Consolidated recommendations to manage the impact of COVID-19

April 2020
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Proposed action points: Food Processing Sector

- **Labour issues in various plants in states.:** To run the plants and entire supply chain, manpower (at least 40-50 percent) is an essential requirement. As government has announced that there will be no wages cut during this lockdown, most of them are not coming to work. This will be a great hurdle in ensuring the provision of essential commodities down the line.
  - A notification from government should be issued asking workers/Labours/ Manpower to report to work. Industry will take due regard to ensure work with minimum work force of 40-45 percent only.
  - Since the manpower percentage is restricted, over time hour permitted under Labour Law be given relaxation so the work can be carried out by the residual work force which has not migrated or not coming to work.
  - Communication from Ministry of Home/ Ministry of labuor should issue instruction to the block level to allow free movement of minimum work force (50 percent) required to ensure entire supply chain operations
  - At local level, this issue may be resolved by taking up with local authorities like District Magistrate on case to case basis.

- **Mechanism for Crop Procurement:** Process should be developed to ease procurement of crops while maintaining the social distancing norms. This will ease pressure on industries for raw material and also maintain liquidity to farmers.

- **Fiscal incentives to Food Processing Industries:** To manage the post COVID-19 challenge, companies’ liquidity is important. This will help them invest their efforts and finance in processing the fresh fruits and vegetables and other important crops which if not done may lead to a huge post-harvest loss. This will be loss to farmers, industry and thus to economy as whole

- **Food crop insurance** to be provided. If the food processors process a crop and processed food doesn’t get a market, the crops can be insured.

- **Export incentives:** The time is a great opportunity capture more space in the international market. The entire global trade will take an entire new design in respect of countries exporting and importing. This can be great opportunity for India. To provide the impetus to Indian export, export incentives need to be increased.

- **Relaxation of time** period for mandatory half yearly testing of chemical and microbiological contaminants of food products.

- **Relaxation in lapses in internal audits** and any testing reports related to Raw materials

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Proposed action points: Food Processing Sector (contd.)

• **Renewal of licenses / approvals / NoCs / clearances:** Many businesses are approaching the expiry of various licenses / approvals / NoCs / clearances, requiring renewals. The government should allow the firms to operate with the previously granted approvals for a period of six months to one year.

• **Renewal of insurance:** Many companies have to renew the insurance premium that is hiked at present. The insurers should not hike the premium and defer it by one year. By this time the company’s operation will be on track.

• **Extension of due dates of bills:** The due date of all the bills should be extended. There should not be any penalty of late payment and interest levied on bills of cold storage units.

• **Salary payments and other expenses:** To give payments, liquidity is required. PF/ESIC deposit due date to be extended without any interest to help companies to manage cash flow. Also request deferment of PF/ESI/Income tax and 90 days tax holidays. These can be given later by companies in 12 Instalments after June 2020.

• **Clearing the backlog of raw material imported stocked at ports:** The raw material that has been imported by organizations need to be cleared and reach the processing plants so that there is no back log and processing continues.

• **Promoting the concept of staggered interval period:** This is again an important step that government should focus on after the lockdown period because employees at their work place tend to move in different groups during their interval. It is therefore important to give different interval timings to different department so that proper hygiene can be maintained and the cleaning of the area can be done after every interval period.

• **States with very few or no cases can be given option to remove restrictions:** Government can give option to the states with very few or no cases to remove the restrictions keeping their borders sealed after 14 April so that industry in that state can operate.

• **Adequate time for Food processing units to procure agri products:** As far as the food processing industry is concerned, they may be allowed to partially procure and process agri produce at least 48 to 72 hours prior to unlock down in general areas. This will ensure adequacy for processing units once the general category areas of mass population get the produce.
Proposed action points: Corporate guarantees

Request for a one-year moratorium on the invocation of corporate guarantees issued by Indian corporates to offshore lenders due to COVID-19

• Those foreign lending institutions who give 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 stressed times. They tend to buy such loans at depreciated prices and then exert undue pressure on the companies as well as the overall economy to make abnormal profits.

• Thus, the announcement by the RBI needs to be further extended to encompass the loans that have been given by the so-called Vulture funds which hold corporate guarantees of Indian companies. We humbly request you for the following:

  – Instructions may be issued to RBI to declare a moratorium of at least 1 (One) year on the invocation overseas corporate guarantees issued by Indian corporates. This would mean that these Vulture funds cannot demand debt servicing under the Corporate Guarantees for the said period of moratorium

  – Direct that the interest can continue to accrue and be paid as a bullet at the end of the moratorium

  – It should be noted that in addition to supporting the economic recovery process, this additional step would also ensure the conservation of the country’s forex reserves and mitigate the risk of any undue pressure on currency exchange rates. It would also help our corporates to invest more in operations to get them back on track in this humanitarian crisis.
Proposed action points: economic stimulus

Urgent economic stimulus needed in light of Global Recession caused by COVID-19 Pandemic

Most economies have instituted stimulus measures starting with 10% of GDP. US has done 2.2tn USD already on a GDP base of 20 tn USD with similar numbers emerging for EU, Japan, Indonesia and other states and other places. Our GDP is 2.8tn USD plus. We need a stimulus of over 200bn USD with an ability to go up to 300 bn USD with 100bn USD provided immediately, 100bn in 4 months and the last 100bn in 8 months. This would increase our debt / GDP ratio from 70% to 80%. In fact, in 2002 our debt / GDP ratio was 100%.

If required, the FRBM Act can be modified to consider debt/GDP ratio as a metric and not fiscal deficit. This was also the consensus of the NK Jain committee report in 2017 on the FRBM Act. Target debt / GDP can be kept at 60% with 2027 as the target to reach that number.

The steps that are needed for the working class and businesses are interdependent. Unfortunately, both are connected as labour is employed by businesses – unless we don't bring businesses back – it will be hard to pay idle labour indefinitely. It is cheaper to restart the economy, than to pay labour to do nothing. Further, unlike farmers, migrant labour don’t have bank accounts – hence, it is essential to revive the entire eco-system that keeps them employed. If the businesses are kept alive, even the middle class will remain employed. In any case, subsistence allowance of Rs. 3000 per month to all Jan Dhan accounts and other daily/informal sector labour and allow them to draw from their PF / EPF accounts / BOCW funds – as there are huge unclaimed surpluses in all these accounts.

With the deflation that is expected in demand, it will be the best time to implement the National Infrastructure Plan once the lockdown is completed and scare of new infections is over. Government should attempt to be the best pay master (role model) with no bills being unpaid for more than 15 days. This will enormously help the credit cycle and will also bring down tender prices for everything. The urgent measures needed are:

- One-time restructuring (as was called one-time rollover after the Global Financial Crisis of 2008) available to all corporates – big, medium, small due to this crisis. Banks should be able to redo / restructure all loans with everyone starting afresh assuming a principal repayment start date moving upwards from March 2021
- NCLT provisions of dragging companies to bankruptcy to be held in abeyance for 6 months.
Proposed action points: economic stimulus (contd.)

- Reduction of interest rate/repo-rate by another 100 bps by the RBI (and another 75 bps to be kept in reserve depending on the tenure of this crisis). Reverse-repo rate should be brought down by 250 bps immediately as banks are still not lending and parking funds with the RBI only.

- Additional 25% increase should be granted to all standard loan accounts automatically (standard until 28th February 2020). These increased loans should be free of CRR and SLR should be reduced to half.

- For the fiscal stimulus by Government, RBI should directly subscribe to Govt. bonds so that the Govt. doesn’t squeeze liquidity out of the market. This is already permitted in the law.

- For corporate bonds that are investment grade – RBI should give a line to the banks to invest in.

- Create a public AMC funded by RBI seed capital that buys all distressed assets in the banking system to reduce risk aversion.

- All dues of Governmental entities / PSUs of Centre and State (like NHAI, Fertilizer subsidy, IT Authorities, GST, power discoms, etc. to be processed immediately.)

- RBI should declare an EMI waiver on all loans to extend for 6 months (with RBI repo rate reduction) there should be no impact on EMI or tenure.

- Reduction in GST across the board by 50% for 3 months and 25% for the fiscal. The final GST due should be payable in 6 quarterly installments starting October 2020 with no interest. Final income tax of FY 2019-2020 and advance tax FY 2020-2021 should be payable starting October 2020 in 6 quarterly installments with no interest.

- Since most companies are not expected to make profits / profits will be reduced substantially, all withholding taxes paid to domestic entities / domestic project offices to be waived until March 31, 2021. Only on payments made to foreign entities – withholding taxes should be levied.

- Given the global collapse, opportunities will exist around the world for Indian promoters to invest. Hence, the following tax proposals can be considered:

  - Corporate tax for all entities in India to be reduced to 20%. Taxation on new capex to 15% and 10% if started before March 2022 and completed by March 2025.

  - 125% weighted deduction for labour and wage cost (to protect employment) if employment continues for 2 years i.e. till March 31, 2022.
Proposed action points: economic stimulus (contd.)

• No imputation on bad and doubtful debtors / loans under ICDS (income computation and disclosure standards) – to be taxed upon ultimately recovery.

• Enhance permissible stamp duty variance to actual consideration under Section 50C, 50CA and 56(2)(x) upto 30% of stamp duty value.

• To incentivize them to keep investing in India / from India, dividend receipts in the hands of the promoter to be taxed at a maximum rate of 15% as most foreign entities shall get treaty rate of 10% (as opposed to the current proposal of 35% - 45% in the hands of resident promoters). In these times, the FPIs dumped Indian stock – it is essential that we are not seen only as promoting FPIs and FDIs – who primarily buy domestic promoters’ assets solely because of interest rate arbitrage. We saw the same thing happen to NHAIs toll roads.

• To incentivize companies to redeploy capex, Section 80M to be modified where holding companies, need not dividend out funds immediately to avail of DDT exemption and those funds should remain tax-free with the company to dividend out at any future time in the next 10 years. This will result in the available cash being redeployed in other infrastructure SPVs, subsidiaries to create new manufacturing units, etc.

• Some of the provisions of the Akhilesh Ranjan committee report on Direct Taxes Code have already been like removal of exemptions in corporate taxes, change in residence rules for NRI, the big change of removal of suchcharges and cap of personal income tax at the following rates has not been implemented, which should be done immediately:
  – For 10 lacs to 20 lacs – 20%
  – For 20 lacs to 2 crores – 30%
  – For 2 crores plus – 35%

• Additionally, removal of all suchcharges and cess on corporate taxes as suggested by the same committee is imperative to be done immediately.

• Even for foreign companies operating in India (as they too are creating some employment), tax rate should be reduced from current 40% to 30% as suggested by the same committee.

• Given that the fall in demand will hurt real-estate companies, the following measures are essential for the industry:
  – Section 43CA which states that sales of less than 10% of the circle rate price will be dealt with punitive consequences will further exacerbate the crisis by constraining developers from selling their flats at a discount. Those that don’t sell will be destroyed by Section 23(5) which says that developers’ inventories will be tax with notional rent. Given these times – both provisions need to be scrapped immediately.
  – 5% GST on under construction real-estate to be scrapped/to be given full input tax credit.
Proposed action points: economic stimulus (contd.)

• All items of fuel (petrol/diesel/natural gas/ATF), electricity to be immediately put under GST as State Governments shall anyways be paid their GST increase of 14% from the Centre – it is important that this activity gets completed as well.

• To revive the auto, consumer goods sectors, domestic travel by air, road, rail, hotel stay – all purchases should be given an upto60 month EMI plan – interest free (or atleast 50% reduction) for all purchases made until 31 March 2021. Additionally, to enhance Leave Travel Allowance of salaried class (to boost domestic tourism) to 150% (from 100%) of the expenditure incurred on domestic travel and stay. Further, 10% personal tax rebate for purchase of auto and real-estate before March 31, 2022.

• Hospitality, Aviation, Tourism, Transport, Holiday operators, Mall, Cinema Owners to be given 12-month interest waiver and 12-month moratorium on principal repayment. Similar measures to be considered for affected Continuous Process Industries affected by the shutdown.
Proposed action points: Relief from Chinese imports

Relief from Chinese imports immediately after the current lock down is lifted

- Due to Covid-19 factories are either completely closed or working on skeleton capacities due to a reduced demand for majority of consumer centric products from automobiles to utensils or pencils to notebooks. The transportation and logistics has also come to a grinding halt despite best efforts of the Central and State Govt. incl. that for Essential products. Exports of all traditionally exported products are badly impacted due to transportation disruptions and slow movements at ports while imports are surfacing no slowdown.

- On one hand, the country of origin of this pandemic Corona Virus i.e. China, is back into full scale manufacturing and exports on the back of timely multimillion dollar stimulus packages and export subsidies, while on the other side demand driving countries like US, UK, Middle East and Europe are succumbing under the impact of this deadly virus.

- In such a scenario, where we the Global growth is slowing down to negligible levels, every export-oriented country or surplus inventory holding country will be on the lookout for a demand centre like India which has been a major importer of many commodities and finished products. It would be important to note here that China manufactured products either directly from China or through ASEAN countries would be soon flooding into many demand driving countries including India at dumped prices.

