 Rapid Test Kits either under Harmonized System of Nomenclature ('HSN') 9804 or HSN 3822 due to confusion.

In this regard, we hereby submits a representation for seeking clarification on classification of COVID 19 Rapid Test Kits, basis the HSN, to follow uniformly across India.

1. Background:

It has been observed that different GST rates (i.e. 5% or 12%) are being charged on sale of COVID 19 Rapid Test Kits by classifying said test kits either under HSN 9804 or HSN 3822.

It is pertinent to mention that the Government has notified the GST rate on goods vide Notification No.1/2017-Central Tax (Rate) dated [28 June 2017](#) ('the Notification'). Specific entries related to diagnostic test kit are as under:

Schedule No.	Serial No.	Chapter heading	Description of goods	CGST rate	SGST rate
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Schedule I	180	30 or any chapter	Drugs or medicines including their salts and esters and diagnostic test kits, specified in List 1 appended to this Schedule	2.5%	2.5%
Schedule I	263	9804	Drugs or medicines including their salts and esters and diagnostic test kits specified at S.No.180 above and Formulations specified at S.No.181 above, intended for personal use.	2.5%	2.5%
Schedule – II	80	3822	All diagnostic kits and reagents	6%	6%

Basis above mentioned rates and due to lack of clarity on classification of COVID 19 Rapid Test Kits, it may lead to the following situations:

- i. **Unavoidable litigation or dispute:** In case COVID 19 Rapid Test Kit is falling under S. No. 80 of Schedule II of the Notification (i.e. 'HSN 3822') and the businesses classifying the product under S. No. 180 Or 263 of Schedule I of the Notification (i.e. 'chapter 30 or any other chapter' or 'HSN 9804'), it will result in inevitable litigation or dispute.
- ii. **Unnecessary increase the cost of product:** In case COVID 19 Rapid Test Kit is falling under 'chapter 30 or any other chapter' or 'HSN 9804' and the businesses classifying the product under 'HSN 3822', it will unnecessary increase the product cost.

2. Suggestion / Recommendation:

It is well known that in this pandemic situation COVID 19 Rapid Test Kits are crucial to diagnose the disease well in time. Therefore, it is requested that appropriate clarification should be issued regarding the classification of COVID 19 Test Kits either under S. No. 180 or 263 of Schedule I of the Notification or S. No. 80 of Schedule II of the Notification.

We request your goodself, to please issue necessary clarification regarding applicability of rate on Test Kits for COVID 19 at the earliest.

Thanking you,



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Yours sincerely,

Saurabh Sanyal
Secretary General
PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri Institutional Area
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454
Fax: +91 11 26855450

72. Grant of Vesting Rights to Promote Exploration and Mining u/s 10A(2)(b) of the MMDR Amendment Act, 2015 (28th April 2020)

Saurabh Sanyal

Secretary General

28 April 2020

Shri Sushil Kumar
Secretary
Ministry of Mines
Government of India
Shastri Bhawan,
New Delhi – 110 001

Respected Sir,

Grant of Vesting Rights to Promote Exploration and Mining u/s 10A(2)(b) of the MMDR Amendment Act, 2015

The Indian Mining sector is considered to be the backbone of the economy as it provides the key ingredients to the manufacturing sector. The present contribution of this sector is less than 3% of GDP and hence there is a need to increase its share in line with other resource endowed countries, to ultimately boost manufacturing, generate employment and transform India.

Though various policy measures including amendment of the MMDR Act - 2015 were adopted to bring in transparency, predictability and remove arbitrariness in allocation of mineral resources, on the ground it did not translate to opening of new mines which were practically halted. In view of this and the fact that many mining leases would lapse in March, 2020 the National Mineral Policy-2019 was announced for a more effective, meaningful and implementable policy that brought in further transparency, better regulation and enforcement, balanced social and economic growth as well as sustainable mining practices.

Sir, it is understood that the mineral block auctions, introduced 5 years ago, has been able to alienate only 70 blocks successfully. Hence, the intent to boost mining production, as envisaged for the sector, is yet to be realized.

We would like to bring to your notice one section of the MMDR Amendment Act, 2015, which if expedited, can kick-start the opening of new mining activities. The MMDR Amendment Act, 2015 introduced section 10A(2)(b) to safeguard the efforts, investment and risk undertaken by Reconnaissance Permit or Prospecting Licence (RP or PL) holder to have a vesting right to the next stage, finally culminating in mining lease, upon successful completion of the exploration.

However, it is understood that as on date around 600 odd applications on this account are pending for approval with various authorities. These applications, if converted to mining leases, would bring revenues to the State, which otherwise, would remain idle with no welfare to the common public and the Nation at large. The processing of these pending applications would provide a kick start for the mining production and generate funds for the State exchequer in the form of Stamp Duty, Royalty, NMET and DMF while supporting the Indian economy by facilitating higher output in manufacturing.

It is therefore suggested that the pending applications which have complied with the conditions of exploration, as mandated in the Act, may be processed expeditiously for grant of Prospecting Licence/Mining Lease so that revenues to State can commence. Such resources would have a cascading impact in support of manufacturing sector and can be an important step to rebuild India which is reeling from the after effects of the COVID-19 Pandemic.



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On the contrary, delay in grant of the vesting rights would lead to unnecessary litigation and delayed adaptation, which perhaps was not the intent of the Government in specifically enacting the clauses as mentioned in Section 10A(2)(b) of the MMDR Amendment Act, 2015.

We have done fairly well to attract foreign investments and strengthening the core industries would shore up activities to re-build India or rather we would re-build the world with a holistic vision of ***Sabka Saath, Sabka Vikas***.

With best regards,

Yours sincerely,

(Saurabh Sanyal)
Secretary General

(The representation also sent to Shri Amitabh Kant, CEO, NITI Aayog)



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

71. PHDCCI suggestions on immediate response to the daunting impact of COVID-19 on trade and industry (26th April 2020)

**Shri Arvind Kejriwal
Hon'ble Chief Minister
Government of Delhi**

Respected Sir,

Greetings!

PHDCCI suggestions on immediate response to the daunting impact of COVID-19 on trade and industry

At the outset, PHD Chamber of Commerce & Industry appreciates the commendable efforts being put in by Delhi Government under the leadership of **Hon'ble Chief Minister Shri Arvind Kejriwal ji and Hon'ble Deputy Chief Minister Shri Manish Sisodia ji** in fighting COVID-19.

We thank you for inviting us in the webinar on COVID-19 Brain Storming Session with Industry Bodies and Department of Trade and Taxes, State Government of NCT Delhi held on [25 April 2020](#). Shri Pradeep Multani, Vice President PHDCCI along with Shri N K Gupta, Chairman, Indirect Taxes Committee, PHDCCI and Dr. Gaurav Gupta, Co-chairman Indirect Taxes Committee, PHDCCI participated in the webinar and presented PHDCCI viewpoint on the subject.

As desired, we hereby submit our suggestions to mitigate the daunting impact of COVID-19 on Trade and Industry :

Challenges faced by our member organisations:

1. The MSME sector is under tremendous stress and cannot pay wages as no operational activities were done in last month and hence there is no income generation. Majority of units are under Lockdown. Thus, a strong support is needed from Delhi Government to save Industry & job losses. In this regard, it is therefore suggested that the State Government of Delhi may possibly reduce the minimum wages by 50 percent as industry is providing free food & shelter to all its migratory workers.
2. State Government of Delhi may kindly request the Central Government to utilize Rs. 84000 crores of ESIC Funds to pay wages for April, May & [June 2020](#) or consider the relief package on the lines of Bangladesh.



3. Central Government/State Government may issue detailed guidelines to workforce engaged in essential services, and direct them to work as per normal schedule and working hours to avail full wages and remuneration.
4. Essential items like Hand Sanitizers are being produced extensively by units in Delhi despite of being limited demand in Delhi. Hence, it is suggested that the condition “For Sale in Delhi only” should be removed and Industry should be allowed to sell anywhere in India.
5. Construction activities in Delhi should be permitted for residential/Commercial real estate projects which are on the verge of completion and whereby employer is providing food and taking all necessary precautions as stipulated by the government.
6. On the recommendations of Ministry of Ayush, immunity boosting products may kindly be purchased by Delhi Govt and be distributed by all the Mohalla Clinics. Further, CPSUs of Govt like HLL & IMPCL should be directed to have surplus inventory stocks.
7. Hon’ble Commissioner issued order dated 16/4/2020 to reopen VAT assessment for the year 2015-16. The time allowed is for 30 days, the lockdown will continue till 3rd [May 2020](#). It is therefore submitted that the time should be extended by 30.6.2020.

Exemption on Supplies of all medicines and equipment to hospitals:

1. Supplies of all medicines and equipment to hospitals to fight COVID 19 should be exempted provided a certificate from such Hospital is obtained.
2. There should be a Specific exemption to COVID testing and treatment kits. It is suggested that there should be no confusion in classification of such products.
3. Supplies made for establishment of hospitals including movable assets for COVID 19 should be exempted.
4. Exemptions may be given to hotels who are giving rooms to persons who are under home quarantine.
5. It may be highlighted that Petroleum products are under VAT and Crude prices have come down heavily. So it is humbly submitted that VAT should be reduced on petroleum products.

Exemption to certain supplies:



- 1. Exemption may be given from non-levy of GST on amounts forfeited by suppliers on cancellation of contracts as they are already strained by such cancellations.
 2. Similar exemption for recipients who forfeit amount during this period on account of non-performance by Suppliers of the contracts.
 3. Any waiver between parties should not be seen as a supply for eg. Reduction of rent to ensure continuation of renting of premises by recipient etc.
 4. Amount received from Insurance Companies by a tax payer for any kind of loss during this period may be exempted.

Provisions for Post supply discounts:

1. All LDs, penalties, interest etc levied during this period should not considered under Section 15 of CGST Act, 2017. Interest paid by recipient for amounts outstanding between 15.2.2020 till 30.09.2020 for non-payment of consideration should not be considered as consideration.
2. Any post supply discounts offered for supplies made during 15.2.2020 till 30.06.2020 should be allowed for issuance of credit notes as value negotiations would definitely come when things would normalise. Credit notes for such cases should be allowed under Section 34 of CGST Act.
3. Any bad debt for non-receipt of payment in respect of supplies made post 1.1.2020 till 30.09.2020 on account of contract cancellation or insolvency of recipient, GST can be reversed by the supplier on such supply.

Reversal of ITC:

It is suggested that relief from reversal of ITC for non-payment for more than 180 days should be provided as many recipients are not able to make payment to vendors in normal course.

Realisation of export proceeds & provisions for E-way bill:

1. Due to COVID-19, exports proceeds will be realised belatedly and refunds cannot be filed till the realisation of export proceeds. So, in this hard time, the exporter will face undue hardship on account of cash flows. It is therefore suggested that the government



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

should allow the exporters to file refund without the receipt of foreign exchange with the undertaking that the same will be recoverable if export proceeds are not received within the stipulated period.

2. Exemption may be given to suppliers of essential supplies (goods which are taxable) and being supplied during this period to consumers from e way bill.
3. The practical challenge being faced by taxpayers is the expiry of e-way bill for goods in transit. It is suggested that the expiry period should be increased.
4. It may be highlighted that Form PMT 09 as operative on the portal but the same is not notified by notification.
5. It is humbly submitted that all pending refunds should be released immediately.

Action plan post COVID-19 scenario

It is our earnest request that to maximise production and consumption, which is need of the hour now, there should be no GST for three months on any items. NITI Aayog has already felt the need of 5% GDP as stimulus package for revival of the economy, trade and industry. Exemption to GST for three months is of 3 lac crores which is 25% of the expected stimulus package. GST exemption for three months will help in bringing the economy in track within shortest possible time with a lot of opportunities for employment creation in the economy.

We trust our submission will be considered by the government for immediate and favorable action.

Thanking you!

Yours sincerely,

Dr. D K Aggarwal

President

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri industrial Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: [+91 11 26855450](tel:+911126855450)

(The representation also sent to Shri Vivek Pandey, Commissioner, Department of Trade &, Taxes, Govt of NCT of Delhi; Shri Manoj Kumar, Secretary-cum-Commissioner (Labour), Government of NCT of Delhi)



70. Suggestions to help industries during the COVID-19 outbreak (27th April 2020)



NATIONAL APEX CHAMBER

PHDCCI/LKO/19-20/Industry -016
27 April 2020

To,
Shri Satish Mahana
Hon'ble Cabinet Minister
Department of Infrastructure & Industrial
Development Uttar Pradesh

Subject: Suggestions to help industries during the COVID-19 outbreak

Respected Sir

At the outset PHD Chamber of Commerce & Industry wishes to place on record our sincere thanks for the efforts being put by you and your respected officers to interact our industry members through webinar session on current scenario and way forward for Industry during COVID-19 crisis dated 25th April 2020, from 2:30 PM to 3:30 PM.

Industries are hardest hit during these challenging times and need immediate support of the Government. We submit the following issues and suggestion for your consideration:

- The taxes and other charges should be exempted for the business owners operating on the lease lands during and also after few months of lockdown in order to reduce their burden of finances.
- Those industry units should be allowed to operate where the workers are already being given the fooding and accommodation by the industry owners.
- Unnecessary inspection/ checking by several Government Authorities should be minimized/ stopped if an industry unit is following and adhering to operate with all the norms and guidelines issued by GOI/ State Government.
- All the advisories/ circulars pertaining to COVID 19 should be made available to one common portal which should be accessible publically.
- Some district level measures should be taken up by the State Government for preservation of perishable crops/ products like Mango, Litchi etc.

- The workers should be made to work for 10 to 12 hours instead of routine 8 hours and the salaries/ wages should be paid extra for the overworked hours.
- The outstanding payments from the Government and PSU's due to be paid to the MSME Units should be released at the earliest.
- The liquor industries should be allowed for the sale of their products.
- Construction work should be resumed on the sites where the workers are already accommodated.
- Factories should be given minimum time of 1 week for doing it's maintenance before opening of the lockdown so that once the lockdown opens all the workers can be deployed only in manufacturing work.
- Passes should be issued to the workers for their easy and hassle free commute from one place to another.
- Setting up a Japanese Industrial Park in the State to attract investment and business opportunities.
- Investment review meeting by IIDC has been on hold due to COVID-19. Review meetings were an ideal platform for quick redressal of the issues faced by investors. In line with the consolidated guidelines issued by MHA, investment has been resumed and a few issues are yet to be resolved. We request Govt. of UP to resume the review meetings through on-line portals as the physical moment is not allowed.
- In previous investment review meetings, key decisions such as notification of directives under 108 extending the "banking" facility in line with the UP Solar Policy 2017 were taken. However, implementation/ notification is pending. As the situation is moving towards normalcy, we request Govt. of UP to notify such orders at the earliest.

Please note that implementation of these measures can immensely help the industries which are already stressed due to the prevailing financial conditions, in mitigating the effects of this unforeseen and presently untreatable Pandemic.

Thanking you in anticipation.

Yours Sincerely,



(Manoj Gaur-Chairman)



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69. Suggestions to provide certain relaxations for industrial and commercial activities for the workers working in a factory (25th April 2020)

Shri Manohar Lal
Hon'ble Chief Minister
Government of Haryana

Respected Sir,

Greetings!

Suggestions to provide certain relaxations for industrial and commercial activities for the workers working in a factory

The Government of India has extended the lockdown across the country till 3rd May 2020 to fight against the Pandemic COVID-19. PHD Chamber appreciates the commendable efforts being put in by the Central government and the respective State governments in fighting pandemic COVID-19.

PHD Chamber of Commerce and Industry has been proactively supporting the Government by providing suggestions at each stage of development, creating awareness and disseminating knowledge among various stakeholders.

In view of the extended lockdown in the country, the Government of India has decided to provide certain relaxations for industrial and commercial activities from 20th April, 2020. Ministry of Health and Family Welfare (MoH&FW) and Department of Personnel and Training, Government of India have been issuing various advisories for the welfare of workers at the work place. We appreciate all the relaxations and relief measures provided by the government during this extremely difficult time

We would like to bring in your kind notice that the Government of Gujarat vide Notification No. GHR/2020/56/FAC/142020/345/M3 has decided that these relaxations shall not be applicable to areas declared as hotspots or containment zones in different cities of the State and the commercial activities and businesses can start functioning from 20th April, 2020 but with due procedures of safety and social-distancing.

Further, the above notification of Gujarat Government, in exercise of the powers conferred by Section 5 of the Factories Act, 1948 (LXIII of 1948), directs that all the factories registered under the Factories Act, 1948 shall be exempted from various provisions relating to weekly hours,



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daily hours, intervals for rest etc. of adult workers under section 51, section 54, section 55 and section 56 with the following conditions from 20th April till 19th July 2020:-

1. No adult worker shall be allowed or required to work in a factory for more than twelve hours in any day and Seventy Two hours in any week.
2. The Period of work of adult workers in a factory each day shall be so fixed that no period shall exceed six hours and that no worker shall work for more than six hours before he has had an interval for rest of at least half an hour.
3. No Female workers shall be allowed or required to work in a factory between 7:00 PM to 6:00 AM.
4. Wages shall be in a proportion of the existing wages. (e.g, If wages for eight hours are 80 Rupees, then proportionate wages for twelve hours will be 120 Rupees).

In the context to the above, we would like to provide a few suggestions to the Government of Haryana to kindly issue similar notification for the establishments/ Industries in Haryana and help the trade and industry to mitigate the impact of pandemic Covid-19.

We suggest that the Government of Haryana shall allow adult workers to work in a factory for twelve hours (but not more than twelve hours) in any day and Seventy Two hours in any week.

· It is suggested that the Periods of work of adult workers in a factory each day shall be so fixed that no period shall exceed six hours and no worker shall work for more than six hours before he has had an interval for rest of at least half an hour.

· It is suggested that paying wages to the workers a proportion of the existing wages. (e.g, If wages for eight hours are 80 Rupees, then proportionate wages for twelve hours will be 120 Rupees), this will enable them to meet the basic requirement and help them survive in this extremely difficult situation of COVID-19.

Notification issued by the Gujarat Government is attached for your kind reference

We trust our submission will be favorably considered by the department for immediate and favorable action.

Thanking you!

Yours sincerely,

Dr. D K Aggarwal

President

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri industrial Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

(The representation was sent to Hon'ble Chief Ministers of all States)



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68. PHDCCI appreciates MHA's calibrated opening of economic activity under the revised guidelines- letter No. 40-3/2020-DM-I(A) of 24th April 2020 (25th April 2020)

**Shri Ajay Bhalla, IAS
Home Secretary
Ministry of Home Affairs
Government of India
New Delhi-110001**

Respected Sir,

Greetings!

PHDCCI appreciates MHA's calibrated opening of economic activity under the revised guidelines- letter No. 40-3/2020-DM-I(A) of 24th April 2020

At the outset, we appreciate the Government for undertaking proactive and fast track measures to combat the daunting impact of pandemic COVID-19 on economy, trade and industry. We are quite optimistic that Ministry of Home Affairs will continue to take necessary steps to safeguard both lives and livelihoods in this extremely difficult time.

The guidelines issued by the Ministry of Home Affairs, Government of India in letter No. 40-3/2020-DM-I(A) of 24th April 2020 to allow opening of all shops registered under Shops & Establishment Act of respective States/ UTs, including shops in residential complexes, neighbourhood & standalone shops and shops in market complexes (except shops in single & multi-brand malls) with 50% strength of workers after compulsory wearing of masks and strict adherence to social distancing are highly appreciable. These calibrated steps would go a long way to rejuvenate the economic activity in the country, going forward.

PHD Chamber of Commerce and Industry organized a Video Conference with Shri Gopal Krishna Agarwal, National Spokesperson of Bharatiya Janata Party(Economic Affairs) along with industry organisations of PHD Chamber and released its report on the calibrated exit from lockdown (attached) on 18th April 2020 and suggested to open up economic activities in all green zones with 50% workforce, barring all social gatherings (including shopping malls, religious places) and strict adherence to social distancing.

PHD Chamber stands in complete solidarity with the Government with its wholehearted support, in whatever means required and possible, to help the Nation stand against the wild tide of pandemic COVID-19, overcome its adverse impact and come out victorious by defeating the pandemic COVID-19.



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We are optimistic that India will emerge victorious in the fight against pandemic COVID- 19 by safeguarding both lives and livelihoods of its countrymen.

Further, we look forward to more calibrated steps by the Government to resume more economic activities in the coming times.

Thanking you!

Yours sincerely

Dr D K Aggarwal

President

PHD Chamber of Commerce and Industry

PHD House,

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: [+91 11 26855450](tel:+911126855450)

Email: president@phdcci.in

Website: www.phdcci.in



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67. Clarification on Government Guidelines for the “Medical Insurance for the Workers to be made Mandatory” (24th April 2020)

24 April 2020

Respected Sir,

Clarification on Government Guidelines for the “Medical Insurance for the Workers to be made Mandatory”

This is in reference to Order No. 40-3/2020-DM-I (A) dated 15th April, 2020 issued as part of the Consolidated Revised Guidelines by Ministry of Home Affairs.

As per the said order, inter alia; the following are stipulated:

- i) All industrial and commercial establishments, work places, offices etc. shall put in place arrangements for implementation of Standard Operating Procedure (SOP) before starting their functioning.
- ii) As per clause no. 5 of Annexure – II of the said SOP for social distancing for offices, workplace, factories and establishments, medical insurance for the workers to be made mandatory.

Sir, as per Employee State Insurance (ESI) Act, 1948, medical insurance is available for employees whose monthly wage is Rs 21,000 or less. Under the ESI Act, the employer and employee contribute to the Employee State Insurance Corporation (ESIC). An employee has to avail ESI benefits from the ESIC.

A person insured under the ESIC Act is entitled to various benefits such as sickness benefit, maternity benefit (where applicable), disablement benefit, medical benefit etc. Employees covered under the ESI within an organization are not covered under the group health insurance policy offered by the employer.

There is a query from our members regarding the coverage amount and we suggest that the medical insurance be made compulsory only for those who are not covered under ESI Act.

I request you to kindly clarify this issue.

Yours sincerely,

(Saurabh Sanyal)

Shri Heeralal Samariya
Secretary (L&E)
Government of India
New Delhi



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66. Request to expedite the manufacturing approval of Covid-19 test kit as it is approved by ICMR (24th April 2020)



NATIONAL APEX CHAMBER

PHD CHAMBER OF COMMERCE AND INDUSTRY

VIVEK SEIGELL
Principal Director

Ind-Health/54
24th April 2020

*Dear Dr. V G Somani Ji,
Greetings from the Chamber,*

We would like to thank CDSCO for working towards the growth of healthcare industry tirelessly during this Covid-19 pandemic.

We would like to share that one of our industry member named 'Alpine Biomedicals' has submitted the application for the grant of manufacturing license for Rapid test kit for Covid-19 dated 18th April 2020 via application no. MFG/IVD/2020/23069. We would like to draw your attention that the kit has been already approved by ICMR (Indian Council of Medical Research).

Please find attached letter of approval from ICMR, manufacturing license, letter of authority and guidance on kit for your reference.

We would like to request you to expedite the manufacturing approval of Covid-19 test kit as it is approved by ICMR and there is an immediate requirement of the test kit by various State Governments in the wake of Corona outbreak.

Looking forward to your support

With best regards,

Yours Sincerely

Vivek Seigell

Dr. V G Somani,
DCGI,
CDSCO, FDA Bhawan, ITO Kotla road,
New Delhi



65. Representation from the AYUSH Industry to help the nation fight Covid-19 pandemic (24th April 2020)

Dr. D K Aggarwal
President

Ind-Health/54
24th April 2020

Hon'ble Shri Shripad Yesso Naik Ji,
Greetings from the Chamber,

On behalf of PHD Chamber, I would like to thank you for your continued support to the industry since inception of the AYUSH Ministry, Government of India. Recently, you have chaired two important video conferences along with Sh. Piyush Goyal, Hon'ble Minister for Commerce and Industries and have noted the industries inputs clearly specifying how AYUSH industry can help Government in fighting Covid- 19, pandemic which has catapulted the whole world into immense health crisis.

As suggested by Shri. Piyush Goyal that if the AYUSH Ministry can finalise the medicines and decide the protocol, he will personally speak to State Governments and ask them to start prescribing AYUSH medicines for trials as to the quarantined population.

Taking this further, we have discussed this with some eminent AYUSH manufacturers (PHD AYUSH Committee members) and the manufacturers are delighted to be on-board with Ministry of AYUSH, Government of India and are willing to provide free medicines to the extent possible, to the patients under quarantine/people working in high risk zones as per the direction of Government of India.

Ministry of AYUSH may share with us detailed guidelines including Protocol, Medicine type (Tablet/liquid) with ingredients, quality standards etc. at the earliest so that the Industry stakeholders can procure the raw material, arrange the work force and make other desired arrangements for supplying the medicines to Government on immediate basis.

Once, the medicines have been administered to the quarantined patients & people working in high risk zone, the monitoring of the efficacy & clinical trials of the medicines may be closely monitored by Ministry of AYUSH/Central Research Councils. This data will help us validate our scientific claims world over.



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Please note that companies such as Baidyanath, Dabur, Multani, Shree Dhootapapeshwar, Emami, Charak, Sandu, Maharishi Ayurveda, Himalaya, Sri Sri Tattva are already on board for supplying the medicines. As we move ahead more companies will join this initiative.

Looking forward to hearing from Ministry of AYUSH on the above industry initiative for strengthening India's fight against Covid-19.

Yours sincerely

A handwritten signature in black ink, appearing to read 'D K Aggarwal', is written over a light blue horizontal line.

D K Aggarwal

Shri Shripad Yesso Naik
Hon'ble Minister,
Ministry of Ayush,
Govt. of India
New Delhi



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64. Requesting State Governments to launches Amnesty Scheme to settle Pre-GST Tax Arrears (21st April 2020)

Hon'ble Chief Ministers of all States

Respected Sir,

Greetings!

Requesting State Governments to launches Amnesty Scheme to settle Pre-GST Tax Arrears

At the outset, we appreciate the Central and the States Governments for undertaking proactive and fast track measures to combat the daunting impact of pandemic COVID-19 on trade and industry.

PHD Chamber of Commerce and Industry has been proactively supporting the Government by providing suggestions at each stage of development, creating awareness and disseminating knowledge among various stakeholders.

In concurrence to the announcement made under the Kerala Amnesty Scheme 2020 in Kerala Finance Bill, 2020, the State Goods and Service Tax Department has issued the Circular no. 02/2020 dated 04.04.2020 ('the Circular'). The new amnesty scheme has been announced to provide mutual benefit both to the taxpayer and the revenue to clear all pre-GST dues, which were not settled in the earlier announced amnesty scheme. The amnesty scheme shall apply to the outstanding dues under the Kerala Value Added Tax Act, the Central Sales Tax Act, Tax under the Luxuries Act, the Kerala Surcharges Act, the Kerala Agriculture Income Tax Act and the Kerala General Sales Tax Act.

The Kerala Amnesty Scheme 2020 provides various relief measures to the Tax Payers such as:

- 100% waiver of interest and penalties;
- 60% waiver of the balance tax arrears, if outstanding dues paid in lump sum;
- 50% waiver of the balance tax arrears, if outstanding dues paid in installments.

It may be noted that during this tough times, this scheme surely provide a sigh of relief to taxpayer by allowing them to settle their all pending tax dues and cases, which will surely help the taxpayer and the government in collection of tax revenues.

On the similar grounds, we request your goodself to provide similar kind of Amnesty Scheme



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for the taxpayer of your State so as they can come forward to settle their Pre-GST tax arrears at the earliest.

We trust our submissions will be favourably considered for immediate and favourable action.

Thanking you,

Yours sincerely,

Dr D K Aggarwal
President
PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri Institutional Area
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454
Fax: +91 11 26855450

(The same representation has been sent to Shri Conrad Kongkal Sangma, Hon'ble Chief Minister, Government of Meghalaya and Shri Neiphiu Rio, Hon'ble Chief Minister, Government of Nagaland)



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

63. Request to seek refund of PF Contributions deposited for the Wage Month of March 2020 (21st April 2020)

Shri Heeralal Samariya
Secretary
Ministry of Labour & Employment
Government of India

Respected Sir,

Greetings!

Request to seek refund of PF Contributions deposited for the Wage Month of March 2020

At the outset, we appreciate the significant reforms undertaken by the Government to mitigate the impact of Pandemic COVID-19 on trade and industry.

May we invite your kind attention to EPFO's notification vide letter No.C-I/Misc./2019-20/Vol.II./Part/9 dated 15-April-2020.

Member organisations of PHD Chamber of Commerce and Industry being law abiding always strive to ensure that all their statutory obligations are complied in conformity with the laid down applicable statutory provisions.

In view of the above, our member organisations have deposited the total contributions i.e. share of all eligible employees and employer share payable for the wage month of March 2020 on prescribed due date i.e. 15-April-2020 into the fund and related schemes along with applicable administrative charges.

On the same date i.e. on 15th April, the department of EPFO had issued the above referred circular granting extension in due date for deposit of contributions, by extending it to 15th May, 2020.

It is to apprise you that due to last moment release of the order and in order of maintaining an uninterrupted endeavour to be fully compliant as always, our member organisations have arranged and ensured that due contribution is deposited within the prescribed timeline.

However, in this extremely difficult time amid pandemic COVID-19, this attempt at this juncture has left an adverse impact on cash flow situation of our member organisations which is likely to have an impact on their financial obligations.



In view of above cited fact and submissions, we request you to kindly consider reversal of the contributions made by Industries well within due date (prior the extension notification of EPFO) for the wage month of March 2020 and the same shall be deposited on or before the extended due date i.e. 15-May-2020.

We trust our submission will be favorably considered by the department for immediate and favorable action.

Thanking you!

Yours sincerely,

Saurabh Sanyal
Secretary General
PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri industrial Area
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454
Fax: +91 11 26855450
Email: saurabh.sanyal@phdcci.in



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62. Regarding various inputs by PHDCCI to government to mitigate the impact of COVID-19 on trade and industry (19th April 2020)

Smt. Bindu Dalmia
Chairperson
National Committee on Financial Inclusion and Literacy
NITI Aayog

Respected Madam

This is in reference to your whatsapp message sent to Dr DK Aggarwal, President, PHD Chamber of Commerce and Industry regarding various inputs by PHDCCI to government to mitigate the impact of COVID-19 on trade and industry.

PHD Chamber of Commerce and Industry has submitted various representations to the concerned department of Government of India and State governments on the various issues of the member organisations of PHD Chamber. The Chamber has also submitted the Short Term and Long Term suggestive measures to the Government and recently a report on Calibrated Approach to Exit from Lockdown has been submitted to the Government for consideration.

All the reports are attached for your kind perusal.

My name is Dr SP Sharma, Chief Economist, PHD Chamber of Commerce and Industry.

Please feel free to discuss anything on my mobile number 9910946767.

Let us know any further suggestions required from our end.

Thanking you!

Warm regards
Dr S P Sharma
Chief Economist
PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri Institutional Area August Kranti Marg,
New Delhi-110016,
India Tel: +91 49545454
Mobile 9910946767.
Fax: +91 11 26855450
Email: spsharma@phdcci.in



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Website: www.phdcci.in

61. No Cost Comprehensive Care Management Platform (COVIDCARE) in addition to “Aarogya Setu” for complete care (18th April 2020)

VIVEK SEIGELL
Principal Director

Ind-Health/54-
18th April 2020

Dear Dr. Mandeep Kumar Bhandari Ji,
Greetings from the Chamber,

Subject: No Cost Comprehensive Care Management Platform (COVIDCARE) in addition to “Aarogya Setu” for complete care

PHD Chamber would like to appreciate the Government of India for developing an Aarogya Setu application to fight against the Covid-19. As the number of COVID cases increases, the health system will quickly become overburdened attempting to manage both critical and non-critical cases. 80% of COVID cases present with Mild to Moderate symptoms which does not require hospitalization though require managing them safely at home with continuous monitoring by physician or trained para medical staff.

PHD Chamber in association with DTDHI Health India Pvt Ltd and daytoday Social Action Foundation has come up with a Comprehensive Care Management Platform (COVIDCARE) in addition to “Aarogya Setu” to benefit the quarantine /isolated patients by taking care of them on a daily basis and we would like to provide it to Government of India at No Cost basis.

Features of the Platform:

For Patients:

- Adaptive Symptom checker captures daily vitals in a personalized way
- Alerts and alarms Doctors to take Action
- Education library to provide Government approved COVID content and notifications to keep up the positive attitude
- Psychological support by articles and videos to help patients manage stress and anxiety.
- Live chat with qualified clinicians for a streamline communication

For Doctors:

- Doctor Dashboard puts personalised medical information at the finger-tips of the doctors.
- They can track mass population at the click of a button
- Remotely manageable treatment for more patients



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Why it is important:

- The platform can be easily integrated with the Aarogya Setu Application
- It helps people who show mild to moderate symptoms of COVID-19 that do not require high-quality hospital care.
- The platform will provide a single point access to remote care team like Clinicians, Doctors & nurses to deliver the care programmes and if required the platform will provide guidance to the hospital teams along the patient's recovery.
- Ensures safety for care team professionals and patients and provide a medium for them to interact in real time and help country recover from the pandemic
- A solution with complete backup of the medical n para medical staff for patients falls in category two n three requiring active care at home

We would like to support the efforts of Government of India by providing the platform at no cost for our fellow citizens to help the country recover from the pandemic.

Looking forward to hearing from you.

Best regards,

Yours Sincerely

Vivek Seigell

Dr. Mandeep Kumar Bhandari
Joint Secretary,
Ministry of Health & Family Welfare,
Government of India
Nirman Bhawan,
New Delhi- 110011



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60. Request for Extension of due date for deposit of TDS for the month of March, 2020 and due date of payment of 1st installment of Advance Tax for FY 2020-21 (17th April 2020)

Shri Pramod Chandra Mody
Chairman, Central Board of Direct Taxes
Department of Revenue, Ministry of Finance
North Block, New Delhi-110001

Respected Sir,

Greetings!

Request for Extension of due date for deposit of TDS for the month of March, 2020 and due date of payment of 1st installment of Advance Tax for FY 2020-21

In the midst of crisis caused by COVID 19, the prompt and proactive role of CBDT is highly appreciable and we the PHD Chamber of Commerce and Industry applaud the same. The Hon'ble Finance Minister has already announced certain concessions in respect of Income Tax compliances and payment of taxes which we accept with gratitude.

The Hon'ble Prime Minister on 14.04.2020 has extended the period of lockdown till 3rd May, 2020. Due to the above all the business operations are suspended and it is not possible for the various business entities to have access to their bank accounts. Also as the lockdown started w.e.f. 23.03.2020, therefore it was not possible for the various business entities to finalize their books of accounts for FY 2019-20 and as a result the amount of provision for Tax Deducted at Source (TDS) for the month of March, 2020 could also not be finalized.

In view of the above circumstances, it is not possible for the various business entities to deposit TDS for the month of March 2020 for which the last date of deposit is 30.04.2020. As per the existing provisions of the Income Tax Act, interest @ 9% shall be charged if the TDS for the month of March, 2020 is not deposited upto 30.04.2020. In view of the current situation you are requested to kindly extend the due date of deposit of TDS for the month of March 2020 from 30.04.2020 to 30.06.2020.

Also the 1st installment of Advance Tax for the Financial Year 2020-21 is due on 15.06.2020. The business operations of the various business entities have been substantially hampered during the month of April 2020 and are likely to be hampered for the month of May, 2020. The manufacturing facilities have been shut whereas the fixed costs like Employee Wages & Salary, Interest, Electricity Charges etc continue to accrue resulting in huge losses. Such losses may get offset by profits in subsequent quarters. However, as of now there is no clarity on the



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profitability of the business enterprises. Therefore, in these exceptional circumstances, it will be virtually impossible for the business entities to estimate and pay their Advance Tax installment for FY 2020-21 which shall be due on 15.06.2020.

In view of the above, you are requested to make necessary amendment in the Income Tax Act for Assessment Year 2021-22 so that interest u/s 234C is not charged for non-payment of advance tax due on 15.06.2020.

We trust our submission will be favorably considered by the department for immediate and favorable action.

Thanking you!

Yours sincerely,

Dr. D K Aggarwal
President
PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri industrial Area
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454
Fax: +91 11 26855450
Email: president@phdcci.in



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59. Representation to Department of Commerce, Ministry of Commerce and Industry, for enhancing assistance under MAI Scheme due to pandemic COVID-19 (16th April 2020)

**Dr. Anup Wadhawan
Commerce Secretary
Ministry of Commerce and Industry
Government of India
New Delhi**

Respected Sir,

Greetings!

Request for relief measures for Indian Exhibition Industry to mitigate the challenges and risks due to pandemic COVID-19

PHD Chamber of Commerce and Industry appreciates the government for its pro- active and extensive preventive measures to protect the citizens and the economy from the adverse impact of the unprecedented catastrophe which has befallen on the Nation by the spread of Covid-19 pandemic. The Chamber stands in complete solidarity with the government and pledges to extend its wholehearted support, in whatever means required and possible, to help the Nation stand against the wild tide of Covid-19 and overcome its adverse impact and come out victorious by defeating the Covid-19 virus.

The pandemic COVID-19 has infected around twenty lakh people in more than 200 countries – a scourge confronting all of humanity, impacting lifestyles, businesses and economies.

Even before the onset of this pandemic, the global economy was confronting turbulence because of disruptions in trade flows and attenuated growth. The situation has now been aggravated by the demand, supply and liquidity shocks that COVID-19 has inflicted globally. The sudden brakes in economic activity resulting from various mitigation measures that we are witnessing in the world's largest economies are simply unprecedented.

For decades, trade shows around the world have been instrumental for building brands, forging partnerships, providing education and so much more. The Covid-19 pandemic has adversely affected the exhibition industry globally and India in particular. As per UFI (The Global Association of the Exhibition Industry) the orders that exhibiting companies will not secure will add up to €134.2 billion (USD 144.9 billion) globally, projecting to the end of the second quarter of 2020. Related to the exhibition industry, €81.6 billion (USD 88.2 billion) of total economic output will not be generated by the end of Q2.



