Industry Revival Measures
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Important Temporary 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 has 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.

1. 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.

2. Educational institutions should give a 3-month moratorium of fees.

3. Three months delay in payment of ESI and PF shall not attract penalties and penal interests (the earning more than Rs.15,000 monthly).

4. Exempt payment of all municipal taxes and water bills for at least three months.

5. Waiver of Road Tax for one quarter for applicable Transport Vehicles which are transporting essential commodities.

6. An effective transition requires help from civil society, and NGOs in particular. Eligible NGOs may be registered and their services utilized in various facilities management across all the states.
Important Temporary Measures

A Control room be opened at each district to see that all measures announced by Finance Minister, including on Food Security by stocking around 6 lakh Fair Price Shops to reach the targeted 80 crore population.

For effective implementation of Direct cash assistance as announced by Finance Minister, the existing branch and ATM may not be sufficient for a size of 20 crore PM Jan Dhan Yojana Women account holders and other class of beneficiaries, most of whom are socially fragile. A possible solution could to be associate Business Correspondent Network of Branches in delivery of these services.

Basic food, milk, vegetables etc to be distributed in a complete controlled manner by government approved system and also government can collaborate with Private companies. For example, Government should coordinate with private players like Big Basket to deliver essential services to home so that people don’t have to move-out.

A dedicated Pan India Helpline no be available 24*7 with human beings who understand the problems faced by citizens and direct it to concerned authorities, rather than random automated irrelevant responses which are coming out from existing helplines.

The Government should make more precise steps to cater Food Industry as still the Raw Material like wheat is a bit hard to get transported from warehouses to Mills which is due to Transporters not able to provide proper transportation.

Wheat crop in North India is sitting ready for Harvesting and marketing. Nobody, knows it’s fate. So, Agro-processing industry in North India will need support.
Taxation

1. 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.

2. 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.

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

4. 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.

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

6. 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.

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

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

9. 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

10. Reverse Charge Mechanism (RCM) payment of GST to be suspended for three months.
Exports

1. 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.

2. 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.

3. 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.

4. 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.

5. 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.

6. 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.

7. Export credit bank rate should be fixed at 50% of the domestic bank rate for at least 12 months.
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 (in 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

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

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.
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.
MSMEs

1. 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.

2. 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.

3. 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.

4. 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.

5. 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.

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

7. **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.
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.
## Sector-specific 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.
Sector-specific Immediate Measures

**Food Manufacturing and Processing**

- 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.

- 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.
Sector-specific Immediate Measures

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.

• 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.
Sector-specific Immediate Measures

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.
Sector-specific Immediate Measures

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.

- 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.
Sector-specific Immediate Measures

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)
Sector-specific Immediate Measures

**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.

**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.
Sector-specific Immediate Measures

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 includes ampoules, seals and bottles etc.. Without the availability of these goods, pharma products can not 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
Sector-specific 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.

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.
Sector-specific 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

**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.
- 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 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.
- For under-construction transmission projects, delays in construction up to 12 months should not attract LD/Penalty due to this unprecedented event
Sector-specific Immediate Measures

**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
- Central government may take steps 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.
Implemented ASSOCHAM recommendations

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.

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**.

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.

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.

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.
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.

**Basic food, milk, vegetables etc to be distributed in a controlled manner** by government approved system and also government can collaborate with Private companies. For example, Government should coordinate with private players like Big Basket to deliver essential services to home so that people don’t have to move-out.

**A dedicated Pan India Helpline no be available 24*7** with compassionate people who understand the problems faced by citizens and direct it to concerned authorities, rather than automated irrelevant responses which are coming out from existing helplines.

The Government should make more precise steps to **ensure seamless supply of essentials**. Food Industry is struggling for raw material such as wheat which is hard to get transported from warehouses to Mills due to Transporters not able to provide proper transportation.

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 INR25,000 crore is still unspent The Government should look at **utilizing these funds to provide income support to the labour**, which has been deeply impacted by the Covid-19 pandemic.
The RBI has been consistently prodding banks to cut rates further, but the response has been quite muted so far. That’s perhaps one reason why the RBI chose to look beyond rate cuts at its last policy meet on February to incentivize banks cut lending rates. It relaxed some provisions on mandatory cash reserve ratio (CRR) requirements for banks if they lend to home, auto and MSMEs.

Looking at current economic scenario fueled additionally by corona virus, which are still uncertain and unfolding. We are further expecting from the central bank to announced the measure relief for improving the liquidity and ensuring credit flow by providing low interest loan to critical sectors particularly for the sectors like aviation, tourism, hospitality are hit hard now in addition to sectors like realty, telecom, financial services, automobiles which have already been in stress.

Some form of credit enhancement should be made available to banks to facilitate incremental lending to existing customers. The reason is most MSME enterprises will need incremental liquidity support to tide over these difficult times. Therefore, credit enhancement from CGTMSE/ Alternate Delivery Channel should be there.

Incremental Credit Support to Working Capital Customers of banks subject to such customers being fully performing on March, 2020. Nature of Incremental Credit Support: To provide incremental liquidity to MSME clients so as tide over temporary cash flow mismatches arising from delayed payments / slower sales / incremental costs on account of health and safety reasons etc. The underlying issue being the disruption to business envisioned on account of COVID-19

ASSOCHAM expects a 100 bps rate cut in First Bi-Monthly Monetary Policy Statement for 2020-21 scheduled to be announced on 03rd April 2020.
Implemented ASSOCHAM recommendations

**Automobile**

We recommend allowing the RTOs to register BS IV vehicles for a reasonable period post-March 31st 2020, to compensate for the current lockdown/shutdown of RTOs. The period should start once the RTOs are fully operational and dealerships are also allowed to function. This is aligned with the direction of the Hon'ble SC, that allowed for registration of BS IV vehicles till March 31st 2020 and avoids a blanked deferment of the implementation date.

**Food Manufacturing and Processing**

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

All Transport vehicles, including refrigerated trucks, carrying Raw material, Intermediates and necessary ancillary material such as packaging material to and from the food processing units to be 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.

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".

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.