- In India, most of the manufacturing activities excluding some essential ones are now under lockdown, transportation has been stopped and the migrant labour force has gone back to its villages. Hence, it is very unpredictable to say how much time would our country take to come back to normal.

- Once the lockdown opens, it's a belief of some of the experts that it might take as much as 3-6 months for the Indian Industry to get back to normal. India has always maintained a huge trade deficit with China as seen above and the same is visible in the current financial year. It would very likely that FY21 would witness this trade deficit swelling imaginably.
Proposed action points: Relief from Chinese imports (contd.)

• China is known to dump their products at throw away prices all over the world for a long time. The huge number of trade remedial investigations against China are a living example of the Chinese trade atrocities against its trading partners. It is also widely known that there are many hidden subsidies which the Chinese Govt. provides to its manufacturing industry from time to time as the situation demands at any particular time. China is also known to find indirect ways to keep continuing to dump when any country provides some relief to its local industry.

• It is heavily feared that by the time Indian industry gets up on its feet post covid-19, the Chinese products will flood the Indian market in large volumes at throw away prices which will either kill some of the Indian manufacturing industries or damage them severely, causing serious unemployment and unsustainable damage to India’s manufacturing activities.

• In this context, Government to temporarily reduce or to maintain a minimum level of unwarranted onslaught of Chinese imports into India, ASSOCHAM would like to request on the behalf of the Indian Industry to impose Import duty measures and announce an additional 10% to 15% addition import duties / special custom duty on all Chinese imports of industrial products whether originating in China or routed through ASEAN countries (excluding those which are absolutely necessary to import) for at least 6 months.
Proposed action points: Availability of manpower for seamless supply chain

• To run the plants and entire supply chain, manpower (atleast 40-50 percent) is an essential requirement. As government has announced that there will be no wages cut during this lockdown, most of them are not coming to work. This will be a great hurdle in ensuring the provision of essential commodities down the line.

• A notification from government should be issued asking workers/Labours/Manpower to report to work. Industry will take due regard to ensure work with minimum work force of 40-45 percent only.

• Communication from Ministry should issue instruction to the block level to allow free movement of minimum work force (50 percent) required to ensure entire supply chain operations

• Since the manpower percentage is restricted, over time hour permitted under Labour Law be given relaxation so the work can be carried out by the residual work force which has not migrated or not coming to work.
Proposed action points: Minimise the impact of pandemic on telecom sector

Fiscal support for immediate cash flow

- **Liquidity support**: Soft loans against GST input credit of Rs 35,000 cr for telecom industry or immediate refund of the unutilized input tax credit.

- **Exempt levy of GST** on Regulatory payments viz. License Fees, Spectrum Usage Charges and spectrum payment installment.

- **Reduction in Telecom Levies**: Bring down License fee from 8% to 3%. Reduce Spectrum usage charges by 3%

- **Extend security of lending institutions** on trade receivables and movable assets also (non-fixed assets) which are the assets created from working capital so raised.

- To accept the invoices where material and services are already delivered based on the **self-declaration undertaking** of suppliers and release the outstanding dues against all government contracts/ projects. Approval on the files can happen at the later stage.

- **Release of retention payments** to ease out and improve on the liquidity position. This can be done by taking required Bank Guarantees.

- **Disbursement of pending payments** from Government organizations before March 31: (BSNL, BBNL, USOF, Railways and other PSUs) should be made to domestic suppliers for the goods and services already provided by them for Government/ PSU projects and tenders. It will provide liquidity to the industry stakeholders and facilitate them to give salary and other dues timely to their staff and sub-vendors. Government should provide adequate credits and loan to PSUs to clear these dues.

- **100% delivery payments immediately** in all cases where goods are already tested and delivered but the project is delayed due to site related issues or issues from tenderer side and there is nothing which vendor can do to complete the project. Government can hold the services payment which can be paid once sites are ready and services are delivered.

- Immediate payment of **MSIPS incentives** already claimed.

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Proposed action points: Minimise the impact of pandemic on telecom sector (contd.)

Operational support

- **Operational support** for movement of Field engineers for Sites, Fiber, Tower operations, operation of critical facilities like NOC, FSO, warehouses, manufacturing and supply chain etc, includes the manpower of both TSPs as well as outsourced partners.

- **Faster approvals** in respect of setting up infrastructure [towers], allocation of microwave, etc.

- **Availability of grid electricity/diesel** on priority to ensure continued operations

- **Early allocation of additional high capacity backhaul** on temporary basis to augment capacities and meet high traffic demand.

- **Priority to telecom network products**, spares and components for clearances at the ports to ensure adequate stocks & sustain supplies.

- Telecom Sector (including Optic fibre, optic fibre cable & network equipment and services) is an **essential service**. Its interruption can disconnect humans from each other, and entire community will be endangered if they miss important information/messages. Already the digital traffic has increased tremendously, and pressure is on the digital infrastructure as all offices and corporates are now operating from home. Strong internet connectivity and Wi-Fi facility across the cities/countries is the essential requirement. Telecom sectors, OF/ OFC/ Network equipment/ Networks are essential services

- **Ensure Optical Fibre Manufacturing as continuous process plant** and be opened immediately: The manufacturing of optical fibre is a continuous process and requires corrosive and hazardous chemicals to flow through pipelines, valves and burners at a set temperature and pressure, maintaining very high purity.
  - Suspending this process leads to corrosion and permanent deterioration of pipelines and valves, contamination of the production chain and physical damage of hardware such as cracking of sintering tubes. Reopening such a stopped plant to the required level of quality and productivity will need large scale replacement of hardware and re-calibration of every process, at a high capex expense and long lead times. The industry will not recover. Optical Fire is the spine of data networks, hence it is important to keep such continuous process plants running in production mode. Besides, optical fibre is an essential component of all telecom Network equipment hence we must keep it going.
Proposed action points: Minimise the impact of pandemic on telecom sector (contd.)

Operational support

• **Allow Network infrastructure building and strengthening** as an essential service: As industry is engaged in building and maintaining wireline and wireless telecom networks of national importance as an extended eco system in support of essential telecom services. Currently critical projects like rural outreach, defence and Service providers infrastructure is near completion and can give great support to Covid 19.

• **Allow mobile retailers selling recharges** so that customers are not inconvenienced/deprived of mobile services.

• **Waive license condition** for remote access, whilst still ensuring compliance with related conditions such as maintaining a mirror image of remote access, capturing and storing complete audit trail, ensuring no access to Lawful Interception System (LIS), no access to monitoring of content etc. during the exemption period.
Proposed action points: Relaxation in SEBI provisions

Suggestions regarding relaxation in the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”) relating to Trading Window Closure

One-time relaxation under SEBI (PIT) Regulations and SEBI (SAST) Regulations as provided hereunder.

Relaxation which may be provided under SEBI (PIT) Regulations

• Sub clause 2 of Clause 4 of Schedule B of PIT Regulations mandates closure of trading window from the end of every quarter till 48 hours after the declaration of financial results. The text of the said sub-clause is quoted below for ease of reference:

  “Trading restriction period shall be made applicable from the end of every quarter till 48 hours after the declaration of financial results. The gap between clearance of accounts by audit committee and board meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.”

• In this situation, the trading window closure will amount to tying of the hands of major buyers (promoters in such situation) and therefore the balance of the market can tilt in favour of sellers and the same can harm the market badly. It is therefore necessary to balance the Regulations and in the given circumstances, provisions relating to trading window closure should be amended to give the Promoters and the other confident insiders of the respective companies to support the market by allowing them to acquire the securities in this situation as a one time exemption this year. Thus only “Buy” should be permitted in the exempted period and not the “Sale” by Promoters or Insiders.

• Thus, the earlier provisions relating to trading window closure which were effective prior to Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 shall be restored which required trading window closure for two weeks before the announcement of financial results till 48 hours after the declaration of financial results.

• The Board, on the other hand, to prevent insiders from taking undue advantage of relaxation at the cost of / loss to the public, SEBI may provide for stricter checks as provided hereunder:

  – Prohibition of contra trade during 12 months from the date of acquisition in the exempted period instead of 6 months as provided in the current regulations.

  – advance (say 2 working days in advance) intimation of promoters’ intent to acquire securities with details of maximum amount and the price at which the amount to be invested in the following period (say 7 working days) so that the public will come to know promoters interest well in advance for the public to take position on that knowledge. Thus promoters can not sneakily do deals to the detriment of general public.
Proposed action points: Relaxation in SEBI provisions (contd.)

Suggestions regarding relaxation in the provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SAST Regulations") relating to Creeping Acquisition

- Regulation 3(2) of SAST Regulations restricts the Promoter from acquiring additional shares exceeding 5% during any financial year, unless a public announcement of an open offer for acquiring shares of such target company is made by the said acquirer. The text of the said regulation is quoted below for ease of reference:
  - "No acquirer, who together with persons acting in concert with him, has acquired and holds in accordance with these regulations shares or voting rights in a target company entitling them to exercise twenty-five per cent or more of the voting rights in the target company but less than the maximum permissible non-public shareholding, shall acquire within any financial year additional shares or voting rights in such target company entitling them to exercise more than five percent of the voting rights, unless the acquirer makes a public announcement of an open offer for acquiring shares of such target company in accordance with these regulations"

- In the given circumstances temporary relaxation in the aforesaid provisions should be provided by giving the Promoters of the respective companies an opportunity to support the market by allowing them to acquire the securities in this situation beyond 5% as a one time exemption this year.

- Our suggestion is that the Promoters be allowed to acquire additional equity shares/voting rights in the target company upto 15% during the period of 6 months commencing from 01.04.2020 till 30.09.2020, i.e if a promoter is holding 35% then they should be allowed to acquire 15% and the cumulative holding would become 50%.

- The aforesaid relaxation may be provided subject to the following conditions
  - that the aggregate acquisition by the Promoters during the period commencing from 01.04.2020 and ending on 31.03.2023 shall not exceed 15% for example if the Promoter acquires entire 15% during the relaxation period i.e. upto 30.09.2020 he shall not be allowed to acquire any shares/voting rights for the period commencing from 01.10.2020 till 31.03.2023
  - that the Promoters shall not be entitled to buy more than 5% equity shares/voting rights during the period from 1.10.2020 to 31.03.2021
  - that the ceiling for the acquisition for the period from 01.04.2021 to 31.03.2022 & period from 01.04.2022 to 31.03.2023 shall not be exceeding 5%. The regulator may provide for some more such checks as it may deem fit in its wisdom to achieve the balance and fairness in the interest of the market.

We are confident that the aforesaid changes will help in protecting the investors’ interest and maturing the market and we therefore request you to give us an opportunity to explain you the aforesaid scheme of thoughts to enable you understand the proper perspective.
Proposed action points: Use of Digital Finance and Payments

Short term recommendations

Contactless Card Transactions: Consumer sensitivity to catching coronavirus is now showing up at point-of-sale terminals, thus encouraging the use of Contactless cards for payment transactions. Transactions done using Contactless Cards will reduce the contact points in comparison to cash. WHO has already encouraged retailers and consumers to start using contactless payment modes. Ecommerce transactions, which are essentially card-not-present (CNP) transactions also promote safe way of transacting and does away with any concerns of contracting the infectious disease like COVID-19.

- All cards (both debit, credit and prepaid), newly issued or re-issued, should be activated with Domestic Card-Not-Present [CNP] and Contactless transaction options.

- Currently, transactions up to Rs. 2000 done using Contactless Cards through tap and pay mode are allowed without PIN. In view of the ongoing pandemic situation, transactions up to Rs. 5,000/- may be considered without the requirement of PIN, irrespective of whether the card is a contactless card or not. This will help in reducing the contact with the POS terminal. The increase in contactless transaction limit may be considered for a limited period of 6 months. Based on review of transactions executed during the relaxation period, the regulator may take appropriate decision to continue or revert back to original transaction limits.

- All card transactions beyond the limit suggested above, irrespective of whether the card is a contactless card or not, should continue to follow the requirement of entering the PIN at the POS terminal.

Online transactions: To ensure safety of citizens amidst the COVID-19 outbreak, customers should be encouraged to make online purchase of goods and services, including basic staple food items. This will help avoid gathering of large crowds at the stores and curb the spread of Covid-19. Delivery of essential goods and groceries through e-commerce companies should be allowed during the lockdown period.

- All cards, newly issued or re-issued, should by default be activated for domestic online/e-commerce transactions (domestic card-not-present transactions) at the time of issuance. Cards which are already in circulation should be enabled for domestic online/e-commerce transactions (domestic card-not-present transactions) with an option with the customer to opt-out of the facility, if he/she desires.

  * NOTE: This would require revisiting the RBI circular RBI/2019-20/142 DPSS.CO.PD No.1343/02.14.003/2019-20 dated Jan 15, 2020, which lays out actions to be taken by Issuers for enhancing security for card transactions
Proposed action points: Use of Digital Finance and Payments (contd.)