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According to Indian Exhibition Industry Association (IEIA), the Indian exhibition industry has lost an estimated Rs. 3750 crore due to the lockdown imposed across the country to curb the spread of the Covid-19 pandemic. More than 100 shows across various industry sectors have been reported to be either postponed or cancelled in the last few weeks. As per IEIA, the size of India exhibition industry is Rs. 23,800 crore with more than 550 events conducted annually in the organised sector. The exhibition industry sector enables trade / business transactions of over Rs. 300,000 crore, boosting and supporting the growth of various spectrum of industries while also being a colossal employment provider with nearly 1,20,000 people employed in the industry.

It is a fear within the industry that if the situation persists for the next six months, the organisers will not have sufficient fund to sustain itself for the said period. Post Covid-19, the exhibitors would be in a dilemma to participate in any international exhibition which leads to a gestation period of another 2 - 3 months. According to industry experts, if the world expo stays inactive for the next six months, the company's revenue would fall to one fourth of what they were generating earlier.

In this backdrop we seek government's intervention to assist the plethora of micro and small enterprises that are the backbone of the exhibition industry in sustaining themselves during the lockdown.

Member organisations of PHD Chamber have urged for the following additional support under MAI to facilitate MSMEs to mitigate the impact of pandemic COVID-19.

- PHDCCI proposes for the **additional support of funds** i.e. 30% increase in the total grant provided for each overseas exhibition for the year 2020-21 and 2021-22. This will enable us to extend additional subsidy to the exhibitors to encourage their participation.
- **Waiving of Penalty** – Due to the anticipated less number of participants than the prescribed number, the penalty charges levied may be waived off under MAI Scheme of the DoC for the year 2020-21, 2021-2022.
- **Enhancing the frequency/limit of participation of a company** – under the current guidelines the limit of participation of an Indian company in overseas event is 2 per year. It is proposed to increase the limit to atleast 5 events per year.
- **Focus on Business Delegation (Outbound and Inbound)** – Under the current situation, the exhibition industry will not be able to showcase any exhibition for atleast 6 months as there will be restrictions on gatherings in the exhibitions within India and overseas. It is proposed that the government supports the industry by prioritising Business Delegations to participate in various B2B meetings and Buyer-Sellers Meet in India and overseas in coming time under the strict guidelines set by the respective governments. We at PHDCCI, are of the firm view that the outbound business delegation from India



and inbound delegations from other countries to India will play a pivotal role as an substitute to the participation in exhibitions. This will enable the business houses to finalise and sign contracts of high values which in turn will increase the bilateral trade between India and the respective countries.

- **Focus on Make in India, Best of India Shows** – It is anticipated that the participation of Indian companies in international exhibitions may be a big hindrance due to the stringent measures in place by the government of that particular country. In view of the same we propose the government to promote “Brand India” by organising Best of India Shows in prospective countries identified by the government of India.
 - **Enhancing More budget for Economic Studies / Research and economic development activities** - We propose to enhance budget to support Economic Studies / Research activities with the aim for promoting India’s exports, international linkages, How to fast track inviting overseas investments into India and Ease of Doing Business with India and bringing investments into India particularly from developed countries such as America, Japan, etc. In view of current circumstances, the physical activities such as participation in overseas exhibition will be very slow.
 - **Virtual Exhibition Space** – It is proposed that funds must also be created for hosting online Virtual Exhibitions for export promotion. This will be an important support to trade bodies in this difficult times when there may be slow participation response for the physical exhibitions.
 - **Freight subsidy** – It is proposed to extend 100% subsidy to participating exhibitors on freight cost up to 250 kg for goods and in case of machinery / equipment it is to be 50% subsidy on the freight cost for the financial year 2020-2021 and 2021-2022.
 - **Airfare Reimbursement** – It is proposed that trade bodies may also be facilitated at par with the EPCs in case of Airfare Reimbursement to the participating exhibitors for the financial year 2020-2021 and 2021-2022.
 - **Fast track clearance of pending UCs** –It is proposed that the territory divisions clear all the files of 2nd and final instalments and EMDA / concerned division release the final payments ON PRIORITY, as at present most of the trade bodies/EPCs are facing financial problems due to lockdown, and need to make payments to the vendors for keeping the chain moving.

We sincerely hope that the Government will positively consider our request and ensure early action to support the exhibition industry.

Thanking you!

Yours sincerely,

Saurabh Sanyal

Secretary General

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri industrial Area

August Kranti Marg, New Delhi-110016, India



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58. Relief measures sought for the real estate sector to mitigate the challenges and risks in the wake of COVID-19 by the State Government of Haryana (14th April 2020)

**Shri Manohar Lal
Hon'ble Chief Minister
Government of Haryana**

Respected Sir,

Greetings!

Relief measures sought for the real estate sector to mitigate the challenges and risks in the wake of COVID-19 by the State Government of Haryana

PHD Chamber of Commerce and Industry appreciates the government for its pro-active and extensive preventive measures to protect its citizens and the economy from the adverse impact of the unprecedented catastrophe which has befallen on the Nation by the spread of Covid-19 pandemic. The Chamber stands in complete solidarity with the government and has made a significant contribution of above Rs 450 crores to the PM Cares Fund and shall continue to do more, to help the Government and the Nation stand against the wild tide of Covid-19 and overcome its adverse impact and come out victorious by defeating the Covid-19 virus.

With the onset of the Covid-19 outbreak that has affected the trade and industries worldwide, disruptions in business cycles are bound to impact the demand for commercial as well as residential spaces in the real estate market of India. No new sales for either residential/commercial sector are expected for at least 9-12 months in the existing completed/under-construction projects. Also, the sold receivables of the developers is expected to take a hit which will result to major cash flow problems. Majority of the developers are sceptical and have their reservations around the launch of new projects considering the current uncertain environment.

The Real Estate industry plays a pivotal role in framing the economic skeletal structure of the country, being the 2nd highest job creator contributing significantly to GDP and directly supporting 250 industries. Hence, in order to streamline a judiciously strategized functioning of the Indian Real Estate sector, member organizations of PHD Chamber would like to submit a few suggestions appended for your kind consideration to boost job creation and stabilize the Economy.

A. Boosting Sales and cash flow for Real-estate Industry – During these tough times it is imperative to secure economic interest of the nation via ensuring business continuity

plan and maintaining cashflows for high employment industries like construction activities, however it will not be possible without balancing the supply and demand equation. In these times of uncertainties, it is important to empower and develop confidence in the buyers to invest in the market with this belief we would like to propose following measures to boost sales of finished real estate inventories.

- 1) Rebate in Stamp duty – State government should provide 66.67% rebate for 01 Year in stamp duty to buyer against the sale of any finished units upto INR 2 Crores, in available standing real-estate inventory in the state of Haryana, which will in turn boost government revenue and lower NPA's.
- 2) Rebate in GST for Under Construction Units – State government should provide 66.67% rebate for 01 Year GST to buyer against the sale of any under construction units.

B. Extension of Time lines in RERA – State government should extend all the applicable time lines in RERA for Real Estate Industry for next 01 Year.

C. Extension of deadlines for acquiring compliances and approvals – State Government should extend the applicable timelines for acquiring compliances and approvals by at least 01 year for real estate activities.

D. Waiver of Fixed charges of Utilities for Lock-down Period – State Government may look into the waiving of fixed charges of utility services like water and electricity for the period of Lock-down, whereby no economic and commercial activities has taken place in the industry.

E. Reimbursement of wages from labour cess fund – during these tough times where industry is struggling with steep liquidity crisis and lack of cash flows, state government may reimburse the wages of existing construction workers from labour cess fund which govt is collecting from the developers.

F. Mobilisation of Construction workers – Since the inception lock-down period most of the construction workers had moved to their native places and resuming construction activities pose a serious challenge to the industry, hence, state government should permit the developers to mobilise the construction workers from their home towns to the construction sites as soon as construction activities are allowed.

G. Moratorium for all statutory payments - State government may defer all the statutory payments including local body taxes, cess, land payment to govt bodies, external development charges, infrastructure development charges, utility payments



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and charges for at least 06 Months which can be paid through a 36-month equal
instalment plan without any Interest and penalty

We sincerely hope that the Government will positively consider our request and ensure early action to support the real estate sector in order to create more jobs and help stabilize the economy.

Thanking you!
Yours sincerely,

Manish Agarwal
Chairman Housing and Urban Development
PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri industrial Area
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454
Fax: +91 11 26855450
Email: spsharma@phdcci.in

(The same representation has also been sent to Shri Rajesh Khullar (IAS), Principal Secretary to Chief Minister, Government of Haryana)



57. Urgent support solicited for Steel Industry to minimize the impact of Lockdown (14th April 2020)

**Shri Dharmendra Pradhan
Hon'ble Minister
Ministry of Steel
Government of India
Udyog Bhavan, New Delhi**

**Respected Sir,
Greetings!**

Subject: Urgent support solicited for Steel Industry to minimize the impact of Lockdown

At the outset, we are thankful to our visionary Hon'ble PM, Hon'ble FM and RBI for continuous patronage and guidance in the difficult situation like COVID-19 and slew of proactive measures announced in past to support the economy.

PHD Chamber appreciates the Government for undertaking proactive and fast track measures to combat the impact of pandemic COVID-19 on economy, trade and industry. PHD Chamber of Commerce and Industry stands in complete solidarity with the Government and pledges to extend its wholehearted support, in whatever means required and possible, to help the Nation stand against the wild tide of pandemic COVID-19, overcome its adverse impact and come out victorious by defeating the pandemic COVID-19 virus.

As you may be aware that the iron and steel industry is struggling due to multiple factors, be it pandemic COVID-19, the lockdown and huge socio-economic crisis are looming ahead of us. Member organisations of PHD Chamber seeks urgent support for the Iron & Steel industry to survive the lockdown which are appended for your kind consideration.

1. To further encourage exports, Railway should extend 50% discount in outbound freight of exported finish products to ports and inbound freight of raw material utilized to produce the exported goods for the period of Lockdown plus one month.
2. Electricity duty being levied on captive power plant should be abolished immediately to make the industry competitive.
3. We urge to provide 100% packing credit against export sales contracts or LC of iron and steel products at the international rate of interest. This is over and above the working capital limits.
4. Since export commitments are to be fulfilled in time-bound manner, Ports should operate normally and not allowed to declare force majeure. They should increase cargo



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handling equipment and manpower for smooth functioning with strict compliance to the loading and unloading of cargo timeline.

5. Presently the Refund of GST Compensation Cess on Coal (both imported as well as domestic) is available only if the final product like steel is exported & the same is not available in case of domestic sale of steel. Due to this there is an additional cost burden attributable to the Domestic Sale. Hence, in the interest of equity, it should be available for both category of sales i.e., Exports as well as domestic sales.

6. International market is very competitive. We are unable to match international prices. Hence, we need support as export cash incentives up to 10% on FOB value to be disbursed within 7 days of proof of exports document submitted

7. Impose restriction on finished steel imports by imposing suo moto Safeguard duty due to threat of imports, at least for the complete FY21, which can be reviewed later

We sincerely hope that the Government will positively consider our request and ensure early action to support the iron and steel industry.

Thanking you,
Yours Sincerely

Dr D K Aggarwal
President
PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri Institutional Area
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454
Fax: +91 11 26855450
Email: president@phdcci.in



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56. Request for allowing submission of certificate for claiming deduction u/s 80G of the IncomeTax Act, 1961 in respect of donation made by an employee to the Chief Minister's Relief Fund (13th April 2020)

Shri Pramod Chandra Mody
Chairman, Central Board of Direct Taxes
Department of Revenue, Ministry of Finance
North Block, New Delhi-110001

Respected Sir,

Greetings!

Request for allowing submission of certificate for claiming deduction u/s 80G of the Income Tax Act, 1961 in respect of donation made by an employee to the Chief Minister's Relief Fund

This has reference to Notification F.No. 178/7/2020-ITA-1 dated 09.04.2020 issued by the Central Board of Direct Taxes. In the aforesaid notification the Central Board of Direct Taxes has clarified that in case donation has been made to PM CARES Fund by the employees through his/her employer then in such a case the deduction shall be available to the employee on the basis of Form 16 issued by the employer.

The aforesaid notification is extremely welcome. However, in these times of crisis various corporates and other entities in order to assist the various State Governments are also making donations to the Chief Minister's Relief Fund of their respective states. In such cases, the employees of such companies are also Donating towards Chief Minister's Relief Funds out of their salaries.

In this regard, it is suggested that the deduction u/s 80G to all the employees who are making donation to the Chief Minister's Relief Funds through their employers shall also be admissible u/s 80G of the Income Tax Act on the basis of the Form 16 issued by the employer.

We trust our submission will be favorably considered by the department for immediate and favorable action.

Thanking you!

Yours sincerely,



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Dr. D K Aggarwal
President
PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri industrial Area
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454
Fax: +91 11 26855450
Email: president@phdcci.in



55. Request to restore Commodity Derivatives' Trading Timings to 11.30 pm from 15th April 2020 (13th April 2020)

Smt Nirmala Sitharaman
Hon'ble Finance Minister
Ministry of Finance
Government of India
North Block, New Delhi

Respected Madam,

Greetings!

Request to restore Commodity Derivatives' Trading Timings to 11.30 pm from 15th April 2020

This is with reference to the circulars from Commodity Exchanges to reduce the trading timings to 5.00 pm till 14 April 2020 and Exchanges had indicated that it was done in consultation with SEBI. Exchanges also informed that changes in market timings beyond April 14, 2020 will be communicated through a separate circular.

We appreciate that SEBI would have given consent to reduce the timings in early days of lockdown keeping in view these extraordinary and unprecedented times of global health crisis that have thrown operational and logistical challenges. In fact, SEBI and Exchanges permission to allow brokers to operate from locations other than disclosed to Exchanges inspired other industry segments and its leaders to operate from home.

We do understand that it might not have been an easy decision to have keep market shut and out of reach for market participants during evening hours when global exchanges like CME and LME where international reference able commodities like Gold, Base Metals and Energy Complex are traded heavily giving price cues to market participants. However, the other exchange segments like Capital Market and Equity Derivatives etc have not faced any operational risk (Risk Management, Back Office processes etc.) with respect to markets and its pre-trade, during the trading hours and post trading hours operational requirements and these requirements are now not materially different whether the trading timings are till 5.00 pm or 11.30 pm.

Business Continuity Plan is now becoming used to the present situation for every industry and lot of adaption has already taken place and more is in process including working remotely, work from home (WFH) and technological enablement to run business critical operations from any location.



The only residual challenge is the peak volatility in the international referenceable commodities such as Bullion, Base Metals and Energy Complex etc when the international exchanges are operating at peak volumes and volatility which is normally between 7.30 pm and 11.30 pm Indian Standard Time and its significant impact on gap up or gap down being faced by market participants face when the Indian Market opens at 9.00 am after previous close at 5.00 pm.

Member organizations of PHD Chamber comprise majorly of MSMEs and they have stated that their businesses have exposure to commodities either as raw material or intermediate inputs. They also opined that the price points are not in continuum and very discrete and the contracts on the Exchanges are no longer Futures Contract with month -end or due date expiry and rather these contracts are like Daily Expiry Contracts closing at 5.00 pm daily and as if there is a new contract the following day with unnecessary gap up or gap down next day. This is making it ineffectual to use the Derivatives for Price Discovery and Hedging.

The price calculation of Contracts that are settled by Compulsory deliveries on expiry like Base Metals includes LME prices in rupee term, premium, freight, customs duty, warehouse cost and other charges, excluding the GST, fully reflecting the Indian market fundamentals that get embedded in these prices. The prices and the risk management of underlying inventory available with corporate hedgers and various Value Chain Participants (VCP) indicate prices on global benchmark platforms such as the London Metal Exchange and CME group, given the strong correlation between Indian and international prices.

The price discovery on Exchanges is crucially dependent on liquidity and a significant part of liquidity is provided by Algo-related activity which is high when the US markets open, as price cues for intra-day traders in bullion and oil mainly come from the US markets. Entire gamut of participant require access to the trading on our exchanges during the late evening for efficient price discovery. There is availability of 8646 tonnes of Base Metals at MCX warehouses for Exchange Delivery as on 8 April 2020 and it is obviously belonging to Hedgers or arbitrageurs or Value Chain Participants.

Our member organisations have requested that the Indian Commodity Exchanges should not be in lockdown situation during evening hours either for our market participants or for market participants from other jurisdiction as they may also be taking cues from our Exchange as our own Silver Contracts are one of the heavily traded contracts world over and it has been made possible by SEBI and Exchanges only. **It is an urgent request from the Industry that the Trading hours be rolled back to 11.30 pm when these come for revision from 15 April 2020.**



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Hence, we urge SEBI to consider restoring of the trading hours to 11.30 pm from 15 April 2020 and in accordance with SEBI circular SEBI/ HO/ CDMRD / DMP/ CIR/ 2018 / 146 dated 30 November 2018.

We trust our submission will be favorably considered by the department for immediate and favorable action.

Thanking you!

Yours sincerely,

Dr. D K Aggarwal
President
PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri industrial Area
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454
Fax: +91 11 26855450
Email: president@phdcci.in

(The same representation has also been sent to Shri Ajay Tyagi, Chairman, SEBI)



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54. Relief measures sought for the real estate sector to mitigate the challenges and risks in the wake of COVID-19 (13th April 2020)

Shri Hardeep Singh Puri
Hon'ble Minister for State (I/C) for Housing and Urban Affairs
Government of India
New Delhi

Respected Sir,

Greetings!

Relief measures sought for the real estate sector to mitigate the challenges and risks in the wake of COVID-19

At the outset, we appreciate the government for its pro-active and extensive preventive measures to protect its citizens and the economy from the adverse impact of the unprecedented catastrophe which has befallen on the Nation by the spread of Covid-19 pandemic. PHD Chamber stands in complete solidarity with the government and has made a significant contribution of above Rs 450 crores to the PM Cares Fund and shall continue to do more, to help the Government and the Nation stand against the wild tide of Covid-19 and overcome its adverse impact and come out victorious by defeating the Covid-19 virus.

With the onset of the Covid-19 outbreak that has affected the trade and industries worldwide, disruptions in business cycles are bound to impact the demand for commercial as well as residential spaces in the real estate market of India. No new sales for either residential/commercial sector are expected for at least 9-12 months in the existing completed/under-construction projects. Also, the sold receivables of the developers is expected to take a hit which will result to major cash flow problems. Majority of the developers are skeptical and have their reservations around the launch of new projects considering the current uncertain environment. They would rather focus on completing the existing projects instead. Thus, new project launches are expected to see a fall by 15 to 20% this festive season, which will further witness a diminishing growth in the real estate sector.

With the descending number of queries for housing and commercial projects, financial markets being adversely impacted and slow down in economic growth, the impact across all the housing segments in the real estate sector is inevitable.

The Real Estate industry plays a pivotal role in framing the economic skeletal structure of the country, being the 2nd largest creator of jobs, contributing significantly to GDP and directly



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supporting 250 industries. In order to streamline a judiciously strategized functioning of the Indian Real Estate sector, member organizations of PHD Chamber would like to submit a few suggestions appended for your kind consideration.

- Provision of additional working capital, irrespective of account status. It is necessary to ensure that the same is provided to all, and not only to the big companies with a superior credit rating to help restore and restart all projects, which were closed down and came to a halt due to lockdown, for them to be able to make a come back which is crucial in these trying times.
- Minimum statutory compliances for direct and indirect taxes be required to be complied to provide ease.
- All banks, whether public or private and NBFC should be directed to:
 - suspend recovery proceedings for 6 months.
 - account should not be declared NPA for 270 days instead of 90 days (similar steps taken in 2008 crisis.)
 - Extend additional facilities, to the tune of 30% of existing facility, as working capital demand loan at an interest rate of repo rate plus 2 % , with 12 months moratorium and 36 months repayment, on existing security, to overcome cash flow mismatch
 - Restructuring of existing loans should be permitted without any provisioning by banks/NBFC's.
 - Zero period consideration for Housing Sector from March 2020 – August 2020, taking due cognizance of the COVID-19 crisis across all industrial sectors government of India, for all/ any kind of payments, in connection with the Real Estate and Infrastructure sector
 - All the interest levied within this zero period should be completely deferred and be recovered within 6 months of the expiry of the original the tenure of the loan without any interest/penalties on it.
 - Deferment of principal loan instalment payments upto March 21 by converting into 5 years term loan with 1 year moratorium without affecting account classification and credit rating, at an interest rate of repo rate plus 2 %



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- No immediate reporting of default like SMA 0/1/2/3, NPA, RBI default, among others, till Sept 2020.
- Government may propose more Robust policy to address the pay-cut of employees keeping Economic Slowdown and troubled Industrial financial status. Amid Covid-19 crisis government is adopting citizen centric approach however the economic slowdown and recession in immediate future is inevitable, hence government should also consider the dwindling financial growth of corporates specially in housing and urban development which is one of the highest employment generating sector in the country, to allow flexibility on case to case basis on restructuring compensation of the employees and its payment over the period of time.
- The minimum wages of the construction labour should be borne by the government utilising labour cess funds collected from the developers, during Covid-19 crisis.
- Since long real estate is demanding for an industry/Infrastructure stature for easy accessibility of credit from financial market. Therefore, we suggest that the Government should granting Industry/Infrastructure status to real estate.
- Grant GST input credit for next 12 months on Real Estate transactions
- Central Advisory to RERA to extend timeline for the projects due to Covid -19 disruption for 1 Year
- Deferment of six months for statutory payments including local body taxes, cess, land payment to government bodies, external development charges, infrastructure development charges, utility payments and charges, which can be paid through a 36 month equal instalment plan without any interest and penalty
- EPF and ESI Policy Interventions - The provisions of the relief measure proposed recently wherein government will bear the ESI and EPF should be reconsidered and the limit should be extended to employers with 250 Employees and the criteria of 90% employees having salary INR 15000/- should be abolished as majority of corporates does not fall under this condition.
- To boost cash flow and sales, reduce/waive off stamp duty and registration charges on sale of any real estate upto INR 2 Crore for a period of 1 year. Typically stamp duty and registration charges range from 7-10% of the property cost. This will be a huge fillip to not

just the Real Estate sector but will also stimulate demand in 250 industries including core industries like cement, steel, electricals etc. while providing employment to thousands, simultaneously. This one step could go a long way in stoking economic activity and expediting the inventory consumption

- It is suggested that the enhanced interest deduction for home purchase should be brought down for the next 12 months. For instance, for year 1, the deduction of interest is 200% of interest paid. For year 2, deduction is 175% of interest paid, year 3 - 150% and so on. This time bound incentive will get people to buy earlier to avail the full benefit and buy ready inventory to get more benefit. In return, more ready inventory gets cleared first thereby providing liquidity to kickstart further growth.
- Covid-19 should be declared as a Force Majeure event for all construction contracts, Architectural & engineering design contracts under implementation or under service (DLP, concession, O&M etc).
- Government agencies/ departments should support by immediate release of all certified bills overdue and at least 75% of uncertified invoices submitted within 7-10 days. All projects should be given an immediate Extension of Time (EOT) of six months and compensation of overheads upfront.
- Compensation to be given to all Construction companies towards reimbursement of wages paid to labour/ workers, salaries paid to employees.
- To boost and ensure continued cash flows, dispense with the recovery of the Retention Money from the Monthly payments for a year, release retention monies already recovered and waive interest on mobilization advance provided, for the next twelve months.
- Where Construction firms have arbitration awards (including accrued interest) in their favour, the following may be approved by Government without seeking any Bank Guarantees:
 - Immediate release of 50% of the amount due where the award is challenged under Section 34
 - Where Section 34 Application is disposed of by Court, pay 75% of the amount due
 - Where Section 37 Appeal is disposed off, pay the total amounts due



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- Notwithstanding the above, Government Agencies may offer 75% of Arbitration Award monies as full and final settlement, irrespective of their stage of challenge.
- Enhancement of threshold limit of Rs 1 lakh to Rs 1 Cr for IBC against MSME companies (as declared by the Hon'ble Finance Minister) should also be extended to Construction industry.
- Moratorium from any IBC proceedings till September 30, 2020.
- Immediate order to stay all civil and criminal proceedings till Sept 30, 2020, mainly arising due to failure in complying with all statutory requirements.

We sincerely hope that the Government will positively consider our request and ensure early action to support the real estate sector in order to create more jobs and help stabilize the economy.

Thanking you,

Yours Sincerely

Dr D K Aggarwal
President
PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri Institutional Area
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454
Fax: +91 11 26855450
Email: <mailto:president@phdcci.in> president@phdcci.in



53. Suggestions for Relief to Non-Regulated Sector for Supply of Fuel (12th April 2020)

Shri Prahlad Joshi
Hon'ble Minister for Coal, Mines and Parliamentary Affairs
Government of India
New Delhi - 110001

Respected Sir,

Namaskar!

Suggestions for Relief to Non-Regulated Sector for Supply of Fuel

PHD Chamber of Commerce and Industry appreciates the government for its pro-active and extensive preventive measures to protect the its citizens and the economy from the adverse impact of the unprecedented catastrophe which has befallen on the Nation by the spread of Covid-19 pandemic. The Chamber stands in complete solidarity with the government and pledges to extend its wholehearted support, in whatever means required and possible, to help the Nation stand against the wild tide of Covid-19 and overcome its adverse impact and come out victorious by defeating the Covid-19 virus.

The Novel Coronavirus (COVID-19) has infected more than eleven lakh people in more than 200 countries – a scourge confronting all of humanity, impacting lifestyles, businesses and economies.

Even before the onset of this pandemic, the global economy was confronting turbulence because of disruptions in trade flows and attenuated growth. The situation has now been aggravated by the demand, supply and liquidity shocks that COVID-19 has inflicted globally. The sudden brakes in economic activity resulting from virus mitigation measures that we are witnessing in the world's largest economies is simply unprecedented.

While we are now focusing in India on securing the population from health hazards and on providing relief, we also need to think long-term – to secure the health of the economy, the viability of business, and the livelihoods of people. There is an urgent need to mobilise resources to stimulate the economy. Cash flow is critical for any entity to survive the down turn. Even before the crisis, fund flow to commercial sector was down 88 % in 1st half of FY 19. This has accentuated further with disruption due to COVID-19 led lockdown.

All non-regulated sectors procuring coal from Coal India Ltd. regularly under Coal E Auction, be it cement or steel are badly affected with this pandemic. In order to revive this sector, which



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are generators of employment, PHD Chamber hereby requests the government to kindly consider following suggestions in the forthcoming Spot/ Exclusive E-auctions

1. Reserve price to be kept at par with the notified price of coal: It has been observed that Reserve Price for coal being offered through Auction is generally 30% higher than the Notified price for linkage coal for the same Grade. Globally the prices are falling and it is suggested that Coal India Ltd. declares the reserve price equivalent to the notified price of coal. This will also help in stock liquidation of CIL Subsidiaries and allow the non-regulated sectors to get coal at optimum price in this trying time.
2. Usance LC: We understand that CIL has already extended facility of Usance Letter of Credit (LC) for regulated sector (Power sector), we request CIL to extend this facility to non-regulated users having Coal Linkages also.

The Government must focus on building supply chain resilience, improvement in ease of doing business through relaxed compliance We are sure you will appreciate the concerns mentioned above and take suitable action to advice CIL to update the conditions of spot/exclusive e-auction accordingly.

Thanking you!

Yours sincerely,

Dr D K Aggarwal
President
PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri Institutional Area
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454 (EXT 121/111/131)
Fax: +91 11 26855450
Email: president@phdcci.in
Website: www.phdcci.in



52. Request for permission to work at hydropower projects near to commissioning (12th April 2020)

**Shri Sanjiv Nandan Sahai, IAS
Secretary
Ministry of Power
Government of India
New Delhi**

Request for permission to work at hydropower projects near to commissioning

At the outset, we appreciate the proactive measures taken by the Ministry of Power, Government of India to authorize the power sector to operate during the pandemic COVID-19. Power generation is an essential service for securing smooth and uninterrupted power flow across and within states. In the current scenario of COVID-19 outbreak and nationwide lockdown, it is necessary to ensure uninterrupted power generation.

We are thankful for the co-operation extended by the Ministry in the interest of government and public at large. This is with reference to the issued order no. 11/13/2020 Th.II dated 25/03/2020. Electricity is a national priority and its generation is essential including the role of vendors and other related people, transfer of material at site for its operation/ maintenance/ civil work. Several states have implemented this order in true spirit.

We would like to bring in your kind attention that member organizations of PHD Chamber have requested that such order to be sent particularly to the states of Himachal Pradesh and Uttarakhand to urgently allow repair, renovation, restoration, maintenance civil work at site specially for the projects which are likely to get commission in one or two months time. This undertaking can be from the developer that their project is likely to get commissioned in one or two months time.

It may be mentioned that 90% of the power generation in hydro sector takes place especially in the five months of May, June, July, August, and September. This is the main season of generation of electricity. All the projects have to cover up their cost and are feasible only on the basis of generation of these 4-5 months only. During this period, April is the most important month for power project developers to complete their balance work to get the project commissioned before the season starts.

It is requested to immediately allow working at the projects which are likely to commission or near to commission in the states of Himachal Pradesh and Uttarakhand. It is essential as all



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

these units shall lose the generation for this year which could moderate the valuable electricity to be generated for this year for the nation as a whole.

We sincerely hope that the Government will positively consider our request and ensure early action to support the power project developers for the uninterrupted power generation, distribution and transmission across the nation during the pandemic COVID-19.

Thanking you,

Yours Sincerely

Dr D K Aggarwal

President

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: +91 11 26855450

Email: president@phdcci.in

(The same representation has also been sent to Shri Anand Kumar, IAS, Secretary, Ministry of New and Renewable Energy, Government of India)



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

51. Representations from Industry to Uttarakhand Govt. during the Medical Emergency Lockdown (11th April 2020)

PHD.UK.COVID.IND.CM.0420.001 Dt 11 April 2020

Shri Trivendra Singh Rawat
Chief Minister
Govt. Of Uttarakhand

INDUSTRY REPRESENTATION: LOCKDOWN SITUATION

Hon'ble Chief Minister,

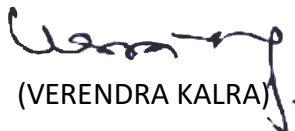
We in the PHD Chamber of Commerce & Industry do accord highest priority to the safety and health of employees working in the industrial sector and the society particularly. COVID-19, as it looks like, will have fast, drastic and permanent implications for society. Keeping in view the multitudes of short and long term effects, we are requesting the members to take every measure possible to ensure compliances from medical authorities/government. Members industries are doing on their part to contain the spread of COVID 19.

To prevent the outbreak and spread of the novel Corona Virus, Government of Uttarakhand has taken some very welcome initiatives to make sure that the risk for everyone is minimized. The businesses are feeling the impact of COVID 19 with companies closing down offices allowing their employees to work from homes. Shopping Malls and cinema houses, clubs have been asked to lock down till further notices.

In this grave medical and economic crises, recognizing the present scenario, with Uttarakhand State Government's pre-emptive approach to frame policies and guidelines, which while providing safeguards, also help in avoiding sudden closures/lock downs of manufacturing sector. We hereby submit a gist of representations for your kind consideration in this respect.

Having made the above submissions, our Chamber is confident that with the support of Uttarakhand State Government, under the leadership of our Honourable Chief Minister, we can navigate through these challenging times.

With kind regards,
Yours Sincerely,


(VERENDRA KALRA)


(RAJEEV GHAI)


(ANIL JA)



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

Chairman	Co Chairman	Regional
Director		
Uttarakhand State Chapter	Uttarakhand State Chapter	9358358133

CC. Smt. Manisha Panwar, Principal Sec.- Industry, GOUK
Mr. Raj K Arora, Chairman MSME, PHDCCI UK

Points of representations from Industry to State Govt. during the Medical Emergency Lockdown:

To ensure consistent supplies and logistics, we need to identify & fill the gaps in the value chain of products specially the essential supplies:

1. Agri based Industry
2. Pharma
3. FMCG
4. Other essentials
5. Continuous process Industry

ISSUES IN THIS RESPECT:

- Challenge of farmers- Crops are getting destroyed because of logistics/ movement constraints from farm **to mandi AND to processing Units**
- Planning for the next season by farmers is under challenge due to restricted movement of equipment, manpower, seeds, etc
- Transportation of workers to the factories, increased transportation cost due to reduced capacity utilization of the vehicles. Challenge of bringing back the manpower to work to the factories.
- Shortage of packaging materials, as paper industry is not working
- Constrained availability of spare parts/equipment for day to day machinery operations
- Due to supplies/ logistics problems, prices of input supplies have increased.
- The units are facing double jeopardy. Higher cost of production due to supply chain breakdown and price control on sale price by Govt. for the lockdown situation. This need to be addressed by Govt. so that permitted businesses can be run viably.
 - Salaries of staff not on duty
 - Increased transportation cost
 - Increased raw material and input costs
 - Units working at under capacity due to limited workforce and restrictions



RECOMMENDED FACILITATION REQUIRED FROM GOVT.

- **Salaries & Wages:** *The liability of the salaries and wages should be shared between Employer, Govt. and Employee.* Eg. In this medical emergency the ESI funds can be a resource for govt. to facilitate industry. Limit the liability of employer to a living allowance as 30% of the total wages & salary liability to the staff and balance may be borne by the govt. by way of cash & kind to the staff. Kind may include ration supplies, waiver of electricity bills of staff, tax
- Further, **employer contribution in lock down period in PPFs** should be brought down to zero and subsequently it is suggested that both employee and employer contribution is made 6%+ 6% for next 1year after the lockdown period is over. Government has given facility of paying EPF share of industries & trade with certain conditions, we request to remove these conditions.
- In case of companies having permission to operate, allow employers not to be liable for those staff's salary/ wages for the period they are not willing to join duty. Internet, whatsapp, SMS, letter should be recognised as the means of communication to the staff as instruction to join the duty.
- Differential treatment should be there for lockdown measures for operating and Non-Operating units. Non-operating units have zero revenue at this time.
- The State government should provide a financial package / fiscal stimulus to support the businesses in terms of availability of liquidity, working capital and to meet up the maintenance of employment in their respective businesses. The CCL/PCL/ODL should be increased and interest free for 3 months at least.
- Govt. should strategies policies for lock down and post lockdown periods (minimum 100 day). As the lock down period will have repercussions on industry for an extended period of time. Especially Tourism which is the most important sector for Uttarakhand.

TOURISM : The Govt. should make a policy to not to focus on revenues for exchequer from direct tourism. The revenues for the state should be earned from indirect tourism. Therefore, the state should wave off any taxations form the direct tourism, at least for an extended period of 100 days from the lockdown. Government tax collection targets from direct tourism therefore should be suspended. This will help give demand push in the market.



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- EMIs on all term loans should be deferred by 6 months to support the functioning of trade and business in the country. The extended period should be added in the remaining maturity period of the loans. Similarly, there should be moratorium of 6 months for interest on term loan and the same should be also back ended in 6 instalments. Interest on working capital should also have moratorium of 6 months which should be allowed to be repaid in 4 quarterly instalments after a moratorium of 6 months.
- Release of outstanding payments from Government departments and PSUs immediately to industry within 7 days. At this crucial juncture liquidity of industry is facing serious pressure, therefore even going forward, under all circumstances this clause must be fulfilled by the Government Departments to the industry that payment is made within 45 days from the date of invoice. Now it's time to demand this facility should not only to MSMEs it should be bought through act applicable to the system of business with strict rules and penalties, which can only change the mentality and outlook of business.
- A centralised facilitation system by state govt. There should be a one point service facility for various facilitations by govt. eg.
 - Centralized distribution system for channelizing supplies by donating agencies for the relief camps/ stranded people.
 - One point application and approval for E passes, permissions etc and the permissions and passes are accessible by all the agencies of the govt. across the state/ nation for verification. This will ensure smooth logistics.
- To facilitate Industry, specially MSME which are under huge financial pressures due to fixed expenses like electricity bills, rent, bank interest, wages, NBFC instalments, other statutory compliance, social obligations. MSME due to lock down is in liquidity crunch/ no revenues/ piling fixed costs/piling rentals and bills eg. Electricity, rentals, water etc. There are problems in recoveries from the market therefore we submit :
 - All MSMEs payments due with State/centre/PSU Government Departments should be released on priority
 - Waiver of Fixed charges from Feb to June 2020 at least for MSME. Fixed charges of state services like electricity should be waived off for a period of three months ie. Feb, March & April.
 - Actual meter reading based billing 6 months which includes extended period of post lockdown.
 - Amortization of the liabilities over and above waivers, accumulated during the lockdown period towards the state services with effect from July 2020 till Dec 2020.



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

- Waiver of Electricity duty & Green Energy Cess
- Prioritize procurements from Solar power plants and micro hydro plants
- Lease rent/fees & maintenance charges SIIDCUL deferment
- Extended bank OD facility and at subsidised int. rates
- Facility of Bank loan moratorium to be extended till June 2020 if lockdown is till 30th April.

RENEWABLE ENERGY SECTOR:

Renewable energy sectors to be allowed to work on Solar Plant construction as it comes under essential services.

As recently State Government has allotted 200 MWp Solar Projects their work is hampered because of current COVID situation they should be allowed to go ahead with construction activities with least manpower deployed at sites.

EXPORT INDUSTRY

In the aftermath of Covid 19, our suggestion is to boost exports big time. Some of the steps suggested are as below:

- One of the best ways to boost exports from the hinterland is to consider every cargo sent to the nearest ICD as being sent to the sea port. It means that the freight from all ICDs to the sea port should be 100% subsidised by the GoI. This will give a big-time boost to exports.
- The import duty on all imports should be increased by 10% (in absolute terms) with immediate effect. This means that 10% duty should be made 20%, and 20% be made 30% and so on.

