



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

PHDCCI Representations to Government of India and State Governments

April 10, 2020

PHD RESEARCH BUREAU

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PHD Chamber's Viewpoint



Dr D K Aggarwal
President

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. At this juncture, there is a need to maintain a growth trajectory at around 5% and therefore, a fiscal stimulus of at least 5% of GDP i.e. around Rs 11 Lakh Crores is necessary to mitigate the impact of Pandemic COVID-19 on economy, trade and Industry through various relief measures and benefits to India's trade and industry. An automatic increase of 25% in working capital without any procedure and application to reduce stress on businesses; to convert increased working capital in a term-loan with a provision of 3 years repayment period are crucial at this juncture.

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Shri Sanjay Aggarwal
Senior Vice
President

The proactive and combative measures undertaken by the Government to curtail the spread of pandemic COVID-19 are highly appreciable. Immediate reduction in the lending rate by all the banks to percolate the full effect of recent 75 basis points cut in repo rate by RBI should be done. To defer the EMIs of the term-loans for 6 months, 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 are crucial at this juncture. Release of outstanding payments of MSMEs, from the Government and PSUs; rationalisation of GST rate structure by merging 18% tax slab with 12% tax slab, among others are significant needed in this extremely difficult time.



Shri Pradeep Multani
Vice President

The reforms undertaken by the Government to contain the spread of COVID-19 in India are highly encouraging. It is suggested that herbs dealers and packing material industries cum dealers should be permitted to work to maintain the smooth supply of raw material/packing materials for manufacturing of medicines by Pharma/Ayush 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 25% for old and 15% for new companies; reduce the customs duties on basic raw materials by at least 5 percentage points; further reduction of 100 basis points repo rate cut are necessary to enhance the competitiveness of manufacturers.



Shri Saurabh Sanyal
Secretary General

The proactive and fast track measures undertaken by the Government to combat the impact of pandemic COVID-19 on trade and industry are highly appreciable. We are quite optimistic that the Economic Response Task Force will combat the impact of pandemic covid-19 on India's economy, trade and industry. At this juncture, it is recommended that the consumption expenditure by the Government should be enhanced, even if fiscal deficit slips by 2 percentage points to revive the demand scenario in the economy.

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S. No.	Title	Submitted to	Date	Remarks
43	Impact of pandemic COVID-19 : PHDCCI suggestions for short and long term measures by the government	Smt Nirmala Sitharaman Hon'ble Finance Minister	7 th April 2020	The government has taken various decisions in terms of fiscal support of Rs. 1.70 lakh crore, Rs. 15,000 crore towards the build-up of health infrastructure, issuance of Rs 18,000 crore pending refunds of income-tax, GST & custom by IT Department, among others. Going ahead, we look forward to action on stimulus package, sooner than later.
42	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
41	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	Action awaited and being followed up
40	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	Action awaited and being followed up



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39	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	Action is still awaited. We are continuously following up with the Ministry for immediate issue of appropriate guidelines.
38	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	Action awaited and being followed up
37	Request your immediate intervention in supporting the industry in these trying times by ensuring no or low absenteeism of workers/staff at factories/office of essential good and services	Shri Santosh Kumar Gangwar Hon'ble Minister of State (independent Charge) Ministry of Labour and Employment	7 th April 2020	The Ministry in its notification number D.O. No. M-11011/08/2020-Media has notified that all the Employers of Public/Private establishments are advised to extend their coordination by not terminating their employees, particularly casual or contractual workers from the job or reduce their wages. The termination of employee from the job or reduction in wages in this scenario would deepen the crises and will weaken the financial condition of the employee.
36	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

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35	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
34	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 taken various decisions such as issuance of all the pending income-tax refunds up to Rs. 5 lakh and all pending GST and Custom refunds by IT department, among others. Decision on other suggestions are awaited and being followed up.
33	Request for relief measures under income tax regime to mitigate the impact of pandemic COVID-19 on trade and industry	Shri Pramod Chandra Mody Chairman Central Board of Direct Taxes Department of Revenue, Ministry of Finance	3 rd April 2020	Action awaited and being followed up
32	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	Ms. Sumita Dawra Joint Secretary Department for Promotion of Industry & Internal Trade	2 nd April 2020	Action is still awaited. We are continuously following up with the department to consider the subject on an urgent basis.
31	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	Decision is yet to be taken and being followed up
30	Request your kind intervention to assure that	Shri Piyush Goyal Hon'ble Minister of	1 st April 2020	We appreciate Government's proactive and fast track