Short term recommendations

Disincentivize cash: Targeted incentives will encourage consumers and merchants to consider moving away from cash. This can be achieved through introducing cash-handling charges or restricting the use of cash above certain thresholds.

• Levy surcharge on cash transactions above Rs.25,000 Increase limits on credit cards / debit cards for online usage. Decrease limit of cash withdrawal card.

• Offer Financial Consumer Protection and Education: Low-income recipients and those living in remote areas might not be familiar or comfortable with using a digital payment system. This is especially a challenge for social cash transfer programs that by definition often target the poorest segments of the population.

• Recipients of social cash transfer should be educated about using digital channels, cashing-out of their money from bank accounts, using and safeguarding of their PINs, , and what to do if something goes wrong.

Medium term recommendations

• Expand available modes of payment to provide end consumer with more choices: Citizens can seamlessly send and receive funds domestically and internationally to friends and family within seconds, simply by providing the recipient’s Account number, Aadhaar number, VPA, IFSC, SWIFT Code or phone number. Governments globally are turning to person-to-person (P2P) transactions to disburse compensation / relief aid while also encouraging citizens to turn to digital payment channels to stem the spread of Covid-19. The same can also be used by parents wanting to send money to their children instantly who are currently overseas for studies. Example: Kenya turns to mobile money to stem the spread of covid-19.

• Encourage onboarding and usage of Bharat QR: Promote Bharat QR as single open-loop QR code-based payment mechanism capable of accepting payments from all modes - Cards, UPI and Wallets and thus focus on customer and merchant convenience. Ensure that all Trade Current accounts are immediately issued a BQR code. Make the merchant on boarding process on BQR simple and comparable to UPI-QR. Waive-off 2FA for Bharat QR transactions for amount up to INR 5000 – making it comparable to other card transactions (contact and contactless transactions)
Proposed action points: Use of Digital Finance and Payments (contd.)

- **Tokenisation:** Tokenization is the process of replacing a card’s primary account number (PAN) — the 16-digit number on the plastic card — with a unique alternate card number, or “token”. Tokens can be used for mobile point-of-sale transactions, in-app purchases or online purchases. Account tokenisation will promote interoperable digital transactions. Banks/mobile wallet issuers can be asked to accelerate the launch of tokenised card transactions so as to encourage tap and pay transactions instead of cash transactions. It may be noted that tokenisation enhances security of card transactions.

- **Account to Account Payments:** Enable / Accelerate interoperable transactions for account to account transfers to ensure faster funds availability to the merchants by enabling quick settlements to maintain liquidity. Ensure all payment networks and banks collaborate on the same.

- **B2B Virtual Cards:** Business to Business (B2B) payments can be handled entirely without human contact, through virtual cards. The Virtual Card platform can be integrated into the Account Payables (AP) systems like Oracle, SAP etc. and can help to streamline B2B payments.
  - Once the invoice is approved by the organization within its AP system (including maker-checker combinations), the platform is able to send a unique virtual card for every invoice, making each payment extremely trackable, safe and reconcilable through automation, without human intervention.

- **Ensure pricing economics to accelerate acceptance:** Maintaining healthy incentives for all participants in the value chain is important for continued growth of digital infrastructure. There is a cost of running this acceptance business which is tried and tested over several decades. If returns from investment into the business start dipping below the costs incurred or margins become too thin for sustenance, sooner or later this will have an adverse impact on growth of acceptance, safety & security of payment transactions, and service quality enjoyed by both merchants and consumers.
  - Banks play an important role in educating and encouraging their customers to adopt card usage especially in tier 2 & 3 cities in India. And the growth of POS in tier 2/3/4 towns has been driven by payment facilitators (approximately 65 %) whose only revenue stream is Merchant Discount Rate. Despite all efforts to promote digital payments, the growth and sustenance of digital payments remains a concern for small and medium merchants and we strongly recommend that the central government’s MDR subsidy’s efficacy should be periodically reviewed on the basis of objective parameters focused on small merchant and rural digital payments adoption.
To encourage continued expansion, establishment and education of Digital Payments a few steps that need to be taken are:

- Provide tax breaks to Acquirer bank/payment facilitators to accelerate POS set up.
  While the Acceptance Development Fund is being set up leverage the Depositor Education and Awareness Fund to promote infrastructure penetration.

- Waive-off MDR on Debit card transactions for transaction amount up to INR 2,000 for a limited period of time, say 6 months (applicable from 1 March 2020 to 31 August 2020), to support the losses incurred by merchants due to COVID-19 pandemic. On completion of this period, the regulator may take appropriate decision to continue or revert back to original MDR limits. To support acquiring banks / payment facilitators, the government may consider reimbursement of MDR charges on all card transactions up to Rs. 2000 for small merchants.

**Support to MSMEs:** Financial institutions payment facilitators / aggregators, issuers and acquirers, network operators, NBFCs are critical during this time of economic uncertainty as they are key to ensure that this infrastructure remains operational and also further expands.

- NBFCs be given license to issue credit cards to SMEs. Cards provide a ready source of revolving credit, which can be effectively used by SMEs as their means for substituting working capital requirements and access to interest free period of credit.

- Trade Receivable Discounting System (TReDS) can provide much needed relief by solving erratic cash flow problems of MSMEs caused due to slow payment of invoices. It should be made mandatory for all suppliers to come on board on TReDS. This will help in seamless presentation of bills, their validation, discounting and approval of funds on a single platform.

- TReDS should also allow NBFCs to take part in financing. Currently, this is restricted to banks only. NBFCs have far deeper and broader scale to reach small and medium businesses as compared to traditional banks. Extend business insurance policies and the coverage in the event of a significant business disruption.

- The moratorium period for the new MSMEs and restructuring in manufacturing should be extended by six months to ward off project and cost overruns.
Proposed action points: Use of Digital Finance and Payments (contd.)

• Collectively, the payments industry (comprising of networks operators, issuing banks, acquiring banks, payment aggregators, payment gateways, fintechs, etc.) may offer customised 'COVID-19' health insurance policy to small and medium businesses who offer digital payment options. This will show solidarity of the payments industry towards small and medium businesses that are at the forefront of this difficult situation. For this purpose, payments industry under the umbrella of an industry association can collaborate with one of the General Insurance Company.

• MSMEs should be made not merely preferred creditors under IBC and NCLT but should also get at least 75% of the awaiting settlement cleared within 30-60 days of accepting the case on merits.

• Provide COVID-19 Cash loans up to 7% of total sanctioned limits wherein with each month, 1% of cash limit should be reduced and the account should come back at par in 7 months. MUDRA loans can be offered with a relaxed tenure for repayment.
Proposed action points: Temporary economic measures

- Central and state governments and PSUs must release payments to their vendors before March 31st to ensure cash flow: lack of payment is causing downgrade in banking credit due to poor credit/ CRISIL rating and is hit liquidity. We request central government to instruct all PSU and state governments to clear all pending dues to contractors/ vendor companies in next two weeks by extending an overdraft facility to those states and PSUs and making direct payments into their accounts to ease liquidity crisis.

- Government can also support by providing wage subsidy during lockdown for three months

- Direct cash support to keep the life of persons and stressed section (street vendors, construction workers, auto drivers and temporary workers) who have lost livelihood because of ongoing economic lockdowns. The Indian government could provide cash support of INR 3-5,000 per month.

- All commercial electricity bills are cut to half for the next three months and the property tax for FY2020-21 to be reduced to half for all commercial properties

- The Food Corporation of India through Fair Price Shops can shed some of its food stocks for people, at nominal prices (further discounted), especially for people below the poverty line, and who would now be suffering most with a slowdown.

- Seek MCA's intervention in notifying the definition of the financial year for this exceptional circumstance and increase the financial reporting period by 3 to 6 months. Thereby enabling entities to present their financial statements for the period beginning April 1st 2019 to June 30th 2020 or September 30th 2020.

- Educational institutions should give a 3-month moratorium of fees and a one-time waive off for yearly donations/endowments.

- Three months delay in payment of ESI and PF shall not attract penalties and penal interests.
Proposed action points: Taxation

Short term measures

• Tax relief – Reduction in Income Tax rates @ 15% for H1 of FY 2021 will lead to significant relief in the working capital by reduction of tax rates and their delay.

• Transfer of accumulated GST Input Tax credit - Allow establishment for utilization of accumulated ITC having the same PAN across all established registered in different states. It will result in the free flow of working capital management and ease of doing the business.

• Speed up all refunds of GST and IT within the next 2-4 weeks.

• Government of India to refrain from enforcing the applicability of the Equalisation Levy on the April 1, 2020 and to defer it by at least 9 months.

• The government should consider temporary deferral the customs duty payment for 3 to 6 months

• The government has deferred various due dates for TDS as well as GST, the reduced interest rate to 9% and not considered as default for penalty or prosecution. We request that similar benefits may be extended to AEOs who are well-established industries, importers and exporters.

• Releasing the GST credits which have been blocked for many large companies in the last couple of months.

• Revocation of Tax on Shares buyback by listed Company to encourage the investors.

• The government should consider exempting GST and all levies on hand sanitizers, gloves, masks for the next four months for all goods sold from March 15th to July 15th. It can use Swatch Bharat cess already collected to compensate for the loss of revenue to states

• Reverse Charge Mechanism (RCM) payment of GST to be suspended for three months.
Proposed action points: Exports

Short term measures

• The stalemate over MEIS for apparels and made-ups should be resolved immediately. However, the same should be notified with immediate effect for all the products with a lead time of at least three months now so that exporters may factor the same in finalizing new orders and making their transition to the new scheme smooth while continuing with MEIS in the interim period.

• Foreign Trade Policy may provide automatic revalidation to all duty-free authorizations by one year to enable the industry to import inputs at the right price.

• Since participation in International shows will be relatively slow, the penal cuts on reduce level of involvement may be waived under MAI Scheme of the DoC for 2020-21.

• Government may ease out the liquidity by immediately releasing all exports benefits to exporters, including, risky exporters for which a bond may be taken from risky exporters.

• Many exporters are suffering due to global economic problems, therefore, need to bail them out, by giving more significant support in terms of lower interest rates and an extended overdraft.

• With exports bound to suffer in the coming months and businesses across industries facing significant stress, explore possibilities of domestic internal markets. In case the situation worsens further and the production of business fall below 50% of capacity, the insurance companies should treat Covid-19 losses as a force majeure to compensate business, industry and trade including a cause for loss of profit.

• Export credit bank rate should be fixed at 50% of the domestic bank rate for at least 12 months.
Proposed action points: Banking and Financial

Short term measures

• To avoid the wide-scale incidence of NPAs, Central Government should consider providing a one-time rollover and one-time restructuring of all debt for businesses (LLPs, proprietorships, companies, HUFs, etc.) across all industries (capital loan, working capital loan, etc.) and individuals (home loan, auto loan, education loan, etc.)

• Indian companies must be protected to ensure that job losses do not happen. For that, RBI must allow forbearance to the corporates to allow them enough time to manage their cash flows until the crisis blows over. Following what global banks are doing, RBI should issue a circular declaring a mortgage holiday for a specified period of 1 year.

• The public sector banks lend more to NBFC lending for priority sector and the limit of 5% to be increased to 10% and also extend the partial guarantee scheme to all NBFC with minimum investment grade.

• Relax Aggregate Sanctioned Credit Limit (ASCL) norms for corporates/banks for FY 20 till further notice or exclusion of up to 25% of incremental borrowing from the banking sector in ASCL computation

• Increase Drawing Power (DP) – by (a) asking banks to take weightage of 1.5X for current assets instead of 1.00X OR (b) asking banks to remove the margin of 25% for a period of 6 months to a year in the DP calculations.

• The time limit of the Non-Performing Assets (NPA) provision to be enhanced from three months to six months.

• Stamp Duty and other charges waived off on Assignment of Debt by banks: All Duties, Stamp Duty and Registration Charges in whatever name and descriptions, payable on the 31st March 2020, or in future in connection with Assignment Agreement on sale of NPAs to ARCs by Banks and Financial Institutions to be waived and applicable timelines of compliances waived.

• Do away with the Minimum Holding Period (MHP) requirement for securitization (n fact, prior to May 2012, there was no such restriction)

• The sub-limit or the loan component within the working capital facility should get reinstated automatically upon maturity thereof, to ensure continuation of the WC facility. This would ensure that just paying the interest on the loan would suffice once the loan matures; the principal can be paid off when the NBFC collects enough funds from its receivables.
Proposed action points: Banking and Financial (contd.)

Short term measures

- Enhancement of bank lending: Many viable projects are stuck because of weak business conditions which have been exuberated due to this exigency. For such viable and economically important under-construction infrastructure projects, banks can release money without proportionate infusion of equity capital by the Corporates. Once business situation improves and economy comes out from this crisis, Corporate can infuse its proportionate share of equity capital.

- Single Loan Product against Security Receipts (SRs): ARCs may be extended loans by pledging the Security Receipts based on the valuation done by a third-party rating agency up to an amount of Lowest Value as assessed under Recovery Rating Scale.

- To extend credit, interest rate is just one factor. Risk weights in Banks restrict flow of credit. So, RBI should be told to reduce risk weights for at least one year.