OTHER SUBMISSIONS

Regular VC Meetings of industry key members to be scheduled with director of Industries, Labour minister and hon'ble minister

(Sectoral)

B (TOURISM)

Our submissions for state government's consideration to support the tourism sector for the most pertinent and viable immediate measures are enclosed herewith.

B.1 STATE'S SUPPLY SERVICES

ELECTRICITY

Industry which is already facing liquidity crunch, if not give respites like 100% waiver of fixed charges and Green Cess and other such govt. exchequer obligations, *by way of state Govt. assuming a joint responsibility of the economic crises, many of the players in this sector may not be able to continue to contribute to the National Production of Services.*

We propose following solution to the issue of electricity charges (*applicable for all the industry sectors*):

- Waiver of Fixed charges (minimum Consumption Guarantee) & Electricity duty and Green Energy Cess from Feb to June 2020. This relief has been extended to the industry by other states like UP, Maharashtra & Gujarat.
- Alternatively, the equivalent of Fixed Electricity charges & Cess should be given as **tax input credit**.
- Actual meter reading based billing 6 months which includes extended period of post lockdown.
- Amortization of the billed liabilities over and above waivers without any penalty clause, accumulated during the lockdown period towards the state services with effect from July 2020 till Dec 2020.

Raiseing of the Tariffs by UPCL for the FY 20-21

*UERC in its order dated 18.04.2020 decided tariff for the FY 2020-21. Press note released in this respect states decrease in tariff in comparison to PY 2019-20 is ambiguous. We have gone through the respective orders and are of opinion that effectively the current FY 20-21 tariff has been increased and not decreased if compared to PY 2019-20. The relevant facts in support of it are mentioned in the **Annexure II** enclosed herewith. We hereby humbly submit that consolidating the additional energy charge with the tariff is not practical and industry should be given relief instead.*

WATER

- The water charges reflect an automatic 15% increase every year. While not being entirely agreeable to this either, at this point we request you to stay this increase. (which is to be revised from 1st April 2020 onwards) and defer the payment of the bills till the 30th of June without any penalty.
- Also the water bills received by the hotels are raised on assumed values, during lockdown hotel have nil or negligible consumption , this should be taken into consideration and only actual consumption should be billed for all times ahead.

OTHER LEVIES

- A pro rata formula be applied for **House Tax and Bar Licence Fees**, as we fear the Summer season would simply pass away with no or hardly any business. Many hotels have already paid these charges for the entire coming year, the relief amount should be either refunded or credited to the next year to provide the industry with and breather.
- Allow a discount of 50% on property tax for the financial year 20-21.
- Allow companies time until 30 April 2020, or a month from the day lock down is lifted, whichever is later, to complete all other **annual statutory fillings** pertaining to the **excise** year 2019-20 as well as for forthcoming year 2020-21.
- Removal of fees for any upcoming licenses/permits renewal/ excise exemption for liquor for the hospitality and travel industry.

B.2 TAXATION & FINANCE (Hospitality)

For the hotel industry, being a very capital intensive industry, large debt compared to revenue, needs a year of moratorium for principal repayments and relief/deferment for 6 months for interest payments.

- There should be a **rent moratorium for restaurant industry** for next 3-6 months. It is suggested to provide GST input credit to the restaurant chains with immediate effect. Further, restaurant industry should be provided with soft loans to tide over the liquidity crisis due to Pandemic COVID-19.
- In order to facilitate hospitality industry, **interest subsidy of up to 6% for one year** without any cap on the amount should be provided.
- **Electricity subsidy at Rs. 4 per unit for one year,**
- **Property tax waiver for the year 2020-2021,**
- **Postponement of repayments of loans till April, 2021 and soft loans with zero interest up to the amount of GST collected**
- It is suggested to defer for 12 months all **statutory dues** whether GST, Advance Tax, PF, custom duties, excise fees, water and power charges, licenses, bank guarantee across hospitality, travel & aviation industry in all States.
- It is suggested to **restore of Service Exports from India Scheme (SEIS)** scrips for duty credit of 10% to Tourism & Hospitality industry.

B.3 OTHER FACILITATIONS (Tourism)

suggested for the Tourism Sector

- A **six to nine months' moratorium on all working capital principle**, interest payments on loans and overdrafts bringing in liquidity should be allowed without categorizing the companies as Non-Performing Assets (NPAs).
- A **twelve months' moratorium should be provided on EMIs** of principle and interest payments on loans and working capital from financial institutions

B.4 PROPOSED STRATEGIES & POLICY INPUTS (Tourism)

- Differential treatment should be there for lockdown measures for **operating and Non-Operating units**. Non-operating units have zero revenue during Lockdown.
- Govt. should strategies **policies for lock down and post lockdown periods** (minimum 100 day). As the lock down period will have repercussions on industry for an extended period of time. Especially Tourism which is the most important sector for Uttarakhand.
- To safeguard the interest of not only the hoteliers but also the growth of the tourism sector and the spin offs it brings in the form of indirect value addition to the state GDP, we urge govt. for an urgent review of the rates. If the tax is levied in the present state it would quite possibly be a dampener especially post COVID Lock-down, for the Uttarakhand tourism ind. The potential Uttarakhand tourism is often compared with Switzerland by who's who. If one looks at the **indirect contribution of tourism sector to GDP** in Swiss economy its around 5.4% in comparison to 2.1% of direct contribution. Therefore govt. especially when this industry in Uttarakhand is the one of the largest employer and contributor to the exchequer and is still in its infancy, should be focused on maximizing tourism opportunities and target **maximizing the revenues from spin offs of the Travel & Tourism(T&T) sector** like T&T investment spending, Govt. collective T&T spending, purchase from supplies, induced contribution in the form of direct & indirect employee's spending etc.
- Therefore the Govt. should make a policy to **not to focus on revenues for exchequer from direct tourism**. The revenues for the state should be earned from indirect tourism. Therefore, the state should wave off any taxations form the direct tourism, at least for an extended period of 100 days from the lockdown. Government tax collection targets from direct tourism therefore should be suspended. This will help give demand push in the market.

- Abolishing the Entertainment Tax (which is 30%), Luxary Tax @10%, serv. Tax.
 - Revenue Collection to the state from E.Tax is aprox Rs. 60 to 65 Lac and above that the Entertainment has stopped for the tourist attraction. Eg. There are no Live bands performing in Mussorree which used to be USP in 60s.
 - Reduce the Liquor Fees for setups of more than 20 rooms
 - There is no rational of revision of E.Tax on TV from Rs. 75/- to Rs. 100/- p TV/m
 - The Bar fees should be revised downwards from relatively very high rate of Rs. 6 to 8 Lac pa which is much higher than other tourism states like Himachal.
 - Apart from Bar Fees there is Vend Fees charged on the bases of no. of rooms, the rational of which should be revised to transaction based.
 - The hotels are allowed to procure **duty free liquor** from Delhi Bonds against the **foreign Exchange earnings** of the hotel. This is as per the provisions of the central govt. rules. The state govt. is required to issue a permit in that effect to the hotel. The hotels are not issued such permits by the state for few years now.
 - To make the govt. facilitation more effective state depts. should involve industry in policy decisions by making a task forces or committees for policy decisions, with the inclusion of all stake holders including representation of Apex body like PHD Chamber.
- The Dept. of Tourism should be given special status so that allocation of budget is prioritized and the functions of any departments like PWD, Pay Jal Nigam, MDDA, forest, rural development, urban development etc. if in any way have an effect on the tourism activity should prioritize decisions in favor of and to enhance the effectiveness of the tourism industry. Need of a coordinated approach through various connected govt. departments which includes Deptt. of tourism, forest, environment, taxation, environment and rural development.
 - Initiatives to improve the work culture in the tourism industry, so that an environment conducive to the tourism industry post Lockdown and under looming CORONA threat creates a perception for customers for a healthy and higenic Himalayan Tourism with the following Suggested initiatives:
 - The training programs at all levels from workers in the industry to the lower middle and top level Mgt. Training modules with standardization of services through professional intervention.
 - Continuous public meetings by the leaders of the tourism sector.

- Police plays a very important role in maintaining a safe environment for the tourists and a specially trained Tourism Police should be earmarked.
- Tourist Medical facilities & infrastructure should be earmarked
- Himalayan region Tourists protocol should be developed and consensus with other Himalayan states be reached to adopt and promote the adherence to the same.

B. WAGES AND SALARIES

- **Salaries & Wages :** The liability of the salaries and wages should be shared between Employer, Govt. and Employee. Eg. In this medical emergency the ESI funds can be a resource for govt. to facilitate industry. Salaries and Wages is the major cost component of the service industry. Limit the liability of employer to a living allowance as 30% of the total wages & salary liability to the staff and balance may be borne by the govt. by way of cash & kind to the staff. Kind may include ration supplies, waiver of electricity bills of staff, tax rebates etc.
- Further, employer contribution in lock down period in PPFs should be brought down to zero and subsequently it is suggested that both employee and employer contribution is made 6%+ 6% for next 1 year after the lockdown period is over. Government has given facility of paying EPF share of industries & trade with certain conditions, we request to remove these conditions.
- Allow employers not to be liable for those staff's salary/ wages for the period they are not willing to join duty. Internet, whatsapp, SMS, letter should be recognised as the means of communication to the staff as instruction to join the duty.
- Government should **suspend the minimum wages** for the period of the Covid crisis. The employers may pay a fair amount for them to take care of their basic needs and food for the families irrespective of designations for the pandemic period.
- Payment of **annual Bonus** should be suspended for the current year. Payment of local taxes and other levies like the House Tax Excise duty, Bar Licence Fee et al should be deferred till the time the businesses revive. Payment dates of all State levies, taxes, collections etc. be extended by 6 months All renewal charges like that meant for pollution control board, Fire, Labour etc. to be waived off for the current year.
- The Central Government and various State Government has given relaxation in **Factory Act** as necessary support to the industries by giving relaxation in various provision the act. Gujarat state extended relaxation in Factory Acts- 1948 Section S1, 54, 55 and Section S6 which represent weekly working hours, daily working hour, interval for rest w.e.f. 20.04.2020 to 19.07.2020. In comensuration to the same State of Uttarakhand should also provide for :
 - **No adult worker shall be allowed to work more 12 hrs. in a day and 72 hrs. in a week.**
 - **Every factory shall be provided for a resting hr. in 6 hours interval.**
 - **Wages for the extended working hours (12 Hrs) during this medical emergency shall be paid at the standard rate of normal working hrs of 8 hrs shift.**

H. AGRI BUSINESS AND FOOD PROCESSING

As we all know, Food has to be produced and moved from production centres to consumption centres for consumers to ensure law and order. If we cannot deliver food to consumers living in cities and in rural areas, people will come out on roads in millions in search of food and the whole effort of controlling coronavirus will go waste. If this happens, the number of coronavirus cases will explode and we will not be able to manage the same. The situation may become much worse than what is in Italy, New York or Spain due to poor infrastructure and limited health services and overall poor hygiene condition in cities, slums and villages. The only way we can ensure that the lockdown is successful is by ensuring that the food reaches the consumers. Presently, the kirana shops are running out of items. The Points of Concern:

Recommendations & Suggestions

- Several circulars and guidelines are being issued by government to ease the movement of goods on the ground, but local police and Held force of law enforcement agencies do not receive these message and they have no clarity on the changes happening in policies.
- All circulars should be issued in a standard format and same should be used by all state and district administration, so that when there is a movement of trucks, all should have same language and same interpretation, This is one step that will ensure smooth movement of goods.
- All circulars/ orders should also carry the “Do’s and Dont’s” for the district admin & police constables on ground.
- Helpline Number should be there for any clarification seeked by staff of district administration, to facilitate movement of trucks and goods.
- **Create Local Coordination Committees at district levels** under the chairmanship of District Magistrate, with District Agriculture Officers, Horticulture Ofnce, Food Supply Officer and a representative of local food industry association. This is important to ensure smooth production, movement and sale of all inputs and outputs and related materials to ensure food supplies. There are:
 - Agri-inputs: including Seeds, Agro-chemicals, fertilizers, related machinery and tools and spares, jute bags for packaging, and other packaging material, This is also critical in the hour when the rabi crop has to be harvested, cleaned, packed and taken to the mandis, and the Kharif crop is to be sowed
 - Inputs for Processing units : raw materials, packaging materials- plastic, glass bottles, containers, cardboard, jute bags, etc, required chemicals, processing aids and spares, for eg Hexane for solvent extraction; marble chips for poultry feed, chemicals for cleaning in dairy, etc.
 - Transportation of above mentioned chemicals and with labour if required, with due precautions of sanitation and hygiene.

- **Special Stickers** may be designed to be displayed on all transport vehicles carrying food products, raw materials, chemicals and packaging for food processing, agri inputs, so that they are not un-necessarily stopped and harassed by the local authorities.

The consumer and employee safety are of utmost importance and food processing industry is aligned to highest standards of safety and quality measures. We assure the government that the industry/ and trade will adopt highest level of precautions and hygiene in the common interest of all concerned. We hope Govt. will kindly consider our above request to enable the industry to ensure uninterrupted supply of food and beverages to the consumers in a safe manner.

- All agriculture, agri inputs, agro-chemicals and food items and their raw materials/ ingredients and packaging materials as also their logistics should be covered under the scope of Essential Commodities / Services and Exempted from manufacturing and movement restrictions.

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Annexure II (Electricity Tariffs 20-21 effectively increased)

We are hereby taking example of tariff for HT industries in the UERC press note on page no. 7 table 8 where AEC @ Rs. 50 has been accounted for with last year tariff and then comparison has been made with the approved tariff for FY 20-21, thereby reflecting that the tariff has been decreased for the FY 20-21.

Table 11: Tariff for HT Industries

Sl. No.	Category	Load Factor	Existing Tariff				UPCL Proposed Tariff		Approved Tariff	
			Energy Charges (Rs. /kV Ah)	AEC (Rs. /kV Ah)	Total Energy Charges (Rs. /kV Ah)	Fixed /Demand Charges (Rs. /kV Ah)	Energy Charges (Rs. /kV Ah)	Fixed /Demand Charges (Rs. /kV Ah)	Energy Charges (Rs. /kV Ah)	Fixed /Demand Charges (Rs. /kV Ah)
1	HT Industry having contracted load above 88kVA /75 kW (100 BHP)									
1.1	Contracted Load up to 1000 kVA	Upto 40%	3.95	0.50	4.45	Rs. 300/ kVA of the billable demand	4.40	Rs. 350/ kVA of the billable demand	4.20	Rs. 310/ kVA of the billable demand
		Above 40%	4.35	0.50	4.85		4.75	4.60	4.60	
1.2	Contracted Load More than 1000 kVA	Upto 40%	3.95	0.50	4.45	Rs. 360/ kVA of the billable demand	4.40	Rs. 445/ kVA of the billable demand	4.20	Rs. 370/ kVA of the billable demand
		Above 40%	4.35	0.50	4.85		4.75	4.60	4.60	

Please note that Additional Energy Charge AEC for Yr 19-20 was not added to reflect comparison in tariff for the FY 18-19 with FY 17-18 whereas AEC in FY 17-18 was Rs. 0.26 paisa for HT industries. As AEC is also part of increased cost payable by consumer to UPC it should also have been taken along to reflect the imposition of tariff in relevant years. This is because AEC if was not added in mid of the year while trying up the data the same would have been considered in the coming year tariff and the cost would have been reflected in the form of increased tariff of that particular year.

FCA Charged during FY 18-19 and 19-20 from HT consumers

Sl. No.	Quarter	FCA Charged / Kvah		Difference
		FY 18-19	FY 19-20	
1	Jun	NIL	0.18	0.18
2	Sep	0.07	0.13	0.06
3	Dec	0.03	0.09	0.06
4	Mar	0.16	0.02	(0.14)

Moreover as per the provisions of Electricity Act 2003 and UERC Tariff Regulations 2018 the amendments so decided in the tariff during the relevant FY is also debatable for following observations:

- After deciding the tariff for relevant years, UPCL moved petition to revise the tariff and the same was accepted by the Commission allowing increase in tariff in mid of the year 19-20.
- UPCL has given options in its petition to revise the tariff retrospectively from 01.04.2019 or 01.09.2019 asking for recovery of power purchase cost incurred for FY 18-19, i.e. the cost was to be spread in all months of FY 19-20. Since the petition was decided on 25.10.2019 the AEC was made applicable from 01.10.2019.
- It is impractical to treat 0.50 paisa as increase in tariff for the whole FY instead 0.25 paisa should have been considered making it spread for whole FY.
- Normally, what happened in the previous FY such cost if escaped while deciding relevant year tariff were considered by the Hon'ble Commission in the coming year tariff and the effect was to be given while deciding particular year tariff.

(C) Comparison of Tariff for HT Industries approved for FY 2020-21 (effective increase in tariffs)

Sl. No.	Category	Load Factor	TOD	Existing Tariff				Approved Tariff		Increase in Tariff	
				Energy Charges (Rs. /kV Ah)	AEC (Rs. /kV Ah)	Total Energy Charges (Rs. /kV Ah)	Fixed /Demand Charges (Rs. /kV Ah)	Energy Charges (Rs. /kV Ah)	Fixed /Demand Charges (Rs. /kV Ah)	Energy Charges (Rs. /kV Ah) taking AEC	Energy Charges (Rs. /kV Ah) without taking AEC
1	Contracted Load More than 1000 kVA	Upto 40%	NH	3.95	0.25	4.20	Rs. 300/ kVA of billable demand	4.20	Rs. 310/ kVA of billable demand	NIL	0.25
			PH	6.53	0.25	6.78		6.90		0.12	0.37
			OPH	3.36	0.25	3.61		3.57		(0.04)	0.21
2		Above 40%	NH	4.35	0.25	4.60	Rs. 300/ kVA of billable demand	4.60	Rs. 370/ kVA of billable demand	NIL	0.25
			PH	6.53	0.25	6.78		6.90		0.12	0.37
			OPH	3.70	0.25	3.95		3.91		(0.04)	0.21

It is very much clear from the above submissions based on valid facts that there was increase in tariff in the FY 2020-21 in comparison to previous year. Such smart increase in tariffs will impact the industry very hard which is already struggling to sustain and survive during the COVID Medical emergency. The govt. instead of focusing on raising revenues from industry in red , should focus on facilitating revival by reducing the cost burden as viable within the ambit of the powers of state Govt.

Annexure III : Copies of representations from our associates



SIDCUL ENTREPRENEUR WELFARE SOCIETY, PANTNAGAR

Ref. No. *SEWS/CM/20/24*
To
The Honorable Chief Minister
Uttarakhand

Date: *20/04/2020*

Sub: Request for temporary relaxation in Factories Act-1948 during COVID 19 lockdown.

Honorable Sir,

We are heartily thankful to you for considering various request in favor of Industries and hope the same will be continue in future too.

Sir, as state government of Uttarakhand has given permission to various industries for partial/full operation w.e.f. 20.04.2020 to run plant operations with certain guidelines to prevent spread of CORONA Virus by maintaining social distancing etc.

During the lockdown period The Central Government and various State Government has given relaxation in Factory Act and in the continuation of Gujrat Government extended his support to the industries by giving relaxation in various provision of Factory acts.

In continuation of the above our humble request to Uttarakhand Government also to extend the same relaxation (as Gujrat) in Factory Acts- 1948 Section 51, 54, 55 and Section 56 which represent weekly hours of working, daily hours of working, interval for rest w.e.f. 20.04.2020 to 19.07.2020 as below.

1. No adult worker shall be allowed to work more 12 hrs. in a day and 72 hrs. in a week.
2. Every factory shall be provided an interval rest within 6 hours of an half hours.
3. Wages for 12 hrs. Shall be in proportion of existing wages (i.e. if wages for 8 hrs. is 80 Rs. than proportionate wages for 12 hrs. shall be Rs. 120).

With the above temporary relaxation industry can manage production targets with the minimum number of workmen, proper social distancing and less movement on roads on peak hours.

We are in hope that our request will be consider and a necessary direction to be given to the concern department/authority.

Thanking you,

For, SIDCUL Entrepreneur Welfare Society Reg.

[Signature]
President of SEWS.
Auth. Signatory



SMAU/2020-21/APR/402

30/4/2020

प्रेस विज्ञापन दिनांक 30/04/2020

संयुक्त उद्योग संगठन गठबंधन

सदस्य :

1. सिडकुल मैन्युफैक्चरर्स एसोसिएशन उत्तराखंड अध्यक्ष - श्री हरेद्र गर्ग
महासचिव - श्री राज अरोड़ा
2. भगवानपुर इंडस्ट्रियल एसोसिएशन अध्यक्ष - श्री मनोज कर्णावत
महासचिव - श्री गौतम कपूर
3. रूड़की स्माल स्केल इंडस्ट्रियल एसोसिएशन अध्यक्ष - श्री केशव कोहली
महासचिव - श्री दमन सरीन
4. बहादुराबाद इंडस्ट्रियल डेवलपमेंट एसोसिएशन अध्यक्ष - श्री साधु राम सेनी
महासचिव - सुखदेव सिंह विर्मा
5. हरिद्वार इंडस्ट्रियल डेवलपमेंट एसोसिएशन अध्यक्ष - श्री प्रभात कुमार
महासचिव - श्री विनीत धीमान
6. सिडकुल एंटरप्रेन्युइर्स डेवलपमेंट एसोसिएशन अध्यक्ष - श्री हिमेश कपूर
महासचिव - श्री विकास गर्ग
7. उत्तराखंड इंडस्ट्रियल डेवलपमेंट एसोसिएशन अध्यक्ष - श्री जीतेन्द्र कुमार
महासचिव - श्री पंकज गुप्ता
8. एसोसिएशन ऑफ़ फार्मा मैन्युफैक्चरर्स एसोसिएशन उत्तराखंड अध्यक्ष - श्री अनिल शर्मा
महासचिव - श्री अर्चित विरमानी

आज दिनांक 30/04/2020 को उत्तराखंड की आठ इंडस्ट्रियल एसोसिएशन के संयुक्त समूह ने वीडियो प्रेस कॉन्फ्रेंस के माध्यम से उद्योगों को सहयोग के लिए सरकार के समक्ष अपनी मांगें रखी जो निम्न हैं:

विद्युत - उद्योगों को निश्चित शुल्क (फिक्स्ड चार्ज) की छूट-

लॉक डाउन अवधि के लिए निर्धारित शुल्क का भुगतान नहीं किया जाये। महाराष्ट्र और गुजरात की सरकार ने पहले से ही बिजली के शुल्क में छूट के आदेश पारित कर दिए हैं। मार्च, अप्रैल, जून और जून 2020 की अवधि के लिए निर्धारित शुल्क को कम करके समर्थन प्रदान करने के लिए हम उत्तराखंड के उद्योग तम शुल्क का भुगतान नहीं करेंगे और यदि किसी उद्योग के कनेक्शन काटे जाते हैं, तो हम सभी अपने कारखानों को बंद कर देंगे और अपनी चाबियों को सरकार को सौंप देंगे।

पोस्ट लॉक पीरियड -

पीक बिजली शुल्क को माफ किया जाए, जिसके लिए सरकार ने कोई कार्रवाई नहीं की है। उद्योग अर्धव्यवस्था को पटरी पर लाने के लिए, कम से कम छह महीने तक बिजली के पीक ओवर चार्ज शुल्क नहीं होने चाहिए, हम इसे प्रधानमंत्री तक ले जाएंगे।



**SIDCUL MANUFACTURERS
ASSOCIATION UTTARAKHAND**



**BHAGWANPUR
INDUSTRIAL ASSOCIATION**



**ROORKEE SMALL
SCALE INDUSTRIAL
ASSOCIATION**



**BAHADRADAB
INDUSTRIAL DEVELOPMENT
WELFARE ASSOCIATION**



**HARIDWAR
INDUSTRIAL DEVELOPMENT
ASSOCIATION**



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ASSOCIATION**



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पुलिस: पार्ट लोड में माल का परिवहन, सरकार ने स्पष्ट निर्देश दिए हैं कि आवश्यक और गैर-आवश्यक सामग्री की कोई भी आवाजाही नहीं रोकी जाएगी, स्पष्ट आदेशों के बावजूद माल का स्थानांतरण (आवश्यक और गैरआवश्यक) उद्योग अंतरराज्यीय हस्तांतरण के लिए बहुत सारे मुद्दे का सामना कर रहा है कच्चे माल के साथसाथ तैयार माल विशेष रूप से जब यह अंशिक भार में होता है। पार्ट लोड के लिए सामग्री की आवाजाही के लिए ट्रांसपोर्ट कंपनी के वेयरहाउस व वेयरहाउस हब्स को खोलने की परमिशन दी जाये।

श्रम संसाधन -

इस वित्तीय वर्ष के लिए कोई अनुसूची निरीक्षण नहीं किया जाये, जैसा कि हमें अपने पैरों पर खड़े होने के लिए समर्थन की आवश्यकता है, हमें तनाव मुक्त और औद्योगिक अनुकूल वातावरण की आवश्यकता है ताकि इन गैरउत्पादक निरीक्षणों पर हमारी ऊर्जा बर्बाद न हो, हम उत्पादन पर ध्यान केंद्रित कर सकें, हम राज्य और केंद्र सरकार को लॉकडाउन के दौरान अर्थव्यवस्था के पुनरुद्धार के लिए अपने सुझाव भेजेंगे।

लेबर को जब उद्योग में बुलाया जाये उन्हें आना होगा, लगभग सभी जिला मजिस्ट्रेट ने स्पष्ट आदेश जारी किए थे, सरकार के आदेशों के बावजूद, कर्मचारी कारखानों में नहीं आ रहे हैं, 50% से अधिक फैक्ट्रियां चलाने में असमर्थ हैं, यहां तक कि वे आवश्यक श्रेणियों में भी नहीं हैं, हमें अनुमति दी जानी चाहिए कर्तव्यों में नहीं आने वाले श्रमिकों के वेतन में कटौती करें।

मैनपावर की अस्थायी कमी, पोस्ट लॉकडाउन, इसे सामान्य होने में कई महीने लगेगे, लघु उद्योग को मैनपावर को कम करने की अनुमति दी जानी चाहिए क्योंकि हमारे पास अस्थायी रूप से कम ऑर्डर होंगे, इसलिए हमें उस बिजनेस के अनुसार मैनपावर को कम करने की अनुमति दी जानी चाहिए, जिससे उद्योग सिक यूनिट न

हो जाए। इकाइयां, हम अपने द्वारा प्राप्त व्यवसाय के अनुसार जनशक्ति को कम कर देंगे और हम व्यापार की वृद्धि के अनुसार जनशक्ति में निरंतर वृद्धि करेंगे।

वेतन भत्ते -

सरकार को लॉकडाउन अवधि के लिए वेतन का भुगतान करना चाहिए, सरकार उद्योगों को बिना किसी कटौती के वेतन का भुगतान करने के लिए कह रही है। 500 से कम कर्मचारियों वाले msme के लिए, लॉकडाउन अवधि के लिए वेतन का भुगतान सरकार द्वारा किया जाना चाहिए क्योंकि पहले से ही अपने आपको जिन्दा रखने के लिए लड़ रहे उद्योग इसका भुगतान नहीं कर सकते हैं और अगर मजदूर किया जाता है, तो 50% से अधिक उद्योगों बंदी हो जाएगी हो जाएगी, सरकार इस के लिए ईएसआईसी फंड का उपयोग अन्य फंडों के साथ भी कर सकते हैं, हम बिना काम के वेतन का भुगतान नहीं कर सकते हैं, अगर सरकार जेल भेजना चाहती है, तो हम तैयार हैं।



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बैंक ब्याज-
 बैंक ब्याज को छूट, सरकार द्वारा केवल ब्याज को केवल स्थगित कर दिया गया है, हम चाहते हैं कि 30 दिनों के लॉकडाउन तक CC OD और टर्म लोन पर ब्याज को समाप्त किया जाये, अगर सरकार चाहती है कि हम राज्य में रहें, तो हमें जरूरत है सरकार वास्तविक समर्थन प्रदान करें।

अन्य मांगें -
 विभिन्न विभागों के लिए लेवी, कर, वार्षिक शुल्क और शुल्क, अंतिम तारीखों को 6 महीने के लिए बढ़ाया जाना चाहिए, कुछ मामलों के लिए सरकार द्वारा, इसे तीन महीने के लिए बढ़ाया गया है, सभी राज्यों के भुगतान की तारीखें, कर, रखरखाव शुल्क, नवीकरण शुल्क सभी निर्वासनों को छह महीने तक बढ़ाया जाना चाहिए। जैसा कि हम आने वाले महीनों में गंभीर नकदी संकट के लिए जा रहे हैं, हमें बिना किसी दंड के भुगतान के लिए सरकारी समर्थन और विस्तारित समय की आवश्यकता है।

Thanking you

						
Vinodra Garg Chairman (SMAU)	Manoj Karanawat Chairman (BIA)	Keshav Kohli President (RSSIA)	Sadhu Ram Saini President (BIDWA)	Prabhat Kumar President (HIDA)	Himesh Kapoor President (SEWA)	Jitendra Kumar President (UIWA)
106988555	9829889189	9837068655	9927017607	9837766671	9897249697	9927900947
						
Vij Arora General Secretary (MAU)	Gautam Kapoor General Secretary (BIA)	Daman Sarin Vice President (RSSIA)	Sukhdev Singh Viridi General Secretary (BIDWA)	Vineet Diman General Secretary (HIDA)	Vikas Garg General Secretary (SEWA)	Pankaj Gupta General Secretary (UIWA)
19536292	9897072453	9837142626	9837486288	9997741457	9557008300	9897892100



50. Request for return of Bank Guarantees to the prior allottees of the de-allocated coal blocks (10th April 2020)

**Shri Prahlad Joshi
Hon'ble Minister for Coal, Mines and Parliamentary Affairs
Government of India
New Delhi – 110001**

Respected Sir,

Namaskar!

Request for return of Bank Guarantees to the prior allottees of the de-allocated coal blocks

PHD Chamber of Commerce and Industry appreciates the government for its pro-active and extensive preventive measures to protect the its citizens and the economy from the adverse impact of the unprecedented catastrophe which has befallen on the Nation by the spread of Covid-19 pandemic. The Chamber stands in complete solidarity with the government and pledges to extend its wholehearted support, in whatever means required and possible, to help the Nation stand against the wild tide of Covid-19 and overcome its adverse impact and come out victorious by defeating the Covid-19 virus.

The Government of India has announced economic packages to ensure continuity of economic activity in the country. Most of the packages offer financial stimulus to enable the industry to tide over this period of extreme crisis. However the lockdown of 21 days imposed by the government to enforce social distancing to curb the spread of the virus has led to the unfortunate situation of severe impact on human resources, production, supply chain, amongst others.

At present the business activities are at unprecedented low levels and the resources are limited, so sooner or later our country will have to begin economic activities for sustainability of our industry, and thus the livelihood of millions of people which depends on the success of our industries. Further stimulus from the government authorities is required so that the industries across sectors are in a position to survive and sustain against the wild tide of Covid-19.

PHD Chamber represents a humble suggestion that the ministry reassess some of its stand that has resulted in issues currently in litigation before various courts of the country. One such litigation is regarding the Bank Guarantees ("BG") that were given by allottees of several coal blocks, which got de-allocated vide Judgement dated 24th September 2014 of the Hon'ble

Supreme Court. Consequently, all the rights to the de-allocated coal blocks vest with the Ministry of Coal. The prior allottees of these coal blocks had submitted BG, as per the terms of their allotment letter, towards the stipulated milestones of the development plan of the coal blocks. Even after the deallocation and payment of hefty penalty to the government as per the order dated 24.09.2014 of the Hon'ble Supreme Court in Writ Petition (Civil) No. 463 of 2013 being Common Cause versus Union of India, the government invoked the BG's submitted by the coal block allottees. It is proposed that once the allotment letter has itself been declared void, there remains no question of the invocation of the BGs for the delay in the development of the de-allocated coal blocks. The majority of such BGs invocation are under litigation before various High Courts after the Ministry of Coal invoked the BGs on the plea that the development of mines was not as per the milestone chart provided in the allotment letter. The High courts had provided interim relief to the coal block allottees in the form of status quo to be maintained, which meant that the BG's had to be kept alive. This litigation has been in courts for over four years now, and the coal allottees have already spent crores on keeping these BG's alive. Admittedly this does not serve any purpose, neither for the government nor for the industries, and also consumes significant judicial time when the law is well settled, and the balance of convenience lies in favor of the coal block allottees.

The prior allottees who submitted these BGs towards the milestone chart could have used the amount blocked in the said BGs to alleviate their financial instability as most of them are now stressed power and steel companies. The amount stuck in the form of the said BG's could have helped these companies maintain better working capital and cash flow of their halted or unutilized projects.

Due to rising financing charges, cancellation of coal blocks, delay in government approvals, the power/steel sector is already reeling under pressure. As such, the BG extension charges, and the withholding of the BG are causing immense stress and unnecessary burden on liquidity and working capital requirements on the prior allottees. Pertinently, the prior allottees whose BGs have been invoked have not made any gains from the concerned coal blocks, and instead, incurred severe losses since the coal block was never operational for reasons not attributable to them.

PHD Chamber requests your kind support in facilitating the return of BGs to the prior allottees, which will help these companies maintain better working capital and cash flow of their halted or unutilized projects. We believe that this decision will reflect positively towards ease of doing business and will improve the investment sentiment in the sector. Also, unblocking of these BGs will enable companies to bid for upcoming commercial coal block auctions, which will help increase competition. The cases pending adjudication before various High Courts can be withdrawn once an amicable and acceptable settlement is reached with the ministry as soon as possible. We hope you will kindly consider our above request and take urgent action in context



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments
and enable the industry to mitigate the economic impact of this unprecedented situation caused by Covid-19. the industry to ensure uninterrupted supply of food and beverages to the consumers in a safe manner.

Yours sincerely,

Dr D K Aggarwal

President

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454 (EXT 121/111/131)

Fax: +91 11 26855450

Email: president@phdcci.in

Website: www.phdcci.in



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

49. Suggestion to create District level Medicine Availability Task Force and Control Centre and provision of a strong message to the Local police team of ensuring Dignity and soft handling of the Health Soldiers (9th April 2020)

Hon'ble Shri. Piyush Goyal Ji,

IND-Health/54

Greetings from the Chamber,

9th April 2020

At the outset, please accept our deep appreciation for the massive and sincere efforts being made by Government of India to control the Pandemic Covid 19.

PHD Chamber Health Committee is represented by leading companies engaged in manufacturing and distribution of Drugs, Medical Equipment, Supplies and related services in India which are covered under essential commodities act 1955. Supply of drugs, medical devices and other supplies at the grass root level are very much essential to address not only the COVID-19 situation but also for other critical illnesses.

We have been getting feedback from many of our members who are running the Pharma and Medical Device units which are very critical for healthcare delivery esp. for the patients who are suffering from chronic conditions like Cancer, Cardio Vascular Diseases (CVD), Chronic obstructive pulmonary disease (COPD), Tuberculosis, Diabetes etc. There are multiple instances where local police is beating the staff/workers who are managing the supply chain of these essential items and their vehicles are being confiscated in the local police station. This is sending negative message to the manufacturers to open their units/offices/depots and is creating a fear psychosis which will end up closure of many units or working under a lot of pressure with severe understaffing. In fact these people are risking their lives and are in fact soldiers without uniform who are trying to serve the country & sick people.

Further all this is likely to dry up the supply chain of availability of medicines at the retail stores and not many of them keep very high stocks and rely on regular replenishments. **This has all the likelihood to having a shortage of important and life-saving medicines ending up adding to a new dimension to the existing health care delivery problems.**

There are multiple instructions have been issued by the Government authorities and we appreciate the same, however to maintain the smooth supply chain at the ground level and enough stocks at the last point of delivery, we would like to suggest the following measures:

1. District level Medicine Availability Task Force and Control Centre:



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

Fortunately Government has list of all stakeholders involved in pharma and devices supply chain due to need of drug licenses.

There should be a task force which consist of..

- a. District Magistrate / District Commissioner (Chairman)
- b. IPS officer of the district level
- c. 2-3 drug inspectors of the particular district
- d. Representative of local pharma manufacturing industry association if applicable
- e. Representative of local pharma trade association
- f. Representative of local medical doctors association
- g. Representative of local hospital association both public and private sector
- h. Representative of local transport association involved in medicine transport

This task force should monitor regularly the availability of medicines in the district and report back to the Central Govt.

The control room should be set which are 24X7 for any grievances related to availability of medicines for manufacturers, trade, for doctors and for patients. Regular surveillance can also be done. This will solve many problems at a local level as many issues are truly generated and resolvable there.

2. A strong message to the Local police team of ensuring Dignity and soft handling of the Health Soldiers (all workers related to Medicine/Medical devices supply)

A strong message should go from highest levels that all involved in medicine supply chains should be treated with utmost sensitivity and dignity. These workers are taking risks every day and leaving the security of their homes need to be encouraged for doing their duty to serve the nation. There should be zero tolerance for any harassment to this section of the society.

We would like to highlight the point that once any part of the supply chain of healthcare delivery is broken it can take much much longer to restore it.

Looking forward to your continuous support

Yours sincerely

D K Aggarwal

Shri. Piyush Goyal,
Hon'ble Minister,
Ministry of Commerce & Industry, Govt. of India
Udyog Bhawan, New Delhi 110 107

(The same representation has also been sent to Dr. V G Somani, DCGI, CDSCO, Central Drugs, Standard Control Organization, Ministry of Health and Family Welfare, Directorate General of Health Services, Government of India)



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

48. Request for amendments in the Demurrage payable order to Airport Operator/ Cargo Terminal Operator by Shipper or Consignee at Cargo Terminal, dated 1st April, 2020 (9th April 2020)

**Shri Pradeep Singh Kharola
Secretary
Ministry of Civil Aviation,
Government of India
New Delhi – 110034**

Dear Sir,

Greetings!

