

# Joint Council of Associations of Coimbatore



April 5, 2020

The country is facing an unprecedented situation with the tentacles of Covid19 spreading state after state. We thank the Hon'ble Prime Minister for taking timely steps to check the spread of the dreaded disease as well as the several announcements made to mitigate the problems of the Industry.

On behalf of all MSMEs, we request the Government to kindly consider the following points, in addition to the announcements already made.

1. Banks should be asked to defer all loans for six months till 30.09.2020. This should be closely monitored by the RBI. MSMEs may be allowed to repay the six installments with interest @ 6%, over a period of 12 months.
2. Extend ADHOC additional credit to the extent of 25% on existing working capital limits by all public, private sector banks.
3. Waiver of interest on working capital for a period of six months.

In respect of working capital facilities sanctioned in the form of cash credit/overdraft ("CC/OD"), lending institutions have been permitted to defer the recovery of interest applied in respect of all such facilities during the period from March 1, 2020 up to May 31, 2020 ("deferral"). The accumulated accrued interest shall be recovered immediately after the completion of this period.

**We request the government to consider waiver of interest on all loans and cash credits for MSMEs for six months starting April 2020. We request that the banks should support the Industry, at the time of this extraordinary crisis.**

4. Though the moratorium has been extended to term loans and working capital, it hasn't addressed the issue of LC dues which will become due in 30 days. Renegotiation of contract for further 30 days should be allowed so that the LC can be honoured by MSME's.
5. We request that NPA norms may be changed from 90 days to 180 days for at least two years. Interest rates to be brought down to 6% for a period of two years.
6. For NPA and stressed units suitable Rehabilitation programme shall be considered in consultation with the Promoters for viability.
7. CLCSS subsidy to be increased to 25 percent
8. Industry should be exempted from paying ESI, PF, Bonus on the salaries paid during the Lock Down period.

Government may consider payment of employees' Wages through ESIC for the Lock Down period.

9. Government should consider paying the PF Contribution for 6 months, without the limitation of Rs. 15000 ceiling and extend the benefit for units employing up to 200 persons.

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 Confederation of Indian Industry Coimbatore Zone	 The Coimbatore District Small Industries Association	 Indian Chamber of Commerce Industry Coimbatore	 THE INSTITUTE OF INDIAN FOUNDRYMEN The Institute of Indian Foundrymen Coimbatore Chapter	 Engineering Prosperity Southern India Engineering Manufacturers Association	 Coimbatore Industrial Infrastructure Association
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10. All arrear payments of P.F and ESI, from the MSMEs shall be permitted to be paid in instalments along with the current payment with the holiday period of 6 months. All legal actions against defaulting MSMEs to be dropped.

## 11. Migrant Workers :

Industrial units employ migrant workers (both men and women) from other states as well as other Districts of Tamil Nadu.

As most of them have been asked to leave the work premises to break the spread of COVID19, it is a real challenge when they get back to work after the lock down period. All of them need to be checked for their good health before enrolling in duty. Industries are retaining some of the migrant labourers in their premises and other places and feed them and also keep them in good health.

Most of these workers are contract workers. MSMEs incur lot of expenses on this account.

We request the Government to devise a package to be reimbursed to MSMEs. This package may consist of an incentive component to bring back the Migrant labourers who have already left to their native places.

12. Government should extend GST return filing dates for MSME's and remove late Filing penalty till March 2021. Interest for late payment may be charged @ 6%.
13. We request to permit payment of arrears of GST in installments along with the current payment with the holiday period of 6 months without canceling the GST Registration.
14. Government should advise State Government to consider total waiver of Fixed Electricity Charges (MD Charges) during the period of lock down.

We look forward to your support at this crucial juncture.

With Regards,

Yours sincerely,

  
5/04/20  
Chairman,  
CII, Coimbatore Zone

  
President, CODISSIA

  
President, ICCI

  
Chairman, IIF,  
Coimbatore Chapter

  
President, SIEMA

  
President, COINDIA