- Working capital support to meet operational requirement: Interest free working capital loan for next 6 months will help overcome this crisis which has led to reduction in operation & a resultant cash squeeze.

- In line with RBI’s COVID-19 Circular, Bank’s to implement board approved policies as soon as possible to avoid delays due to involvement of multiple banks in case of consortium lending.

- RBI’s moratorium implementation through Tech Applications: All works relating to forbearance and working capital review be made online like 59-minute MSME loan sanction. Bank’s IT system should devise the functionalities so that customers do not have to visit branch in person.
Proposed action points: MSME support

Short term measures

- The government should incentivize the MSME sector to provide up to 3 to 6 months of paid leaves to employees and ensuring no job loss.

- Collateral free lending up to Rs 2 Cr may be implemented in true spirit for MSME. The collateral requirement may be capped at 35-40% for lending beyond Rs 2 Cr.

- The government should extend concessional working capital loan (at 5%) to MSME, equivalent to one to three months (based upon the extent of disruption) average turnover of last year. The interest payment for such financing can be adjusted over the next three years as part of GST.

- Extending low-cost financing to MSMEs, based on an investment-grade rating from an independent agency, without the need for new credit assessment will be needed to drive the growth engine of India. The government should also consider liberal end-use restrictions to make funding available to businesses in a shorter span.

- Banks to be encouraged to keep lending to businesses given that large portion of incremental credit to MSME’s is coming from Private Sector Players some form of credit enhancement from the government will be required to make them take additional risk.

- Waiver of Fixed Charges on Utility Bills: Waiver of fixed charges on Electricity, Water and Telephone bills for registered MSMEs for the lockdown period

- Waiver Of Bank Interest On Term Loans & OD/CC Limits: Waiver of interest amount for MSMEs on the closing balance outstanding before lockdown till the time lockdown is lifted as no sales are taking place.
Proposed action measures: Capital Market

Short term measures

• RBI should provide liquidity to Banks and Mutual Funds through the special repo windows accepting highly rated Commercial Papers, Corporate Bonds and Bank CDs as collateral.

• RBI should consider capping the amount absorbed in reverse repo window. That way banks will be encouraged to direct the funds flow towards eligible credit rather than lending them to RBI.

• SEBI should double the current borrowing limits for Mutual Funds from 20% to 40% of their assets under management (AUM).

• As a result of a dramatic fall in commodity prices, and depressed price environment, many business entities will face a shock in their P&L on account of inventory losses. Under such circumstance, the government should allow LIFO method (last in first out) of accounting for manufacturing and trading enterprises. In the past, when there was a wild fluctuation in forex in 2007-08, the government had allowed one-time relaxation in accounting treatment.

• Moratorium/Deferment of Payments related to Debentures: While the above measures by RBI help in improving liquidity of the business by permitting moratorium/deferment of payments related to Term Loans, it may be noted that a number of corporates have certain term debt in the nature of Debentures from LIC of India. Similar relief granted on term loans is also requested for the borrowings undertaken by corporates by way of these Debentures by permitting a moratorium of three months on all payments related to debt servicing related to debentures.
Proposed action points: Sector Support

Immediate measures

Agriculture Exports

- Waiver of ECGC Insurance charges auto debited by banks for Rice Exporting companies
- Request for interest subvention benefit to be extended to all the Rice Exporting companies irrespective of size

Seeds and Agrochemicals

- Office establishments may please be allowed to function with minimum staff up to a maximum of 50% and manufacturing/production requiring continued processing activities may be permitted to work with a requisite staff strength as deemed necessary by businesses to maintain the food supply chain.

Mandi Operations

- The government allows procurement operations of grains & oilseeds in Mandis subject to due safety precautions.
- Also, Industry players should be encouraged to purchase food grains at procurement centres outside mandi premises while taking due precautions on hygiene & other preventive measures.
- Opening of more private procurement centers will help in decentralizing purchase and reduce farmer numbers at Mandis.
- These steps will support farmers in selling their crop while ensuring the continuity of essential food supplies to consumers.

Food Manufacturing and Processings

- Due care has been taken by Central government in directing the state government to maintain the working of food processing industries for maintaining the supply of essential commodities. However, at field level, local authorities are quite restrictive in giving curfew passes and smooth working or plants even with Minimum staff. The process is taking time
- Reverse migration of daily wage workers employed in unorganized sector including FPIs resulting in disruption of operations.
Proposed action points: Sector Support (contd.)

Immediate measures

- Transportation and Logistic Issues are being faced by the FPIs due to non-availability of drivers and vehicles due to which the supply chain has been disrupted.

- Raw Materials: Bread and other manufacturing items require a variety of raw materials viz. wheat flour, refined wheat flour (maida), sugar, oil. The raw material stocks are quickly diminishing as supplies from the vendors have stopped owing to lockdown and restricted movements.

- Packaging Materials: Vendors manufacturing and supplying packaging materials (plastic pouches/ films) have stopped their production as the packaging industry has not been granted the exemption under the lockdown directives. While the FPIs have enough stock for some days, the packaging material is not available for the same. Therefore, it becomes a challenge for perishable items.

Telecom infrastructure (Electronics)

- Include products of Optic Fibre and Optic Fibre cables in the ambit of Production Linked Incentives and provide the benefit of 5% production value (similar to incentives announced for mobile phones). Immediate payment of MSIPS incentives already claimed.

- Additional Export incentives of 5% by reinstating the MEIS rate (Proposed RODTEP) & duty Drawback rate for Optical Fibre Cable/ Optical Fibre (90011000)/ Optical Element Silica Preform (70140020) to boost exports and compensate the impact.

- Urgently infuse Government Investment into digital infrastructure project like BharatNet of Rs.30, 000 crores at least for FY21.

Telecom Services

- Permission for movement of Field engineers for Sites, Fiber, Tower operations.

- DoT directives for uninterrupted operation should include the manpower of both TSPs as well as outsourced partners.

- Allow OEMs to run their critical facilities like NOC, FSO, warehouses, manufacturing and supply chain without any interruption. These operations are critical to ensure that telecom Networks run smoothly across the country.
Proposed action points: Sector Support (contd.)

Immediate measures

• Availability of Diesel for DG sets, /Diesel carrying vehicles. Request letter to all Oil companies to ensure availability of diesel to Telecom Towers on priority.

• Robust & high availability of Grid power for Data Centres and NOC. Request letter to all DISCOMs to ensure 24/7 electricity availability.

Natural Resource & Metal Manufacturing Sectors

• Waiver of charging Royalties and DMF on Mineral: Payments towards royalty, DMF and NMET should be waived for the mining industry at least for six months till the economic situation stabilizes. Lower royalty will not only save costs to the miners, it will also make manufactures of metal and thereby broader manufacturing industry more competitive in this tough time in India.

• Waiver of GST compensation cess on Coal (Rs 400/MT): It is requested that GST Compensation Cess of Rs.400/ MT is waived for highly power-intensive industries like Aluminium and coking coal import-dependent sector like Pig Iron and Steel. This will help coal consuming domestic manufacturing industries remain in business in this challenging period

Ensuring the functioning of Power Supply, Railways and Ports

• To help functioning of industrial units, operations of railway and ports should be ensured to functions efficiently so that all the raw material reach the plants in time.

• The loading-unloading functions at railways and ports should be streamlined; help of mechanization should be adopted as much as possible.

• Payments due to the power companies should be released urgently.

• All the health and safety precautions must be adhered to while running the plants, mines, railways and ports.

Tourism, Travel and Hospitality

• A support fund for minimum up to six months on the lines of MNREGA to support basic salaries through direct transfer to affected tourism employees.

• TCS (tax collected at source) on travel as proposed in Finance Bill 2020 from the 1st April not to be introduced.
Proposed action points: Sector Support (contd.)

Immediate measures

- A postponement of increase in any insurance premium for a period of six months such as for Standard fire and special perils rate for fire, loss and profits.
- Increase the value of SEIS to 10% across all tourism, travel & hospitality companies.
- Allow an immediate credit against FY 2018-19 performance at an enhanced value of 10% to manage a severe working capital crisis.
- Enable a one year extension of all existing scrips from their validity period in 2020.
- Defer all administrative compliances of EPCG. Requirement of net FEE over and above average of three prior years to meet export obligation, must be relaxed.

Aviation Sector

- Government to direct Bank / FIs to defer payment of interest and principal by airport operators, its holding companies, and its JVs / concessionaires for the period of one year. Same relief to be extended for all projects under construction at the airports.
- Protection of International Bilateral Traffic Rights: Entitlements under Bilateral traffic rights allocated to airlines must be protected for the Northern Winter 2019/2020 and Northern Summer 2020 seasons if the carrier has already commenced operations and then proceeded to suspend temporarily because of COVID-19, as cancellations effected are beyond the control of the airlines
- Rationalization of VAT charged on ATF can grant temporary relief to airlines.
- Suspend invoking of bankruptcy under IBC for companies for the aviation sector.
- Oil marketing companies to be directed to extend unsecured interest-free credit terms for the aviation sector.
- Relief in cost incurred by airport developers in terms of revenue share given to AAI under OMDA guidelines, for the period until the traffic situation improves.
- Parking and landing fees should be waived off along with royalties to the airports for using the infrastructure.
- Relief on Air Navigation Service (ANS) Charges: The Airports Authority of India ANS proposal recommends a 4% increase in ANS charges for the period 2020-21 to 2024-25 and a further 4% increase for the period 2025-26 to 2029-30. AAI-ANS has based this increase to achieve a target rate of profit before tax of 17.34%. A 100% waiver on ANS charges for the duration of COVID-19 (minimum of 6 months)
Immediate measures

Healthcare Sector

• Tax benefits for all direct and indirect taxes for a stipulated period of say two years while utilizing the available and arrangements made during the spread of any pandemic.

• There should be immediate adoption of wide-scale E-ICU/ teleconsultation to tackle the spread of COVID-19, especially in its phase 3 and 4.

• Immediate release of 100% Central and State Government dues to the sector under various schemes such as CGHC, ECHS, State Schemes etc.

• Extension of time for a period of at-least three years needs to be provided under the EPCG scheme

• Receipts on Healthcare services provided to Insurance /PSU / Government referred patients be made TDS exempt, which will help save release significant cash flows

Pharmaceuticals

• The current situation makes a compelling case for the Indian government to declare API as a strategic sector, as most inputs are imported.

• Firms for which capacity utilization is 40% may be permitted to produce API which is being imported. Approvals for new investments should be fast-tracked.

• Blanket environment permission should be provided to manufacture any API on submission of self-certification to comply with pollution load requirement.

• Pending orders for export be allowed to manufacture and export for those products where many companies have purchased Raw Materials (as Raw materials are also having expiry date). Many importers have transferred the money

• Allow the opening of ancillary units to pharma companies, such as supplies of packing materials which include sampoules, seals and bottles etc.. Without the availability of these goods, pharma products cannot be manufactured, could lead to shortage of drugs in the country. Suitable directions should also be given for the movement of vehicles to carry these products
Proposed action points: Sector Support (contd.)

Immediate measures

Textiles Sector

- Extend zero-interest loan equivalent to Government dues pending in the books of individual textile units that could be adjusted soon as the government clears the dues (TUF subsidy, RoSCTL, MEIS, GST refund, etc.)
- Sanction of 25% ad hoc working capital line for nine months to be repaid over the next one year. This should be over and above ABF.
- Exempt all raw materials, dyes & chemicals, intermediaries, spares, accessories, etc., from anti-dumping duty and basic customs duty. Especially from China since they will have substantially piled up inventory.
- Include cotton yarn and fabrics under RoSCTL/RODTEP, IES & MEIS benefits with immediate effect to prevent job losses for lakhs of people in the handloom, power loom and spinning sectors.

Power Sector

- Central government may take steps to extend necessary funds to the State to pay Power Generating Companies, for procurement of power and make up for delays in state government subsidy payments. In case funds are provided as additional borrowings, request relaxation of state fiscal limit.
- Coal/ Freight payment: Necessary advice may please be given to the Ministry of Coal as well as Ministry of Railways to allow Power companies to purchase coal and rail freight without advance payment. These payments can be made on reciprocal arrangement of receiving payments from DISCOMS, within two working days.
- To meet liquidity crisis, Ministry of Power may request Ministry of Finance to release immediate financial grant to State Governments to assist financially ailing DISCOMS, in meeting surmounting liabilities of outstanding payables to generators/ IPPs.
- For under-construction transmission projects, delays in construction up to 12 months should not attract LD/Penalty due to this unprecedented event

Oil and Gas Sector

- Among Oil & Gas producers, private oil producers are more impacted than public producers as they do not pay profit petroleum. As a result, private producers pay 30 % more to the government in the form of taxes as compared to public producers. To make production viable and bring sustainability to operations, it is imperative to provide temporary tax holiday on Cess, Profit Petroleum and Royalty.
Proposed action points: Sector Support (contd.)