We appreciate the government for undertaking continuous and extensive reforms to mitigate the impact of Covid-19 on the economy, trade and industry, along with all the preventive measures undertaken to keep the citizens safe and in good health. The government's continuous measures to ensure smooth functioning of the airports and airlines, and all their allied services and associated organisations across the country serving international and domestic air cargo movements.

We write to you with deep concerns with regards to notification issued vide F No. AV-29012/41/2020-ER dated 1st April 2020 on "Demurrage payable order to Airport Operator/ Cargo Terminal Operator by Shipper or Consignee at Cargo Terminal". Our member stakeholder are facing immense hardships due to the lack of an effective Demurrage payable order issued by the Ministry of Shipping and Cargo.

Our member organisations are facing tremendous hardships due to the fact that there are lot of cargo which are lying at various Indian Airports which could not fly out of India since Govt. of India stopped all International flights, on those Export shipments also huge demurrage has incurred and the Airlines are not ready to pay the demurrage charges to the terminal operator. The Airlines want the agents / shippers to take back their shipments after paying demurrage to the terminal operators, this issue of demurrage on the export shipment which cannot fly out of India because of cancellation of international flights, need to be effectively addressed by the government for a smooth functioning of the Air Cargo community at a time when they are experiencing unprecedented shocks due to the impact of Covid - 19 pandemic across the globe.

We would like to bring to your immediate attention the following pin-pointed issues, which would require a fast track solution, to avoid hampering of business sentiments of the Indian industry:



- As per the Ministry of Civil Aviation order on this point any air cargo which had landed on or

before 20th of March, 2020 but could not be cleared and removed from all the customs Airports , no benefit on demurrage is applicable on those goods. Also, the provision of the 50% waiver on demurrage charges is applicable on the cargo goods cleared and removed from the airport 23:50 hours on 16th April,2020, which should not be the case and the same should be extended further, for the waiver to be applicable from 15th March, 2020 till 22nd April, 2020.

- 50% demurrage will only be charged for goods arrived on or after 20th of March 2020 . On which date most of the international Airlines stopped flying to India as per Govt. order , so this will not give any benefit to any importers who have imported goods before 20th of March 2020.

PHD Chamber of Commerce and Industry suggests the following amendments to be made in the Demurrage payable order issued by the Ministry of Shipping and Cargo, to harness the hampered sentiments of the Indian Industry and help it survive the on going tide for a better future :

- As you are aware the corona virus started in China and other countries in February and beginning of March. Although the importers were receiving the cargos by Air but unfortunately they were not receiving any documents in their banks or from the shipper. For this reason they could not clear the shipments on time because of lack of documents. Also the date of availing the demurrage waiver should be extended from 15th April, 2020 to 22nd April, 2020 , as it will be extremely difficult for the Custom House Agents / FREIGHT FORWARDERS / CONSIGNEES to clear the goods in one day when their offices are only opening on 15th April, 2020. Even if they have to get papers from the bank it will take 2/3 days to complete all the formalities with the bank. Hence, the provision of demurrage charges waiver should be available to the importers for the goods arrived from 15th of March, 2020 till 22nd of April , 2020, instead of 20th March, 2020 till 15th April, 2020.

- Instead of a 50% waiver on the demurrage the government should allow a 100% waiver of demurrage from the terminal operators, to provide relief in these difficult times when the Indian exporters/importers are being severely impacted due the global spread of the Covid-19 pandemic.

We trust our submissions will be favourably considered by the Government for immediate and favourable action.

Thanking you!



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Yours sincerely,

Dr D K Aggarwal
President
PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri Institutional Area
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454 (EXT 121/111/131)
Fax: +91 11 26855450
Email: president@phdcci.in



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47. PHD Chamber seeks clarification in reference to Notification No. 53 / 2015 – 2020 dated 24.03.2020 regarding amendment in export policy of Ventilators including breathing appliance/ device and sanitizers to ensure smooth exports under HS code 3402 (8th April 2020)

Shri Amit Yadav

Director General,
Directorate General of Foreign Trade (DGFT)
Ministry of Commerce and Industry
Government of India

Respected Shri Amit Yadav ji,

Greetings.

PHD Chamber seeks clarification in reference to Notification No. 53 / 2015 – 2020 dated 24.03.2020 regarding amendment in export policy of Ventilators including breathing appliance/ device and sanitizers to ensure smooth exports under HS code 3402

At the outset, we appreciate the Government of India and the Directorate General of Foreign Trade (DGFT) taking proactive and necessary steps to combat the impact of pandemic COVID-19 on India's trade and industry.

This is in reference to Notification No. 53 / 2015 – 2020 dated 24.03.2020 issued by DGFT regarding amendment in export policy of Ventilators including any artificial respiratory apparatus or oxygen therapy apparatus or any other breathing appliance/ device and Sanitizers (attached). The notification has amended the export policy related to the export of Sanitizers for HS code 3402 from “Free” to “Prohibited” with immediate effect.

We would like to draw your kind attention to the concern of member organizations of PHD Chamber of Commerce and Industry. The Customs authorities on the basis of the aforementioned notification are not permitting export of the product Others- Linear Alkyl Benzene Sulphonic Acid (LABSA) grade 96 under HS code 3402 (description attached). It may be noted that LABSA is NOT Sanitizer and is an entirely different product. The product is a Surface-Active Agent which is a raw material for the detergent industry.

The HS code 3402 comprises of multiple items and Sanitizer is one of the items in Chapter 34. The rejection by Customs authorities of consignments containing LABSA has impacted the exports of the product to more than 40 countries and leading to a loss of valuable foreign exchange for our country.



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In view of the above, we seek clarification in reference to Notification No. 53 / 2015 – 2020 dated 24.03.2020 and request appropriate guidelines to be issued immediately to the Customs authorities to ensure regular exports of LABSA under HS code 3402 to different countries.

We trust our submissions will be favourably considered for immediate and favourable action.

Thanking you!

Yours sincerely,

Saurabh Sanyal
Secretary General
PHD Chamber of Commerce and Industry
PHD House,
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454
Fax: +91 11 26855450
Email: sg@phdcci.in
Website: www.phdcci.in

(Copy to :- **Shri Rajiv Talwar**, The Principal Chief Commissioner, Jawaharlal Nehru Custom House (JNCH), Parking Plaza Nhava Sheva)



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46. Request for measures to support tourism and hospitality sectors amid pandemic COVID-19 (8th April 2020)

Shri Prahlad Singh Patel
Hon'ble Minister of State (Independent Charge)
Ministry of Tourism
New Delhi – 110001

Respected Sir,

Namaskar!

Request for measures to support tourism and hospitality sectors from the impact of pandemic COVID-19

PHD Chamber of Commerce and Industry appreciates the government for its pro-active and extensive preventive measures to protect its citizens and the economy from the adverse impact of the unprecedented catastrophe which has befallen on the Nation by the spread of Covid-19 pandemic. The Chamber stands in complete solidarity with the government and pledges to extend its wholehearted support, in whatever means required and possible, to help the Nation stand against the wild tide of Covid-19 and overcome its adverse impact and come out victorious by defeating the Covid-19 virus.

We would like to thank the Ministry of Tourism for organizing a virtual conference with the industry associations of Tourism and Hospitality sector and assuring to support the concerns of the industry members.

Our member industry organisations, pertaining to the Hospitality, F&B and Tourism industry are witnessing massive distress and are staring at large-scale unemployment and bankruptcy. Due to loss in revenues, due to fall in businesses caused by the global spread of Covid-19 pandemic, almost all businesses in the hospitality and tourism sector (and allied sectors) are drying up their working capital and with the onus of salaries, EMIs, advance tax, PF, ESIC, GST, excise and licenses, this industry needs your immediate support from the government, now more than ever, to mitigate the impact of Covid-19 pandemic.

PHD Chamber requests the government to consider immediate implementation of the following suggestions to ease the stress engulfed around the Indian Industry, especially hospitality and tourism sector and promote streamlined functioning of the tourism and hospitality sectors

- There is a need for interest subvention of 6% to the entire hospitality sub-sector and besides that, supporting the industries with a 6 months moratorium on working capital principle, interest payments on loans and overdrafts should be allowed for business continuity, without categorizing the companies as Non-Performing Assets (NPAs), by Financial Institutions(both banking & non-banking). This will prevent all the sectoral businesses from going bankrupt.
- A 12 months' moratorium on EMIs of principal and interest payments on loans and working capital from financial institutions should be announced.
- Deferment for 12 months of all statutory dues such as Advance Tax payments, PF, ESIC, customs duties at the Central Government level or at any state government level, the excise fees, taxes, bank guarantees and security deposits and deferment of all renewals, across the sub-sectors supporting tourism, travel, hospitality and F&B industry, along with a complete waiver of fixed electricity and water charges will go a long way in preventing insolvency
- The agreed limit to ESIC/PF compensation for employees drawing up should be enhanced to salaries of up to ₹ 30,000 from the present limit of upto Rs 15000/- as this is not workable with minimum wages in Delhi for the skilled labour being at ₹ 17,991. and also the skilled employees with the longevity of service in cities like Delhi/Mumbai etc draw salaries at a scale of Rs 30000/- too.
- Refunds of the pending payment of GST which is usually blocked, affecting cash flows, should be initiated immediately. The Centre/State authorities should release CGST/SGST immediately and in-case of an error, an ad-hoc payment of 75% should be released immediately.

The GST rate slab to be fixed at 5% for the sub-sector of hospitality and F&B equipment manufacturers, suppliers and service providers, as a step towards reviving MSMEs reeling under the financial distress caused by the pandemic.

- Removal of fees for any upcoming licenses and permit renewal for the hospitality and travel industry across states.
- Hotels pay a hefty bar license in addition to many taxes like property taxes. The validity period of these taxes and licenses should be extended by at least one year without further payments.
- Restoration of Service Exports from India Scheme (SEIS) scrips for duty credit of 10% to Tourism & Hospitality industry
- It is suggested that some percentage of salaries should be shared by the Government as done in other impacted countries from COVID-19. Defray some portion of salaries of the employees through Mahatma Gandhi Employment Guarantee Act 2005. (MGNREGA) to entire travel and tourism industry in order to prevent employment loss.
- Exemption of GST on Foreign Exchange billings by the Tour Operators for inbound tours.
- Delay or scrap Tax collected at source (TCS).



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We hope you will kindly consider our above request to enable the industry to ensure uninterrupted supply of food and beverages to the consumers in a safe manner.

Yours sincerely,

Dr D K Aggarwal
President
PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri Institutional Area
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454 (EXT 121/111/131)
Fax: +91 11 26855450
Email: president@phdcci.in
Website: www.phdcci.in



45. Declaration of Defence Manufacturing and Supplies as Essential Services (7th April 2020)

7th April 2020

Respected Shri Raj Kumar Ji,

Declaration of Defence Manufacturing and Supplies as Essential Services

On behalf of PHD Chamber, we wish you and all the Officers and Staffs in the Department good health and safety.

The PHD Chamber of Commerce and Industry has strong and vibrant Defence & Homeland Security Committee with active members from all the leading Indian & Global Defence & Security companies along with large number of Indian MSMEs which are contributing to the growth of Indian Defence industry and boosting the defence manufacturing and exports.

Defence manufacturing and supplies has always been critical for any and every country as that is essential for the safety and security of the citizens and businesses of any nation. Countries, like USA, consider Police, Armed Forces and Critical Manufacturing as the Essential Services as without these services the borders and the internal security of the country becomes vulnerable.

Kind reference to the above, the defence and homeland security companies play a very critical role in all times and hence their importance cannot be considered any less than that under essential goods and services.

- On behalf of PHD Chamber, we urge the Government to kindly consider including defence and homeland manufacturing in the list of essential goods and services. This will not only help the indigenous manufacturers but will also a big support to the Government in times of crisis.




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- May we also cordially invite you for a Webinar with the defence industry stakeholders for a deliberation and discussion on various issues affecting the industry and also as a confidence building exercise between the Industry and the Government. The Industry would also like to hear the Government's perspective on the draft DPP 2020 and would also like to share their pain points and seek support on the same. We request you to kindly suggest a suitable date and time, as per your convenience, in the next week for organising the Webinar.

We look forward to your kind consideration on the above industry request.

With best regards,

Yours sincerely,


(Dr. D. K. Aggarwal)

Shri Raj Kumar, IAS
Secretary Defence Production
Ministry of Defence
Government of India
South Block, New Delhi



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44. Request to consider bringing all the raw materials requirement of Alloy Steel & Stainless Steel, Titanium Alloys and Supe Alloys for defence manufacturing under the purview of Import Screening Committee (7th April 2020)

7th April 2020

Respected Shri Binoy Kumar Ji,

On behalf of PHD Chamber, we wish you and all the Officers and Staffs in the Department good health and safety.

The PHD Chamber of Commerce and Industry has strong and vibrant Defence & Homeland Security Committee with active members from all the leading Indian & Global Defence & Security companies along with large number of Indian MSMEs which are contributing to the growth of Indian Defence industry and boosting the defence manufacturing and exports.

A number of PHD Chamber Members are from the Steel Industry and are somehow or the other related to the manufacturing and supply of raw materials or components to the Indian Defence.

The PHD Chamber Defence & HLS Committee organised an Industry Interaction with the then Secretary Defence Production, Shri Subhash Chandra on the Indigenisation of Raw Materials for Defence Manufacturing in December 2019.

As an outcome of this interactive session, the Secretary Defence Production constituted a Committee for the 'Indigenisation of Critical and Strategic Raw Materials for Manufacturing of Defence Products' with PHD Chamber as the Convenor of this Committee. The Committee, after a series of meetings will all the stakeholders including the OFB, DPSUs, Industry Associations and FOEMs (working under Offsets), submitted its Report to the Department of Defence Production. A copy of the Report is attached for your kind reference.

- Eight critical and strategic raw materials were identified in the Report. Among other findings in the Report, it was found that there is an annual import of Rs. 14,000 Cr. of these materials and out of which Rs. 7,000 Cr. constitute of



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- a) Alloy Steel & Stainless Steel
- b) Titanium Alloys
- c) Super Alloys

Such a finding has led to an urgent recommendation from the Committee to stop the Import of these three categories of raw materials as the capability exists with the domestic manufacturers within the country.

We are aware that the Ministry of Steel has been very actively working towards promoting indigenisation of steel in the country and that you have an Import Screening Committee for screening of steel alloys, titanium alloys and super alloys requirements and stops all imports which are available within the country. This is working well for the Indian Industry and the same effort is needed for checking the import of these above mentioned raw materials for defence manufacturing.

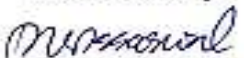
Taking this opportunity, we urge the Ministry of Steel to **kindly consider bringing all the raw materials requirement of Alloy Steel & Stainless Steel, Titanium Alloys and Super Alloys for defence manufacturing under the purview of your Import Screening Committee.** This would certainly help the Government in its effort towards indigenisation of critical and strategic raw materials.

On behalf of PHD Chamber, we also cordially invite you for a Webinar with the Industry Members on the Roadmap for Indigenisation of Critical and Strategic Raw Materials anytime this week. We request you to kindly indicate a date and time this week, as per your convenience, to organise this digital discussion.

We look forward to your kind consideration and a confirmation on the above PHD Chamber request.

With best regards,

Yours sincerely,


(Dr. D. K. Aggarwal)

Shri Binoy Kumar, IAS
Secretary
Ministry of Steel
Government of India
Udyog Bhawan
New Delhi-110011

Cc: **Smt. Rasika Chaube, IAS**
Additional Secretary
Ministry of Steel
Government of India
New Delhi



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43. Impact of pandemic COVID-19: PHDCCI suggestions for short and long term measures by the government (7th April 2020)

**Smt Nirmala Sitharaman
Hon'ble Finance Minister
Ministry of Finance
Government of India
North Block, New Delhi**

Respected Madam,

Namaskar!

Impact of pandemic COVID-19: PHDCCI suggestions for short and long term measures by the government

This mail is in continuation of our previous mail submitted to your esteemed office on the above subject on April 3, 2020.

As our member organisations provided more inputs to be considered for short-term and long-term measures to be undertaken by the government, we hereby submit (attached) our inputs once again segregated in various sectors of economy, trade and industry. The summary of the same is appended for your kind perusal.

Short-term measures

Economy

- To maintain a growth trajectory at around 5%, we recommend a fiscal stimulus of at least 5% of GDP which becomes at around 11 Lakh Crores of GDP.
- We recommend increased consumption expenditure by the Government, even if fiscal deficit slips by 2 percentage points

Trade and Industry

- Increase working capital of the businesses automatically 25% without any collateral and no new application for one year.
- Convert the additional 25% working capital in term-loan with a provision of 3 years repayment period.



- We recommend that lockdown period should be declared zero financial period i. e. No interest on borrowings, No GST/ Excise liabilities, No time bard cases, for a period of 6 months. And all previous payments should be deferred for three months after lockdown period.
- EMIs on all term loans should be deferred by 6 months. The extended period should be added in the remaining maturity period of the loans.
- Similarly, there should be moratorium of 6 months for interest on term loan and the same should be also back ended in 6 installments.
- All regulatory bodies including SEBI, Ministry of Corporate Affairs, among others must ease the regulatory procedures and must have lenient view on the policy environment during this difficult period.
- We recommend that the relaxations should cover letter of credit (LC) payments/ bill discounting/ maturing to be deferred for 6 months.
- Moratorium should be applicable to all the banks/NBFCs/MFIs/ HFCs to enhance the coverage and penetration of the benefit.
- We recommend the deferment of External Commercial Borrowings (ECBs) / Foreign Currency Term Loans installments as well as Term Loans in Indian Rupee (INR) and vehicle loans payments should be granted for the ease of industry stakeholders; 6 months moratorium need to be extended to all borrowers including those which are currently SMA1or SMA2.
- We recommend immediate clearance of all export benefits to exporters including IGST/GST, Duty Drawback, ROSL, RoSCTL etc. including too risky exporters (against a Bond) and relaxation in physical examination norms due to lesser availability of manpower.

Banking, Finance & Insurance

- The banking sector should transmit the full effect of 75 basis points cut in repo rate and lower the lending rates immediately to reduce the cost of capital for the businesses.
- Interest subvention @ 3% p.a. in loans to MSMEs and other badly affected industries should be provided as a measure to improve the sustainability in the market. The present norms related to collateral security need to be relaxed in view of present extremely situation.
- Speedy disbursal of loans to companies should be ensured which have a clean track



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record to manage cash flows. Further, there should not be any penal interest on delayed payment of advance taxes for at least two quarters.

- Non-Performing asset recognition norms will need appropriate modification in National interest. Bank Guarantees should not be enhanced for non-performance for the benefit of industry.
- The margin requirements fulfilled for loans against shares should be reduced to 40% wherever it is more as the share prices have come down drastically at the unrealistic level.
- The Government should extend the time period for payment of policy premium for General Insurance to boost liquidity in the economy and the policy expiring in the lockdown period should be renewed automatically and be valid when the payment of premium is made after the lockout period.
- Moratorium should also be extended by Insurance companies and Mutual Fund companies regulated by IRDA and SEBI respectively that provide finance to businesses like banks/ financial institutions.
- We recommend that the relief measures announced by the RBI should be further extended to encompass the loans that have been given by the Vulture Funds holding corporate guarantees of Indian companies.
- Condition of force majeure: Application of a condition of force majeure if it includes COVID-19, will resolve a number of fears of business, including but not limited to demurrage at the ports for ships that remain docked or are in sand heads waiting to be docked and also for Railway Racks waiting either for loading or unloading.

Relief in mandatory compliances/utility bills/charges

- Demurrage charges applicable on import air cargo by Customs Airports / cargo terminal operators should be abolished by 100% from 15th March 2022 to 22nd April 2020 to facilitate industry stakeholders dealing in international and domestic air cargo movements.
- All the utilities bills should be deferred by 3 months such as electricity bills, gas bills, telephone bills, coal and PNG bills, among others to sustain liquidity with the industry stakeholders.

Wages and salaries of employees



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- It is suggested that the Government should pay 75% of salary for lockdown period. Employer contribution in lock down period in PPFs should be brought down to zero.
- It is suggested that both employee and employer contribution is made 6%+ 6% for next 1year after the lockdown period is over without cap on the number of employees in the organisation.
- Release all MSMEs outstanding payments from Government departments of Central & States both and PSUs immediately within 7 days or maximum by 15th April 2020.

Taxation

- The Government should abolish the tax on buyback of shares and the long term capital gains
- No interest and penalty on late payments of TDS to support people and industry in this difficult time. Defer the deposit of TDS for next 6 months.
- Advanced tax due on 15th June and all statutory dues falling in these 3 months from March 2020 should be deferred by 3 months.
- All compliances related to all labor laws, factories act and other statutory compliances related to industry should be deferred by 3 months.
- MAT should be postponed for one year.
- It is suggested to remove the equalization levy on e-commerce operator completely or defer applicability of equalization levy on e-commerce operator by 1 year i.e. A.Y. 2022-23 rather than A.Y. 2021-22.
- Remove the TCS on sale of goods completely or defer applicability of TCS on sale of goods by 6 months i.e. to be applicable from A.Y. 2022-23 rather than 01st October 2020.

Pharma and AYUSH

- Being Essential Services it must be made compulsory that all staff & workers must report for duty OR will be deemed absent. Govt Orders of Hospitals & Health Department are getting delayed with penalties being imposed on Industry
- Raw Material/Packing Materials Supplies are seriously affected as HERBS Dealers and Packing Material Industries cum Dealers are not permitted to work & hence Pharma/Ayush sector cannot manufacture medicines.



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- National Biodiversity Act even during this Lockdown is creating obstacles for AYUSH Industry & demanding CESS from them. Instructions may kindly be issued asking State Biodiversity Boards to not take any action/ create obstacles for Industry till 30th June 2020.
- Transportation is a major issue as the Transporters are refusing to go to the various States Districts & demanding unrealistic Fares.
- Raw Materials for Hand Sanitisers are being sold in Black specially Carbapol & IPA. The Government may look into this matter for the benefit of people and industry.

Hospitality Sector

- For the hotel industry, being a very capital intensive industry, large debt compared to revenue, needs a year of moratorium for principal repayments and relief/deferment for 6 months for interest payments.
- There should be a rent moratorium for restaurant industry for next 3-6 months. It is suggested to provide GST input credit to the restaurant chains with immediate effect. Further, restaurant industry should be provided with soft loans to tide over the liquidity crisis due to Pandemic COVID-19.
- In order to facilitate hospitality industry, interest subsidy of up to 6% for one year without any cap on the amount should be provided along with electricity subsidy at Rs. 4 per unit for one year, property tax waiver for the year 2020-2021, postponement of repayments of loans till April, 2021 and soft loans with zero interest up to the amount of GST collected
- Liquor license fee should be reduced across the states by 50% for FY2021 and/or a split free structure instead of annual structure should be allowed.

Tourism Sector

- An additional promotional budget should be created by the Ministry of Tourism to promote domestic
- Remove the fees for any upcoming licenses and permit renewal for the hospitality and travel industry across states.
- Hotels pay a hefty bar license in addition to many taxes like property taxes. Therefore, the validity period of these taxes and licenses should be extended by at least one year without further payments.
- A six to nine months' moratorium on all working capital principle, interest payments on



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loans and overdrafts bringing in liquidity should be allowed without categorizing the companies as Non-Performing Assets (NPAs).

- A twelve months' moratorium should be provided on EMIs of principle and interest payments on loans and working capital from financial institutions
- It is suggested to defer for 12 months all statutory dues whether GST, Advance Tax, PF, custom duties, excise fees, water and power charges, licenses, bank guarantee across hospitality, travel & aviation industry in all States.
- It is suggested to restore of Service Exports from India Scheme (SEIS) scrips for duty credit of 10% to Tourism & Hospitality industry.

Real Estate and Housing

- It is suggested that stamp duty and registration charges on completed flats for a period of say 1 year should be reduced /waived off.
- The RBI move will lower interest rates, but sentiment needs to be improved for home buying to be kick started
- It is suggested that the enhanced interest deduction for home purchase should be brought down this year.
- The Government should release large funds and resources for on- going infrastructure projects and provide funds to complete stalled housing projects.
- Interest subvention in the form of 0% loan should be provided to any home buyer.
- Moratorium on Principal repayment and full waiver of interest on borrowings for six months from March 2020 till Sept 2020 are suggested for facilitating real estate sector.
- Deferment of loan instalments payments up to March 2021 by converting into 5 year Term Loan with one year moratorium, without affecting account classification and credit rating is crucial for the real estate sector.
- It is suggested that no immediate reporting of default like SMA 0/1/2/3, NPA, RBI default till Sept 2020 should be done.



Suggestions for Long-term measures

- We suggest that the Corporate Tax for proprietorship and LLPs which are more than 95% of MSMEs should be reduced to the level of 25% for old and to 15% for new companies
- It is suggested to cut the custom duties on basic raw material by at least 5 percentage points to take care of Rupee depreciation and to mitigate its impact on the costs of raw materials.
- Reduce the cost of capital with a further reduction of 100 basis points in the Repo Rate to enhance the competitiveness of manufacturers and exporters in international market.
- Rationalize the GST rate structure by merging the 18% tax slab with 12% tax slab.
- Further recapitalization of banks to provide impetus to credit growth, creation of employment opportunities and accelerating the growth of the economy.
- Continuous and enhanced consumption expenditure is required to revive the demand scenario in the economy
- One-time restructuring of loans is required as it will not only help the struggling business' operations by giving them a new lifeline
- Domestic capacity building should be enhanced to not only mitigate the impact of Coronavirus but also to provide an opportunity to increase India's presence in global exports
- We suggest the Government to take more and more measures to boost entrepreneurship in the country to increase job creation and wealth creation
- The allocation of Rs 102 lakh crore made for the National Infrastructure Pipeline for next five years needs to be implemented

Our full report of suggestions for short-term and long term measures by the government is attached for your kind consideration

We trust our suggestions will be favourably considered by you for immediate and favourable action to mitigate the impact of COVID-19 on economy, trade and industry.

Thanking you!



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Yours sincerely,

Dr D K Aggarwal

President

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: +91 11 26855450

Email: president@phdcci.in



42. Request for support of various Project Implementation Agencies (PIAs) along with the Industry Partners, who are active contributor to Skilling (5th April 2020)

5th April 2020

Respected Shri Pramod Kumar Das Ji,

PHD Chamber has a strong and vibrant Skill and Entrepreneurship Development Committee with Members from industry and academia. We have been working very closely with the Union Government and various State Governments in different Skill Development initiatives.

In the current scenario, the various Skill Development initiatives across the country have been affected and as we understand the various projects may effectively start after 2-3 months once we hopefully pass through this crisis. The various Project Implementation Agencies (PIAs) along with the Industry Partners, who are active contributor to Skilling, are badly affected and seek Government's cooperation and support to come out of these challenging times.

We would like to draw your kind attention to the following issues and seek your immediate support and action for the same.

- We request the Government that due payments to all the PIAs shall be released immediately
- A number of PIAs have been awarded a Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDUGKY) contracts in states. Prior to the lockdown PIAs have signed the MOU and submitted the bank guarantees. Subsequently these PIAs, in the interest of expediting the projects and timely implementation, have gone ahead and invested extensively in hiring all staff, setting up the centre & installing training and hostel infra using their own funds. However just before DDR the lockdown has happened but they have not yet been released the first instalment of the project. While these PIAs have been approaching state SRLMs to release our first instalment but they have informed that they will do so only after it is released from Ministry of Rural Development (MoRD).



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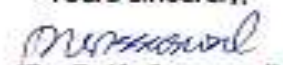
We therefore request that looking at the difficult current circumstances to kindly look into the matter since PIAs have all the staffs on the payroll and are facing extreme financial difficulties in payment of their salaries wages.

- Support to registered Skill Development stakeholders through:
 - The Training Providers need support in terms 80% of staff salaries for next three months
 - 100% disbursement towards fixed costs like Utilities, rentals etc.
- Realignment of HR demand from Industries along with tentative timelines for placement
- Promote and Support Entrepreneurship which will help ease pressure on Industries as these individuals can support Industries. MSDE may change the percentage of Entrepreneurship from 20% to 40% out of requisite 70% benchmark in common norms.
- Industries should be given additional incentives to engage apprentices eg. Rs. 3000/- per month/apprenticeship in place of Rs. 1500/-
- Monetary handholding to candidates during training, OJT and initial placement shall be increased by 100%.
- Provision of Working capital support from Banking Institutions/NSDC.
- The Government has directed the Industry to pay the full stipend to apprentice during the lockdown period. The Industry urges the Government to subsidise the stipend to be paid to the apprentices also and help the industry in these tough times.
- The Ministry of Skill Development & Entrepreneurship should take a lead in enabling online training much like international trending sites. Candidates, who are from economically weaker sections and have enrolled in short term courses, are most vulnerable to the present situation. They need to be supported for 3-6 months duration by online courses to build entrepreneurial competencies through simple but effective video training classes.

We look forward to your kind consideration and an early action on the above points of concern for the Industry.

With best regards,

Yours sincerely,


(Dr. D. K. Aggarwal)

Shri Pramod Kumar Das, IAS
Secretary
Ministry of Minority Affairs
Government of India
11th Floor, Pandit Deendayal Antyodaya Bhawan,
CGO Complex, Lodhi Road,
New Delhi-110003

(The same representation has also been sent to Shri Praveen Kumar, IAS, Secretary, Ministry of Skill Development and Entrepreneurship, Government of India; Shri Rajesh Bhushan, IAS, Secretary Rural Development, Government of India)



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

41. Request immediate Government intervention for making the necessary arrangements to bring our students back to India subject to medical protocols. (5th April 2020)

Shri Dammu Ravi
Additional Secretary & Coordinator-COVID-19
Ministry of External Affairs
Government of India

Dear Sir,

Greetings!

Request immediate Government intervention for making the necessary arrangements to bring our students back to India subject to medical protocols

PHD Chamber of Commerce and Industry appreciates the government for its pro-active and extensive preventive measures to protect the its citizens and the economy from the adverse impact of the unprecedented catastrophe which has befallen on the Nation by the spread of Covid-19 pandemic. The Chamber stands in complete solidarity with the government and pledges to extend its wholehearted support, in whatever means required and possible, to help the Nation stand against the wild tide of Covid-19 and overcome its adverse impact and come out victorious by defeating the Covid-19 virus.

We express our sincere gratitude to the Government of India and the Ministry of External Affairs for the various coordinated efforts undertaken to safeguard our countrymen bringing back our citizens stuck in various Covid-19 affected countries. The efforts have greatly uplifted the morale of the citizens stuck in these nations and has re-instilled the confidence of their families here in India.

However, as you are aware that Covid-19 is spreading very rapidly across the different states of USA and many of our students are pursuing their higher studies from various universities across USA. As per the information available with us, most of the nations around the world have started to airlift their citizens from USA and bought them back to their respective countries safely. The Indian students have isolated themselves by staying at their respective places, they are also facing the fears of running out of daily essentials and are currently surviving on minimal resources amid the possibilities of a potential lockdown in the country. A statement to the effect of one of the student, as received by us is also enclosed for your reference.

PHD Chamber of Commerce and Industry request kind intervention of the Government of India for making the necessary arrangements to bring our students back to India subject to medical



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments protocols, to enable them to reunite with their families and be in the safe environment of their homes, in this hour of global crisis.

We hope you will kindly consider our above request to enable the industry to ensure uninterrupted supply of food and beverages to the consumers in a safe manner.

Yours sincerely,

Dr D K Aggarwal
President
PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri Institutional Area
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454 (EXT 121/111/131)



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

40. Request for a one-year moratorium on the invocation of corporate guarantees issued by Indian companies to offshore lenders due to pandemic COVID-19 (5th April 2020)

**Smt Nirmala Sitharaman
Hon'ble Finance Minister
Ministry of Finance
Government of India
North Block, New Delhi**

Respected Madam,

Greetings!

Request for a one-year moratorium on the invocation of corporate guarantees issued by Indian companies to offshore lenders due to pandemic COVID-19

At the outset, we appreciate the Government for undertaking proactive and fast track measures to combat the impact of pandemic COVID-19 on trade and industry. We are quite optimistic that the Economic Response Task Force under your dynamic leadership will combat the impact of pandemic covid-19 on India's economy, trade and industry.

The recent initiative by RBI on 27th March 2020 towards providing certain one- time relief measures including, inter alia, three months moratorium on term loans granted by all commercial banks and deferment of the recovery of interest by lending institutions in respect of working capital facilities is a welcome step.

However, in addition to domestic borrowings, Indian companies have also issued corporate guarantees to various offshore lenders to borrow capital for expanding their respective businesses which in turn provides significant employment opportunities as well as helps in building capital intensive industries in India and abroad.

During this extremely difficult time, a majority of these foreign lending institutions that provide such loans tend to down-sell the loans to Distressed Asset Funds. These Distressed Asset Funds or "Vulture Funds" (as they are normally called) are in the business of finding an opportunity to make money in such difficult times. These funds tend to buy such loans at depreciated prices and exert undue pressure on the companies as well as the overall economy to make abnormal profits.



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

In view of the above, the relief measures announced by the RBI should be further extended to encompass the loans that have been given by the Vulture Funds holding corporate guarantees of Indian companies. We sincerely request the following:

- Appropriate instructions may be issued to RBI to declare a moratorium of at least one year on the invocation of overseas corporate guarantees issued by Indian companies. Thus, for the said period of moratorium, the Vulture funds should not demand debt servicing under the Corporate Guarantees.
- Appropriate instructions may be issued to RBI to declare that the interest can continue to accrue in this regard and be paid as a bullet at the end of the moratorium period.

The additional step of one-year moratorium on the invocation of corporate guarantees would not only support the economic recovery process but would also ensure the conservation of the country's Forex reserves by mitigating the risk of any undue pressure on currency exchange rates. In addition, it would enable Indian companies to invest more and mitigate the impact of pandemic COVID-19 on economy and industry.

We trust our submissions will be favourably considered for immediate and favourable action.

Thanking you!

Yours sincerely,

Dr D K Aggarwal
President
PHD Chamber of Commerce and Industry
PHD House,
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454
Fax: +91 11 26855450

39. Key Issues of Concern for the Defence Industries due to COVID-19 Lockdown (4th April 2020)

4th April 2020

Respected Shri Raj Kumar Ji,

Greetings from the Chamber,

Key Issues of Concern for the Defence Industries due to COVID-19 Lockdown

Hoping and wishing you and your dear and near ones are doing well amid the COVID-19 outbreak.

We would like to bring to your kind notice that due to the outbreak of COVID-19 across the country, many of our Defence Member companies such as the Steel Units and Raw material manufacturers have been affected in their work and it is quite difficult for them to operate amidst the national lockdown.

Keeping in view the aforesaid fact, we would like to submit the following points of concern for the Industry and seek urgent Government intervention and support for the survival of the indigenous Industry in these tough times:

- The defence industry is facing a major problem of the access to Raw Materials and the access to manpower and despatch of finished inventory are serious concerns. Steel Industry is the one of the largest raw material supplier to the defence and other strategic industries. The Steel production, supply and distribution come under essential services. All the units at local level are finding it extremely difficult to operate and are forced to shut down despite Secretary Steel writing to Chief Secretaries of States for support and cooperation in these tough times. This has caused serious disruption in Production and Distribution of Raw Materials and Finished Products and leading to closure of most units engaged in Production and supply of essential items for Defence sector. The Industry requests the Government to exempt the restriction on the movement of Trucks and the personnel involved in these units.

- The Members of the Committee seek support of the Government in putting an Import Duty on Steel to safeguard the domestic steel manufacturers. Imposing of Safeguard Duty of minimum 25 % on import of all steel for next six months to minimize threat of to domestic manufacturers.
- The operations of the Ports should be brought under top priority for imports and exports, to help the entire industry including the defence industry to at least continue with the bare minimum operations to meet export orders.
- We most urgently request the Government to direct the PSUs to release all the due payments of their vendors on priority basis.
- The Government is requested not to charge the CFS / Port – Storage fees for COVID-19 lock down period.
- Since the factories are all shut down due to COVID-19 lock down, the total cash flow is blocked and there is no revenue source for them. Therefore it is sincerely requested that the Electricity Board Demand charges to be waived for March to June 2020. Also all state Governments may be requested to defer payment of Power Bills to this stressed sector by at least three months.
- The default in LC (Letter of Credit) payment due to lock down should not be counted as default during March-June 2020.
- The Defence Industry also requests the Government to waive of all Government charges such as EPF/ ESI/Property Tax etc. during the lock down quarters.
- Government is also requested to announce package for bulk Government procurement and push the economy by announcing special packages for Defence and allied sectors along with Infrastructure.
- The Industry requests the Government to compensate for the Industry losses by announcing Interest free or reduced rate Credit lines (not exceeding 6 percent) be considered for next two quarters and ad hoc additional bank limits of 25% of existing limits.
- The Government must also provide Export Benefits up to 10 percent on all export of steel. (China has enhanced export benefits to 13 percent)
- As per the statistics, there is an annual import of Rs. 14,000 Cr. worth of Raw materials, including critical and strategic raw materials, out of which about 50%, i.e. Rs. 7,000 Cr is only of alloy steel and special alloys, which is big potential business for domestic manufacturers. The import should be stopped if the indigenous capability exists within the country.

TC



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- Import duties on essential raw materials like Coking coal, coke, ferroalloys, scrap should be removed for at least one year. These are important raw materials for the defence manufacturing units.

On behalf of PHD Chamber, we would request your kind and urgent consideration on the above issues of immediate concern for the Industry and seek your favourable action for the sake of sustenance of the indigenous Industry.

With best regards,

Yours sincerely,


(Dr. D. K. Aggarwal)

Shri Raj Kumar, IAS
Secretary Defence Production
Ministry of Defence
Government of India
South Block, New Delhi



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

38. Request for one regulatory policy for Indian companies to mitigate the impact of pandemic COVID-19 (4th April 2020)

**Smt Nirmala Sitharaman
Hon'ble Finance Minister
Ministry of Finance
Government of India
North Block, New Delhi**

Respected Smt Nirmala Sitharaman ji

Greetings!