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	the reforms measures undertaken by the government are implemented at the ground level	Commerce and Industry and Railways		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.
29	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
28	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	Dr. P D Vaghela Secretary Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers,	30 th March 2020	Action awaited Being followed up
27	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	Action awaited and being followed up
26	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	Action awaited and being followed up

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25	Outdoor Media Industry – Relief sought due to the effect of Covid-19 on the Business	Hon'ble Prime Minister, Hon'ble Finance Minister, Hon'ble Chief Ministers of States and Chief Secretaries of the State Governments	29 th March 2020	Action awaited and being followed up
24	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	We requested curfew passes on priority for the industries and businesses in case of accounts and managerial staff. We are continuous touch with the Ministry for the same.
23	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	Action is still awaited. We are continuously following up with IRDA for consideration of our suggestion.
22	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
21	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 line of corporate insolvency resolution process, MCA has allowed companies to hold Extraordinary General Meetings through Video Conferencing; among others.

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20	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
19	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	Action is still awaited. We are continuously following up with the department to consider the subject on an urgent basis.
18	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	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.
17	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	Action awaited and being followed up

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16	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	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
15	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	26 th March 2020	Although Government has issued guidelines for expediting the process for grant of approval/ renewal of license for manufacturing of ASU immunity boosting healthcare products, a consolidated circular for the working of the AYUSH Industry is still awaited.
14	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
13	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.

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12	Representation seeking help for Shopping Centre (Malls) industry due to pandemic COVID-19	Smt Nirmala Sitharaman Hon'ble Finance Minister	25 th March 2020	Suggestion on which the decision 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.
11	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	24 th March 2020	Government has allowed entire supply chain of milk collection and distribution including its packaging material under essential/exempted category.
10	Suggestions on the growing severity of the impact of COVID-19	Shri Narendra Modi Hon'ble Prime Minister of India	23 rd March 2020	Government and RBI has taken various decisions on the suggestions provided such as moratorium of 3 months on payment of installments in respect of all term loans, reduction in the repo rate by 75 bps, extension the Vivad se Vishwas scheme till 30 June 2020, among others.
9	Request to extend financial relief to Shopping Centre industry due to pandemic COVID-19	Smt Nirmala Sitharaman Hon'ble Minister of Finance	23 rd March 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.

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8	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	Though Maharashtra state has declared total lockdown, government has issued clarifications to authorities to exempt employees working in exchanges, broking offices from lockdown.
7	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 awaited and being followed up
6	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 & Fertilisers	21 st March 2020	Action taken by Ministry of Home Affairs to exempt medical establishments, Pharmaceuticals, Medical devices, among others from nationwide lockdown measures.
5	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	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
4	Suggestions to COVID-19 Economic Response Task Force by PHD Chamber of	Smt Nirmala Sitharaman Hon'ble Finance Minister	20 th March 2020	RBI has allowed a deferment of three months on payment of interest in respect of working capital facilities,



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	Commerce and Industry (PHDCCI)			reduced the policy repo rate, allowed a moratorium of 3 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.
3	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 allowed a moratorium of 3 months on payment of term loans, injected liquidity of Rs 3.74 lakh crore to the system through measures announced on 27 th March 2020, reduced the policy repo rate by 75 bps, among others. Action on other suggestions are being awaited and followed up.
2	Request to Extend the Time Period for Submission of Annual Audited Financial Results by Listed Entity till 30th June 2020	Shri Injeti Srinivas Secretary Ministry of Corporate Affairs	13 th 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, 3 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.

We appreciate the recent reform measures by the government in terms of fiscal support of Rs. 1.70 lakh crore, Rs. 15,000 crore towards the build-up of health infrastructure, issuance of Rs 18,000 crore pending refunds of income-tax, GST & custom by IT Department, among others.

Going ahead, PHD Chamber of Commerce and Industry suggests a stimulus package of Rs 11 lakh crore (at least 5% of GDP) to mitigate the impact of Pandemic COVID-19 on economy, trade and Industry through various relief measures and benefits to India's trade and industry. 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 75 basis points cut in repo rate by RBI. To defer the EMIs of the term-loans for 6 months, 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.

Release of outstanding payments of MSMEs, from the Government and PSUs; and refunds of GST, income tax and export incentives by the respective departments of the Government by April 15, 2020 to help them to meet their financial requirements in this extremely difficult time. 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 25% 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.