Immediate measures

Aluminum

- Need support on People engagement. Given many of the ESMA and continuous process industry, many of people / labor working are worried with the Covid Outbreak. Need some announcement on this front, so that people support the production.
- Some exemptions or benefits to the industry – Remission/waiver of duties for 3 months minimum.

Air Cargo

- Deferment of Air Cargo Agents, freight payment to National Carrier (Air India) and International Airlines via IATA arrangement, by 21 Days. In line with the financial relief given by government such as delayed EMI payments of loans and other extension of dates related to financial payments, Air cargo industry seek intervention of Government, in terms of deferred payments regarding freight to various Airlines.

Solar Power

- Low-cost working capital loans of up to Rs.50 Crs. to the operating projects with nil processing fees
- Extension in all timelines for Solar and Wind Projects: Developers should be given blanket extension in all timelines for a period of at least 06 months
- MNRE to direct SECI/NTPC to release all the contractually due GST/SGD claims to all the developers on lump-sum basis immediately
- Payment to continue power supply: Central government may take steps to MNRE to issue an advisory to all states that all power from such projects should be banked and a further relaxation of banking norms should be allowed, across all states under the policy. Typically, all the banked units are required to be settled by 31 Mar-20, which will not be possible under the current circumstances. Therefore, this deadline should also be extended by another 6 months and relief to be granted to all the group captive and open access customers extend necessary funds to the State to pay Power Generating Companies, for procurement of power and make up for delays in state government subsidy payments. In case funds are provided as additional borrowings, request relaxation of state fiscal limit.
Proposed action points: Service Export from India Scheme

Service Export from India Scheme (SEIS) for Maritime Support Services for New trade Policy 2020-25

- SEIS benefits have allowed the major ports and BOT Operators to offer competitive tariffs to the EXIM trade and subsidized tariffs to the coastal trade. Benefits availed by BOT operators under SEIS benefits have largely been utilized for upgradation/modernization of their infrastructure to match with global standards and provide an efficient and at par services to the EXIM trade. **Should these benefits are removed, ports may be forced to increase the vessel/cargo handling charges which may adversely affect the exports. Also it shall discourage the Port sector from matching international standards on technological advancement, resulting in below par services to the EXIM trade vis-a-vis Global standard.**

- Service charges of Port Sector are ultimately received by country in the form of FOB value of Exports. Further, reduces the EXIM outgo in case of Imports. **Any abrupt change in SEIS Scheme may lead to a situation, whereby the Foreign Shipping Lines may ask for actual foreign exchange as against the current practice of deemed foreign exchange. This will severely impact the foreign exchange reserve of the country and which will further lead to increased trade deficit.**

- Major ports are playing an important role in the development of maritime sectors in India. Approx. 58% of the container trade is controlled by the major ports and BOT operators. **In all the major ports, 100% of the marine services (piloting services, shifting of vessels etc.) are offered to the foreign vessels by the major ports themselves. Hence sizeable portion of the SEIS benefits offered by the Govt. is availed by the Govt. controlled Major Ports only.**

- ICDs and CFSs are integral part of Maritime Services. In the last two decades, CFSs and ICDs have been faced with several issues like (a) pricing demand from EXIM trade (b) Severe infrastructure issues including Road and Railway network (c) frequent and abrupt changes in the regulations. Most of the ICDs/CFSs are financially unviable to operate and has resulted in fewer developments of ICDs and CFSs in the last few years. It is hard to find a Maritime Infrastructure developer who is ready to develop an ICD in a tier II city or similar hinterland. This has forced the Exporters from these locations to incur huge cost and inordinate delays in exporting their products to different parts of the World. **Removal of SEIS benefits to this segment of Maritime Support Sector, will make the existing /proposed ICDs/CFSs completely unavailable. This will result in losing huge amount of Export potentials from smaller hinterlands.**

Request intervention of the Ministry of Shipping to persuade the Ministry of Commerce to consider continuation of SEIS @10% in the new Foreign Trade Policy 2020-25.
Proposed action points: Power transmission sector

Wide Ministry of Home Affairs order no 40-3/2020-DM-I(A) dated March 24, 2020 and subsequent guidelines issued by the Ministry of Home Affairs, industry urges the GoI to declare transmission assets under operation and in various stages of construction (by public and private entities) as "Essential Services" to be given 'exception' status to the 21 day lockdown period. Small team undertaking full precautions can be allowed for critical construction works. This will ensure minimal disruption to efficient power delivery to end-consumers.

The Government may consider devising suitable incentive scheme for employees of utilities who are ensuring continuous supply of electricity throughout the country, during such difficult times. Government to announce simple BOCW compensation guidelines for construction workmen.

Fiscal Stimulus measures to ensure business continuity - for projects under construction and different stages of Execution:

- **Goi to allow a moratorium of 6 months** for any interest and repayment of debt
- Special consideration be taken for **allowance of additional working capital limits** that will be required for supporting business continuity.
- Companies be allowed to **retain 10% of GST payable** for next 12 months for under construction transmission projects up to 12 months should not attract LD/ Penalty.
- States / DISCOMS may be provided a **liquidity window through special line of credit** from PFC and/or REC, so that regular operations and payments are not affected.
- **Reduction in interest rates**/ globally governments are providing access to cheaper credit, guarantees etc, to reduce the pain of this disruption. An interest rate reduction at this juncture would be of great help to sustain business continuity of the transmission sector,
- **Rating exercise to be kept in abeyance** across the sector, provisionally for a period of six months.
- Any **cost overrun** on account of increase in interest during construction (IDC) for under Construction projects, over next 6 months on account of COVID 19 to be passed through by the regulator
- **Waiver from classifying any borrowing account** as SMA-0, for next 90 days as revenue inflows/ financial transfers are severely impacted and accounts would slip into the SMA-0 category on account of logistical delay beyond the control of borrowers.
Proposed action points: Power transmission sector (contd.)

• **Declaration of Force Majeure**: RBI, along with SEBI, to declare that the impact of COVID 19 (including recovery period) as Force Majeure. While Ministry of Finance and MNRE have already issued notifications along these lines, the Ministry of Power may also issue such notification/clarification, recognising the outbreak and spread of COVID 19 - including the recovery period - as Force Majeure event for transmission projects being developed under TBCB and Cost plus routes, with appropriate time and cost relief. This would provide much needed clarity and comfort to the stakeholders at this time of uncertainty and upheaval.

• **Extension of bid submission deadline-of 7 RfP documents issues** by REC transmission Projects Ltd. (RETPCCL) on March 5, 2020 and 5 RfP Documents issued by PFCCL on March 6, 2020 and one RfP document for Karur project issues by PFCCCL on February 20, 2020. The bid submission deadlines for these bids are April 23, 2020, May 8, 2020 and May 11, 2020 respectively.
  - The current restriction on the movement of survey teams has hampered the field - surveys been carried out by Transmission developers, and also surveys carried out by the Bid Process Co-ordinators (BPC) that determines the location of proposed substations and route alignment of transmission lines. In view of lockdown situation, it is requested that bid deadline be extended till situation concerning COVID 19 is under control so as to provide adequate time to developer of BID submission.

• Further, it is also requested that the SCOD of these bids, which have December 2021 as the fixed date for commissioning of project is suitably modified so as to provide full 18 months from **revised bid deadline be provided for construction and commissioning** of these project to transmission developer and delays on account of extraneous factors does not impact the time available to the developers for construction.
Proposed action points: Industry concerns during the pandemic

Supply Chain Disruptions at State level

- Due care has been taken by Central government in directing the State government to maintain the working of food processing industries for maintaining the supply of essential commodities.
- However, at field level, local authorities are quite restrictive in giving curfew passes and smooth working of plants even with Minimum staff. The process is taking time
- Legislation Interpretation Issue : The State authorities do not consider various guidelines, directions, issues by Ministry of Home Affairs, Ministry of Food Processing Industries, DPIIT and insist on specific directions from their State Police
- Food processors and supply chain players of food products are directed to take multiple permission
- State authorities create barriers to trade as permission becomes as challenge at flow of essential food items/ raw materials at check posts, factory operations, preventing employees working in factories, transportation, storage and distribution of packaged food products.
- Transportation and Logistic Issues are being faced due to non-availability of drivers and vehicles due to which the supply chain has been disrupted.
- Curfew Passes for all warehouse staff and arrangement of secondary distribution through transporters has become a challenge.
- Due to lockdown and section 144 imposed in many areas, the markets are being shut, resulting in overcrowding due to panic buying, which would jeopardize the social distancing required at this point of time.

Recommendations

- **Round of Further conversation to State Chief Secretaries**: Ministry to issue guidelines to State Chief Secretaries to give directions to District Industries Centre (DIC) and their State police and check post authorities to allow manufacture, storage, distribution of products and their inputs, packing materials with reference to the list of essential commodities
- **Dedicated team for each State**: Single window clearance at state level is the best solution. Local team under the leadership of Secretary at state level should be nominated which can address the matter in the shortest possible time.
Proposed action points: Industry concerns during the pandemic (contd.)

- It also must be ensured that, down the line police deployed on the roads and highways must be given necessary directions not to stop or harass the goods truck and container trailer drivers
- Request to issue online e-Passes for inter-state and intra-state movement of these essential commodities and the raw materials/packing material for their manufacture.
- There is urgent need for the government to implement at alternate mechanisms like digital checks.
- Government should direct all states to allow food supply chain operations/manufactures in atleast 40-50 % capacity to ensure there are no shortages of food
- Ministry of Home affairs need to bring this to the notice of Ministry of Transport to ease Transport issues. National Parcel and Part Truck Load (PTL) Transporters need to be operational and priority to essential food movements.
- Providing a national level permit to companies which can be shared with transporters to enable hassle free movement
- Direction to railways and ports to accord priority to movement of essential items
- To avoid panic buying among masses, Kirana stores need to be open for a fix time as fixed by the local authority. The times should be conveyed to citizens.
- Various NGO’s can be encouraged to take up the initiatives by supporting feeding and grocery supply to citizens for Public Distribution.

Different states having different classification of essential items

- Companies are facing issues regarding the delivery of essential items in various states as each state government has different classification of essential items.
- There is an urgent need for uniform classification of essential items across various states, and that instructions need to flow down clearly to the last mile.

Recommendations

- Define essential items list as per MOFPI so that all states refer the same list
- A standard circular to be sent from MOFPI to all central secretaries that should be forwarded to District Magistrate and local police authorities in vernacular languages so that there are no misinterpretations.
Proposed action points: Industry concerns during the pandemic (contd.)

Manpower shortage

- Supply and production of essential services is allowed but staff not able to reach office due to poor transportation
- Reverse migration of daily wage workers employed in unorganized sector including FPIs resulting in disruption of operations.
- Fear amongst People. Across the nation, workers, labors, truck drivers etc are all scared of corona infection. Media coverage regarding lathi charge and restrictive movement have instilled fear in them

Recommendations

- Ministry of labor through labor unions should encourage labor. Also Social encouragement to work force for the cause of nation to be done. Media, social circles can play an active role.
- Communication from Ministry of labor should issue instruction to the block level to allow free movement of minimum work force (50 percent) required to ensure entire supply chain operations.
- Over time hour permitted under Labour Law be given relaxation so the work can be carries out by the residual work force which has not migrated or not coming to work.
- Truck Associations should be requested to ensure smooth logistics

Mandi Operations

- The current lock down notifications has led to closure of Mandis impacting procurement and supply chain of Food Grain & Oilseed crops. This has adversely impacted farmers as these crops cannot be stored at their homes for long time due to lack of requisite infrastructure. Since food crops & oilseeds are critical raw material for food items (Aata, flours, edible oil etc), closure of mandis is adversely impacting these supply chains also.
- Currently Mandi operations are being halted/stopped in districts of Major food grain producing states and movement of food grains are impacted from farm to mandi and in turn to mills & food processing units.
Proposed action points: Industry concerns during the pandemic (contd.)

**Recommendations**

- Ministry of labor through labor unions should encourage labor. Also Social encouragement to work force for the cause of nation to be done. Media, social circles can play an active role.
- Communication from Ministry of labor should issue instruction to the block level to allow free movement of minimum work force (50 percent) required to ensure entire supply chain operations.
- Over time hour permitted under Labour Law be given relaxation so the work can be carries out by the residual work force which has not migrated or not coming to work.
- Truck Associations should be requested to ensure smooth logistics

**Other Recommendations**

- Banks should be advised to give 180 days’ moratorium for repayment of loan and interest.
- In the financial year 2019-20, March is the time for renewal of insurance policies during at which point of time the old discounted tariff rates are undergoing revisit. The insurers should be directed to continue with the old discounted rates for renewals for FY 2020-21.
- Many businesses are approaching the expiry of various licenses / approvals / NoCs / clearances, requiring renewals. The government should allow the firms to operate with the previously granted approvals for a period of next 6 months.
- PF/ESIC deposit due date to be extended without any interest to help companies to manage cash flow.
- Banking sector has stopped accepting cheques also at all branches, and accepting it at selective branches, which is further impacting liquidity of the companies.
- E-way bill compliance to be relaxed.
- Extension of due dates of bills: The due date of all the bills should be extended till the lockdown period is over. There should not be any penalty of late payment and interest levied on bills of cold storage units.
- For salary payments and other expenses, liquidity is required. Request deferment of PF/ESI/Income tax and 90 days tax holidays. These can be given later by companies in 12 Instalments after June 2020.
Proposed action points: Industry concerns during the pandemic (contd.)