Request for one regulatory policy for Indian companies to mitigate the impact of pandemic COVID-19

At the outset, we appreciate the Government for undertaking proactive and fast track measures to combat the impact of pandemic COVID-19 on trade and industry. We are quite optimistic that the Economic Response Task Force under your dynamic leadership will combat the impact of pandemic covid-19 on India's economy, trade and industry.

The RBI vide its communique dated March 27,2020 and vide its circular No.DOR.No.BP.BC.47/21.04.048/2019-20 March 27,2020 announced the following relief measures:

- Three months moratorium on term loans granted by all commercial banks (including regional rural banks, small finance banks and local area banks), co-operative banks, all-India Financial institutions, and NBFC's (including housing finance companies) ("lending institutions") i.e., moratorium of three months on payment of all instalments falling due between 1st March 2020 and 31st May 2020. Interest shall continue to accrue on the outstanding portion of the term loans during the moratorium period.
- Further, 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 ("deferment"). The accumulated accrued interest shall be recovered immediately after the completion of this period.

While the above measures have given tremendous relief to Indian companies, the same is not being extended by Insurance companies and Mutual Fund companies that provide finance to



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

businesses like banks/ financial institutions. One of the reasons for non-extension of the relief measures by these companies may be that RBI is not the regulatory body for Insurance companies and Mutual Fund companies as they are regulated by IRDA and SEBI respectively. Therefore, RBI instructions are not binding on Insurance Companies/ Mutual Funds and hence are refusing to provide the said moratorium to the companies.

The above move by Insurance companies and Mutual Fund companies has resulted in a serious contradictory situation for Indian companies. For instance, LIC lends to various companies and is signatory to a common consortium document in all cases, therefore, making it at par with the banks. Thus, while servicing debts, banks would not allow to extend any preferential treatment to LIC or Mutual fund debts, as all debts are legally equal and are governed by the common consortium documents.

In this regard, it becomes crucial to have one standard instruction issued by other regulators in line with RBI's guidelines issued on 27th March 2020. We suggest three months moratorium should also be expanded to financing done by LIC and Mutual Funds to benefit Indian companies.

In view of the above, we request that appropriate directions may be issued by the relevant authorities governing Insurance companies, Mutual Funds and other financiers granting the same relaxations as permitted by RBI with respect to the lending institutions to enable Indian companies to tide through these difficult times.

We trust our submissions will be favourably considered for immediate and favourable action.

Thanking you!

Yours sincerely,

Dr D K Aggarwal
President
PHD Chamber of Commerce and Industry
PHD House,
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454
Fax: +91 11 26855450
Email: president@phdcci.in
Website: www.phdcci.in



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37. Impact of pandemic covid-19: PHDCCI suggestions for short and long term measures by the government. (3rd April 2020)

**Smt Nirmala Sitharaman
Hon'ble Finance Minister
Ministry of Finance
Government of India
North Block, New Delhi**

Respected Smt Nirmala Sitharaman Ji

Namaskar!

Impact of pandemic covid-19: PHDCCI suggestions for short- and long-term measures by the government.

At the outset, we appreciate the Government for undertaking proactive and fast track measures to combat the impact of pandemic COVID-19 on trade and industry. We are quite optimistic that the Economic Response Task Force under your dynamic leadership will combat the impact of pandemic covid-19 on India's economy, trade and industry.

PHD Chamber of Commerce and Industry stands in complete solidarity with the government and pledges to extend its wholehearted support, in whatever means required and possible, to help the Nation stand against the wild tide of Covid-19 and overcome its adverse impact and come out victorious by defeating the Covid-19 virus.

PHD Chamber in its pledge to support the government and take care of the Indian citizens has significantly contributed to the PM CARES Fund initiated by our Hon'ble Prime Minister, Shri Narendra Modi Ji, to help India get relieved from the intense grip of the Covid-19 pandemic. Our member industry stakeholders have extensively contributed to the PM CARES fund in which around Rs. 450 crores have been contributed so far.

Our member industry stakeholders are providing food, rations and taking care of sanitization needs of the poor, needy and the ones stranded in places away from the family. Many of our member organizations have also extended help to various state governments and provided ventilators and other hospital machines and essential required to cater to the increasing number of patients at the hospitals and medical centers.



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

We appreciate that the measures and initiative undertaken by the government to support the trade and industry are highly positive but the lack of its effective implementation at the ground level is the reason for the hardships faced by the trade industry.

Going ahead, please find appended our suggestions for the short-term and long-term measures for your consideration to mitigate the impact of pandemic covid-19 on India's economy, trade and industry.

Short-term measures

Business may survive extreme adversity but there are both extreme adversity and uncertainty. Industry is here to support the nation with its full solidarity but there is a need for sizeable funding for industry to restart & stabilize vis-à-vis frozen incomes and large amounts blocked in inventories apart from huge outgoing for wages/salaries. At this juncture, we suggest:

The industry is mandated to pay Salary, Rent, interest and term loan instalments. There is no corresponding revenue stream and it may be necessary to permit Banks to provide for 6 Months moratorium and reschedule all repayments. The normalization of cash flow will take around 6 months after the lock down is over. Majority of labor and work force have already relocated themselves to their home towns and logistics is completely paralyzed. Please find appended suggestions for your kind consideration:

EMIs on all term loans should be deferred by 6 months to support the functioning of trade and business in the country. The extended period should be added in the remaining maturity period of the loans. Similarly, there should be moratorium of 6 months for interest on term loan and the same should be also back ended in 6 installments. Interest on working capital should also have moratorium of 6 months which should be allowed to be repaid in 4 quarterly installments after a moratorium of 6 months.

This relaxation should cover LC payments/ bill discounting maturing during this period and payments made by bank for this purpose should also be deferred for 6 months. This moratorium should be applicable to all the banks/NBFCs/MFIs/ HFCs to enhance the coverage and penetration of the benefit.

As there is a drastic fall in the business activities vis - a vis lower domestic and international sales, the working capital requirement of the businesses should be automatically increased by 25% without any collateral and no new application should be required to be filed for this purpose. The additional 25% increase should be as working capital term loan extended for one year with a provision of 3 years repayment period.



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The banking sector should transmit the full effect of 75 basis points cut in repo rate and lower the lending rates immediately to reduce the cost of capital for the businesses.

It is suggested that deferment of External Commercial Borrowings (ECBs) / Foreign Currency Term Loans instalments as well as Term Loans in Indian Rupee (INR) and vehicle loans payments may be granted for the ease of industry stakeholders. (6 months moratorium need to be extended to all borrowers including those which are currently SMA1 or SMA2.

Release of outstanding payments from Government departments and PSUs immediately to industry within 7 days or maximum by 15th April 2020. At this crucial juncture liquidity of industry is facing serious pressure, therefore even going forward, under all circumstances this clause must be fulfilled by the Government Departments to the industry that payment is made within 45 days from the date of invoice. Now it's time to demand this facility should not only to MSMEs it should be brought through act applicable to the system of business with strict rules and penalties, which can only change the mentality and outlook of business.

For electricity and other utility Bills of center and state clause of minimum fixed charges should be waived and Government should charge on the basis of actual charges. Even the charges for the lockdown period too should be deferred without interest payable in 12 instalments after three months of close lockdown. Central Grid should charge accordingly so that state Government should be able to forward the rebate.

No interest and penalty on late payments of TDS to support people and industry in this difficult time.

All the utilities bills should be deferred by 3 months such as electricity bills, gas bills, telephone bills, coal and PNG bills, among others to sustain liquidity with the industry stakeholders.

Lockdown period should be declared zero financial period i. e. no interest on borrowing, no GST/ excise liabilities, no time bar cases, for a period of 6 months. And all previous payments may be deferred for three months after lockdown period.

The government should provide a financial package / fiscal stimulus to support the businesses in terms of availability of liquidity, working capital and to meet up the maintenance of employment in their respective businesses.

Condition of force majeure: Application of a condition of force majeure if it includes COVID-19, will resolve a number of fears of business, including but not limited to demurrage at the ports for ships that remain docked or are in sand heads waiting to be docked and also for Railway Racks waiting either for loading or unloading.



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Interest subvention @ 3% p.a. in loans to MSMEs and other badly affected industries should be provided as a measure to improve the sustainability in the market. The present norms related to collateral security need to be relaxed in view of present economic scenario.

Presently, private limited companies are enjoying a concessional tax rate of 22% whereas LLP, partnership firms and Proprietorship are chargeable to tax at a higher rate of 30%.

It is requested that tax rate of these non-corporate entities should also be reduced and be reduced to 25%. For new units it should be reduced to 18%. Advanced tax due on 15th June and all statutory dues falling in these 3 months from march should be deferred by 3 months. Further, all compliances related to all labor laws, factories act and other statutory compliances related to industry should be deferred by 3 months for the smooth functioning of businesses in this difficult time.

Government should pay 75 % of salary for lockdown period.

Further, employer contribution in lock down period in PPFs should be brought down to zero and subsequently it is suggested that both employee and employer contribution is made 6%+ 6% for next 1year after the lockdown period is over.

Government has given facility of paying EPF share of industries & trade with certain conditions, we request to remove these conditions.

The trucks, containers are standing at different locations for which Government of India has already issued orders which are not yet followed by most of the state police. Immediate action is required for smooth movements.

Demurrage charges applicable on import air cargo by Customs Airports / cargo terminal operators should be abolished by 100% from 15th March 2022 to 22nd April 2020 to facilitate industry stakeholders dealing in international and domestic air cargo movements.

Insolvency and recovery law including IBC Code, SARFESAI and DRT law will need suspension in all cases due to Force Majeure (natural calamity as recognized and clarified by Ministry of Finance). NAFRA has asked auditors of listed companies to submit detailed information in prescribed form. Time be extended up to 30/6/2020 as partners need mutual consultation on it.

Non-Performing asset recognition norms will need appropriate modification in National interest.

All concessions by RBI should be equally applied for banks/NBFCs/MFIs/ HFCs, among others to enhance the coverage and penetration of the benefit.



Auto industry is a major contributor to economic recovery, at this juncture; government should reduce GST to 18% from 28% now for the next 3 years after which it may be reverted back. It will boost demand and loss of revenue will be only notional as increased sale could make up for lower revenue.

Government tax collection targets to be suspended. There was too much pressure earlier on officers which was being forced on industry leading to massive litigation and vigilance issues. All services and manufacturing related activities should be started from 15th April 2020 when the lockdown gets over.

There is a need to enhance the consumption expenditure by the Government in the economy as increased domestic demand will help manufacturing sector to grow and maintain the capacity utilization.

Adequate disbursements of loans and providing enough liquidity to all dealers, suppliers, customers, industry stakeholders, among others are crucial to sustain effective functioning of the economic system.

Extension in pre and post shipment credit by a minimum of 180-270 days, exemption from interest and penalty on crystallization of bills on due date, loss in forward cover to be converted in interest free loan to be paid after 90-180 days. Repatriation period be enhanced from 9 to 15 months and exemption from caution listing under EDPMS till 31.3.2021.

Clearance of all exports benefits to exporters immediately including IGST/GST, Duty Drawback, ROSL, RoSCTL etc. including too risky exporters (against a Bond) and relaxation in physical examination norms due to lesser availability of manpower.

The margin requirements fulfilled for loans against shares should be reduced to 40% wherever it is more as the share prices have come down drastically at the unrealistic level.

MAT should be postponed for one year.

Capital gains tax should be brought down to zero to encourage investments in capital markets to boost confidence in the market and to encourage people to invest for long term.

The Government should extend the time period for payment of policy premium for General Insurance to boost liquidity in the economy and the policy expiring in the lockdown period should be renewed automatically and be valid when the payment of premium is made after the lockout period.



Due to the present pandemic COVID-19 scenario in the country, it is suggested that to boost the morale of business community, SEBI, Ministry of Corporate Affairs and other regulatory bodies must ease the regulatory procedures and have lenient view on the policy environment during this difficult time.

Long-term measures

The recent cut in corporate tax for domestic firms is highly appreciable as it will significantly accelerate investments in manufacturing, open up new employment opportunities and kick start economic growth trajectory of the country. Going ahead, we suggest that the Corporate Tax for proprietorship and LLPs which are more than 95% of MSMEs should be reduced to the level of 25% for old and to the level of 15% for newer companies in this difficult time.

There is a significant fall in the value of rupee against USD during the last few weeks and rupee has become extremely volatile. Therefore, it is suggested to cut the custom duties on basic raw material by at least 5 percentage points to take care of Rupee devaluation and to mitigate the impact of rupee depreciation on the costs of raw materials.

India's ease of doing business has improved significantly over the years; therefore, to reduce the cost of capital we need further reduction of 100 basis points in the Repo Rate. This will reduce the cost of capital and will help to maintain and rejuvenate domestic demand. Further, reduced cost of capital will enhance the competitiveness of exporters in international market.

During the Lehman crises in 2008, the excise duties in India were reduced significantly to provide respite to the industry, as part of the stimulus package. On the similar grounds, we suggest to rationalize the GST rate structure by merging the 18% tax slab with 12% tax slab.

Further recapitalization of banks is required as it would play a pivotal role in supporting and restoring the financial health of the Public Sector Banks (PSBs). This would further provide major impetus towards credit growth, creation of employment opportunities and acceleration of growth of economy.

We urge the government to keep the capex expenditure intact in the coming times, even if the fiscal deficit increases by 2% to 2.5%. Also, Continuous and enhanced consumption expenditure is required to revive the demand scenario in the economy which will refuel the growth and help manufacturing sector to grow and increase the capacity utilization and create employment opportunities in the economy.

One-time restructuring of loans is required as it will not only help the struggling business' operations by giving them a new lifeline but would also help them raising necessary



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funds/finances in view of improved balance sheet, which would eventually contribute to keeping the foundation pillar of the economy strong and growing.

We suggest to reduce the premium on the life insurance policies so that people can afford them and get adequate insurance covers for workers in this extremely difficult time of pandemic covid-19.

Domestic capacity building should be enhanced to not only mitigate the impact of Coronavirus but also to provide an opportunity to increase India's presence in global exports particularly towards our top export destinations.

We suggest government to take more and more measures to boost entrepreneurship in the country to increase job creation, wealth creation, foster innovation, and attract foreign investments and trade in the country.

The allocation of Rs 102 lakh crore made for the National Infrastructure Pipeline for next five years needs to be implemented, as increased spending in infrastructure will give a multiplier effect and rejuvenate the aggregate demand in the economy and mitigate the impact of Corona Virus of the growth trajectory of the country.

We trust our submissions will be favorably considered by the RBI for immediate and favorable action.

Thanking you!

Yours sincerely,

Dr D K Aggarwal
President
PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri Institutional Area
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454
Fax: +91 11 26855450



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

36. Request for relief measures under income tax regime to mitigate the impact of pandemic COVID-19 on trade and industry (3rd April 2020)

Shri Pramod Chandra Mody
Chairman
Central Board of Direct Taxes
Department of Revenue, Ministry of Finance
North Block, New Delhi-110001

Respected Sir,

Greetings!

Request for relief measures under income tax regime to mitigate the impact of pandemic COVID-19 on trade and industry

At the outset, we appreciate the Government for undertaking proactive and fast track measures to combat the impact of pandemic COVID-19 on trade and industry.

The significant reforms announced by the Government on 24th March, 2020 including extension of the last date of filing the Income tax returns for the Financial Year 2018 - 19 to 30th June 2020, reducing the interest rate for delayed payments; extension of Vivaad se Vishwas Scheme till the 30th June 2020, no interest, penalty and late fee to be charged for companies with a turnover of less than Rs 5 crore, among others, are highly appreciable.

However, our member organisations seek more support from the Government related to income tax regime appended for your kind consideration to mitigate the impact of pandemic COVID-19 on trade and industry.

a. The Government has reduced the interest rate on delay in payment of tax / TDS upto 30.06.2020 from 12% to 9%. In this time of adversity and lack of liquidity, it is suggested that it will be difficult for the assessee to pay the tax amount only leave alone the interest amount. In such difficult times, it is suggested that the interest for delay in deposit of tax should be completely waived off till 30th June, 2020.

It may be noted that the Government in the Union Budget 2020-21 has proposed a Tax deduction at source on payments made by e-commerce operators to e-commerce participants for sale of goods or services using their digital or electronic facility or platform. According to Section 194-O of Income Tax Act, an e-Commerce operator is required to deduct TDS for facilitating any sale of goods or providing services through an e-Commerce participant.



It is suggested that this provision will be an additional compliance burden and further increase the cost of compliance for e-commerce companies. Therefore, , it is suggested that the provision of (Tax Deducted at Source) TDS on e-commerce activity should be abolished as it will reduce the cash flow of e-commerce companies and, already Tax Collected at Source (TCS) is applicable on e-commerce companies.

b. The Government has extended certain statutory dates for compliance by assessee as well as the Income Tax Department. However, a few other deadlines are requested to be extended:-

(i) As the date of payment of tax has been extended till 30.06.2020, it will be impossible to furnish the income tax return for Assessment Year 2020-21 by 31.07.2020 for non-corporate assessee. It is therefore suggested that the same may be extended also and the due dates for corporate assessees and assessee having business income may also be correspondingly extended.

(ii) Further, the due date for completion of scrutiny assessment for Assessment Year 2018-19 and also for re-assessment proceedings is 30th September, 2020. However, keep in view the current lockdown and also suspension of compliance activities, it is suggested that the dates may be extended till 31.12.2020 as was the case in last year.

c. Due to the adverse liquidity situation, the tax payers are suffering because of poor cash flow situations and therefore following suggestions are being given for your kind consideration:-

(i) All pending income tax refunds including those for Assessment Year 2019-20 shall be issued at the earliest as most of the refunds belongs to industries which are now affected very badly. Therefore, we request the Government to release the refunds to support trade and industry in this difficult time.

(ii) The Hon'ble Finance Minister in September, 2019 has reduced the rate for corporate tax. However, the rates for individual firms and partnership firms are still very high. Due to business difficulties these partnership firms and individuals will face acute shortage of funds and therefore it is suggested that certain tax concessions are given to them so that their cash flow situation is improved.

(iii) Since the spread of pandemic COVID-19, the capital markets have fallen drastically and therefore it is time to give incentive to the investor to invest in the stock markets. Therefore it is suggested that long term capital gain tax should be abolished and short term



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capital gain tax may be reduced to 10% so that the situation existing two years back is restored and people are encouraged to invest in the stock market.

c. Due to the present pandemic COVID-19 scenario in the country, it is suggested that to boost the morale of business community Government should ease the process of tax recovery procedures including non-seizure of bank accounts, among others so that the businessmen should not suffer due to lack of funds.

d. It is suggested that the Government should abolish the tax on buyback of shares as the prices of shares have come down to unrealistic levels amid pandemic COVID-19 scenario. This move will help in creating enthusiasm and boosting confidence of investors in this difficult time.

e. Capital gains tax should be brought down to zero to encourage investments in capital markets to boost confidence in the market and to encourage people to invest for long term.

We trust our submissions will be favourably considered by the Government for immediate and favourable action.

Thanking you!

Yours sincerely,

Dr D K Aggarwal

President

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: +91 11 26855450

Email: president@phdcci.in

Website: www.phdcci.in



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35. Representation regarding Inclusion of Union Territory of J&K in a Memorandum issued by Ministry of Skill Development & Entrepreneurship for Extension in Last Date for Enrollment of candidates under PMKVY-2016-20 (2nd April 2020)

The Kashmir Chapter Chairman Mr Baldev Singh Raina mailed a representation to the J&K Affairs Division of Ministry of Home Affairs regarding Inclusion of Union Territory of J&K in a Memorandum issued by Ministry of Skill Development & Entrepreneurship for Extension in Last Date for Enrollment of candidates under PMKVY-2016-20.

Our Request to Hon`ble Home Minister of India was that "The Government of India is treating the Union Territory of J&K at par with the North Eastern Region for all Centrally Sponsored Schemes (CSS) . Further the recent lock down due to COVID-19, reorganization of Union Territory of J&K State since August 2019 and throttled Internet Connectivity in J&K from August-2019 have made it very difficult for candidates to get enrolled. In this background, therefore we suggest to please recommend the Ministry of Skill Development and Entrepreneurship to extend the last date of enrollment of candidates for J&K till 31-May-2020 by inclusion of J&K in the said office memorandum keeping in view the above mentioned facts"



34. Points to help Pharmaceutical & Medical Devices Industry (2nd April 2020)

2nd April 2020

*Dear Shri. Ajay Kumar Bhalla Ji,
Greetings from the Chamber,*

Points to help Pharmaceutical & Medical Devices Industry

We would like to thank you for your continuous support and attending to the Industry's requirement immediately and on priority in these current crisis management of controlling the spread of Covid 19 and treated the sick ones.

- a) Supply of drugs, medical devices and other supplies are very much essential to address the COVID-19 situation & to combat the crisis and for which continuous and uninterrupted manufacturing and movement of drugs and medical devices through proper the supply chain requires utmost support. Some of our members are facing severe operational challenges in the States and for export of the Pharmaceutical products with regards to the supply chain and transportation.

To improve overall Transportation for all materials required by Pharmaceutical industry, a self-declaration from respective Pharmaceutical Company should be accepted by suppliers / transporters for movement of materials. We request you to have this as an acceptable document for the smooth transportation of the medical supplies

- b) Manpower: Government has allowed working on site for the Healthcare Industry but it has been observed that the workers are not coming to the factories because of the State Police department interruption.

You are requested to allow Manpower attendance by showing company ID and company letter about his working in Pharmaceutical / Medical Device Company which should be accepted by police or other authorities across India including inter-state movement.

- c) India imports about \$2.5-billion worth of APIs from China. According to Pharmexcil data and following the outbreak of Covid-19 in China, imports from China were disrupted as most manufacturers ceased operations. The import of raw materials from China has commenced about 10 days ago and Chinese manufacturers have also conveyed their readiness to supply to India personal protection equipment that will be crucial in fighting the Covid-19 contagion. However, the state of internal logistics and the inability to move shipments are a concern. Both for import of raw materials from China as well as pharma exports, the lockdown has been a challenge, with cancellation of all flights, suspension of operations at ports and trucks off the roads.


May we request you to take appropriate actions to improve and allow cargo movement (air/sea/road) for both incoming materials (imports) and Exports. Shipping bills can be accepted by authorities to prove that the products are Pharmaceutical materials/medical devices.

- d) The government had put a restriction on export of several antibiotics, hormones and vitamins, anticipating shortage of these medicines as the coronavirus infection spreads globally.

It may be time to remove all Pharmaceutical export restrictions as China has opened up and suitable undertaking can be taken from Indian companies about prioritising India supplies as and when Indian Government demands it.

With best regards,

Yours sincerely



(Dr. D K Aggarwal)



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33. Request to issue curfew passes n priority to the accounts and managerial staff required for preparing the payroll and physical distribution of salary to the employees in the industries and businesses which are falling in the non-essential category (2nd April 2020)

**Ms. Sumita Dawra
Joint Secretary
Department for Promotion of Industry & Internal Trade
Ministry of Commerce & Industry
Udyog Bhawan, New Delhi**

Dear Madam,

Namashkar!

Request to issue curfew passes n priority to the accounts and managerial staff required for preparing the payroll and physical distribution of salary to the employees in the industries and businesses which are falling in the non-essential category.

We appreciate the government for undertaking continuous and extensive reforms to mitigate the impact of Covid-19 on the economy, trade and industry, along with all the preventive measures undertaken to keep the citizens safe and in good health.

We have been trying got get in touch with your kind office to get clarity on the implementation of few points which were discussed by CIM in the video conferencing held on 28th March, 2020, but it gets tough to reach out to your office as our calls either go unanswered or are shuttled from one extension number to another.

We are writing to you in deep concern over our request to the CIM, Shri Piyush Goyal Ji, to assist in issuing curfew passes on priority to the **accounts and managerial staff required for preparing the payroll and physical distribution of salary** to the employees in the industries and businesses which are falling in the non-essential category, by the Centre/ respective State Governments to enable them to commute to their work place. Also, **the employees who need to be paid their salary in cash also need to allowed to reach their place of work on the salary collection day** by means of curfew pass or otherwise. Our request was heartily welcomed by the CIM and we were assured that the same would be implemented at the earliest.

PHD Chamber of Commerce and Industry humbly requests you to please provide a formal communication on the same as with the start of the new month and the country going through



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a lot of uncertainty and emergency it is of utmost importance to make sure that the workers and staff/employees of private sector organisations/offices get their salary on time to further reduce the uncertainty prevailing in the economy leading to stress among the worker class.

We trust our submissions will be favourably considered by the Government for immediate and favourable action.

Thanking you!

Yours sincerely,

Dr D K Aggarwal

President

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: +91 11 26855450

Email: president@phdcci.in

Website: www.phdcci.in



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32. Request for issuing mandatory instructions to banks to fully transmit repo rate cut (1st April 2020)

Shri Shaktikanta Das
Governor
Reserve Bank of India, Mumbai

Respected Shri Shaktikanta Das ji,

Greetings!

Request for issuing mandatory instructions to banks to fully transmit repo rate cut

At the outset, we appreciate the extensive measures undertaken by the Reserve Bank of India to mitigate the impact of the widespread pandemic COVID -19 on trade and industry.

The significant 75 basis points cut in repo rate and 100 basis points reduction in CRR by RBI are the major steps to reduce the cost of capital and to provide adequate liquidity to the banking system.

However, our member organisations have expressed their concern that all banks (barring a few) are not transmitting the full effect of repo rate reduction to trade and industry. They are providing these benefits to retailers (housing and vehicle) which are linked to external benchmark-repo-linked lending rate (RLLR) only. Most of the banks are reverting that their boards will meet and decide as RBI has given an option and not made it mandatory for them. Some lenders are delaying passing on the benefit as the rate reset date is away in terms of the agreement.

Therefore, necessary instructions are requested to be forwarded to banks including Foreign banks and private sector banks by the RBI to pass on the reduction in rate cut to trade and industry with immediate effect. This will provide relief to industry stakeholders amid pandemic COVID-19.

In addition, please find appended a few suggestions for the consideration of the RBI to mitigate the impact of pandemic COVID-19 on trade and industry:

1. The industry is mandated to pay Salary , Rent , interest and term loan instalments. There are no corresponding revenue stream and it may be necessary to permit Banks to provide for 6 Months moratorium and reschedule all repayments. The normalisation of cash flow will take around 6 months after the lock down is over. Majority of labour and work force have already



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relocated themselves to their home towns and logistics is completely paralysed. It is suggested that deferment of External Commercial Borrowings (ECBs) / Foreign Currency Term Loans instalments as well as Term Loans in Indian Rupee (INR) and vehicle loans payments may be granted for the ease of industry stakeholders.

2. While you consider the above suggestion 3 months moratorium need to be extended to all borrowers including those which are currently SMA1 or SMA 2 . You may also have SMA3, SMA4 , SMA5 data gathering to enable you to track the actual ground position. Industry wise cash flow issues will need study and appropriate nursing.

3. Interest rates will need further softening as well as converting the dues as working capital term loan in a large number of cases. The government may also consider interest subvention of 3% for MSME sector and other badly affected industries

4. Credit card interest rates may be pegged at 9 per cent per annum

5. Insolvency and recovery law including IBC Code, SARFESAI and DRT law will need suspension in all cases due to Force Majeure (natural calamity as recognised and clarified by Ministry of Finance).

6. Non-Performing asset recognition norms will need appropriate modification in National interest.

7. It is suggested that deferment of bank charges may be allowed to provide ease to industry stakeholders in the difficult times.

8. Allowing 10% extra working capital limit if requested by the borrower to support the industry.

9. All concessions by RBI should be equally applied for banks/NBFCs/MFIs/ HFCs, among others to enhance the coverage and penetration of the benefit.

We trust our submissions will be favourably considered by the RBI for immediate and favourable action.

Thanking you!

Yours sincerely,

Dr D K Aggarwal
President

PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri Institutional Area
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454
Fax: +91 11 26855450
Email: president@phdcci.in
Website: www.phdcci.in



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31. Request your kind intervention to assure that the reforms measures undertaken by the government are implemented at the ground level (1st April 2020)

**Shri Piyush Goyal
Hon'ble Minister of Commerce and Industry and Railways
Government of India
New Delhi**

Respected Sir,

Namaskar !

Request your kind intervention to assure that the reforms measures undertaken by the government are implemented at the ground level

We appreciate the government for undertaking continuous and extensive reforms to mitigate the impact of Covid-19 on the economy, trade and industry, along with all the preventive measures undertaken to keep the citizens safe and in good health.

We highly appreciate the quick action through recent orders issued by the Ministry of Home Affairs to all the Chief Secretaries of Indian States, vide DO No. - 40-3/2020-DM-I(A) dated 29th March, 2020 , for allowing transportation of all goods, without distinction of essential and non-essential. Also, allowing the logistics entire supply chain of milk collection and distribution, including its packaging, newspaper supply chain logistics under print media, among others.

Also, the recent orders vide F. No. PD - 14300/4/2020 / PD VII dated 31st March, 2020 by the Ministry of Shipping clearly states to consider exemption or remission of demurrage, ground rent beyond allowed free period, penal anchorage/berth hire charges and any other performance related penalties that may be levied on port related activities for the reasons attributable for the lockdown measures i.e' from 22nd March to 14th April-2020, is highly appreciated in reducing the stress faced by the Indian industries in these inevitable emergency situations caused by the spread of Covid-19 pandemic.

However, our member organisations are facing immense hardships at the ground level due to non-implementation of the following government measures and initiatives at the ground level.

- At the ports of JNPT, TKD Mundra, among others there are no truck available, due to truck drivers not joining duty, to lift the containers after the clearance from the customs, due to which the containers are held up at the ports. The hardship has increased further as the



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shipping companies are asking for demurrage, which should not be the case in these emergency times that the country is facing amid pandemic Covid-19

- The customs in many states, including Mumbai, are only clearing consignments with payment of duty and holding back the ones which are to be cleared on bond or duty free licenses, even though the bonds were signed just before the lockdown and the shipment have arrived now. To make matters worse, the industry stakeholders are asked to pay duty to the customs as the department is finding it difficult to locate the requisite files due to shortage of staff.

- Though Directorate General Shipping, Customs Department, Ministry of Commerce has issued instructions on EXIM trade being essential, Ports functioning, Customs working, yet functionaries of Custom House Agents(CHA) and other logistic service providers are not being issued passes, not being permitted to travel on the strength of Customs/Port/Airport Authorities issued IDs.

- Also, the circular on the movement of essential and non-essential goods disseminated to all state authorities, is not being brought to effective practice at the ground level. Many of our member organisations are facing tremendous issues with the smooth transit of the essential and non-essential goods due to hindrances created by the police/authorities of various states.

- Though transportation has been permitted but on ground there is no transportation available, due to which a lot of essential services like the Courier services etc are being adversely affected.

- In many cases CHA has started charging rent and insurance charges and many a times it has been reported that they are asking double agency charges, which should not be permitted at any point in time, leave aside these trying times that the country and the economy is going through.

- Late filing charges are being levied on the Bill of Entry (BOE), which should not be the case in these stressed times.

PHD Chamber of Commerce and Industry requests your immediate intervention in assuring that all the initiatives and directives undertaken by the government are implemented efficiently and effectively at the ground level by the requisite authorities to ensure a smooth and timely delivery of goods and services to mitigate the impact of Covid-19

We suggest the following measures be undertaken to support the industry in its objective to deliver to the Nation in these times of health emergency and mitigate the impact of the Covid- 19 pandemic :



- To ensure that the truck drivers report to duty and there is no shortage of trucks for transporting essential and non-essential, it is necessary to ensure that there is no harassment of the truck drivers on National duty by the police/state authorities, grant of Rs 50 lakhs insurance in-case of death due to Covid-19 and a provision be made that these truck drivers, carrying valid driving licenses, be allowed to travel in train, anywhere in India for 3 days after the lockdown period is over on the 14th April, 2020.
- It may be considered to provide insurance cover to the support staff reporting to duty for all essential services workers against this disease, for servicing the Nation in these times of emergency.
- The functionaries of Custom House Agents and other logistics services providers should be immediately issued curfew passes or be permitted to travel on the strength of Customs/Port/Airport Authority issued IDs/ other valid authorised IDs.
- Shipping line /Airline offices must open with skeletal staff to issue Delivery orders/Carting orders for smooth and timely transaction of cargo and customs of goods and services.
- It should be directed to the Custom House Agents to refrain from charging rent and insurance charges and departments must be penalised for charging additional/double agency charges.
- The directives issued by the Central Government to all the State government's for the transportation of all essential and non-essential goods be immediately brought to practice by the requisite state authorities at the ground level.
- It should immediately be directed to the customs and port authorities of JNPT, TKD Mundra, among others to not charge demurrage to the customers due to delay in movement of containers from the ports, as it may be noted that the delay is not intentional and due to lack of availability of trucks in the current situation of the economy.
- Since late filing charges are waived till 14-04-2020 the system should not levy any late filing charges and the concerned officer be directed to bring the exemption of late filing charges in effect.

PHD Chamber of Commerce and Industry requests your immediate intervention, to ensure that all the directives and initiatives undertaken by the government on transportation of essential and non-essential goods and services be effectively implemented at ground level for a smooth and timely provision of goods and services to all the citizens of the Nation in these emergency times. Also, strict directives be issued for a hassle free custom clearance and transportation of containers from the ports to the respective destinations to ensure timely supplies to our citizens in these stressed and panic times.

We trust our submissions will be favourably considered by the Government for immediate and favourable action.

Thanking you!



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Yours sincerely,

Dr D K Aggarwal

President

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454 (EXT 121/111/131)

Fax: [callto:+91 11 26855450 | +91 11 26855450]

Email: president@phdcci.in



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

30. Request for clarification on the provision of Three Month Moratorium by RBI on loans falling due between 1st March, 2020 and 31st May, 2020 (31st March 2020)

Shri Ajay Bhushan Pandey
Finance Secretary
Ministry of Finance
North Block

Dear Sir,

Greetings!

Request for clarification on the provision of Three Month Moratorium by RBI on loans falling due between 1st March, 2020 and 31st May, 2020.

We appreciate the extensive measure undertaken by the Ministry of Finance and the Reserve Bank of India to mitigate the impact of the widespread pandemic Covid -19. The Reserve Bank of India's initiative of providing moratorium on loans falling between 1st March, 2020 and 31st May, 2020 is highly appreciated and will go a long way in easing the stress caused due to the grip of the pandemic on our Nation and its citizens.

However, with the start of the new month from tomorrow and majority of the EMI and dues coming up for payment for customers there is still no formal communication from the banks, financial institutions and Non Banking Financial Companies (NBFCs) on such relief of payment on EMIs to be exercised. The customers are still awaiting some kind of communication from the bank on the provision of moratorium to be assured of the same. The non-clarity on the issue is creating apprehensions and panic among the borrowers and banking customers, in an already worrisome environment caused by the pandemic.

PHD Chamber of Commerce and Industry request your immediate intervention on the matter, by providing a clarity on the same and advising the financial institutions/banks/lending institutions to communicate to all its customers through a formal communication to ease the stress prevailing in the minds of the borrowers.

We trust our submissions will be favourably considered by the Government for immediate and favourable action.

Thanking you!

Yours sincerely,



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Dr D K Aggarwal
President
PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri Institutional Area
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454 (EXT 121/111/131)
Fax: +91 11 26855450
Email: president@phdcci.in]
Website: www.phdcci.in



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29. Request you to issue guidelines suggesting that the employees engaged in manufacturing esp. for the essential medicines and medical devices must attend work unless they are unwell or have any medical history to ensure the uninterrupted supplies of these important items during the lockdown of period of the COVID-19 outbreak (30th March 2020)

IND-Health/54
30th March 2020

Respected Dr. P D Vaghela ji,

We thank you for your continuous support and active participation in this fight against COVID-19.

The industry on a voluntary basis and as per the Government guidelines is committed to pay the salaries & wages irrespective of the working of staff / workers. It has been observed by the members that while the salaries are being paid to workers they are not coming to the factories and the manufacturing of essential medicines/medical devices is suffering and getting held up.

Hence we request you to issue guidelines suggesting that the employees engaged in manufacturing esp. for the essential medicines and medical devices must attend work unless they are unwell or have any medical history to ensure the uninterrupted supplies of these important items during the lockdown of period of the COVID-19 outbreak.

Your kind action would be highly appreciated on the same.

With best regards,

Yours sincerely,

(Dr. D K Aggarwal)

Dr. P D Vaghela
Secretary Department of Pharmaceuticals,
Ministry of Chemicals & Fertilizers,
Government of India
Shashtri Bhawan, New Delhi- 110001

(Also sent to Shri Alok Kumar, Advisor, Niti Aayog)



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28. Request to cover under exemptions category for Export Oriented Company and Essential Products; Our plant located at plot No. SP-232,233 Riico Growth Center Phase-II, Maval, Abu Road District- Sirohi , Rajasthan (30th March 2020)

Dated -30.03.2020

To,
Shri D. B. Gupta, IAS
Chief Secretary
Government of Rajasthan

Subject – Request to cover under exemptions category for Export Oriented Company and Essential Products; Our plant located at plot No. SP-232,233 Riico Growth Center Phase-II, Maval, Abu Road District- Sirohi , Rajasthan

Respected Sir,

This is in with reference to COVID -19 Virus, in continuation of State Government's Order no F.1(1) M&H/Gr.2/2020 dated 22/03/2020, whereby complete lock down has been declared in the State of Rajasthan from 22nd march to 15th April, 2020 with certain exemptions. We as a company have taken relevant steps to safeguard the interest of our people/ public life and health on account of the serious threat from COVID-19 virus.