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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

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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 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

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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

- 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.

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- 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.
- 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 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.

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- 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.

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- 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!

Yours sincerely,

Dr D K Aggarwal
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42. 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:

Fortunately Government has list of all stakeholders involved in pharma and devices supply chain due to need of drug licenses.

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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

41. 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 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,



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

Dr D K Aggarwal

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40. 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!

Yours sincerely,



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

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39. 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
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(Copy to :- **Shri Rajiv Talwar**, The Principal Chief Commissioner, Jawaharlal Nehru Custom House (JNCH), Parking Plaza Nhava Sheva)

38. 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 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 of the government, now more than ever, to mitigate the impact of Covid-19 pandemic.

PHD Chamber request 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

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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).

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



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

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37. 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 protocols, to enable them to reunite with their families and be in the safe environment of their homes, in this hour of global crisis.



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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
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36. 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.

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:



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

35. 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 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.

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

34. 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.

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.

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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.

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

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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.

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%.

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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.

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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.

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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 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.



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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
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33. 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

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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 assesseees 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 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

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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

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32. Request to issue curfew passes in 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 in 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 to 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 in 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 be 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 a lot of uncertainty and emergency it is of utmost importance to make sure that the workers and



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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

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31. 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 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

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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, SARFESI 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

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30. 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 trucks 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 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

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- 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!
Yours sincerely,

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

29. 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,

Dr D K Aggarwal



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

President
PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri Institutional Area
August Kranti Marg, New Delhi-110016, India
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Mitigating the Impact of Pandemic COVID-19 on Trade & Industry: PHDCCI Representations to Government of India and State Governments

- 28. 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

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

27. 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 lock-downs. 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.

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

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



NATIONAL APEX CHAMBER

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

**26. 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.

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

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



NATIONAL APEX CHAMBER

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

25. 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. Nirmala 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

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"



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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)

24. 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.**

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



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

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

23. 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
Sy No. 115/1 Financial District,
Nanakramguda, Gachibowli,
Hyderabad – 500032



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

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

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

22. 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

21. 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 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.

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

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.
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.

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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.

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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

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



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

20. 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

19. 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.

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



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
President
PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri Institutional Area
August Kranti Marg, New Delhi-110016, India
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18. 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 unparallel 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.

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.



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
President
PHD Chamber of Commerce and Industry
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17. 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 unnecessarily harassing them even if they have proof regarding the same.

- 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.



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

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

16. 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,

(Dr. D. K. Aggarwal)



NATIONAL APEX CHAMBER

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

Lt Gen Sukhdeep Sangwan, AVSM

Director General

Assam Rifles

Cc: Shri Vivek Bhardwaj, IAS

Additional Secretary (PM)

Ministry of Home Affairs

Government of India

15. 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

14. 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.

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

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

13. 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)
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



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

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

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12. 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 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.

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

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

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11. 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 units are not restricted to avoid a situation of shortage of these products and unnecessary panic among the consumers.



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

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

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10. 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.

We request no NPA be declared for the next 6 months till 30 September 2020.

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

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

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9. 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 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.



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

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

8. 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 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.



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

President

PHD Chamber of Commerce and Industry

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7. 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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6. 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,

21st March 2020

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 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.



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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

5. 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

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		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 Emirates (UAE)*	7.3	18	11	7.3
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

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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.
- 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.

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

- 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.
- 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



NATIONAL APEX CHAMBER

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



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4. 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 at least 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 demand in the economy and mitigate the impact of Corona Virus on 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.

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

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

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3. 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.

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

- 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

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NATIONAL APEX CHAMBER

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

2. 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....



"Towards Inclusive & Prosperous New India"



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

PHD Chamber

Continuation Sheet

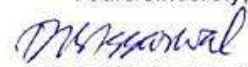
On 12th March, 2020, WHO Director-General's at the Mission briefing on COVID-19 mentioned that all countries must strike a fine balance between protecting health, preventing economic and social disruption and respecting human rights. He urged all countries to take comprehensive approach tailored to their 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

1. Unified Representation on behalf of Healthcare Sector represented by PHD Chamber of Commerce & Industry, FICCI, AHPI, ASSOCHAM, INDIAN CHAMBER OF COMMERCE, PHANA-Karnataka and NATHEALTH

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

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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 handing 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.
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

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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 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

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- 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 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.



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

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