Post COVID-19 Challenge

- To manage the post covid challenge, companies’ liquidity is important. This will help them invest their efforts and finance in processing the fresh fruits and vegetables crops which if not done may lead to a huge post-harvest loss. This will be loss to farmers, industry and thus to economy as whole

Recommendations

- Nabard to set up a fund to source the operation of food processors
- Food crop insurance to be provided. If the food processors process a crop and processed food doesn’t get a market, the crops can be insured.
Proposed action points: Equalization levy

Global outbreak of COVID-19: The global outbreak of the COVID-19 virus has left businesses all around the world reeling as they try to ensure continuity of goods and services while simultaneously protecting their employees. Many businesses are functioning at a fraction of their full capacity and will find it extremely hard to implement the internal processes required to successfully pay the Levy by the due dates. As noted above, businesses effectively have a little over 3 (three) days to make complicated changes to their internal systems and begin accruing taxes on April 1, 2020. Such changes would be challenging even if the businesses were functioning at full capacity and any attempts to implement the systemic changes at this time are likely to be futile, and result in defaults in payment of the Levy due to no wrongful intention of the stakeholders.

Further, the COVID-19 outbreak has made e-commerce goods and services more important than ever, as companies have been driven to embrace online services which facilitate productivity (such as video-conference software and intra-team communication software). The imposition of the Levy will have a direct effect on such online services and will cause a direct ripple effect throughout the economy as businesses operating in India will be unable to use services, which their peers across the globe will have at their disposal. This may create a long-lasting negative effect on the Indian economy, which is already suffering due to the COVID-19 pandemic.

• **The Levy contradicts India’s commitment to the efforts of the Organization for Economic Co-operation and Development (OECD) to address the tax challenges arising from the digitalization of the economy:** The Government of India is actively engaged in the ongoing OECD-led process to achieve a multilateral consensus-based solution to address concerns with the current international tax framework
  - As a unilateral measure, this decision does not reflect the OECD ideology which is consultative in nature and is being supported so far by India. Such actions may also impact Indian business outside India and result in stifling innovation and non-availability of technology to India. Given the impact on trade relations, such measures would lead to lack of trust in OECD negotiations, double taxation and inconvenience to international businesses, both Indian and international and could put strain on an already receding Indian and global economy. Further, this unilateral Levy undermines India’s ease of doing business as it creates disproportionate compliance burden for non-resident online companies to service and make available their products and services to Indian consumers.

• **The Levy has been enacted with no consultation with industry.** It is our submission that the industry should not be completely left out of the discussion about the basis of taxation, practical difficulties and impact on businesses. We humbly submit that the view of the industry must be heard carefully before acting on such proposals to avoid unintended impact on the economy and practical difficulties to the businesses.
Proposed action points: Equalization levy (contd.)

- **The scope of the Levy is to expansive, is discriminatory, and will impact negatively impact the economy:** The scope of Levy is discriminatory and is utterly wide to cover goods and services sold by non-resident based online marketplaces, non-resident retailers that sell to Indian customers over the Internet and non-resident manufacturers that operate online sales portals. This is inconsistent with global norms including the OECD activity, the previous equalization levy, as well any tax law existing anywhere in the world.
  - The Levy will act as a deterrent for international businesses to provide their goods and services in India and would deprive the Indian public of the latest innovations and technologies available over the internet as these businesses would have to now implement systems for effective compliance. The coverage of Levy to include sale of physical goods by ecommerce operators, business to business transactions, where incidence is on business consumers and any transactions for sale of products by third party where the e-commerce operators do not own any goods/services, seems unjustified. When combined with the larger set of goods of services envisaged to be taxed by the Levy, this will lead to significantly more foreign businesses being liable to pay the Levy and businesses passing the Levy on to the India consumer.

- **The Levy undermines the ability of Small and Medium sized-businesses (SMBs), and Startups to “Make in India”:** Most of India’s startups and SMBs, leverage the opportunities offered by the internet and use non-Indian digital suppliers including software providers, app stores, software-as-a-service (SAAS) providers in the cloud services, infrastructure, social networking sectors to access the best of the world technology at lower costs. Access to such services is key to the development of the startup and SMB sector and contribute to the growth of ‘Make in India’ products. Levying an additional charge on services only serves to increase costs for such startups and SMBs, who rely heavily on such goods and services and this Levy would ultimately only serve to stymie their growth.
  - Further, the Levy will restrict customer choice and limit the growth of micro, small and medium enterprises (MSME) that rely on global goods and services to access a variety of tools including cyber security, artificial intelligence, machine learning, translation, storage, etc. Indian users will be left with limited access and choice in online services, thereby lagging behind their contemporaries in other countries. The numerous opportunities that are available in the global market to Indian MSME sector may dry up. The Levy will restrict the ability of a large number of service providers to efficiently deliver services and goods to Indian customers including MSMEs, students, social media users, etc. at lower cost. Further, e-commerce businesses may pass on the burden of Levy to their Indian users including Indian businesses, which may ultimately hurt consumer interests.
Proposed action points: Equalization levy (contd.)

- **Implementation/enforcement related concerns:** The provisions relating to the Levy are effective as on April 1, 2020. As a result, stakeholders effectively have a little over 3 days to make complicated changes to their internal systems and begin accruing taxes on April 1, 2020, which will mean that compliance with the Levy is arduous and unfeasible
  - Further, in contrast to existing equalization levy, which requires compliance by Indian companies paying foreign advertising businesses for digital advertising services, the Levy requires non-Indian resident digital companies to make quarterly payments to the Indian Government and undertake periodic reporting compliances (which are yet to be prescribed)
  - Since the Levy will be liable to be paid starting in July, 2020, there is not only very little clarity on scope of the Levy and its implementation process, there is also very little time for such companies to set in place the processes required to pay the Levy correctly. Further, owing to the global outbreak of COVID-19, as discussed in Point 1, most companies will simply be unable to make the changes required to correctly assess and pay the Levy.

In wake of the above, we strongly urge the Government of India to refrain from enforcing the applicability of the Levy on the April 1, 2020 and to defer it by at least 9 months. Before the Levy is implemented, we recommend undertaking an impact assessment of such a broad Levy and the associated compliance burden. We also urge your office to initiate a closed-door stakeholder consultation with all impacted stakeholders – foreign as well as domestic – to ascertain the appropriate way forward including delaying the implementation till an impact assessment is undertaken based on such consultation. India’s digital ecosystem deserves an enabling regulatory ecosystem and a supportive taxation regime that takes into account the ecosystem-wide implications of policy measures. We believe that the objectives of the Government could be better met by measures that are less intrusive and are very happy to participate in a deliberative exercise to identify these.
Proposed action points: Reopening infrastructure and housing sectors

• Open work on all sites which are away from densely populated urban areas, working on water and/ or where labour is living in the vicinity of work sites.

• Lot of work to be carried out before the onset of monsoon like Foundations of Bridges are to be completed, Embankments of Roads to be finished and protected, Basements of housing complexes that have been excavated protected, underground metro work brought to safe levels, drains to be cleaned to prevent flooding of roads, residential areas and railway tracks etc. A quick decision to allow these works with attendant enablers of material will ensure that we are able to stop migration of labour and thus effectively respond to Corona Virus challenge and also avoid major losses and miseries in the forthcoming monsoon period.
Proposed action points: Forbearance measures under Companies Act, 2013

• **Presentation of financial statement**- As onetime exceptional measure, ASSOCHAM urges that flexibility be provided to India Inc to adopt Financial Year of 15 months to 18 months i.e. from 1 April 2019 to 30 June 2020 or From 1 April 2019 to 30 September 2020. This will help India Inc to present the true and fair statement of books of account in the context of ongoing Corona virus situation and slowdown in the economy.

  - In view of above Accordingly, AGM for all companies should be allowed to be held within six months of 30th June, 2020, or 30th September 2020 i.e., latest by 31st December, 2020 or 31st March 2021 respectively, and on case to case basis. Subsequent relaxation is also desirable in terms of extension of time for filing income-tax returns for companies.

  - It is recommended to allow the directors to participate in meetings to discuss matters such as approval of financial statements, board’s report, etc. through video-conferencing or other audio-visual means in place of mandatory physical presence up to 30 June 2020

• **Valuation of inventory (LIFO/Base Stock Method):** There is significant impact on the inventory valuation on account of forced plant shutdowns, decline in net realizable value due to reduction in demand and non-fulfillment of sales and purchase contracts. Therefore, following methods may please be considered for valuation of inventories;

  - **LIFO Method:** On the Valuation of Inventory, LIFO method should be allowed. Presently, FIFO and Weighted Average Method are allowed under IFRS or Ind AS2 and LIFO method is not allowed. As there is a provision by which transitional provision can be provided as per the needs and requirements of respective countries. Therefore, In the present context due to COVID 19, Accounting Standards should give correct position of valuation of inventory and which can be done only by providing a carve out under LIFO method.

  - **Base Stock Method:** As an alternative, for industries which deal in Commodities which are vulnerable to abrupt price movements and at the same time which always carry certain minimum level of inventory (say, pipeline inventory), should be allowed to classify certain inventory as Base stock and be allowed to carry it at cost or as fixed asset or the price movements may be carried through reserves (Balance sheet).
Proposed action points: Forbearance measures under Companies Act, 2013 (contd.)

- **Draft Companies (Corporate Social Responsibility) Amendment Rules, 2020:** Industry expresses thanks to the ministry of corporate Affairs for extending the last date for submission of public comments on Draft Companies (Corporate Social Responsibility) Amendment Rules, 2020 from 28 March 2020 to 10 April 2020. However, the entire country is currently passing through a difficult phase to combat with Covid-19, newer experiences are evolving at different levels and extensive consultations are very minimal. Therefore, ASSOCHAM urges upon MCA to extend the last date for filing of submissions till 30th June 2020, so as some far-reaching changes and their impacts may be gauged and accordingly submitted.
Proposed action points: Power Generation

Government consideration to reduce stress on Generators and DISCOMS, ensure continuity of cash flow and fuel supplies to generators. With view of ensure continuity in power supply we urge the government to consider following immediate interventions:

• **Payment to continue power supply**: Central government may take steps to extend necessary funds to the State to pay Power Generating Companies, for procurement of power and make up for delays in state government subsidy payments. In case funds are provided as additional borrowings, request relaxation of state fiscal limit.

• **Coal/ Freight payment**: Necessary advice may please be given to the Ministry of Coal as well as Ministry of Railways to allow Power companies to purchase coal and rail freight without advance payment. These payments can be made on reciprocal arrangement of receiving payments from DISCOMS, within two working days.

• Ministry of Power is requested to issue immediate advisory to PFC and RECs for buying out the receivable of IPPs (Discounting receivables of IPPs) and upfront payment to IPPs. This is presently not allowed as State DISCOMS have exhausted their credit limits (Under UDAY limit).

• To meet liquidity crisis of IPPs, Ministry of Power may request Ministry of Finance to release immediate financial grant to State Governments to assist financially ailing DISCOMS, in meeting surmounting liabilities of outstanding payables to generators/ IPPs.
Agenda for the Government for return to growth amid COVID-19

Postponing the implementation of BS-6 emission norms for a year will support the struggling automobile sectors without the need to spend any further money. It will be able to clear 7 lakh unsold BS-4 vehicle.

• The central government can ask State governments to reduce substantially stamp duty and registration charges for the next year to boost real estate development. It will indirectly encourage the cement and steel industry.

• Relaxation in the NPA norms for stressed sectors. The bank should not classify an outstanding loan as NPAs if a debt is not serviced in 90 days period.

• Working capital support through fresh loans at nominal rates and deferment of statutory dues including utilities for companies with turnover up to INR 500 Crores

• Policy measure to revive consumer demand should be the primary focus to bring back the economy on track.

Proposed action points: Operation of KRBL Limited Rice plant in Punjab

• Clear advisory to District Magistrate and State District Magistrate to allow operate the Dhuri plant

• Request local administration (police) to give passes to employees so they can come to work. As a precaution private buses for transport is being given by company to avoid public transport.