Our company - Proec Energy Ltd - is a 100% Export Oriented Company and one of India's leading manufacturers of Specialty Chemicals & Additives for the Oil and Gas Industry worldwide with exports to more than 30 countries around the world. As uncertainty has gripped India and chances to extend the lockdown period even after 15th April 2020 have emerged, we are at a major risk to lose our entire business as most of our customers will shift their orders to other countries in the world, like China, where there are no such lockdowns. It will result in huge job losses and loss of foreign remittance to the Indian exchequer. Our loss will be China's gain which is using all means to gain greater market access with increased export rebate VAT.

Several states in India like Tamil Nadu, Andhra and Karnataka have permitted (under exemptions category) Export Oriented companies and SEZ units to operate at 50% of their strength on rotation basis (copy of notification for Tamil Nadu attached for your reference; please refer to page 5 – point D.V). Also, all the major ports in India are operational during this period so it is clear that the intention of the Government is to promote foreign trade and not bring it to a standstill.



Secondly, in the said guidelines public utilities (including petroleum, CNG, LNG, PNG) have been exempted vide para -1 exemptions (Copy of order attached). It can be seen from above order/guidelines that petroleum operations are considered as essential services and is exempted from lockdown. Since our products are used by India's largest E&P and petro-chemical companies, without which they have difficulties in continuing operations, it is pertinent to state our products also fall under 'essential products and services'.

In view of the above submission, we are humbly requesting you to operate our manufacturing operation at 50% of our strength on rotation basis, so that we are able to save our business and save the livelihood of all our employees. We can assure you that we will take care of all the other guidelines issued by the Government of Rajasthan with respect to COVID -19 such as social distancing, maintaining highest standards of hygiene etc.

Lastly, we will ensure all labour and other workforce is provided accommodation on site along with food and other amenities. This will not only restrict their movement but will ensure they do not go back to their native villages in Bihar and UP.

Looking forward to receiving your positive response.

Thanking You,

Yours Faithfully

For Proec Energy Ltd


(Authorized Signatory)

Encl: As above



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**27. VC with Mrs Harsimrat Kaur ji Badal, Hon'ble Minister for Food processing Industries
(30th March 2020)**



NATIONAL APEX CHAMBER

PHD CHAMBER OF COMMERCE AND INDUSTRY

. D K Aggarwal
President

IND-54
30th March 2020

Hon'ble Minister,

Subject- Important Points raised during today's VC for the consideration of Mrs. Harsimrat Kaur ji Badal, Hon'ble Minister for Food processing Industries

At the outset on behalf of the entire agribusiness industry we express our deep gratitude and thanks to you for the initiative to convene a video conferencing with industry associations and industry leaders. It was a step critically needed in these difficult times. We hereby reiterate the issues and suggestions made by Chairman and Members of the Agriculture and Food processing committee, Shri Nand Kishor Aggarwal, Shri Vijay Sardana and Shri V K Mishra, during today's VC on behalf of the industry.

As we all know, Food has to be produced and moved from production centres to consumption centres for consumers to ensure law and order in the country. If we cannot deliver food to consumers living in cities and in rural areas, people will come out on roads in millions in search of food and the whole effort of controlling coronavirus will go waste. If this happens, the number of coronavirus cases in India will explode and as a country, we will not be able to manage the same. The situation may become much worse than what is in Italy, New York or Spain due to poor infrastructure and limited health services and overall poor hygiene condition in cities, slums and villages. The only way we can ensure that the lockdown is successful is by ensuring that the food reaches the consumers. Presently, the kirana shops are running out of items. The Points of Concern:

Recommendations & Suggestions:

1. Several circulars and guidelines are being issued by government of India to ease the movement of goods on the ground, but local police and field force of law enforcement agencies do not receive these message and they have no clarity on the changes happening in policies.
2. All circulars should be issued in a standard format and same should be used by all state and district administration, so that when there is a movement of trucks, all should have same language and same interpretation. These can then be translated in vernacular language with which the force on ground would be more familiar. This is one step that will ensure smooth movement of goods.
3. All circulars which are issued by the centre must also carry a detailed "DO's and DON'T's" for district administration and also police constable on ground.

4. Please create a Helpline Number, so that in case any clarification is required by a field staff or district administration, they can call to the helpline number of MFPI to seek clarification to facilitate movement of trucks and goods.

5. Create Local Coordination Committees at district levels under the chairmanship of District Magistrate, with District Agriculture Officers, Horticulture Office, Food Supply Officer and a representative of local food industry association. This is important to ensure smooth production, movement and sale of all inputs and outputs and related materials to ensure food supplies. There are:

- Agri-inputs: including Seeds, Agro-chemicals, fertilizers, related machinery and tools and spares, jute bags for packaging, and other packaging material. This is also critical in the hour when the rabi crop has to be harvested, cleaned, packed and taken to the mandis, and the Kharif crop is to be sowed.

- Inputs for Processing units : raw materials, packaging materials- plastic, glass bottles, containers, cardboard, jute bags, etc, required chemicals, processing aids and spares, for eg Hexane for solvent extraction; marble chips for poultry feed, chemicals for cleaning in dairy, etc

- Transportation of above mentioned chemicals and with labour if required, with due precautions of sanitation and hygiene.


- Special Stickers may be designed to be displayed on all transport vehicles carrying food products, raw materials, chemicals and packaging for food processing, agri inputs, so that they are not unnecessarily stopped and harassed by the local authorities.

6. All Retail/Grocery, organized trade including Cash & Carry, e-commerce and wholesale, Chemists/Pharmacies that stock and sell Food products, Medicines, Water etc should be allowed to remain open to avoid inconvenience to consumers as also to PREVENT "panic buying" which was clearly mentioned by the Hon'ble PM in his national address.

The consumer and employee safety are of utmost importance and food processing industry is aligned to highest standards of safety and quality measures. We assure the government that the industry and trade will adopt highest level of precautions and hygiene in the common interest of all concerned. We hope you will kindly consider our above request to enable the industry to ensure uninterrupted supply of food and beverages to the consumers in a safe manner.

With best regards,

Yours sincerely,



(Dr. D K Aggarwal)

Mrs. Harsimrat Kaur Ji Badal
Hon'ble Minister for Food Processing Industries
Government of India
Panchsheel Bhawan
New Delhi



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

**26. Outdoor Media Industry – Relief sought due to the effect of Covid-19 on the Business
(29th March 2020)**



NATIONAL APEX CHAMBER

PHD CHAMBER OF COMMERCE AND INDUSTRY

Dr. D K Aggarwal
President

29th March 2020

Respected Smt. Nirmla Sitharaman Ji,

Re: Outdoor Media Industry – Relief sought due to the effect of Covid-19 on the Business

Greetings from PHD Chamber of Commerce & Industry!

We extend our compliments to Respected PM, Modi ji and Government of India for the steps taken to restrict the spread of Covid-19. Further, we are thankful for the Government, for the immediate relief **extended to business houses in the form of compliances.**

With respect, we wish to draw your attention to the challenges being faced by many of our members from the Outdoor Media industry.

We wish to state that as per the industry estimates almost 90% of the Outdoor media industry are MSMEs, employing more than 1 million people directly and contributes significantly in form of Taxes, Licence fees to various Municipal Corporations, Railways, Metro Rails etc.

Covid-19 has adversely affected the Outdoor Media Industry tremendously and we do not foresee any



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improvement in the next one year. Some of the key facts are as below:

1. Companies/Businesses have completely stopped their spends at present in the entire market as all Product launches by almost all Companies have been put on hold, which is a major revenue source for this industry.
2. As per Industry estimates, more than 20% of the outdoor media is in the form of digital signage at airports, bus and train terminals. International and domestic travel restrictions are also greatly impacting the outdoor media revenues.
3. We are seeing a complete shutdown & complete loss on the ad spends by all the companies from March 2020 onwards. People have been advised to stay indoors and Companies/Businesses are aware of the fact that no one (including their target segment and customers) will see the Outdoor media.



"Towards Inclusive & Prosperous New India"



PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi - 110 016 (India) • Tel. : +91-11-2686 3801-04, 49545454, 49545400
Fax : +91-11-2685 5450, 49545451 • E-mail : president@phdcci.in • Website : www.phdcci.in, CIN: U74899DL1951GAP001947

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The outdoor media industry could probably see a drop of more than 50% in its revenue during the fiscal year 2020-21 as compared to the financial year 2019-20.

The pandemic has put our business on a 'Pause' mode forcing unprecedented losses and impacting the livelihood of more than 1 million people employed in the industry.

We request you to kindly advise all the Urban local Bodies/Airport authorities to give us relief in the following manner:

- A. Waive off 100% 'Licence fee' / Advertisement Tax for 6 months effective from March 2020. This would immensely help us tide over the financial losses in a major way.
- B. Defer all tendering or auctioning activities related to outdoor media by all local bodies until September 2020 and continue with the existing licences until then.
- C. Declare the pandemic as natural calamity to be covered under 'Force Majeure' clause of all contracts. The circular to this effect received from the Ministry of Finance is attached herewith as an annexure.

We sincerely hope our requests shall be considered favourably and adequate help and assistance is extended to this industry to tide over these tough times.

With best regards,

Yours sincerely,


(Dr. D. K. Aggarwal)

Smt. Nirmala Sitharaman

Hon'ble Minister Cabinet
Ministry of Finance
North Block
New Delhi - 110001

(Submitted to Hon'ble Prime Minister, Hon'ble Finance Minister, Hon'ble Chief Ministers of States and Chief Secretaries of the State Governments)



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25. VC with CIM Shri Piyush Goyal 28 March 2020 (29th March 2020)

Ms. Sumita Dawra
Joint Secretary
Department for Promotion of Industry & Internal Trade
Ministry of Commerce & Industry
Udyog Bhawan, New Delhi

Dear Madam,

Namashkar!

Thank you very much for inviting us in the follow up meeting with Shri Piyush Goyal ji, Hon'ble Minister for Commerce & Industry and Railways.

Further to our points submitted on 28th march 2020, we would like to add a few more points discussed with Hon'ble Minister during the follow up meeting held today.

1. We request that the **accounts and managerial staff required for preparing the payroll and physical distribution of salary** to the employees in the industries and businesses which are falling in the non-essential category **should be provided Curfew Passes on priority** by the Centre/ respective State Governments to enable them to commute to their work place. **The employees who need to be paid their salary in cash also need to be allowed to reach their place of work on the salary collection day** by means of curfew pass or otherwise.

2. We request the government to allow the **staff working in canteens and kitchens of the factories** and businesses which are falling in the non-essential category but are **serving free food packets to the needy should be provided Curfew Passes on priority** by the Centre/ respective State Governments to enable them to commute to their work place for the preparation of the food and to serve to the poor and needy in this difficult time.

3. Smooth functioning of BSNL and MTNL without disruption due to payment problems is of paramount importance in these time of crisis for ensuring telecom connectivity in the country. We therefore request the Ministry of Finance and Ministry of Telecommunications to **urgently release the full funds required under the relief package of Rs 69,000 crore to BSNL & MTNL, so that they may be able to release the payments of the MSMEs and other vendors pending for more than a year in most cases in this difficult time.**



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4. We also again request DPIIT to impress upon all PSUs and Government Departments including Railways, Health Ministry, Ayush Ministry, BHEL, Electricity Boards etc to release payments to the MSMEs and other vendors urgently to facilitate the industry to run their factories after the lock-down.

Warm regards,
Dr. S P Sharma
Chief Economist
PHDCCI



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24. Request for the extension of coverage period: Under existing policy for 3 months in terms of premium already paid for General insurance policy holders. (28th March 2020)

Dear Sir,

Greetings from PHDCCI!!

Request for the extension of coverage period : Under existing policy for 3 months in terms of premium already paid for General insurance policy holders.

PHDCCI supports the measures taken by the Government of India to combat grave threat posed by Covid-19 outbreak in India. PHDCCI extends full support and cooperation to the Government of India in fighting this Covid-19 outbreak in India in this hour of crisis.

Among all the Meritorious reforms Insurance Regulatory and Development Authority of India (IRDAI) has taken by asking insurance companies to allow additional 30 days of grace period for payment of renewal premium for life insurance policies for an inclusive and holistic development during the prevailing extraordinary circumstances in the country on account of Covid-19.

I would like to take this opportunity to specifically congratulate IRDAI on a major measure taken for welfare of policy holders.

We are requesting the same for General Insurance premium extension by allowing additional 30 days of grace period for payment of renewal premium OR allowing extension of coverage period under existing policy for 3 months in terms of premium already paid for general insurance policy holders.

The move will not only help boost confidence of policy holders but will also will create a positive view among them especially during the current circumstances.

We hope our suggestions will be considered in best interests of the industry and ease of doing business provisions for Indian Corporate Sector.

With best regards,

Yours sincerely,

(Dr. D K Aggarwal)

Dr Subhash C Khuntia
Chairman
Insurance Regulatory and Development Authority



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Sy No. 115/1 Financial District,
Nanakramguda, Gachibowli,
Hyderabad – 500032

CC: Smt. Nirmala Sitharaman
Hon'ble Union Minister of Finance and Corporate Affairs
Ministry of Finance
New Delhi - 110001

Shri Anurag Singh Thakur
Hon'ble Minister of State for Finance and Corporate Affairs
Ministry of Finance
New Delhi - 110 001



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23. Requesting not to levy Electricity Bill and Electricity Fixed Charges payment for factories and Industries in state (27th March 2020)

27th March 2020

Subject: Electricity Bill and Electricity Fixed Charges payment for factories and Industries in your state

Respected and Hon'ble Chief Minister,

On behalf of PHD Chamber of Commerce and Industry (PHDCCI) and my own , I would like to place on record our appreciation for the prompt corrective measures taken by your Government and Government of India (GoI) to cope with the unprecedented challenges caused by the coronavirus outbreak. As the challenges being faced are unprecedented, the industry and citizens have taken the resolve to work in close tandem with the government and emerge out from the testing time for a promising future.

Here, we would like to bring to your kind notice that the offices and other industrial establishments are currently in lockdown mode and it may take time in seeing normalcy. We submit the following for your consideration please;-

1. We request for an immediate provision to be made by the government agency, not to levy electricity fixed charges, for next three months, with immediate effect, as the industries and factories are not in operation due to lockdown and are facing lot of hardships.
2. We also request you to postpone electricity bill payment of Industries and factories for next three months with immediate effect.

We sincerely hope that the government will positively consider our request and ensure early action to support the industry in these difficult times. Also, the support offered this way will help the industry in mitigating the losses borne out through revenue foregone and challenging business dynamics.

With best regards,

Yours sincerely,
(Dr. D K Aggarwal)

Shri Hemant Soren
Hon'ble Chief Minister
Government of Jharkhand
Ranchi

Also to: Hon'ble Chief Minister of Madhya Pradesh, Delhi



22. Request To Extend The Time Period Regarding Compliances By Corporates (27th March 2020)

Dear Sir,
Greetings from PHDCCI!!

REQUEST TO EXTEND THE TIME PERIOD REGARDING COMPLIANCES BY CORPORATES

We would like to thank you for providing the opportunity to interact through video conferencing to discuss the challenges and implications being posed by COVID - 19 pandemic related to the compliances to be done by corporate sector.

Covid 19 is driving a 0.3 to 0.7 percentage point reduction in global GDP growth for 2020 which has created a significant impact on economic growth. Large-scale quarantines, travel restrictions and social-distancing measures have led to a sharp fall in consumer and business spending until the end of Quarter “Q” 2 leading to global recession.

This global slowdown is affecting small and mid-size companies more acutely. Less developed economies are suffering more in comparison to advanced economies. The effects on certain sectors in the current scenario are as follows:-

1. Service sectors including aviation, travel and tourism get the hardest hit. Airlines have already experienced a steep fall in their profit and some airlines have led to bankruptcies (FlyBe, the UK regional carrier is an early example) and consolidation across the sector.
2. In consumer goods, the steep drop in consumer demand means delayed demand. This has implications for many consumer companies (and their suppliers) that operate on thin working-capital margins. For most other sectors, the impact is a function primarily of the drop in national and global GDP rather than a direct impact of changed behaviors. Oil and gas, for instance, have been affected adversely as oil prices stay lower than expected until Q3. Demand suffers as consumers cut spending throughout the year. In the most affected sectors, numbers of corporate layoffs and bankruptcies have risen throughout 2020 feeding a self-reinforcing downward spiral.
3. Monetary policy is further eased in Q1 but has limited impact, given the prevailing low interest rates. Modest fiscal responses prove insufficient to overcome economic damage in Q2 and Q3. It takes until Q4 to see a genuine recovery. The financial system suffers significant distress, but a full-scale banking crisis is



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averted because of banks' strong capitalization and the macro prudential supervision in place. Fiscal and monetary-policy responses prove insufficient to break the downward spiral.

Upon careful perusal of the raised concerns from industry and stakeholders, PHDCCI hereby requests for extension of timelines by Ministry of Corporate Affairs (MCA) for following purposes:-

1. The financial and tax year in lieu of the global slowdown needs to be extended from 31st March, 2020 till 30th June, 2020 due to the problems being faced during this lockdown.
2. Under the Insolvency & Bankruptcy Code, the highest bidders, after submission of plan are required to pay the mutually agreed amount within the stipulated time as per Memorandum of Understanding between both the parties. However, if the said dates as decided are falling during the lockdown period, this will cause undue difficulties and attract penal provisions on the parties. Therefore, National Company Law Tribunal (NCLT)/ National Company Law Appellate Tribunal (NCLAT) may pass a general circular/standard order to modify the time band for such dates.
3. The "Limited Liability Partnership (LLP) Settlement Scheme, 2020" allows a one-time condonation of delay in filing statutorily required documents with the Registrar which is applicable from 16th March, 2020 up to 13th June, 2020. The said timeline may be extended appropriately.
4. The last date for empanelment of CA Firms for assignments related to forensic audit by Serious Fraud Investigation office (SFIO) is 31 March, 2020 which may also be extended.
5. The name approval under RUN Process for new Company registration with MCA is valid for a period of 20 days from the date of approval. In lieu of Covid 19, if the applicant has started the procedure before lockdown period, this timeline will be difficult to adhere and therefore may be relaxed by MCA.
6. Last date for submitting suggestions on Draft companies (Corporate Social Responsibility Policy) Amendment Rules, 2020 is 28 March, 2020 which may be extended.



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7. The extension of timelines for holding annual general meetings, approval of financials by shareholders may also be provided. The relaxation in the timelines for all shareholder communications such as payment (dispatch of warrant etc) may be provided since the postal authorities and the courier services are suspended and Registrar and Transfer Agents (RTAs) are working with limited resources.
8. The extension in the timelines for CSR spending by corporates under Section 135 of the Companies Act, 2013 for FY 2019-20 may be provided since many projects have been put to halt due to lockdown. Also, 2% CSR spend may be eased for next year also as the revenues have taken a hit and next year is expected to be tough.

The provision for weighted deductions of say 150% on CSR spending by companies on COVID -19 may be provided.

9. The extension in registration of independent directors for database and for appearing for exams may also be granted.
10. The provisions of transacting restricted business through circular resolution under section 179 of the Companies Act, 2013 and the publication of book closure in newspaper may also be relaxed. Also the time limit of filing of RD orders to MCA within 30 days may also be extended appropriately.
11. The timelines for registration of transfer / transmission and issue of share certificates / issue of shares in demat may also be relaxed. Also, the listed companies need to transfer shares to Investors Education Protection Fund (IEPF) by September every year for which they are required to send letters to shareholders by May. These all time lines may be extended appropriately.
12. The timelines may be relaxed for appointment of woman directors, independent directors, Key Managerial Persons (KMPs) to fill the vacancies caused by resignation or retirement of directors pursuant to their term ending or non-composition of committees.

Also, the annual disclosure and declaration by the Directors to the Company by the end of financial year may also be extended appropriately.
13. The exemptions in respect of mandatory filing of forms before proceeding for next step i.e. filing of Form PAS 3 before utilization of funds under preferential allotment may be relaxed subject to filing of PAS 3 within two months. This is very important as Form cannot be filed without digital signature.



14. The companies are willing to donate funds for fighting COVID-19. However, Section 181 of the Companies Act, 2013 require shareholders approval for giving charitable contributions of more than 5% of average net profit of last 3 years. In lieu of the lockdown and inability of holding Extraordinary General Meetings (EGM), proviso to Section 181 may be relaxed till some time so that companies can donate more than 5% without holding EGM.

The requirement of loan / financial assistance from promoters without RPT approval is also needed during this period.

15. Interest and penalties need to totally waive of up to 30 June 2020. Also, the provision may be provided to allow capitalisation of Corona impact in financial terms and allowing the same to be amortised in 10 years. This will ease pressure on finance in respect of fixed cost, etc.
16. Relaxation in timelines regarding payment of fees to Stock Exchanges till 30th Sep 2020.
17. Relaxation may be provided on the requirement of appointment of first auditors within 30 days of incorporation of a new company.
18. The existing auditors may be allowed to continue till 30th Sep 2020. Also the all kinds of Audits such as Statutory, Secretarial, Cost and Internal may be extended till 30th Sep 2020.

We hope our suggestions will be considered in best interests of the industry and ease of doing business provisions for Indian Corporate Sector.

With best regards,

Yours sincerely,

(Dr. D K Aggarwal)

Shri Injeti Srinivas
Secretary
Ministry of Corporate Affairs
New Delhi



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CC: **Smt. Nirmala**

Sitharaman

Hon'ble Union Minister of Finance and Corporate Affairs

Ministry of Finance

New Delhi

Shri Anurag Singh Thakur

Hon'ble Minister of State for Finance and Corporate Affairs

Ministry of Finance

New Delhi 110 001



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21. Electricity Bill and Electricity Fixed Charges payment for factories and Industries in your state (27th March 2020)

27th March 2020

Subject: Electricity Bill and Electricity Fixed Charges payment for factories and Industries in your state

Respected and Hon'ble Chief Minister,

On behalf of PHD Chamber of Commerce and Industry (PHDCCI) and my own , I would like to place on record our appreciation for the prompt corrective measures taken by your Government and Government of India (GoI) to cope with the unprecedented challenges caused by the coronavirus outbreak. As the challenges being faced are unprecedented, the industry and citizens have taken the resolve to work in close tandem with the government and emerge out from the testing time for a promising future.

Here, we would like to bring to your kind notice that the offices and other industrial establishments are currently in lockdown mode and it may take time in seeing normalcy. We submit the following for your consideration please;-

1. We request for an immediate provision to be made by the government agency, not to levy electricity fixed charges, for next three months, with immediate effect, as the industries and factories are not in operation due to lockdown and are facing lot of hardships.
2. We also request you to postpone electricity bill payment of Industries and factories for next three months with immediate effect.

We sincerely hope that the government will positively consider our request and ensure early action to support the industry in these difficult times. Also, the support offered this way will help the industry in mitigating the losses borne out through revenue foregone and challenging business dynamics.

With best regards,

Yours sincerely,

(Dr. D K Aggarwal)

Shri Nitish Kumar
Hon'ble Chief Minister of Bihar
4, Deshratana Marg Patna-800001



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20. Request to exempt accounts personnel/officers of engaged in making salaries in offices not covered under essential services in the Indian states from the lockdown and direct all State Governments for issuing formal Curfew Passes for them. (27th March 2020)

Dr Guruprasad Mohapatra
Secretary
Department for Promotion of Industry and Internal Trade
Room No. 157,
Udyog Bhawan,
New Delhi 110011

Respected Sir,

Namaskar!

Request to exempt accounts personnel/officers of engaged in making salaries in offices not covered under essential services in the Indian states from the lockdown and direct all State Governments for issuing formal Curfew Passes for them.

We appreciate the government's continuous and pro-active measures to contain the spread of Covid - 19 and mitigate its impact on the economy, trade and industry. There are times of hardships and deep concerns when we need to stand united as mankind to eradicate the Covid-19 virus from our Nations and pray for good health and safety for all our citizens.

Most of the workers/staff working in offices of which are not covered under the essential services ,such as factories/warehouses/private firms/organisation/firms/autonomous bodies and business establishment among other, are from lower strata of the society with limited means and majority of them are sole earning members of the family, where the full family survives on a single income, they are facing the brunt of the lockdown severely . In these difficult and hard times it is of utmost importance for us to make sure that these workers/staff in the states are given their salaries in time.

PHD Chamber of Commerce and Industry requests that the personnels/account officers engaged in making salaries of such organisation/offices may kindly be permitted to go to their respective offices to prepare the salaries for the respective employees of their organisations/officers. Also, a letter issued by the Head of their respective organisation may kindly be considered as curfew pass or the same be issued by the designated authorities of the government for a smooth transaction of salary credits to the workers and staff to avoid a situation of panic.



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

We trust our submissions will be favourably considered by the Government for immediate and favourable action.

Yours sincerely,

Dr D K Aggarwal
President
PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri Institutional Area
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454 (EXT 121/111/131)
Fax: [+91 11 26855450]
Email: president@phdcci.in
Website: [www.phdcci.in]



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19. Memorandum by PHD Chamber of Commerce and Industry, on behalf of member firms / organisations for the consideration by the Economic Task Force under the Hon'ble Union Finance Minister (27th March 2020)

Smt Nirmala Sitharaman
Hon'ble Finance Minister
Ministry of Finance
North Block
New Delhi – 110 001

Respected Madam,

Namaskar!

Memorandum by PHD Chamber of Commerce and Industry, on behalf of member firms / organisations for the consideration by the Economic Task Force under the Hon'ble Union Finance Minister

PHD Chamber of Commerce and Industry, on behalf of the member firms / organisations, appreciates the timely, effective and much needed steps being taken by the Government to mitigate the unprecedented hardship arising from the current unparalleled global crisis. Towards this objective, our Chamber welcomes the formation of the Economic Task Force, under your chairmanship of Hon'ble Finance Minister Smt Nirmala Sitharaman, with the objective of taking timely and effective action on issues, concerns and challenges faced by the country.

We wish to state that an immediate, direct and far reaching adverse impact of the unprecedented crisis has been on “mobility” which has been severely restricted and therefore directly affected the Tyre Industry. On behalf of PHD Chamber of Commerce and Industry, we would like to make specific submissions which are aimed at enabling the much needed revival of Tyre Sector and momentum to the Indian Economy in general and manufacturing sector in particular.

We trust our submissions will be favourably considered by the Government for immediate and favourable action.

In case any additional information/ clarification is required, PHD Chamber of Commerce and Industry will be pleased to furnish the same.



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We hope you will kindly consider our above request to enable the industry to ensure uninterrupted supply of food and beverages to the consumers in a safe manner.

Yours sincerely,

Dr D K Aggarwal
President
PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri Institutional Area
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454 (EXT 121/111/131)
Fax: [+91 11 26855450](tel:+911126855450)
Email: president@phdcci.in
Website: www.phdcci.in



18. Request to issue necessary Directive to the Police Departments across the States & UT to cooperate and allow the production and supply of essential goods and services to happen seamlessly under the laid guidelines and that no employee of any organisation suffer due to non-payment of salaries. (27th March 2020)

27th March 2020

Dear Shri Ajay Kumar Bhalla ji,

Greetings from the Chamber,

On behalf of PHD Chamber, I would first take this opportunity to sincerely thank the Ministry of Home Affairs for efficiently and dedicatedly working towards containing the spread of COVID-19 by implementing a series of safety and precautionary measures across the country. We really hope and believe that the undaunted effort of the Government of India will help the country fight against this pandemic and we will come out of successful.

We have more than 1,30,000 direct and indirect Members, especially the MSMEs, which are working across the sectors and a large number of them are involved and engaged in production and supply of essential goods and services to the last mile of the population. But we would like to bring to your kind notice that there have been number of instances where the administration, especially the police are not cooperating with staffs of our Member companies engaged in producing and supplying the much needed essential supplies at this point in time. Following are few such instances for your kind reference:

- We urge the Government to issue necessary passes to couple of employees of all the organisations, irrespective of essential or non-essential manufacturing and services units, to process the salaries of the employees and do essential bank work for processing the same.
- In many instances, the offices of many of our Member companies have been closed forcibly by the Police despite working under the essential goods and services provision.
- Trucks carrying essentials goods are being stopped at various State borders for hours thereby affecting the timely supply of essentials goods. If the trucks are carrying Curfew Passes or any Declaration for Essential Goods, they need to be immediately allowed to go ahead.

Supply of raw materials for production of essential goods is affected as the Police is unnecessary harassing them even if they have proof regarding the same.



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- The employees working in these units are also not allowed to go to their factories, which is again affecting the production. We also urge the Government to allow them if they have the necessary document/proof. There are other numerous cases to prove our point of concern.

We would most humbly request you to issue necessary Directive to the Police Departments across the States & UT to cooperate and allow the production and supply of essential goods and services to happen seamlessly under the laid guidelines and that no employee of any organisation suffer due to non-payment of salaries. We look forward to your much needed support in the interest of the industry, especially the MSMEs and in the larger interest of the society.

With best regards,

Yours sincerely,

(Dr.D.K.Aggarwal)

Shri Ajay Kumar Bhalla, IAS
Home Secretary
Government of India
North Block, New Delhi



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

17. Requesting on behalf of the Indian MSMEs to issue a public notice/circular for extending the date of Submission of Bids and RFI/EoI Responses at least till 1st May or even further as has been done by the Ministry of Defence in the interest of the Industry (26th March 2020)

26th March 2020

Dear Lt Gen Sukhdeep Sangwan ji,

Greetings from the Chamber

Hoping and wishing you and your dear and near ones are doing good amidst the COVID-19 outbreak.

PHD Chamber of Commerce and Industry (PHDCCI) has been working as a catalyst for the promotion of Indian industry, trade and entrepreneurship for the past 115 years. It is a forward looking, proactive and dynamic pan-India apex organization. As a partner in progress with industry and government, PHD Chamber with a special focus on MSMEs works at the grass roots level, with strong national and international linkages for propelling progress, harmony and integrated development of the India economy.

Due to the outbreak of COVID-19 across the country, many of our Defence & Homeland Security Member companies especially the MSMEs have been affected in their work and it is quite difficult for them to operate amidst the national lockdown.

Keeping in view the aforesaid fact, we would request you on behalf of the Indian MSMEs to issue a public notice/circular for extending the date of Submission of Bids and RFI/EoI responses at least till 1st May or even further as has been done by the Ministry of Defence in the interest of the Industry.

PHD Chamber Members have been strictly complying to direction of authorities & committed to prevent the spread of COVID-19 to support all authorities during global pandemic crisis COVID 19 and look forward to your much needed support in the interest of the industry, especially the MSMEs.

Looking forward to kind consideration and an early confirmation on the above request.

With best regards,
Yours sincerely,



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

(Dr. D. K. Aggarwal)

Lt Gen Sukhdeep Sangwan, AVSM

Director General

Assam Rifles

Cc: Shri Vivek Bhardwaj, IAS

Additional Secretary (PM)

Ministry of Home Affairs

Government of India



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

16. Requesting issue of a circular for the working of the AYUSH Industry, so that there is no restriction on the supply of the medicines and other essential supplies. (26th March 2020)

Respected Shri Vaidya Rajesh Kotecha ji,

As you are aware about the spread of the Novel Coronavirus (COVID-19) which has been declared as pandemic by WHO and various proactive measures being taken by the Central and various State Governments to control, mitigate and improve the situation of the country.

Further restrictions have been imposed on the mobility of the citizens which may hamper the supply of medicines, distribution and its transport.

In this regard, the Department of Pharmaceuticals, whose mandate is to ensure availability, accessibility and affordability of medicines, is closely monitoring their availability all across the country.

AYUSH industry is also playing a key role in providing healthcare to one and all.

Therefore we request you to issue a circular for the working of the AYUSH Industry, so that there is no restriction on the supply of the medicines and other essential supplies.

We are enclosing herewith a copy of the letter of the Secretary, Department of Pharmaceuticals, Govt of India issued to the Chief Secretaries for the smooth functioning manufacturing and distribution of medicines for your ready reference.

Looking forward to your support.

With best regards,

Yours sincerely,
(Dr. D K Aggarwal)

Shri Vaidya Rajesh Kotecha
Secretary
Ministry of AYUSH
Govt. of AYUSH
AYUSH Bhawan New Delhi- 110023

(Also sent to Shri Pramod Kumar Pathak, Additional Secretary, Ministry of AYUSH; Dr. Manoj Nesari, Advisor (Ay.), Ministry of AYUSH; Dr. D.C. Katoch, Advisor (Ay.), Ministry of AYUSH)



15. Suggestions to provide relief to Industry, Entrepreneurs and People of Himachal Pradesh amid lock down due to COVID 19 outbreak (26th March 2020)

Ramesh Kumar Jain
Chairman, HP State Chapter

HPC/C-2020-5
26 March 2020

Suggestions to provide relief to Industry, Entrepreneurs and People of Himachal Pradesh amid lock down due to COVID 19 outbreak.

PHD Chamber of Commerce and Industry (PHDCCI) has been working as a catalyst for the promotion of Indian industry, trade and entrepreneurship for the past 115 years. It is a forward looking, proactive and dynamic pan-India apex organization. As a partner in progress with industry and government, PHD Chamber with a special focus on MSMEs works at the grass roots level, with strong national and international linkages for propelling progress, harmony and integrated development of the Indian economy.

Please find appended a few suggestions to provide relief to industry, entrepreneurs and people of Himachal Pradesh amid lock down to prevent and contain the Covid 19 outbreak in the State.

1. Government of Himachal Pradesh should release all pending subsidies like Capital Investment Subsidy and Freight Subsidy on priority.
2. The manufacturing units which have hostel facility inside the factory premises should be allowed to operate with all necessary precautions and without allowing entry of any outside workers/staff. This will also help industry to keep such workers inside rather than violate social distancing or curfew just now imposed.
3. Though the working in Pharmaceutical industry is not stalled but some key employees come from neighbouring states like Haryana and Chandigarh, they should be allowed to enter the State if they are able to show their company id card and necessary authorization so that work is not suffered.
4. Due to the lockdown the movement of essential commodity like drugs has suffered the most, drugs are not able to reach its required destination, which can lead to panic situation in next few days, the State Government should direct truck unions to start operation in BBN area.
5. The fixed contract demand in electricity bills should be exempted proportionately for the period the industries are ordered to be closed.



6. Industrial consumers should be allowed to pay their electricity bills due in April-May 2020 in 12 equal installments, starting from September 2020.
7. The due date for payment of all those Domestic, Commercial and Small Power industrial consumers having monthly/bimonthly electricity bills up to Rs. 10,000 and whose due date for payment falls on or after 20.3.2020 is extended for at least one month. No late payment surcharge shall be recovered from these consumers.
8. The due date of water and sewerage bill payments should be deferred by at least one month in all Municipal Corporations and Councils.
9. No penalty should be charged for any delay w.r.t vehicles, which become due for renewal/passing from 15th March 2020.
10. To provide relief to the farmers, penal interest on their crop loans for two months March and April 2020, which is obtained by them from Cooperative Banks (Apex and Central) & Primary Agriculture co-op Societies, should be waived off.
11. Further the recovery period for current Rabi crop should also be extended from 15 April 2020 to 15 July 2020.
12. To waive off penal interest on farmers for March and April months the recovery of which was due on 31st January 2020.
13. All Deputy Commissioners should be provided ₹ 1.00 crore each to provide free food, medicines and shelter to the needy during the days of lock down.

We are hopeful that the Government of Himachal Pradesh will implement these suggestions to provide relief to the industry, entrepreneurs and people of H.P.

Yours sincerely,

(Ramesh Kumar Jain)

Shri Anil Kumar Khachi, IAS
Chief Secretary
Government of Himachal Pradesh
H.P. Secretariat
Shimla 171002



14. Our Submission requesting relaxation in the Regulation 17(1)(c) of SEBI (LODR) Regulations 2015 and Regulation 17(2A) - of SEBI (LODR) Regulations 2015 for 3 months (25th March 2020)

IND-1-C- 2503
25th March 2020

Shri Ajay Tyagi

Chairman
Securities & Exchange Board of India (SEBI)
BandraKurla Complex,
Bandra East,
Mumbai,
Maharashtra 400051

Respected Sir,

Our Submission requesting relaxation in the Regulation 17(1)(c) of SEBI (LODR) Regulations 2015 and Regulation 17(2A) - of SEBI (LODR) Regulations 2015 for 3 months

Though the Nation wide lockdown implemented by the Hon'ble Prime Minister is indeed a proactive step towards curtailing the spread of Covid – 19 it has put a halt on all businesses, manufacturing firms and almost all economic activities.

This is to bring to your kind notice that the following two SEBI regulation were to be made applicable with effect from 1st April, 2020.

1. Regulation 17(1)(c) of SEBI (LODR) Regulations 2015 - The Board of Top 2000 listed entities (w.e.f. 01.04.2020) shall comprise of not less than six directors
2. Regulation 17(2A) - of SEBI (LODR) Regulations 2015 - The quorum of every meeting of the Board of Directors of top 2000 listed entities w.e.f. [April 1, 2020](#) shall be one third of total strength or three directors, whichever is higher. (whereas under the Companies Act, 2013 the provisions are one third of total strength or two directors whichever is higher)



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3. Regulation 30 of SEBI (sast)regulations 2011: As per SEBI takeover regulation disclosure of promoter's holding as on 31st march have to be filed within 7 days from the end of FY

Keeping in view the current situation of the complete Nation Wide lockdown and halt on economic activities, PHD chamber submits to your good offices to kindly grant a relaxation of THREE months for application/submission under the above regulations to 1st July, 2020 on the same.

PHD Chamber requests you to take a balanced view and decide on the future course of action.

We believe that our submission would be considered favourably.

With best regards,

Yours sincerely

Dr D K Aggarwal

President

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454 (EXT 121/111/131)

Fax: +91 11 26855450

Email: president@phdcci.in

Website: www.phdcci.in



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

13. Representation seeking help for Shopping Centre (Malls) industry due to pandemic COVID-19: Representation to Hon'ble Finance Minister of India (25th March 2020)

**Smt Nirmala Sitharaman
Hon'ble Finance Minister
Ministry of Finance
Government of India
North Block, New Delhi
Respected Madam,**

Namashkar!

Representation seeking help for Shopping Centre (Malls) industry due to pandemic COVID-19-
At the outset, we appreciate the Government for continuous efforts to curtail the spread and mitigate the impact of Covind-19 pandemic. The pro-active and preventive measures will go a long way in combating the alarming situation created by COVID 19. We look forward towards a Healthy and Prosperous India.

PHD Chamber of Commerce and Industry (PHDCCI) on behalf of all Shopping Centres is seeking your help and guidance due to this unprecedented catastrophe which has befallen on the whole Shopping Centre Industry.

As you are aware that as a precautionary measure to arrest the spread of pandemic COVID -19, the Hon'ble Prime Minister, Shri Narendra Modi Ji, has implemented a complete lockdown of the entire Nation for the next 21 days, which implies a complete shut-down of Shopping Centres/Malls, Restaurants, Gyms/Health clubs, Multiplexes/cinema halls etc. until April 14, 2020.

The impact of the shut-down of the Shopping Centres across various cities has been very adverse and immediate and beyond comprehension. The complete lockdown would lead to adverse impacts on its ongoing revenues. On one side we have a situation where all cash flow and income has dried up and on the other side, expenses have remained constant. Their debt serving and interest payment obligation remains. Unlike all other businesses, they do not have any goods or merchandise to sell or reduce inventory holding or other such measures which other industries can take. Their Collections have completely dried up during this period, while they continue to bear a high fixed cost towards Personnel, Utilities and on-going routine expenses.

Along with business and retail houses, the impact has directly affected the on ground work force dependent on the retail industry such as, employees at the shops in the malls, drivers of



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the vehicles of supply chains, service providers such as maintenance and security staff, employees of the food outlets – all largely are from other states in India and would require relief packages in order to meet the expenses in the long run.

Shopping Centre are very capital-intensive business and large portion of the capital is funded thru Banks / Financial Institutions to construct and run their operations, which results in a very large interest and principal outflow on a monthly basis. In fact, this is their largest expense head. This partial/full shut down of Malls has a cascading impact wherein not only the Mall owner, but all other related down the line businesses face the probability of Loans going under default due to prolonged shut-down.

It is also pertinent to note that each large Shopping Centre provides employment to over 3000 people are suddenly faced with dwindling Income and immediate disruption of Cash flows. The Mall owners continue to bear a large fixed overhead towards Manpower Costs (like Security, Housekeeping, Engineering, Mall operations etc.) and other expenses like Property Tax, Electricity, Maintenance etc.

It is relevant to note that even after the SC/ Mall open up in the due course of time – there will be many challenges in the Near term which will include:

- Low footfalls and hence low Sales at the Malls
- Revenue and collections will take time to streamline
- GST and other statutory payments will get impacted as well

In this hour of crisis, it is our humble request to your good self to consider certain financial measure on an immediate basis which will enable the Shopping centres/ Malls to overcome the current challenging environment, hence we request you to consider providing certain reliefs to the sector namely:

Waiver of interest on bank loans, NBFC's for the period the malls are shut. Allow a moratorium period in repayment of bank's principle amount without levy of any penalties /penal interest and without impacting the credit rating.

Provide short-term financing option for a period of 6 to 12 months, at lower interest rates to meet the fixed overhead costs of Malls.

Further, one-time loan restructuring with lower rates of interest may be permitted for shopping centres/ Malls without the exposure being classified as NPA and accordingly no impact on the Credit Rating of entities.



Abatement of all Government payments including Property tax, concession fee, Ground Rent and lease rent payment to Government.

Grant deferment of payment of GST, Income tax & other statutory dues by a minimum of 6 (six) months without any interest, penalties.

Extension of dates by a minimum of 6 months for filing of statutory returns with various Government departments.

Issue instructions to appropriate authorities for Inclusion of Pandemic in the definition of natural calamity for the purpose of insurance policies for loss of business / profit.

The above sought relief measures will go a long way in helping the shopping centres /malls to overcome the current adverse challenging environment and to ensure long term continuity of business.

Dr D K Aggarwal

President

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454 (EXT 121/111/131)

Fax: +91 11 26855450

Email: president@phdcci.in

Website: www.phdcci.in



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

12. Request to cover all agriculture, agri inputs, agro-chemicals and food items and their raw materials/ ingredients and packaging materials as also their logistics under the scope of Essential Commodities / Services and Exempted from manufacturing and movement restrictions (24th March 2020)

**Shri Narendra Modi
Hon'ble Prime Minister of India
PMO Office, New Delhi**

Respected Shri Narendra Modi ji,

Namaskar!

Request to cover all agriculture, agri inputs, agro-chemicals and food items and their raw materials/ ingredients and packaging materials as also their logistics under the scope of Essential Commodities / Services and Exempted from manufacturing and movement restrictions.

The Government has undertaken several appreciable steps for the safety of the people in the wake of the spread of COVID 19, which are appreciable. In this hour of difficulty when there is restriction on movement of people and there is complete lockdown in several districts in many states, not only the general public but the agribusiness and processed food industry is also extremely concerned about the uninterrupted continuity of supplies of food items to consumers. While shops selling milk, fruits, vegetables, medicines, take away/ delivery of food items are allowed, it is important to understand that a blanket cover on movement of other items of agriculture origin / for agriculture production – particularly agri inputs, raw materials used in preparation of food items and packaging material – need to be specifically brought under the scope of essential commodities and their movement not restricted.

It is particularly important that there is free movement of all agri inputs – seeds, fertilizers, pesticides, other agro chemicals, irrigation equipment, farm implements that are necessary for preparation of fields for sowing as Kharif season has already started. Farmers need seeds and other inputs in time to start sowing, which if deferred is going to severely affect the agriculture production and nation's food security. So all agri inputs require to be exempted for restriction of manufacturing and movement.

In order to ensure adequate supplies of all consumer food items, perishables and non-perishables alike, we request the relevant departments and ministries to ensure that the movement of agri produce and agri inputs, and related items and workforce working in these



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units are not restricted to avoid a situation of shortage of these products and unnecessary panic among the consumers.

We would like to summarize our recommendation as follows-

"Not only transportation and sale of fresh fruits, vegetables, milk and meat but also all agri-produce, agri-inputs including Seeds, fertilizers, pesticides, soil testing equipment, irrigation equipment and raw material for processed food and beverage manufacturing and its distribution should be treated as essential commodities and essential service.

Companies and employees involved in manufacture, processing, distribution, logistics of these mentioned items must be kept exempted from any Central or State Declaration of work and movement restrictions. This exemption is also required for ingredients, and packaging materials.

We assure the government that the industry and trade will adopt highest level of precautions in the common interest of all concerned."

We hope you will kindly consider our above request to enable the industry to ensure uninterrupted supply of food and beverages to the consumers in a safe manner.

Yours sincerely,

Dr D K Aggarwal

President

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454 (EXT 121/111/131)

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Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

11. Suggestions on the growing severity of the impact of COVID-19: Representation to Hon'ble Prime Minister of India (23rd March 2020)

**Shri Narendra Modi
Hon'ble Prime Minister of India
PMO Office, New Delhi**

Respected Shri Narendra Modi ji

Namashkar!

Suggestions on the growing severity of the impact of COVID-19: We are deeply concerned with the growing severity of the impact caused by the widespread pandemic, COVID – 19, on our economy, its people and the Nation as a whole. PHD Chamber of Commerce stands in complete solidarity and pledges to extend its all-out support to the government in the fight for making India COVID-19 free.

We appreciate the proactive and combative measures undertaken by the Hon'ble Prime Minister, Shri Narendra Modi Ji to curtail the spread of Corona Virus and take complete control on the current alarming situation.

Apart from the government's continuous preventive and path breaking measures, the recent measure undertaken to clarify the spending of CSR funds, by any corporate or business entity, for COVID -19 to be treated as an eligible CSR activity, relating to promotion of health care and disaster management among others, are highly laudable and would go a long way to support the industry and economy.

Going forward to mitigate the impact of Corona Virus (Covid – 19) on maintaining businesses, supporting employment and stabilising the economy, we would like to submit a few suggestions for the consideration of the Government:

We request that the financial year 2019-20 to be extended to 30th June 2020 and accordingly current quarter (Q4 2019-20) will be of 6 months. All statutory dues/ other dues, the last dates related to their payments / compliances of CBDT/MCA/ RBI/ SEBI etc should be changed accordingly i.e., say where the last date to pay any statutory dues is 31st March 2020 it should change to 30th June 2020.

Also, the next financial year will start from 1st July 2020 and will be for 9 months ending on 31st March 2021.



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

We request no NPA be declared for the next 6 months till 30 September 2020.

Release of outstanding payments from Government departments and PSUs immediately to MSMEs within 7 days should be considered and they should be asked to report the compliances to their controlling Ministers with any pending dues with reasons.

Change in the definition of MSMEs based on Turnover should be notified quickly so that many MSMEs being adversely affected by Corona lockouts can access concessions being made available to MSMEs.

Moratorium on repayment of interest and loan instalments by the banks and NBFCs for the next 6 months should be allowed for all loans.

Interest subvention of 2% should be given to all the severely affected industries like travel & tourism, aviation, leather, textiles, hospitality, electronics and others basis the adverse impact arising due to corona issue. For MSME we suggest interest subvention of 3%.

The Government should set up a Corona Distress Fund of Rs 25,000 crore for MSMEs to provide assistance to those units which get severely affected by the impact of lock down.

Immediate interest rate cut by 100 basis points by RBI needed at this juncture to rejuvenate demand.

Vivad se Vishwas scheme should be extended by 3 months till 30 June 2020.

TDS should be allowed to deposit in two months in place of one month.

Salary for Lockout period, 80% of the same be paid by the Government. It may be mentioned that UK Government has set up the Coronavirus Job Retention Scheme covering 80% of the salary of retained workers up to a total of Euro 2,500 a month.

Existing working capital requirement of the businesses should be automatically increased by 25% and no new application should be required to be filed for this purpose. There should be automatic approval for this.

The margin requirements for loans against shares should be reduced to 40% wherever it is more, as the share prices have come down drastically at the unrealistic level.

Also, Circuit filter in the index for closing should be revised from the current level of 10% to 5% to contain excess volatility.



Markets have turned very volatile at this juncture with a negative bias so financial services should also be considered under the code of essential services so that the investors are able to place their orders with the stock brokers to protect their wealth.

There should not be any prosecution against the businesses excluding the frauds till the impact of Coronavirus subsides.

As crude oil prices have come down substantially however the excise duty has been further increased by Rs 3. So, this gain should be used by the Government to promote exports by making income of exporters exempted from the tax. Also, there is a need to cut the custom duties by 5 percentage points to take care of Rupee devaluation.

Exports are vital component of the economy and in the current situation the significance of exports becomes crucial to meet up the import requirements/ foreign exchange. Certificates/ rules of origin are required by the exporters to export their consignments to foreign markets. So, at this juncture it becomes crucial to allow rules of origin issuing under the essential services so that exports are not impacted due to Coronavirus.

It is suggested that the exemption for essential commodities should cover all raw materials and food ingredients and others used by food processing industry and not just milk, fruits and vegetables, among others.

We are hopeful that our suggestions would be considered for the benefit of trade and industry to mitigate the impact of coronavirus.

Yours sincerely,

Dr D K Aggarwal

President

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454 (EXT 121/111/131)

Fax: +91 11 26855450

Email: president@phdcci.in

Website: www.phdcci.in



10. Request to extend financial relief to Shopping Centre industry due to pandemic COVID-19 (23rd March 2020)

PHDCCI/LKO/19-20/SCAI -014
23rd March 2020

Request to extend financial relief to Shopping Centre industry due to pandemic COVID-19

At the Outset, PHDCCI would like to congratulate Government of India for taking preventive measures to prevent outbreak of Covid-19 in the country. Due to the Covid-19 outbreak and Govt. of India advisory to adopt Social Distancing Measures to prevent Covid-19 from spreading as a precautionary measure to arrest the spread of COVID -19, various State Governments have advocated complete **closure of Shopping Centres, Malls, Multiplexes/Cinema halls etc. until March 31, 2020, with a possibility of further extension of this closure.** Pursuant to enforcement of aforesaid measures all the Shopping Malls and Shopping Centres across major Metros like Mumbai, Pune, Bangalore, Chennai are closed and soon other cities are likely to follow suit.

PHD Chamber is extremely concerned about the impact due to closure of these Shopping Centres across various cities which has put great inconvenience and hardship on this crucial sector of the Indian economy. Since, the only source of income of these businesses – the rental income has come down to zero. Malls have not been able to generate and collect even a penny since they have been shut down. On one side we have a situation where all cash flow and income has dried up and on the other side, expenses has remained constant. Their debt serving and interest payment obligation remains. Unlike all other businesses, they do not have any goods or merchandise to sell or reduce inventory holding or other such measures, which other industries can take. Their Collections have completely dried up during this period, while they continue to bear a high fixed cost towards Personnel, Utilities and ongoing routine expenses.

The operational outlets are also experiencing scarce footfalls resulting in low consumption but increased costs/overheads for deploying specially trained personnel, extensive sanitization, increased customer frisking etc. This has resulted in a huge pressure on viability of shopping centres due to delay in collection of license fees/rents from retailers/ outlets. To add to the woes, the current situation has also adversely impacted the employment and livelihood of the employees (direct and indirect - approx.. 3500-5000) at each establishment/mall.

Shopping Centre is a very capital-intensive business and large portion of the capital is funded through Banks / Financial Institutions to construct and run their operations, which has a very large interest& principal outflow on a monthly basis. In-fact this is their largest expense head. This abrupt closure of Malls has a cascading impact wherein not only the Mall owner, but all



other related stakeholders face the probability of Banks Loans going under default due to prolonged closure.

Thus, overall working capital cycle has been adversely impacted and hence, in order to sustain the mall business and the employment of the individuals as stated above during these unprecedented and testing times. **Our Hon'ble Prime Minister Shri Narendra Modi** in his address to the nation on **19th March 2020** has announced to set up Covid-19 Economic Response Task Force headed by Hon'ble Finance Minister Smt Nirmala Sitharaman to draw up measures to combat the economic effects of Covid-19 pandemic. Hence we would like to humbly submit following suggestions to Covid-19 Economic Response Task Force under your dynamic leadership:

1. Allow a moratorium period in repayment of bank loans, interest, EMI, etc. without levy of any penalties including penal interest. Further, one-time loan restructuring with lower rates of interest may be permitted for shopping centers and also allow a moratorium period in principal repayment of bank loans, waiver of interest for the time period till COVID 19 situation comes under normalcy.
2. Provide short-term financing option for a period of 6 to 12 months, at lower interest rates to meet the increased working capital requirements.
3. Grant GST rebates to offset the losses on account of and for the period of closure of business and/or in the alternative permit flexibility in deposit of Goods and Services Tax (GST). Since GST needs to be deposited immediately upon raising of invoice, however, corresponding payments are likely to be delayed, resulting in an additional cash flow burden on shopping centres.
4. Extend the validity of existing operating licenses of critical permissions/ licenses/ NOC's (like Trade License, health, excise license, shops & establishment, various NOC, license for signages etc.) of retailers, restaurants and shopping centres for an interim period of 3-6 months considering that shopping centres, retailers, restaurants are currently working at 50% of workforce, facing working capital issues, most government departments are working with low headcount and renewal process requires massive paperwork & administrative support and pay out of Annual fee.
5. Provide relief so that credit rating of shopping centres is not adversely affected due to delays in repayment of bank loans, interest, EMI, etc.
6. Issue appropriate directions to the Insurance Regulatory and Development Authority (IRDA) to include insurance against loss of profits on account of epidemic – which is not currently included in the policies.
7. Any other relief, which may be deemed fit in the present scenario.

Please note that implementation of these measures can immensely help the shopping centers and industries referred herein above, which are already stressed due to the



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments
prevailing financial conditions, in mitigating the effects of this unforeseen and presently untreatable Pandemic.

We would humbly request for a personal meeting with you to discuss the issues in brief.

Thanking you in anticipation.

Yours Sincerely,

(Dr D K Aggarwal)

Smt Nirmala Sitharaman

Hon'ble Minister of Finance and Minister of Corporate Affairs
Government of India
134 North Block
New Delhi -110011



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

9. PHD Chamber's submission requesting to declare capital markets as essential services on par with State of Maharashtra: Representation to Chairman, Securities and Exchange Board of India (SEBI) (23rd March 2020)

**Shri Ajay Tyagi ji
Chairman
Securities & Exchange Board of India (SEBI)**

Respected Sir,

Greetings!

PHD Chamber's submission requesting to declare capital markets as essential services on par with State of Maharashtra: Please refer to State of Maharashtra decision of Hon'ble Chief Minister declaring total lockdown of the State and breaking news shown on TV channels declaring 75 districts across all States Pan India total lockdown.

State Governments of Tamil Nadu, Rajasthan and Delhi have extended Janata Curfew upto March 31, 2020. However, there is no explicit guidelines/ notifications issued by each State Governments exempting capital markets/ Stock Brokers' offices from the total lockdown. In Mumbai, clarifications are issued to authorities to allow employees working in exchanges, broking offices from lockdown. No such clarifications /guidelines are being issued by other State Governments.

All financial markets are integrated globally and India is playing a major part standing among the top 7 ranks globally in equity volumes. Hence equity and derivatives markets cannot be shut down while global exchanges / financial markets are active and working around the world.

In this regard, SEBI / Exchanges have permitted vide their circulars trading via terminals from various locations. This relaxation is taking care of front office staff of broking offices to work from home to 50% of potential, however, staff serving back offices/ servers/ operational dependencies cannot be operated working from home. Thus, it is imperative to declare capital markets/ stock broking services as essential Services exempted from Lockdown. If they are not exempted then investors who want to trade in exchanges cannot do the same as brokers offices would be closed resulting in huge losses in view of the current volatility in the market.

In view of the above, PHD chamber submits to your good offices to immediately issue a clarification to include "Stock Brokers and depository participants" as essential Services and



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments advise all State Governments to issue clarification in this regard. PHD Chamber requests you to take a balanced view and decide on the future course of action.

Yours sincerely,

Dr D K Aggarwal

President

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454 (EXT 121/111/131)

Fax: +91 11 26855450

Email: president@phdcci.in

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Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

8. PHD Chamber suggests to immediately issue a clarification to include “Stock Brokers and depository participants” as essential Services and exempt these services from the lock down in the NCT of Delhi: Representation to Hon’ble Chief Minister of Delhi and Hon’ble Deputy Chief Minister of Delhi (23rd March 2020)

**Shri Arvind Kejriwal
Hon’ble Chief Minister
Govt. of NCT of Delhi
Level – 3, A-wing, Delhi Secretariat,
New Delhi-110002**

Dear Sir,

Namaskar!

PHD Chamber suggests to immediately issue a clarification to include “Stock Brokers and depository participants” as essential Services and exempt these services from the lock down in the NCT of Delhi: Please refer to State of Maharashtra decision of Hon’ble Chief Minister declaring total lockdown of the State and breaking news shown on TV channels declaring 75 districts across all States Pan India total lockdown.

State Governments of Tamil Nadu, Rajasthan and Delhi have extended Janata Curfew upto March 31, 2020. However, there is no explicit guidelines/ notifications issued by each State Governments exempting capital markets/ Stock Brokers offices from the total lockdown. In Mumbai, clarifications are issued to authorities to allow employees working in exchanges, broking offices from lockdown. No such clarifications /guidelines are being issued by the Delhi Government.

All financial markets are integrated globally and India is playing a major part standing among the top 7 ranks globally in equity volumes. Hence equity and derivatives markets cannot be shut down while global exchanges / financial markets are active and working around the world.

In this regard, SEBI / Exchanges have permitted vide their circulars trading via terminals from various locations. This relaxation is taking care of front office staff of broking offices to work from home to 50% of potential, however, staff serving back offices/ servers/ operational dependencies cannot be operated working from home. Thus, it is imperative to declare capital markets/ stock broking services as essential Services exempted from Lockdown. If they are not exempted then investors who want to trade in exchanges cannot do the same as brokers’ offices would be closed resulting in huge losses in view of the current volatility in the market.



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In view of the above, PHD chamber submits to your good offices to follow the model of Maharashtra State Government and immediately issue a clarification to include “Stock Brokers and depository participants” as essential Services and exempt these services from the lock down. PHD Chamber requests you to take a balanced view and decide on the future course of action at the earliest.

Yours sincerely,

Dr D K Aggarwal

President

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Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

7. Avoiding Disruption of Essential Drugs & Medical Equipment Supply & Distribution Services to the Healthcare Institutions and patients: Exemption from 'Work from Home' esp for manufacturing and distribution services- Accepted by the Government, allowing Pharmaceuticals, Medical devices and healthcare industry to work on site (21st March 2020)

Dear Dr. P D Vaghela Ji,

IND-Health/54

Greetings from the Chamber,
2020

21st March

Subject: Avoiding Disruption of Essential Drugs & Medical Equipment Supply & Distribution Services to the Healthcare Institutions and patients: Exemption from 'Work from Home' esp for manufacturing and distribution services

PHD Chamber of Commerce and Industry (PHDCCI) has been working as a catalyst for the promotion of Indian industry, trade and entrepreneurship for the past 115 years. It is a forward looking, proactive and dynamic pan-India apex organization. As a partner in progress with industry and government, PHD Chamber with a special focus on MSMEs works at the grass roots level, with strong national and international linkages for propelling progress, harmony and integrated development of the Indian economy.

PHD Chamber Health Committee, represented by leading companies engaged in manufacturing and distribution of Drugs, Medical Equipment, Supplies and related services in India which are covered under essential commodities act 1955. Supply of drugs, medical devices and other supplies are very much essential to address the COVID-19 situation & to combat the crisis, it is vital to continue the manufacturing and supply of drugs and medical devices. However our members are facing severe operational challenges in the States as the „Work From Home“ concept is not feasible for these industries. Therefore we request you to address the same with your kind intervention.

Following are the challenges to be addressed.

1. Manufacturing and distribution of essential drugs and medical equipment should be exempted from the Advisory of Work from Home
2. Due to the interrupted work during COVID 19 situation, the Companies are unable to deliver essential equipment, drugs, supplies, services (“Medical Essentials”) to the doctors in a



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timely manner for diagnosis and medical assistance for critical diseases including COVID 19 and others.

a. The vehicles carrying Company Medical Essentials are being stopped at city borders, inhibiting and disrupting reach of critical medical products to the healthcare institutions.

b. Essential healthcare supply chain services should not be stopped and the governing state legislation should allow the uninterrupted services of Medical Essentials to the Healthcare institutions as they are “Essential Services” for the community.

The issues mentioned above hinders the PHD Chamber Member companies from providing services to the needy patients across the State which leads to the delay in treatment which is not advisable during this COVID-19 situation.

PHD Chamber members have been strictly complying to direction of authorities & committed to prevent the spread of COVID-19 to support all authorities during global pandemic crisis COVID 19 and look forward to your kind support in getting these issues addressed with your timely intervention.

Looking forward to hearing from you. With best regards,
Yours sincerely

D K Aggarwal

Dr. P D Vaghela
Secretary,
Department of Pharmaceuticals, Ministry of Chemicals & Fertilers,
Government of India
Shashtri Bhawan, New Delhi- 110001



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

6. Inputs/ Suggestions by PHD Chamber of Commerce and Industry on Global Disruptions in Supply Chains and their impact on India: Representation to Ministry of Commerce and Industry, Government of India (20th March 2020)

**Ms Kamna Dikshit
Under Secretary
FT(NEA) Division & ITPO
Ministry of Commerce and Industry
Government of India**

Dear Madam,

Greetings!

Inputs/ Suggestions by PHD Chamber of Commerce and Industry on Global Disruptions in Supply Chains and their impact on India: The spread of Coronavirus disease (COVID-19) in more than 165 countries is very unfortunate and has severely hit the world's second largest economy China, leading to a subdued global demand scenario and weaker prospects for exports across the nations.

As China is a major player in global trade, contributing around 11% in world exports, exporting majorly to USA, Hong Kong, Japan, Korea, Vietnam, Germany, India, Netherlands, among others, the impact on global trade would undermine the growth prospects of world trade and economy.

The outbreak of Coronavirus has adversely affected the supply chains in China. The manufacturing operations in the country have been disrupted as a significant number of companies have temporarily shut their assembly and manufacturing plants.

Disruptions in the global supply chains has not only hit China's exports but also the exports of the importing countries as they are importing a large chunk of raw materials and intermediate goods from China while exporting to other destinations.

China's exports to the US fell by more than 25% in the first two months of 2020 whereas imports increased by 2.5% during the same period. China's major export items to USA are electrical machinery and equipments, mechanical appliances, furniture, toys, games and sports requisites, plastics and articles, vehicles other than railway, articles of apparel and clothing, footwear and articles of iron or steel.

At this juncture, as USA is also India's major export destination with 16% of India's total exports to US, we should strengthen our exports in product lines where China is unable to export to USA due to spread of coronavirus vis-à-vis supply chain constraints in the country but impacted due to coronavirus.

China's exports to India's major export destinations such as USA, UAE, UK, Germany, Netherlands, among others have been impacted due to coronavirus. Therefore, India may strengthen its supply chains with these economies and fulfill the demand for imports of these economies.

India has significant presence in 4 items of China's top 10 exports to USA; in 6 items of China's top 10 exports to UAE, in 5 items of China's top 10 exports to Hong Kong, in 6 items of China's top 10 exports to Singapore, in 7 items of China's top 10 exports to both UK and Germany, in 5 items of China's top 10 exports to Bangladesh, in 6 items of China's top 10 exports to Netherlands, in 2 items of China's top 10 exports to Nepal and in 4 items of China's top 10 exports to Belgium.

Table I: India's significant presence in top export items of China to select economies

S.No.	India's significant presence in top export items of China to select economies	
1	China's top export items to USA	Machinery and mechanical appliances (84), vehicles other than railway (87) and articles of apparel knitted (61) and not knitted (62)
2	China's top export items to UAE	Electrical machinery (85), machinery and mechanical appliances (84), articles of apparel knitted (61) and not knitted (62), iron and steel (72) and mineral fuels and mineral oils (27)
3	China's top export items to Hong Kong	Electrical machinery (85), machinery and mechanical appliances (84), precious or semi-precious stones (71), mineral fuels and mineral oils (27) and articles of apparel not knitted (62)
4	China's top export items to Singapore	Electrical machinery (85), mineral fuels and mineral oils (27), machinery and mechanical appliances (84), Ships, Boats (89), Optical, photographic, cinematographic (90) and Organic Chemicals (29)
5	China's top export items to UK	Electrical machinery (85), machinery and mechanical appliances (84), articles of apparel knitted (61) and not knitted (62), footwear (64), articles of iron or steel (73) and vehicles other

		than railway (87)
6	China's top export items to Germany	Electrical machinery (85), machinery and mechanical appliances (84), articles of apparel knitted (61) and not knitted (62), vehicles other than railway (87), organic chemicals (29) and articles of iron or steel (73)
7	China's top export items to Bangladesh	Cotton (52), machinery and mechanical appliances (84), mineral fuels and mineral oils (27), iron and steel (72), plastics and articles (39)
8	China's top export items to Netherlands	Electrical machinery (85), machinery and mechanical appliances (84), organic chemicals (29), articles of apparel knitted (61) and not knitted (62) and articles of iron or steel (73)
9	China's top export items to Nepal	Electrical machinery (85) and machinery and mechanical appliances (84)
10	China's top export items to Belgium	Machinery and mechanical appliances (84), organic chemicals (29), iron and steel (72) and vehicles other than railway (87)

Source: PHD Research Bureau, PHDCCI, compiled from trademap database. Note: The identified products are at 2-digit HS code.

At this juncture, focus must be given to strengthen India's supply chain to its top 10 export destinations including USA, UAE, Hong Kong, Singapore, UK, Germany, among others where China has also its significant contribution in their respective imports.

China increased its presence in the total imports of USA from 8.8% in 2001 to 21.7% in 2018 whereas India was able to increase its share in USA's imports from only 0.7% to 2% during the same period. Further, China increased its presence in the total imports of UAE from 7.3% in 2001 to 18% in 2018 whereas India's share in UAE's imports decelerated from 11% in 2001 to 7.3% in 2018.

**Table II: China's share in India's top 10 export destinations
(Top 25 commodities)**

S. No.	Country	Share of China in their imports (%)		Share of India in their imports (%)	
		2001	2018	2001	2018
1.	USA	8.8	21.7	0.7	2
2.	United Arab	7.3	18	11	7.3

	Emirates (UAE)*				
3.	Hong Kong	44.3	44.5	1.2	2
4.	Singapore	5.6	13.4	0.9	2
5.	UK	4.6	9.6	0.6	1.3
6.	Germany	3.2	9.9	0.3	0.7
7.	Bangladesh [#]	11.3	21.4	10.3	12.1
8.	Netherlands	3.9	17.1	0.3	0.7
9.	Nepal [@]	6.2	11.9	55	66

* Data for UAE pertains to year 2005 and 2017 respectively; [#] Data for Bangladesh pertains to year 2001 and 2015 respectively; [@] Data for Nepal pertains to year 2003 and 2017 respectively; Source: PHD Research Bureau, PHDCCI compiled from TradeMap database

Sectors such as pharmaceuticals, solar and iron and steel have been facing disruptions in imports of raw materials from China due to the outbreak of the virus. Therefore, at this juncture, we suggest to strengthen our supply chains by reducing logistics costs, costs of capital and compliances.

We, at PHD Chamber of Commerce and Industry appreciate that India restricted export of about 26 Active Pharmaceutical Ingredients (APIs) and formulations including antibiotics, vitamins and hormones to ensure there is no shortage of drugs in India due to the lockdown in China's Hubei's province, the epicentre of the Coronavirus outbreak and also a major source of raw material or APIs.

We appreciate that the Government has announced the constitution of COVID-19 Economic Response Task Force to look into the concerns of industry and well-being of industry. We are quite optimistic that this task force will soon come out with a stimulus package for the industry to support it in these difficult times. At this juncture, we suggest the following to mitigate the impact of Corona Virus on trade and industry:

- As there is a drastic fall in the business activities vis – a vis lower domestic and international sales, the working capital requirement of the businesses should be automatically increased by 25% and no new application should be required to be filed for this purpose.
- Industry interest rates on loans should be reduced by 1 percentage point to reduce the cost of capital for enhancing business efficiencies and competitiveness. Reduced cost of capital will enhance the competitiveness of exporters in international market and help exporters to grab the opportunity of slowing China's global exports with increased markets share of India.



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- MSMEs face various challenges to fulfill their financial requirements, hence, at this juncture, a special category fund of Rs 25,000 crore with no collateral being asked for the MSMEs is required to fund their financial needs. Collateral requirements by the banking sector from the MSMEs against sanctioning loans should be removed in these difficult times.
- There is a need to enhance the consumption expenditure by the Government in the economy as increased domestic demand will help manufacturing sector to grow and maintain the capacity utilization.
- India should build domestic capacities to mitigate the impact on import demand and to fulfill domestic demand with indigenous production. Domestic capacity building at this juncture will not only mitigate the impact of Coronavirus but will also provide an opportunity to increase our presence in global exports particularly towards our top export destinations.
- To benefit from China's decreased manufacturing production due to the Corona virus outbreak, there is a need to build up a well-integrated and competitive supply chain logistics including increase in the number of cargo containers to meet the growing global demand of Indian spices, ceramics, home-ware, fashion and lifestyle goods, textiles, engineering goods and furniture, among others. Going ahead, India should strengthen its supply chains to USA, UAE, UK, Germany and Netherlands as it has good exports presence in these economies and China's exports are impacted to these economies due to coronavirus. At this juncture, stimulus and facilitation from the Government is required to enhance the capacity building and strengthen the supply chain.
- The allocation of Rs 102 lakh crore made for the National Infrastructure Pipeline for next five years needs to be implemented for the coming Financial Year, as increased spending in infrastructure will give a multiplier effect and rejuvenate the aggregate demand in the economy and mitigate the impact of Corona Virus of the growth trajectory of the country.
- It is suggested that no NPAs should be declared by the banks from January 2020 to September 2020 as the industry is facing huge challenges because of Coronavirus.



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- The country has sufficient forex reserves of more than USD 480 billion to intervene in the markets. Some of the reserves should be earmarked to fund the exporters in terms of dollar loans at a low rate of interest.
- Interest subvention of 1% to 2% to the most impacted sectors such as tourism and hotel industry, aviation, manufacturing, among others should be provided to rejuvenate and resume businesses in the coming times.

Looking forward for your kind consideration.

Warm Regards,

Dr S P Sharma

Chief Economist

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: +91 11 26855450

Email: spsharma@phdcci.in

Website: www.phdcci.in

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5. Suggestions to COVID-19 Economic Response Task Force by PHD Chamber of Commerce and Industry (PHDCCI): Representation to Hon'ble Finance Minister of India: (20th March 2020)

**Smt Nirmala Sitharaman
Hon'ble Finance Minister
Ministry of Finance
Government of India
North Block, New Delhi**

Respected Madam,

Namashkar!

Suggestions to COVID-19 Economic Response Task Force by PHD Chamber of Commerce and Industry (PHDCCI): At the outset, we appreciate the Government for announcing measures to mitigate the impact of Corona Virus. The pro-active and preventive measures will go a long way in combating the alarming situation created by COVID 19. We look forward towards a Healthy and Prosperous India

We appreciate that the Government has announced the constitution of Covid19 Economic Response Task Force under your leadership to look into the concerns of industry and well-being of industry. We are quite optimistic that this task force will soon come out with a stimulus package for the industry to support it in these difficult times.

Please find appended a few suggestions to mitigate the impact of Corona Virus on India's trade and industry for your consideration:

1. As there is a drastic fall in the business activities vis – a vis lower domestic and international sales, the **working capital requirement of the businesses should be automatically increased by 25%** and no new application should be required to be filed for this purpose.
2. **Industry interest rates on loans should be reduced by 1 percentage point** to reduce the cost of capital for enhancing business efficiencies and competitiveness. Reduced cost of capital will enhance the competitiveness of exporters in international market and help exporters to grab the opportunity of slowing China's global exports with increased markets share of India.
3. Availability of liquidity in the system is significant for businesses growth. Therefore, ease of sanctioning loans must be promoted by the banking system to meet the capital

- requirements of the industry. Further, **banks should pass on the benefit of 100 basis points transmission of earlier rate cuts by RBI**. Going forward, if there is any further rate cut by RBI, that must be fully transmitted by the banking sector.
4. Crude price has come down substantially but in India due to higher fixed excise duty and central and state VAT, the petrol and diesel prices have not come down as transport and freight transport services are major costs to the businesses. To boost and hand hold the Indian industry in these difficult times, we suggest to **reduce Excise duties and VAT on petroleum, diesel and allied products** by atleast 25% to bring down the prices of petrol and diesel by Rs 9-10 per litre. This will be a big relief to the industry while reviving the spirit in the economy.
 5. MSMEs face various challenges to fulfill their financial requirements, hence, at this juncture, **a special category fund of Rs 25,000 crore with no collateral being asked for the MSMEs is required to fund their financial needs**. Collateral requirements by the banking sector from the MSMEs against sanctioning loans should be removed in these difficult times.
 6. There is a need to **enhance the consumption expenditure by the Government** in the economy as increased domestic demand will help manufacturing sector to grow and maintain the capacity utilization.
 7. India should **build domestic capacities** to mitigate the impact on import demand and to fulfill domestic demand with indigenous production. Domestic capacity building at this juncture will not only mitigate the impact of Coronavirus but will also provide an opportunity to increase our presence in global exports particularly towards our top export destinations.
 8. The outbreak of Corona virus has adversely affected the supply chains in China. The manufacturing operations in the country have been disrupted as significant number of companies have temporarily shut their assembly and manufacturing plants. To benefit from China's decreased manufacturing production due to the Corona virus outbreak, there is a **need to build up a well-integrated and competitive supply chain logistics** including increase in the number of cargo containers to meet the growing global demand of Indian spices, ceramics, home-ware, fashion and lifestyle goods, textiles , engineering goods and furniture, among others. Going ahead, India should strengthen its supply chains to USA, UAE, UK, Germany and Netherlands as it has good exports presence in these economies and China's exports are impacted to these economies due to coronavirus. At this juncture, stimulus and facilitation from the Government is required to enhance the capacity building and strengthen the supply chain.
 9. The allocation of Rs 102 lakh crore made for the National Infrastructure Pipeline for next five years needs to be implemented for the coming Financial Year, as **increased spending in infrastructure** will give a multiplier effect and rejuvenate the aggregate



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demand in the economy and mitigate the impact of Corona Virus of the growth trajectory of the country.

10. **Moratorium on repayment of interest and loan installments by the banks and NBFCs** for the next 6 months should be allowed to the businesses.
11. The **margin requirements fulfilled for loans against shares** should be reduced to 40% wherever it is more as the share prices have come down drastically at the unrealistic level.
12. It is suggested that **no NPAs should be declared by the banks from January 2020 to September 2020** as the industry is facing huge challenges because of Coronavirus.
13. There is a significant fall in the value of rupee against USD from 72 to 75 during the last few weeks and rupee has become extremely volatile. Therefore, we request **intervention by RBI to stabilize the rupee.**
14. The country has sufficient forex reserves of more than USD 480 billion to intervene in the markets. **Some of the reserves should be earmarked to fund the exporters** in terms of dollar loans at a low rate of interest.
15. Interest subvention of 1% to 2% to the most impacted sectors such as tourism and hotel industry, aviation, manufacturing, among others should be provided to rejuvenate and resume businesses in the coming times.
16. Under Direct Benefit Transfer (DBT) scheme, labourers, cobblers, rickshaw pullers, tailors, carpenters, among others should be given support of Rs 6,000 to rejuvenate demand in the economy.

We are hopeful that our suggestions would be considered for the benefit of trade and industry to mitigate the impact of coronavirus.