• Trucks, trailers and other means should also be allowed to ply on road such that goods can be transported.
Proposed action points: Telecom sector

• Permission for movement of Field engineers for Sites, Fiber, Tower operations.
• DoT directives for uninterrupted operation should include the manpower of both TSPs as well as outsourced partners.
• Allow OEMs to run their critical facilities like NOC, FSO, warehouses, manufacturing and supply chain without any interruption. These operations are critical to ensure that telecom networks run smoothly across the country.
• OEMs have already ensured that more than 95% of their employees are working from home. Only the critical and essential staff needed to run the NOC and other facilities are attending the offices to support the networks in this critical juncture.
• We need government to explicitly mention that the OEM employees involved in NOC, field service, warehouse, manufacturing and supply chain operations are exempted.
• Also note that in NOC the employees report in three shifts. NOCs have to run 24*7.
• We request the government to give priority to telecom network equipment, spares and components based on HSN code for clearances at the ports.
• Companies are working hard to build the necessary reserve stocks from different parts of the world to sustain and supply to the Indian telecom networks during this period.
• We request the government to allow blanket approvals related to regulatory clearances for the next 8 weeks. Companies will maintain all records internally and post facto report to the concerned authorities. This will help in smooth movement of goods at the ports and not necessarily be held up due to delay of regulatory approvals.
• Industry will ensure that only those products which were imported before the COVID-19 situation will continue to be imported and no new product will be imported. This will put at ease any concern in the government of import of new unregulated equipment.
• Allowing minimum staff, if required, to work from office in case of lockdown/instructions on work from home whilst ensuring adequate spacing between workstations.
• Early allocation of E band on interim basis will greatly enhance backhaul capacity & improve capacities and quality of service.
  – Instructions/directive to state government Chief Secretaries and Police Heads for expedited permission of Towers for network enhancement (capacity increase in lockdown situation) and not to seal the towers on the frivolous grounds.
  – Availability of Diesel for DG sets, /Diesel carrying vehicles. Request letter to all Oil companies to ensure availability of diesel to Telecom Towers on priority.
Proposed action points: Telecom sector (contd.)

- Robust & high availability of Grid power for Data Centres and NOC. Request letter to all DISCOMs to ensure 24/7 electricity availability.

- Allow mobile retailers selling recharges to operate even in case of lock down so that customers are not inconvenienced/deprived of mobile services
  - Defer of Audits [CAF, EMF, License and security Audits] till situation stabilizes
  - Extend Minimum Roll-Out Obligations (MRO) timelines by at least 6 months.
  - Extend Timelines for providing Bank Guarantee (BG) by TSPs, since Banks working with limited resources.
  - Waive license condition for remote access. [To ensure security, TSPs will continue to comply with other conditions pertaining to remote access, such as maintaining a mirror image of remote access, capturing and storing complete audit trail, ensuring no access to Lawful Interception System (LIS), no access to monitoring of content etc. during the exemption period.]

- No disconnection of POI’s by BSNL/ MTNL in interim period: BSNL/ MTNL to restrain from taking any coercive action (disconnection of POI and invocation of BG) against TSPs.

- Enable and test ICR among all operators as backup of any cluster outage for any operator.

- Further amendment to relaxation provided to OSPs in respect of the Work-From-Home by waiver of the Static IP requirement

- Relaxation & allow TSP to pay the License Fee & Spectrum Usage Charge for Q4 2019-20, by April 30th, 2020 without any interest payment. necessary instructions / clarifications to this respect may be issued to all the CCA offices

- TRAI Not to treat QOS deviations during impacted period as non-compliant on account of mitigating factors e.g. restrictions in movements of workforce, precaution on entering residential premises to address QOS issues, manpower shortages, paucity of transport, etc.

- Permit zero rating for important information websites /phone numbers [giving important health information] as also payment wallets [as current situation has increased dependency on wallet based transaction -

- To Smoothen the telecom service operations in the country, we would sincerely request DOT to Instruct the LSA with copy to state police Administration and administrative authorities who are executing on ground this lockdown for next couple of weeks as per the direction of Govt. of India and clearly instruct the LSA to support the TSP / ISP / OEM’s to conduct necessary operations and movement of equipment and manpower to run telecom networks in the respective Circles / LSA’s
Proposed action points: Uninterrupted transport services

Uninterrupted transport services (Road, Rail, Air and Shipping) for ensuring essentials available to the entire Nation

- The DGCA has allowed cargo freighters to operate these can fly day & night to various airports in the country / state, delivering faster than any other mode and this will become very essential as we are already in phase 3 going to phase 4 of the pandemic, but all that will be nought if we are fractured in the First & Last mile (Road) the most critical elements of the supply chain.

- The movement of trucks across the country also needs to be enabled, some of our vehicles are being stopped & checked en-route (damaging the efficacy of the temperature controlled supply chain of vaccines etc), vehicles are detained outside cities and not allowed to enter, losing time that could be critical to continue the therapeutics of patients. For Loading from truck parking to company and Empty trucks need to return to base to be ready for the next round of deliveries.

- We need manpower & resources to work in our facilities, pick up & deliver shipments, drive them cross-country & within the states & cities, in the current situation our people are not being able to report to work due the lockdown/curfew, this hampers all our plans for a smooth working to facilitate pickup and delivery of above mentioned pharma/medical material to stock-points, dealers & distributors, hospitals, pathology labs etc, we would need our direct employees, off-roll employees, pickup/delivery fleet and associates to report to our establishments and move in the field unhindered.
Proposed action points: Ensuring uninterrupted supply chain

Ensuring Uninterrupted Agri inputs supply, mandi operations in Mandis and commodity procurement at Private procurement centres

- Government should allow procurement operations of grains & oilseeds in Mandis subject to due safety precautions.
- Industry players should be encouraged to purchase food grains at procurement centers outside mandi premises while taking due precautions on hygiene & other preventive measures.
- Opening of more private procurement centers will help in decentralizing purchase and reduce farmer numbers at Mandis.
- These steps will support farmers in selling their crop while ensuring continuity of essential food supplies to consumers.

Amendment in Ind AS 2 – Permissibility of LIFO Method of Inventory Valuation

- The options to account for ‘cost the inventory’ at LIFO or FIFO or weighted average method should be made available under law of the land, to businesses, for them to choose the method that best reflect the true and fair view of their nature of business.
- Considering the unprecedented meltdown, the transitional impact on account of adopting LIFO shall be fully taken to retained earnings.

Ensuring uninterrupted food supply to the citizens

- For the consumer items to be readily available in the market,
  - all food processing companies should be allowed to keep their Manufacturing facilities open under the strictest of safety and hygiene guidelines; any executive order or section 144 restrictions should include the exemption of
    - these manufacturing facilities,
    - distribution and sales channels servicing the food and beverage market, including cold stores, warehouses, and logistics related to these activities,
    - including food delivery services,
    - as also employees associated with such activities.
Proposed action points: Ensuring uninterrupted supply chain (contd.)

- In case of instances of national or state lockdown similar to the JANATA CURFEW, there should be clear instructions to State Authorities to NOT obstruct and call for closure of FOOD PROCESSING units since they manufacture food stuffs, and it is necessary to maintain uninterrupted supply for citizens of our country.

- All Retail/Grocery, Organized Trade including Cash &Carry and wholesale, Chemists/Pharmacies that stock and sell Food products, Medicines, Water etc should be allowed to remain open to avoid inconvenience to consumers. This will PREVENT “panic buying” which was clearly mentioned by the Hon’ble PM in his national address.

- Necessary instructions at the State Govt level to allow the workers/operators at Retail outlets, Pharmacies, Manufacturing units to pass to their units in discharge of their national responsibilities.

- All Transport vehicles, including refrigerated trucks, carrying Raw material, Intermediates and necessary ancillary material such as packaging material etc to and from the Food processing Units to be kindly given due permission for interstate movement, as well as movement within the city. This to be explicitly included in the local Administration orders to avoid any confusion.

- Clear advisory to ensure interstate movement of goods for the food processing industry to ensure uninterrupted movement and supply of goods and services
Proposed action points: Taxation

Extension of deadline for filing declaration and payment of disputed tax under the Direct Tax Vivad Se Vishwas Act, 2020

- To provide much-needed support to the taxpayers who are already reeling under severe headwinds caused by this pandemic, the condition for filing of declaration and payment of taxes under the Direct Tax Vivad Se Vishwas Act, 2020 within March 31, 2020 should be extended till June 30, 2020. This extension would save additional tax, interest, penalty or fees (as the case may be) for taxpayers who want to avail the benefits of this scheme in such difficult times.
Proposed action points: Macro Covid-19 pandemic

• To support all businesses and individuals in this exigent circumstance, the Government should extend a 90-day moratorium on all statutory filings and a 90-day extension from all statutory payments, including RoC, Income Tax, GST, VAT, RERA, etc.
  – This will allow businesses and individuals much required relief in meeting these demands and not defaulting on payments

• To avoid wide-scale incidence of NPAs, the Government should consider providing a one-time rollover and/or one-time restructuring of all debt for businesses (LLPs, proprietorships, companies, HUFs, etc.) across all industries (capital loan, working capital loan, etc.) and individuals (home loan, auto loan, education loan, etc.)
  – A similar rollover was undertaken in 2008, during the Lehman collapse and helped various industries survive that phase with limited NPAs

• To enhance liquidity, Government (Central and State), Government-owned organizations and PSUs should on priority clear all dues, subsidy payments, etc. to the private sector, especially to the highly impacted export-oriented businesses and MSMEs
  – Expedited payments from organizations such as NHAI, Port Authorities, discoms, etc. will infuse much-needed liquidity in the system
  – The Government should also pay all pending tax refunds to businesses and individuals

• With exports bound to suffer in the coming months and businesses across industries facing significant stress, explore possibilities of domestic internal markets. In case the situation worsens further and the production of business fall below 50% of capacity, the insurance companies should treat Covid-19 losses as a force majeure to compensate business, industry and trade including a cause for loss of profit

• Moratorium on the Fiscal Responsibility and Budget Management Act would allow the Government to expeditiously implement fiscal measures in the form of stimulus and lowering of interest rates
  – In this exigent situation, the Government needs to pause the FRBMA (Fiscal) and Inflation Targeting (Monetary). Additionally, the NPA cycle and Basel 5 norms should be paused minimum for a year

• The IBC framework has been very effective in managing the insolvency and bankruptcy scenario in the country and maximizing values
  – However given the rising economic stress owing to the pandemic, the IBC framework should be suspended for 6-12 months, depending on the spread of the contagion
Proposed action points: Macro Covid-19 pandemic (contd.)

- There were two Acts passed to promote the welfare of building and construction workers, under which 1% cess on cost of construction was collected. From these collected funds, more than INR 25,000 crore is still unspent.

- The Food Corporation of India, using Fair Price Shops, should leverage its existing food stocks to meet the demand of people, at nominal prices (further discounted), especially for people below the poverty line, and who would now be suffering most with slowdown.
  - To ensure that ample food essentials are available to the urban poor, who are most impacted by the loss of income, the Government should allow additional entitlement of wheat and rice through the public distribution system.

- Close Coordination between various stakeholders
  - Central Government Initiatives need to shouldered between Center, State and Local such as Municipal Corporations
  - Change of the financial year April 2019 – March 2020 to April 2019 – June 2020 as a one-time occurrence
    - This will support efforts to defer statutory dues and compliances until June 2020

- Support for Productive Activities
  - To ensure seamless movement of medical supplies, other essential goods, all states should allow unencumbered movement of goods, with necessary sanitization precautions, to ensure supply chains are robust and active
  - To support seamless supply chains, railway freight for goods should be reduced by 20% Sanitization should increase at major transport hubs, though cargo movement should not stop
    - 50 major traffic checkpoints can have sanitization points - next to toll booths

- Ensuring financial stability
  - The Government should also undertake a 3% subvention of interest for working capital loans to the most impacted sectors – labour-intensive industries, MSMEs and export-oriented businesses – MOVE to point
  - Additionally, the loan repayment schedule should have a moratorium of 1 year, giving such businesses some cushion during this period of intense financial stress

- Review the NPA guidelines & provisioning norms to consider giving higher weightage to a borrower’s ‘ability to pay’ than just the number of days of ‘past due’
Proposed action points: Macro Covid-19 pandemic

- Buyback of shares by companies without tax may be permitted without the participation of the promoters.

- Ensure that the NBFCs are not pressurized to use the funds received to clear previous loans

- Support the working class
  - Educational institutions should give a 3-month moratorium of fees and a one-time waive off for yearly donations/endowments
  - Medical insurance scheme of the Central Government can be extended to all, universally, without seeking subscription from individuals
Proposed action points: Sanitizer availability

Regarding notification no CG-DL-E-21032020-218845 dated 21 March by Government of India

- In order to encourage manufacturing of small size hand sanitizer stock keeping units (SKUs) such as single use sachets and pocket packs, up to 20 ml capacity, the Government is requested to consider exempting such SKU's of hand sanitizers from the price control order. Further to this, it is also requested that these small size hand sanitizers up to 20 ml should be exempted from GST.

- This will enable large quantities of low cost, affordable sanitizer SKUs to be available to the common man. This will enhance the availability of hand sanitizers to a wider population at a reasonable price point, and will be in public interest.
Proposed action points: Pesticide Management Bill

- **Challenges for Genuine Business Operations:** It is suggested that a proviso in the chapter on offences could be added stating that nothing would apply in this chapter to the manufacturer of registered pesticides if the pesticide involved satisfies all the conditions attached to the registration.

- **Offences against companies (Directors):** Due to such instances a similar provision in Prevention of Food Adulteration Act has been modified in the FSSAI Act, 2006 by a proviso; ‘Provided that where a company has different establishments or branches or different units in any establishment or branch, the concerned Head or the person in-charge of such establishment, branch, unit nominated by the company as responsible for food safety shall be liable for contravention in respect of such establishment, branch or unit:’ A similar proviso could be introduced.