Yours sincerely,

Dr D K Aggarwal

President

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454 (EXT 121/111/131)

Fax: +91 11 26855450

Email: president@phdcci.in

Website: www.phdcci.in



4. Suggestions to RBI by PHD Chamber of Commerce and Industry (PHDCCI): Representation to the Reserve Bank of India (RBI) (19th March 2020)

Shri Shaktikanta Das
Governor
Reserve Bank of India
Mumbai

Respected Sir,

Namashkar!

Suggestions to RBI by PHD Chamber of Commerce and Industry (PHDCCI): At the outset, we appreciate the measures undertaken by the RBI in mitigating the impact of COVID-19. please find appended a few suggestions for the consideration of RBI:

- Industry interest rates on loans should be reduced by 1 percentage point to reduce the cost of capital for enhancing business efficiencies and competitiveness.
- Availability of liquidity in the system is significant for businesses growth. Therefore, ease of sanctioning loans must be promoted by the banking system to meet the capital requirements of the industry. Further, banks should pass on the benefit of 100 basis points transmission of earlier rate cuts by RBI. Going forward, if there is any further rate cut by RBI, that must be fully transmitted by the banking sector.
- Collateral requirements by the banking sector from the MSMEs against sanctioning loans should be removed in these difficult times.
- MSMEs face various challenges to fulfill their financial requirements, hence, at this juncture, a special category fund of Rs 25,000 crore with no collateral being asked for the MSMEs is required to fund their financial needs.
- As there is a drastic fall in the business activities vis – a vis lower domestic and international sales, the working capital requirement of the businesses should be automatically increased by 25% and no new application should be required to be filed for this purpose.
- Moratorium on repayment of interest and loan installments by the banks and NBFCs for the next 6 months should be allowed to businesses.



- It is suggested that no NPAs should be declared by the banks from January 2020 to September 2020 as the industry is facing huge challenges because of Coronavirus.
- The margin requirements fulfilled for loans against shares should be reduced to 40% wherever it is more as the share prices have come down drastically at the unrealistic level.
- There is a significant fall in the value of rupee against USD from 72 to 75 during the last few weeks and rupee has become extremely volatile. Therefore, we request intervention by RBI to stabilize the rupee.
- The country has sufficient forex reserves of more than USD 480 billion to intervene in the markets. Some of the reserves should be earmarked to fund the exporters in terms of dollar loans at a low rate of interest.
- There is an apparent anomaly in the RBI ODI Master Directions on Real Estate. We suggest mirroring the FDI policy on the construction/development of residential/commercial premises (for leasing or sale purposes) as one core activity to be treated as real estate business activity, to be corrected and included in the ODI policy.

Yours sincerely,

Dr D K Aggarwal

President

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454 (EXT 121/111/131)

Fax: +91 11 26855450

Email: president@phdcci.in

Website: www.phdcci.in



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3. Request to Extend the Time Period for Submission of Annual Audited Financial Results by Listed Entity till 30th June 2020 (13th March 2020)



NATIONAL APEX CHAMBER

PHD CHAMBER OF COMMERCE AND INDUSTRY

Dr. D K Aggarwal
President

Comm-1-C-3092
13 March, 2020

Respected Sir,

REQUEST TO EXTEND THE TIME PERIOD FOR SUBMISSION OF ANNUAL AUDITED FINANCIAL RESULTS BY LISTED ENTITY TILL 30TH JUNE, 2020

This is with reference to COVID – 19 which has been declared global pandemic by the World Health Organization as infections continue to be reported from different countries. Countries across the globe are taking different combative measures to prevent the spread of the coronavirus.

As you are aware, the Listed Companies are required to file necessary documents such as Financial Results along with Auditor's Report and Secretarial Compliance Report within 60 days from the end of the financial year along with Shareholding Pattern within 21 days from the end of the quarter and Corporate Governance Report within 15 days from end of the quarter. Such companies are also liable to submit MGT – 14 within 30 days of Board Meeting. However, in lieu of COVID-19, many corporates have announced closure till 31 March, 2020 as precautionary measure which will result in delay in completion of compliances of the above provisions by companies on time.

Also, as per section 173(1) of Companies Act, 2013, every company is required to hold minimum four board meetings every year. Simultaneously rule 3.3 of SS-1 states that Directors participating through Electronic Mode in a Meeting shall be counted for the purpose of quorum, unless they are to be excluded for any items of business such as approval of financials, issue of securities, dividend etc.

The central government has announced to suspend visas from all the countries till 15 April, 2020 in order to curb the spread of the virus. The government has also advised people against travelling overseas to help curb the spread of the deadly virus. Due to this, the board members are unable to attend board meetings physically which will result in non-compliances by such corporates due to this uncontrollable reason.

Bank audits shall also commence in first week of April which requires the professionals to travel long distances, meetings between large groups of professionals and regular interactions amongst parties which poses great risk. Further, finalization of audited Financial statements require audits of Foreign Subsidiaries of listed entities and many foreign countries like Italy, USA, China, Japan, Korea have imposed travel restrictions. Adverse travel advisory is also issued by Indian and Foreign Governments which will result in completion of audit becoming impossible.

contd....



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PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi - 110 016 [India] • Tel. : +91-11-2686 3801-04, 49545454, 49545400
Fax : +91-11-2683 5450, 49545451 • E-mail : president@phdcci.in • Website : www.phdcci.in, CIN: U74899DL1951GAP001947

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PHD Chamber

Continuation Sheet

On 12th March, 2020, WHO Director-General's at the Mission briefing on COVID-19 mentioned that all countries must strike a fine balance between protecting health, preventing economic and social disruption and respecting human rights. He urged all countries to take comprehensive approach tailored to their circumstances – with containment as the central pillar. *The public notice of High Court is also attached for your kind reference.*

Upon careful perusal of the raised concerns from industry and stakeholders concerning the challenges and implications which will be posed by such epidemic on the compliances to be done by listed entities, PHDCCI would like to request to extend the time period for submission of annual audited financial results by listed entity by one month i.e till 30th June, 2020.

We hope our suggestions will be considered in best interests of the professionals, industry and ease of doing business provisions for Indian Corporate Sector.

With best regards,

Yours sincerely,


(Dr. D K Aggarwal)

Shri Injeti Srinivas
Secretary
Ministry of Corporate Affairs
A Wing, Shastri Bhawan
New Delhi 110 001



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

2. Drugs and Magic remedies (objectionable advertisements) (Amendments) Bill, 2020 (12th March 2020)



NATIONAL APEX CHAMBER

PHD CHAMBER OF COMMERCE AND INDUSTRY

ARVIND VARCHASWI

Chairman, AYUSH Committee

Ind-54-AYUSH-
12th March 2020

Dear Ms. Preeti Sudan ji,

Greetings from the Chamber,

Subject: - Drugs and Magic Remedies (objectionable advertisements) (Amendments) Bill, 2020

This has reference to proposed amendment in Drugs and Magic Remedies (objectionable advertisements) Act 1954 (DMRA), via draft Notice of the Drugs and Magic Remedies (objectionable advertisements) (Amendments) Bill, 2020 dated 3rd Feb 2020.

After a comprehensive and meticulous review of the subject draft (amendment) bill, it is suggested that the subject bill needs to be thoroughly modified and revised, before putting it up to the parliament.

At the outset, it is to be mentioned that the intent of the said Bill does not support the policy of the present Government for propagating and promoting sales of the age old and proven ASU (Ayurvedic, Siddha, Unani) and other herbal medicines, which are well documented in the authoritative texts recognized under laws of this country. To quote "The Ministry of AYUSH, Govt of India, intends to augment the growth of the AYUSH sector to reach Rs. 1 Lakh crore per annum by the year 2024", however, the said Bill will adversely impact the vision of the Govt. of India for the AYUSH sector in the coming years.

At this juncture, it would be important to note that the Department of Ayush was elevated to that of a Ministry level in the year of 2014. This certainly shows that there is interest in the minds of people and also the government's commitment towards the protection and propagation of systems of medicine that are indigenous to our country. Over the years the AYUSH systems have been considered as an alternate system of medicine but once the Ministry was created by the Government, the status changed to be that of a separate system of medicine by itself, not alternate to any other system, at least in our own country. This was by far a definitive foundation step towards the recognition of AYUSH system worldwide.

The Ayush systems of medicine are established with their own Pharmacopeia. It is governed by the aspects of that of the pharmacological standards that have been set by the AYUSH Ministry. While the Ministry is only seven years old, a lot of the standardisation, efficacy studies have proven from time immemorial that the ingredients that are used in the AYUSH systems are extremely useful and effective. Recently the Government also came out with a memo stating that it wishes to take AYUSH systems of medicine to newer heights i.e. but, with the DMRA coming into effect with its present provisions and amendments would totally disable this vision from being accomplished. The system is continuously compared to the Allopathic system which defeats the purpose. Industry is all for quality and request that the WHO-GMP and AYUSH Premium Mark which is developed by the AYUSH Ministry is given more impetus for industry to follow.



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PHD House, A/2 5th Institutional Area, August Kranti Marg, New Delhi - 110 016 (India) • Tel. : +91-11-2686 3801 (C4, 4954545A, 49545400)
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Continuation Sheet

In the recent past, the focus of the government has been on promoting 'Ease of Doing Business'. Government has been offering support through technological, financial, creating conducive policy to scale up their outreach to MSMEs in various sectors. Laws such as DMRA work against the ethos of 'Ease of doing Business' as it will discourage and deter entrepreneurs from investing in manufacture and sale of AYUSH products with so many restrictions and penal provisions under proposed amendment bill for promoting sales of Ayurvedic & herbal medicines.

So, this is also against the policy and efforts of the government for setting up new industries and sustaining existing industries for creating and enlarging employment opportunities as well as augmenting the economic growth of the country.

Further, the export prospects of Ayurvedic, herbal and other Ayush products will also get a jolt due to lack of awareness among overseas prospective consumers and exporters (due to restrictive provisions of the subject bill for dissemination of product information) regarding the unique health benefits offered by these products for prevention and cure of many day to day common health problems as well as for promoting wellness.

It is to note that the priority of the government has been to double farmers' income by 2022-23. The central focus for the government has been to promote farmers' welfare, reduce agrarian distress and bring parity between income of farmers and those working in non-agricultural professions. In this regard, it is suggested to encourage farmers to cultivate AYUSH Medicinal plants which have higher profitability and a growing export market. Adoption of such a cultivation practice is expected to double the farmer's income by 2022 and will further boost the growth of the AYUSH medicinal plants trade. However, in the current scenario, where DMRA is implemented, AYUSH industry itself will be drawn to a jolt and will negatively hamper the income of farmers currently engaged in cultivation of AYUSH medicinal plants.

It is prudent to note that if this aspect of the law comes into place, it would be extremely difficult for the industry and ministry to validate its claim on its products nationally and internationally. The system is already facing challenges for getting its due recognition as a system of medicine in other countries. The Ministry of AYUSH has also signed lots of MOUs with Health Ministries of other countries to explore the possibility of recognition of Ayurveda and other AYUSH systems. These provisions in this DMRA, if come into effect would totally disable any sort of conversation to happen in future for the medicinal system recognition.

As on date, many countries are looking at Ayurveda & AYUSH systems and solutions, which are not there in Allopathy and the indication per se are from the Ayurveda Pharmacopeia and by this act going through, it would contradict the pharmacopeia, Ministry's and the overall stand of the government on the system of medicine of Ayurveda and other AYUSH systems.

This will surely jeopardize the earnings of foreign currency for this country by the manufacturers & exporters of these products. Therefore, in view of the foregoing discussion, it is imperative that for any proposed amendment in the DMR Act, the above concerns should also be taken care of by adopting a balanced approach.

On a long term it is proposed that AYUSH Ministry should be out the ambit of the Drugs & Magic remedy Act and it creates a separate act under its own ministry to validate and keep a check on its own system and industry. It is important for us to realise that tall, magical claims which are made on the certain medicines for serious conditions need to be investigated and acted upon, where Ayurveda and AYUSH System have shown efficacious action, are also included in the table. We request that Government should take due cognizance of this and it would be appreciated that, the following recommendation that committee has given are considered upon merit. By doing so, the system of the medicine will be allowed to thrive.

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Some of the significant features of the proposed amendment, which may have far reaching ramifications on the future potential of ASU (Ayurveda, Siddha, Unani) Industry in India, are highlighted in the following paragraphs:

1. It may be useful at the outset to refer to the existing provisions of DMRA and the rationale behind the same. Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954 was enacted to prevent self medication or self treatment for life threatening diseases and for that purpose advertisements commending certain drugs and medicines have been prohibited. Section 3 of the said Act inter alia prohibits advertisements related to drug which suggest or are calculated to lead to use of the drug for diagnosis, cure, mitigation treatment, prevention etc. of any of the diseases, disorders or conditions specified in the Schedule. For ready reference, Section 3 provides as under: -

"3. Prohibition of advertisement of certain drugs for treatment of certain diseases and disorders. - Subject to the provisions of this Act, no person shall take any part in the publication of any advertisement referring to any drug in terms, which suggest or are calculated to lead to the use of, that drug for-

- (a) *The procurement of miscarriage in women or prevention of conception in women; or*
- (b) *The maintenance or improvements of the capacity of human beings for sexual pleasure; or*
- (c) *The correction of menstrual disorder in women; or*
- (d) *The diagnosis, cure, mitigation, treatment or prevention of any disease, disorder or condition specified in the Schedule, or any other disease, disorder or condition (by whatsoever name called) which may be specified in the rules made under this Act;*

Provided that no such rule shall be made except-

- (i) *In respect of any disease, disorder or condition which requires timely treatment in consultation with a registered medical practitioner or for which there are normally no accepted remedies, and*
- (ii) *After consultation with the Drugs Technical Advisory Board constituted under the Drugs and Cosmetics Act, 1940 (23 of 1940), and, if the Central Government considers necessary, with such other persons having special knowledge or practical experience in respect of Ayurvedic or Unani systems of medicines as that Government deems fit."*

Similar provision is incorporated in Rule 106 of the Drugs and Cosmetics Rules framed in exercise of powers conferred with Government in terms of Drugs and Cosmetics Act, 1940. Rule 106 of Drugs and Cosmetics Act provides as under: -

- "106. Diseases which a drug may not purport to prevent or cure –***
- (1) *No drug may purport or claim to prevent or cure or may convey to the intending user thereof any idea that it may prevent or cure, one or more of the diseases or ailments specified in Schedule J.*
 - (2) *No drug may purport or claim to procure or assist to procure or may convey to the intending user thereof any idea that it may procure or assist to procure, miscarriage in women."*

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2. **Incorporation of Schedule J in proposed DMRA amendment:** We observe that in the proposed amendment names of diseases, disorders & condition mentioned in **Schedule J** of Drugs and Cosmetic Act 1940 are largely sought to be incorporated in section 3(d) of the DMRA read with the Schedule. It is to be noted that while **Schedule J** (under rule 106) of the Drugs and Cosmetic Act 1940, is applicable to modern drugs only, the virtual adoption of the said Schedule J in **DMRA**, will have significant impact on the Companies manufacturing ASU and other herbal medicines which are already struggling to maintain market visibility and growth. ASU and other herbal medicines, besides being part of our cultural heritage, is a trusted and reliable system of conventional medicine since ages and there is no gainsaying the fact that the said system of traditional medicines needs to be protected and promoted in order to benefit the promotion of AYUSH Systems of Medicine. The main objective of DMRA is to prevent self-medication or self-treatment of serious diseases and for that purpose advertisements commending certain drugs and medicines have been prohibited. Moreover, the object of DMRA is to curtail self-medication with "harmful drugs", while the provisions of Drugs and Cosmetics Act read with Schedule J of the Rules made under the said Act are meant to ensure that no misleading claims are made by the manufacturers of the drugs regarding their therapeutic efficacy and that explains the long list of serious ailments in Schedule J of the Rules. There is no rational justification for applying the same standard to Ayurvedic system of medicine, as is applied to the modern medicines in as much most of the Ayurvedic formulations are not dealing with serious or life threatening ailments, nor do the ayurvedic formulations have the same level of side effects that modern medicines are capable of having. The proposed amendment will be a substantial barrier for promotion / Advertisement Ayurvedic medicines and against the agenda of "MAKE IN INDIA" being promoted by PMO for the domestic industry, since the AYUSH Industry is primarily indigenous.
3. **Separate guidelines required for ASU and other herbal medicinal Drugs: -** Amendment proposes to include most of the diseases/conditions mentioned in Schedule J of the Drugs & Cosmetics Rules, 1945 in DMRA Schedule. Below given table highlights the list of additional diseases, disorders or conditions incorporated in proposed draft from Schedule J:

S. No	Name of Diseases, Disorders & Condition	S. No	Name of Diseases, Disorders & Condition
1	Angina Pectoris	16	Leukaemia
2	Change in colour of hair and growth of new hair	17	Maintenance or improvement of the capacity of the human being for sexual pleasure
3	Change of foetal sex by drugs	18	Mental retardation, sub normalities and growth
4	Congenital malformations	19	Myocardial infarction
5	psychiatric disorders	20	Parkinsonism
6	Encephalitis	21	Piles and Fistulae
7	Fairness of the skin	22	Power to rejuvenate
8	Genetic disorders	23	Premature ageing
9	Hernia	24	Premature greying of hair
10	Increase in brain capacity and improvement of memory	25	Rheumatic heart diseases
11	Improvement in height of children/adults	26	premature ejaculation and spermatorrhoea
12	Improvement in size and shape of the sexual organ and in duration of sexual performance	27	Spondylitis

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13	Improvement in the strength of the natural teeth	28	Stammering
14	Improvement in vision	29	Varicose vein
15	Jaundice/Hepatitis/Liver disorders		

There is enough justification and countless reasons for which the two systems of medicines namely AYUSH and Modern medicine cannot be treated at par. Hence, there should be separate provisions for AYUSH medicines under DMRA or disease, disorders & condition listed under schedule J should not be included as it is in DMRA.

4. **Label declarations to be kept outside the purview of DMRA:** -The manufacturer gives the declarations on the label to educate the consumers about the benefits of the medicine. This is visible to the consumer only when he purchases the product. It is very difficult to comprehend how a declaration about the product on the package termed as advertisement. It's only an information about the products inside the package. This should not be termed as advertisement and should be kept outside the purview of DMRA. Since every ASU drugs are non-prescription products, every consumer has the right to know about the product and therapeutic indications of the product contained in the package.
5. **Traditional System of Medicine (ASU):** Ayurvedic classical and proprietary medicines are formulated as per the age old and time-tested recipes of our traditional systems of medicine with rich heritage. These traditional therapies are not only effective but also time tested and available at affordable cost as compared to modern medicines and accessible in the rural part of the country where most of our poor population resides. In view of this, Drugs & Cosmetics Act has provided for exemption of drug sale license for all products classified as Ayurvedic Medicines. By bringing restrictions on the communication of the relevant information to the public, we will be denying them valuable information about the products and services for treating their manageable ailments through self-medication. This is bound to reverse the trend of more and more sections of our population reaping the benefits of our aged traditional medical knowledge and practices. In addition, there are available book references of ancient proven science for therapeutic use of ASU classical formulations. Acceptance of said references is the basis for the inclusion of Books in the first schedule/ section-3(A) of DMRA. Prohibiting the advertisement of particular formulations for selected disease categories as per draft amendment will restrict awareness and accessibility of the person in need.
6. **Power to Rejuvenate – Mainstay concept of ASU Drugs:** This is also to highlight that Rasayana/ Khamira etc. (i.e. Rejuvenation practice) has been emphasised as an important promotive aspect of healthcare in traditional ASU systems. This aspect has been practiced and prescribed widely and many formulations are specifically formulated in ASU systems for this aspect. "Power to rejuvenate" has been added as one of the prohibited indications in the proposed draft. This restriction on promotion of preventive health aspect to consumers will be an injustice to them and would prove to be a certain obstacle for use of ASU systems of medicines in the preventive domain of healthcare which is the need of the time especially when world over people are inclined to find preventive solutions rather than cures.
7. **Generic conditions in proposed DMRA amendment:** You may appreciate sir that the two acts namely Drugs and Cosmetics Act and the Drugs and Magic Remedies Act cover two distinct fields and thus operate in two different domains and there is no valid justification for importing and implanting the Schedule J to the Drugs and Cosmetics Act in the Drugs and Magic remedies Act. No doubt the underlying objective of the Drugs

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and Magic remedies Act is to dissuade people from resorting to self-medication, but the said objective has to be viewed with a reasonable and logical perspective. To illustrate advertising an ASU and other herbal formulation for **fairness of skin, sensitive teeth** etc. can not by any stretch of imagination be viewed as an attempt to inducing people to self medication. A line has to be drawn between the idea of self medication for a serious ailment or making an informed choice about a product which has more to do with lifestyle management than treating an ailment. Putting a restriction on advertisement of such a product would amount to putting an unreasonable restriction on the freedom of commercial free speech, which has been recognised by the Hon'ble Supreme Court of India, as a part of fundamental right of freedom of expression, as enshrined in the Constitution of India.

AYUSH Industry strongly believes that the below conditions must be deleted from the proposed DMRA notice: -

S.No.11 -Change in colour of hair and growth of new hair
 S.No.19- Fairness of the skin
 S.No.29-Increase in brain capacity and improvement of memory
 S.No.32- Improvement in the strength of the natural teeth
 S.No.34-Jaundice/Hepatitis /Liver disorders
 S.No.43-Piles and Fistulae
 S.No.44-Power of rejuvenate
 S.No.45 - Premature ageing
 S.No.46 -Premature greying of hair
 S.No.50-Spondylitis
 S.No.78-Pyorrhea and sensitive teeth"
 Infertility, and women related diseases (DUB, PCOS etc.)
 Joint care
 Leukoderma
 Diabetes
 Migraine

Diabetes mellitus is a disease since ancient times and has substantial references in Ayurvedic texts with proper understanding of the pathogenesis of the disease and systematic treatment protocols. India is going to be the capital of Diabetes in the coming years and with the age old knowledge of treating this condition, we must remove this disease condition from the DMRA act. There is solid evidence that the disease can be controlled very well with Ayurvedic medications. A number of scientific publications are available to prove this claim. There are enough documented information on the efficacy of medicines in treating diabetes at various Ayurvedic hospitals & Academic institutes of high repute. Hence it is a humble suggestion to reconsider our request to remove Diabetes from the list of DMRA diseases.

Leucoderma – A disease which is also explained in Ayurveda in the name of Shwitra with a detailed description of its pathogenesis and the mode of treatment has been dealt in the classical texts clearly. Following a strict medication & regimen can surely help in getting rid of this condition and enough data is again available at many hospitals and academic institutes on the efficacy of Panchakarma & palliative medicine in the cure of Leucoderma. Hence it is also requested that Leucoderma is also removed from the list of DMRA diseases.

Diseases & disorders of the Uterus is also an area where Ayurveda has explained clearly in the texts about Yonivyapad and its treatment. Prasooti tantra & Stri roga is a booming Department in the Ayurvedic segment in the recent years. Menarche to Menopause has been dealt thoroughly in Ayurvedic texts with a range of exclusive herbs & formulations have been prescribed in the conditions affecting this age group. Since a range of conditions affecting women are being successfully treated with Ayurvedic practices & medicines Diseases & disorders of the Uterus should also be removed from the DMRA list.

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The answer thus lies in balancing the two interests i.e. on one hand the objective of protecting a consumer being misled or induced into self medication and on the other hand the right of the consumer to make an informed choice about the product which in turn is intertwined with the right of the manufacturer to advertise the therapeutic efficacy of the product, as a part of the right to commercial free speech. There could be a valid apprehension that recognition of such a right may amount to giving a free rein to the manufacturer to make any claim about the product or embark on advertising of medicines dealing with serious ailments. But the apprehension is misconceived as Firstly we are not suggesting that medicines dealing with serious ailments be kept out of purview of the embargo on advertisement and secondly there enough suitable safeguards in the statute about misbranding etc., which can also be invoked in the event of any baseless or exaggerated claims. By no means are we suggesting the there shall be a blanket permission to the industry to advertise any product. On the other hand what is being suggested is that while the restriction regarding the embargo on advertising medicines purporting to cure serious diseases and ailments may continue, minor ailments or lifestyle management issues like strengthening of teeth, greying of hair, strengthening of hair, whitening /fairness of skin etc., should be kept out of the purview of such embargo. Such approach would suitably balance the interests of the consumer on one hand and the manufacturer on the other and would eventually be to the benefit of the consumer.

8. The Rationale behind deletion / addition of indication in proposed amendment:

There are few conditions which have been removed in newly proposed amendment e.g. fever in general, disease and disorders of optical system, disorders of nervous system, nervous debility. This is a welcome step. However, general conditions like change in colour of hair, growth of hair, premature greying of hair, fairness of skin, sensitive teeth, improvement in strength of natural teeth, power to rejuvenate, etc. are added in the proposed amendment. It is humbly requested that for such non serious conditions a similar approach should be adopted, and overtly stringent provisions should not be adopted which would significantly impact the AYUSH Systems of medicine. Further it is also requested that an unbiased and rational criterion for exclusion or inclusion of any diseases / disorders or conditions in DMRA should be established. Industry would be willing to submit data/necessary documentation required for removal of such other non serious diseases / disorders or conditions.

9. Under Section 7(Penalty), Existing provision is following: -

Whoever contravenes any of the provisions of this Act [or the rules made there under] shall, on conviction, be punishable –

- a) in the case of a first conviction, with imprisonment which may extend to six months, or with fine, or with both;*
- b) in the case of a subsequent conviction, with imprisonment which may extend to one year, or with fine, or with both.*

However, under proposed amendment the penalty provisions are much stricter. We cannot possibly doubt the wisdom of the legislation in proposing a stricter punishment, but we would like to emphasise that given the business size of the AYUSH Industry, and the fact that the said industry is struggling to strive and thus needs protection and promotion. In view of the above we would request to have a separate set of provisions regarding fine etc. pertaining to the said industry. Such classification is a validly permissible legislative classification as the same would be based on intelligible differentia (the two streams of medicine being essentially different and the Industry size) and would not constitute a violation of Article 14 of the Constitution of India.

Moreover, the purpose which this amendment to the Drugs and Magic Remedies Act seeks to remedy is already getting comprehensively addressed under the new Consumer Protection Act and Rules which are likely to come into force by April

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April 2020. This will lead to multiple legislations on the same issue and would definitely inconvenience the Industry.

Compounding option to be given to advertisers: -The penalty provisions are proposed to be made more stringent by making the offence punishable with both imprisonment and fine.

Presently even in case of first compliance, the matter is filed by Drug Department before Court where the matter is finally decided. This will unnecessary load the Court with cases. We would humbly like to submit that the advertisers have confusion that what is allowed to be stated and what is prohibited in respect of the medicines mentioned in the Schedule to DMRA Act. Hence, they might make genuine mistakes while giving declarations on their labels/advertisements.

The Act should give option to the advertiser to compound the offence at Department level by paying a requisite amount of fine. This would save harassment of the advertisers as well as valuable time of our judicial machinery. The second and subsequent offence should be punishable with imprisonment and fine.

We would request you to kindly consider our suggestions before finalizing the above draft rules. We assure you that your support will not only boost AYUSH Industry at large but also help us to promote the old age lineage of our Cultural medicine systems to take it to greater heights.

The Industry would forever be grateful to you for revisiting the proposed amendment in view of the above submissions.

In the above perspective, a delegation led by PHD AYUSH Committee would like to seek an appointment with you to apprise you about the industry impact of the said Drugs and Magic Remedies (objectionable advertisements) (Amendments) Bill, 2020.

With best regards,

Yours sincerely,



(Arvind Varchaswi)

Ms Preeti Sudan
Secretary
Ministry of Health & Family Welfare
Room No 156-A
Nirman Bhawan
New Delhi – 110 011

(Also sent to Ministry of AYUSH, Govt. of India, NMPB, Ministry of Health & Family Welfare, Govt. of India, CCRAS)



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

1. Unified Representation on behalf of Healthcare Sector represented by PHD Chamber of Commerce & Industry and various other Chambers

Ministry of Health and Family Welfare

Coronavirus health emergency is a systemic risk to India. As far as COVID-19 is concerned, pre-emptive managing of the disease spread is critical – nipping the epidemic in the bud through proactive containment and aggressive social isolation steps. We appreciate the immediate actions taken by the government of India to arrest the further spread of this virus and to control community transfer of the disease as far as possible.

The services sector, which accounts for about 55% of India's gross domestic product, is poised to be the worst hit due to actions such as mandatory and self-imposed curfew for a day and employees working from home for a longer period of time. The social distancing measures would lead to lower footfalls in healthcare sector, decline in business volume and sub-optimal operating efficiencies that will have a severe impact on the cash flows of companies in the sector. The industry is also suffering from reduced availability & elevated pricing observed for certain essential consumable items. In addition, the global supply chains are in turmoil driving up shortages and a significant hike in input costs which cannot be passed on to consumers as healthcare services are exempt from GST and many of the critical items are capped in prices, resulting in a body blow to this sector which will now be pivotal for turnaround in the fight against COVID-19. Apart from the healthcare facilities, medical devices and health insurance have also been affected due to the supply-chain and demand disruptions.

As our Honorable Prime Minister has recognized the valiant efforts of our health professions during the 5 minutes at 5 pm clarion call, we stand committed to protecting this valuable national asset. We make the following recommendations to your august office to keep the sector from crashing under the twin challenges of lower productivity due to systemic shock to earnings and major cashflow challenges at a time when

COVID-19 needs all health workers to be motivated and secured as a united front.

Health Services including Hospitals, Nursing Homes, Diagnostic Labs & Homecare

Fiscal Intervention

1. Working capital being paramount to ensure continued operations of all providers (hospital groups as well as stand-alone / local facilities and nursing homes) that would ensure that the hospitals continue to operate at near normal levels and patients - both COVID-19 and others have the ability to avail the services.



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- Six to nine months' moratorium on all working capital, principal, interest payments on loans and overdrafts, bringing in liquidity and allowing for business continuity
- Short-term interest-free loans for rebuilding business, and to ensure smooth hospital operations without supply-chain disruptions
- Government grant or Subsidy for loss of business.

2. Given the large component of overheads in hospital operations, and the need to ensure that doctors / staff and suppliers are paid on time to ensure service continuity, some help would be required to reduce the strain on cashflows. These could include the following :

- Immediate release of 100% Central and State Government dues to the sector under various schemes such as CGHC, ECHS, State Schemes, GIPSA etc. NCOME TAX REFUNDS should also be given to healthcare providers urgently
- Allow a quarter's postponement on compliances, payment of insurance without the policies getting lapsed.
- Receipts on Healthcare services provided to Insurance /PSU / Government referred patients be made TDS exempt, which will help save release significant cash flows
- A waiver of GST on input costs and services for 2 quarters. This would also ensure that hospitals are not forced to curtail the outsource services like House Keeping, Security and F&B (all of which have significant GST levies), in turn causing loss of jobs people employed in those sectors.
- **Deferment of pre-payment of loan** for 12 months, should be allowed.
- **At least 50% rebate on the current Commercial Rates of Power** currently being paid by hospitals, to ensure sustenance of business
- **Deferment of advance tax payments** at the Central Government level

7. Delay in discharging social security liabilities and remittance of TDS may be condoned without any penal action for the next 6 months

4. Relaxation in timelines with respect to audit and other statutory compliances

5. Subsidy @ 25% of salary for healthcare staff for the next 3 months

6. Reimbursement of employer's contributions towards ESIC & PF

7. **Extension of time for a period of 3 years needs to be provided under the EPCG scheme** for fulfilment of existing export obligations for the healthcare sector given that international patient traffic flow has completely stopped and it would take a considerable period of time for the same to return to the pre- COVID-19 incidence levels

Non-Fiscal Intervention



1. Provision of compensation to the healthcare workers for diseases contracted during patient care on the lines of soldiers in war
2. Bring all healthcare employees- both in public and private sector for at least 1 year under a suitable benefit package that provides comprehensive unlimited medical coverage, accidental death coverage and pension (similar to ESIS benefits)
3. There is need for more **stringent adherence of handling of Bio Medical Waste** across cities, in the country
4. Further to the Ministry of Health guidelines on home quarantine, government should also issue **standard guidelines for Home Healthcare Providers**, as they can contribute by remote monitoring of cases by monitoring patients for symptoms in home quarantine, patients in E-ICU beyond metros, cases recovering from COVID-19 and preventing or managing relapse
5. Requesting Central and State Govts. to strictly implement the price controls put in place on essential drugs and disposables.
6. **Private sector should be included in all consultations** before recommendation of any tariffs for testing or treatment.
7. In order to continue to render services to in the hospitals, government to declare the call center services as ESSENTIAL SERVICES so that any shutting down would not be applicable to the aforesaid departments / partners.
8. A central coordination agency to be notified to ensure critical staff are able to reach out when faced with roadblocks in carrying out the work and critical supplies are not blocked at the borders.

Skill Development, Medical Education, Pharma and e-learning

1. Waiver of MCI / NCI norms for the next few months until the situation stabilizes to make final year students / outside India qualifications eligible for working in hospitals.
2. GST waiver for online education and interest subsidies
3. Impetus to online teaching & Support for setting up of skill labs and simulation centers at the medical college/ teaching hospital
4. Increase the number of healthcare **professionals** across the gamut in our country by:
5. **Tripling the intake of nursing students from current levels-** Government to consider Institutions having parent hospital beds as per INC norms (patient” student ratio of 1:5) for being eligible for enhancement of seats from 100 to 300 per annum. This will help eligible institutions to cater to the need of developing professional nurses which will bring down the demand supply gap.
6. In medical colleges some relaxations to be considered vide Standard Requirements Guidelines during this period.



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7. **PHARMA Industry issues** (1) Raw Material & Packing Material (2) labour & Staff cannot reach Manufacturing Plants. Also Vendors supplying the RawMaterial & Packing Material facing their same issues. System should be in place to ensure there are no blockages in Manufacturing Essential Pharmaceutical products including Hand Sanitizers , Face Masks etc. Also PHARMA testing Laboratories should be fully operational .

Medical Devices

Fiscal Intervention

1. Cut customs duty across the board for life saving medical equipment and set up a credit window facility that can help us augment infrastructure during this period of great turmoil
2. Withdraw Health Cess Ad Valorem from Medical Devices - Though it is called Health Cess, the levy is imposed not on the custom duty but the value of goods imported, and therefore, by withdrawing the term “Ad Valorem” from Health Cess, the Health Cess will be applicable only to Basic Customs Duty.
3. Remove the duty hikes on equipment and diagnostics reagents. Facilitate international and domestic freight and speedy customs clearance for healthcare industry.
4. Mid-term reduction of GST for two quarters on all medical devices, which are either 5 percent or 12 percent to nil, to support the fight against COVID 19.
5. Defer payment of advance tax without payment of any interest till June 2020 and payment of TDS by 3 months period.
6. As essential commodities, exemption from payment of Customs Duty for Medical & Diagnostic reagents for 3 months.
7. Payment of EMI to be deferred by 3 months to improve liquidity, and reduction in interest rate by 3% - 4 % as in the current level.
8. Government should clear all outstanding and make timely payment for upcoming procurements from government Institutions in the current crisis, which will go a long way in supporting med-tech companies.
9. Request to clarify on continuation of exemption of payment of Basic Customs
10. Duty on import of Joint Replacements / Spine Implants falling under heading No. 90.21 of the First Schedule.
11. Clear all Income Tax arrears and due receivables- payment arrears.

Non-Fiscal Interventions:

1. Create a nodal department on war footing for MSMEs where all the queries related to essential supplies for Covid19 can be directed to for immediate action. Invest India



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

could to play the necessary role in this crisis with their connectivity with the Ministries and States.

2. Notification to be issued for procurement by government on direct basis, based on specifications and previous supply credentials, and not through HLL/tendering.
3. Enlist all the critical care medical equipment local manufacturers operating in India (Ventilators, CT, Ultra-Sound, Bed side Patient monitors, and Personal Protective Equipment) and provide emergency funding to facilitate manufacturing to address urgent demand.
4. Allow preferential clearance of medical devices/ spare parts/ raw materials in airports and seaports. Huge back log is expected post international flight landing restrictions which will result in delaying customs clearance.
5. Allow inland/air cargo transportation of essential goods like drugs and devices across the state border, as logistics companies are currently facing difficulty in crossing the borders, which are delaying supplies.
6. Allow manufacturing sites/ distribution CFA of medical device/ Pharmaceuticals/ diagnostic companies as well as distributors' offices to be open in all location.
7. Fast track regulatory approval for diagnostic kits and new drugs identified for COVID 19 (eq. hydroxy chloroquine is now approved by USFDA for COVID).
8. Explore other available testing technologies beyond RT PCR to enhance access in masses.
9. Due to announced lockdown and disruption in supply government to allow one- month extension for order fulfilment and avoid levying any penalties on suppliers especially for public tender procurements.

Health Insurance

Fiscal Relief:

1. Government to provide relief for GST payable and reduce it to 5% so that more people would be able to afford buying Health Insurance especially the senior citizens aged 60 and above
2. Extension of 3-6 months needs to be given to companies for filing income tax returns, GST and investment related returns to SEBI.
3. Ease of Bank loans to improve liquidity and provide extended loan repayments, interest free for 4 or 6 months.

Non-Fiscal Interventions:

4. In order to continue to render services to the claimants, government to declare the call center services, the TPA services and the claims handling departments if outsourced of



Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

Insurance Companies as ESSENTIAL SERVICES so that any shutting down would not be applicable to the aforesaid departments / partners.

5. All Insurance Companies are required to submit various returns to IRDAI on Monthly/Quarterly/Annual basis and have strict timelines. In view of the thin attendance in offices and the shutdowns being declared, the return filing timelines may please be extended by 60 Days.
6. Government is requested to allow companies _NOT to follow diminution and impairment guidelines on investments in view of the extraordinary circumstances prevailing in the financial markets.

We would like to assure you that as an industry we stand united behind the Government in India's response to COVID-19 to protect its citizens. We are thankful for your consideration to our suggestions.

Sincerely,

On behalf of Presidents of Representing Federations