- **Compensation:** Clause in the bill, if at all needed, therefore be limited only to those who do not fall in the definition of consumers.

- **Price Control:** Bill first time introduces the concept of price control, a function which should best be left to market forces. Such a provision is too arbitrary and could harm the farmers by unavailability of quality plant protection measures.

- **Excessive regulation nullifying ease of doing business:**Clauses under which authorities could perpetually take periodical review of already registered pesticides to amend / cancel registration on various counts, a clause likely to be used arbitrarily, may adversely affect investment climate for agro-chemical industry and hence need to be deleted or suitably modified.
Proposed action points: Clarification of prohibition on PPE exports

Representation for issuing clarification in respect prohibition on export of non-woven textile raw material for mask and coveralls

- Reference to surgical masks/ disposable masks in the Notification be replaced with “N95 respirators”
- Export of non-wovens having manufactured using hydro entanglement (spunlace) technology and needle punch technologies should not be prohibited as the same is not used for the manufacture of face masks and coveralls used to fight COVID-19.
- These manufacturers may be allowed to export their goods after furnishing certificates from any one of the government recognized institutes and Center of Excellences for Technical Textiles like Ahmedabad Textiles Industry’s Research Association (ATIRA) / NITRA / South India Textile Research Association (SITRA), etc. which mention the technologies that are used to manufacture their products.
Proposed action points: Reviving growth

- **Announcement of a mortgage holiday**: A blanket moratorium on debt repayments for a year can assuage the insolvency risk of corporates and individuals. With economic activity coming to a grinding halt, it is unfair to expect the borrowers to service their loans on time. Banks in US, UK, Italy have already started declaring mortgage holidays for their customers along with waiving of late fees and other penalties.

- **Relaxation of norms for existing impaired loans**: For all present corporate loans which are impaired, government and regulator should relax norms and allow a two-year window for the borrower and the lender to re-work the terms of loan based on the cash flow of the account. During that period, the loan account should be classified as ‘standard’ so that no provisioning is needed for the same.

- **Remove Sec. 29A of IBC**: Sec. 29A of Insolvency & Bankruptcy Code (IBC) should be made applicable only in cases where perpetration of fraud by promoters has been established through a forensic audit. Otherwise, in cases where the promoters have been victims of circumstances or factors beyond their control, they should be allowed to bid for their companies during the resolution process. That would ensure better realization of value thereby improving the recovery by lenders.

- **Immediate infusion of liquidity into the system**:
  - Government must instruct all central and state government agencies to expeditiously clear all outstanding payments to contractors
  - All outstanding tax refunds must be settled at the earliest. Any tax-related dispute must be resolved expeditiously so that the payments get released
  - Huge sums of money are stuck in arbitration awards given for several infrastructure projects which have got dragged into High Courts and Supreme Court leading to inordinate delays. A special bench for infrastructure projects in the lines of National Company Law Tribunal (NCLT) under IBC may be set up to enable speedy settlement so that the money can get released

- **Review of NPA guidelines & provisioning rules**: The recurrent problems of non-performing assets (NPAs) in India’s financial system are mainly due to the existing guidelines & the stringent provisioning norms. The NPA guidelines & provisioning norms call for a thorough review. For this, a high-powered committee comprising members of Government, RBI, industry and academia should be set up for carrying out an in-depth analysis to benchmark India’s norms with the best global best practices. The aim of this committee would be to evolve NPA norms suitable in a developing nation like ours.
Proposed action points: Reviving growth (contd.)

- **Provide ample liquidity to NBFCs**
  - Loan - Systemically important NBFCs be provided 7-year term loans from banks (in addition to whatever limits they have now) up to three times (3x) of their net worth
  - Quasi-Equity - Life Insurance Corporation of India or any other government development financial institution to subscribe to 10-year Redeemable or Convertible Preference Shares of up to one time (1x) of net worth of systemically important NBFCs
  - Partial Credit Guarantee scheme be suitably tweaked to:
    - Include within the scheme assets originated up to 30 September 2020 instead of the present deadline of 31 March 2019 so that more number of assets can be brought under its purview
    - Increase the individual asset size cap to Rs. 50 crore from the existing Rs. 5 crore cap keeping in mind that NBFCs lend to big ticket infrastructure equipment
    - Ensure that the banks do not pressurize the NBFCs to use the funds received to clear previous loans because if the funds are not deployed in fresh lending, economic activity will not pick up
  - **Securitization** - As that pre-condition of a Minimum Holding Period (MHP) of 6 months is not in sync with a typical Asset Financing NBFC’s lending pattern thus shrinking the period of liquidity availability, the following should be considered:
    - To withdraw the MHP condition
    - Once the assets are securitized, banks should not ask NBFCs to pay the unrealized amount
    - To make securitization ‘on-tap’ as that would allow NBFCs the freedom to do fresh business
  - Relax forbearance norms
    - Just as RBI has relaxed the forbearance norms by allowing banks to extend the MSME loan recast scheme and to restructure real estate loans, similar facility should also be extended to the NBFCs as well, especially for their exposures in the infrastructure sector
    - In case of cash-flow mismatches on any infra asset, instead of treating the asset as an NPL, a stress-test for the asset should be done and provision should be made according to value of the asset. Ideally, a 3-year window should be provided within which the NBFC should try to resolve such infra loans through restructuring without declaring the account NPL and making provisions for it
  - Allow full GST credit
    - Under the present circumstances, Sec. 17(4) should be omitted from the legislation allowing NBFCs to avail 100% credit which would help them to contribute better to economic growth.
Proposed action points: Managing the economic impact of Covid-19

- Provide cash support of INR3-5,000 per month (for 1 to 3 month, depending upon the extent of community spread) for the most stressed sections of metros and cities with population more than 10 lakhs: street vendors, construction workers, auto drivers and temporary workers. The financial assistance should be extended for 1 to 2 months, depending on the duration of the crisis. This money can be defined to select end use – towards food and healthcare. This can be done electronically through the JAN Dhan accounts and use of RuPay Cards.

- The Government should provide a tax credit to companies that extend two weeks of paid sick leave to meet the quarantine time frame for any employee and their family. The government can also ask all Government or Government Funded educational institutions to exempt 2 month of Tuition Fees for any family which is BPL or who is covered under Ayushman Bharat.

- It should be mandatory for companies across all sectors (in case they employ more than 200 people including through outsourced vendors) to not sack any employee during March to May. In most impacted areas, the Government should offer tax credit equivalent to salary paid beyond 15 days of work from home for employees across key sectors that are significantly negatively impacted and MSMEs.

- Provide working capital financial support to adversely impacted sectors, by providing them working capital relief. It is suggested that companies be given option (Category 1 and 2) of converting between 1 to 2 quarters of interest and principal repayments to Banks and FIs (April to August) be rolled over as loan to be repaid in 1 or 2 quarters post the repayment cycle. The most adversely impacted industries such as Tourism and Hospitality, Aviation, FMCG and Retail, could be offered these to manage these expenses for two quarters, while sectors with negative-neutral impact could be provided loan for payments for one quarter. Banking sector needs one shot leeway in loan classification due to the above.

- To increase liquidity and increase consumer confidence, the Government of India should provide a payroll tax holiday for a quarter to help support demand in these stressful times. This can be done for Category 1 sectors and only in case no firing is resorted to. Extending such relief can be targeted to workers within a certain tax bracket to support low-mid income groups could also be considered.

- The Government could also give a three-month extension to individuals, within a certain income tax bracket, to file year-end taxes. Also, the Government should allow the roll-over of GST payments for 1-2 quarters (based on the extent of the disruption) to be paid in the next FY. This stimulus would allow deferred tax funds to be used to boost demand for individuals and for working capital and ensure that make payroll payments are made in time, despite supply chains taking a hit.
 Proposed action points: Managing the economic impact of Covid-19 (contd.)

• MSMEs should be provided concessional working capital loan, equivalent to one to three month’s (based upon the extent of disruption) average turnover of last year. To support them, when the supply chains have been impacted globally, MSMEs should also be provided concessional finance at a rate of 5% for three months through SIDBI. The interest payment for such financing can be adjusted over the next three years as part of GST.

• CSR spending by corporate organisations should be directed towards a response fund dedicated for the management of the pandemic. The financial burden on the exchequer to contain and mitigate the spread of Covid-19 across the densely populated country will need innovative sources of funds to support the post crisis ecosystem.

• The government along with the private sector should create an emergency framework to manufacture low-cost sanitizers and masks in large quantity. The manufacturing should also be extended to testing kits and protective gear, to support healthcare professionals. Additionally, manufacturing low-cost ventilators, digital thermometer and critical vaccines will help mitigate large scale loss of life in the country.

• The Government should create a Covid-19 response fund, wherein private sector and citizens can make contributions, which are leveraged towards managing the pandemic and its aftermath. The Government could help individuals and companies claim tax rebate for such contributions. This fund can help support widespread testing, and other waivers to various sections of the society and industry.

• Since Indian oil companies are garnering high profits due to lowering global prices of crude, the public-sector oil companies should be mandated to contribute 50% of this year’s profits towards Covid-19 response fund dedicated towards the management of the pandemic.

• For the long term, the Indian Government should create a holistic framework to manage such health crisis. A disaster management framework focused on managing disease outbreak will become essential in the large and densely populated country. Given the widespread panic a health concerns creates, the framework should focus on creating a robust channel to provide information and create awareness. In light of rising concerns and incidences of pandemics, the Government should ensure compulsory disaster response training program in public and private organisations and education institutes.
Proposed action points: Managing the economic impact of Covid-19 (contd.)

• While globalisation has brought enabled robust supply chains, it is critical for industries to assess over dependence on a single market. Sectors who depend on a single market for raw materials, spares and finished products would need to revaluate their procurement strategies. The Government should also focus on creating a policy to empower domestic trade and industry to maintain continuity in the supply chain.

• Many businesses can provide business continuity by leveraging the work from home option. However, there are many sectors where it is not feasible. Given the urgency of the situation, to safeguard human life and slowing the spread of the contagion, non-essential industries can implement 14 days of shutdown for now, while continuing to pay salaries. They can at a later stage, extend working days and recover time lost during Sundays.
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ASSOCHAM initiated its endeavour of value creation for Indian industry in 1920. Having in its fold more than 250 Chambers and Trade Associations, and serving more than 4,50,000 members from all over India. It has witnessed upswings as well as upheavals of Indian Economy, and contributed significantly by playing a catalytic role in shaping up the Trade, Commerce and Industrial environment of the country.

Our legacy has helped build a strong foundation for future endeavors wherein we serve as the Knowledge Chamber for the industry and become the conduit between them and the Government to foster development of a New India. Seen as a proactive and forward looking institution, ASSOCHAM is fully equipped to meet the aspirations of Corporate India in the new world of business.

ASSOCHAM has emerged as the fountainhead of Knowledge for Indian industry, which is all set to redefine the dynamics of growth and development in the technology driven cyber age of ‘Knowledge Based Economy’. We aim to empower Indian enterprise by inculcating knowledge that will be the catalyst of growth in the technology-driven global market and helps them upscale, align and emerge as formidable player in respective business segments.

Aligned with the vision of creating a New India, ASSOCHAM works as a conduit between the industry and the Government. ASSOCHAM is seen as a forceful, proactive, forward looking institution equipping itself to meet the aspirations of corporate India in the new world of business. ASSOCHAM is working towards creating a conducive environment of India business to compete globally.

As a representative of Corporate India, ASSOCHAM articulates the genuine, legitimate needs and interests of its members. Its mission is to impact the policy and legislative environment so as to foster balanced economic, industrial and social development.

ASSOCHAM derives its strength from its Promoter Chambers and other Industry/Regional Chambers/Associations spread all over the country.
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Primus Partners has been set up to partner with clients in ‘navigating’ India, by experts with decades of experience in doing so for large global firms. Set up on the principle of ‘Idea Realization’, it brings to bear ‘experience in action’.

‘Idea Realization’— a unique approach to examine futuristic ideas required for the growth of an organization or a sector or geography, from the perspective of assured on ground implementability.

India is and will continue to be a complex opportunity. Private and Public sector need trusted advisory partners in order to tap into this opportunity. Primus Partners is your go-to trusted Advisory for both public and private sector organizations involved intricately with nation building, and the creation and growth of robust corporations as engines of progress.

Our core strength comes from our founding partners, who are goal-oriented, with extensive hands-on experience and subject-matter expertise, which is well recognized in the industry. Our core founders form a diverse cohort of leaders from both genders with experience across industries (Public Sector, Healthcare, Transport, Education, etc), and with varied specialization (engineers, lawyers, tax professionals, management, etc).

Primus Partners brings experience of working in more than 30 countries with private and public sector, including working with Government of India, building and leading large consulting teams at the leadership level, and creating one of the largest public sector consulting practice in India. They also represent 200 person years of experience in leading global and Indian consulting firms and the public sector.

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