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KANARA CHAMBER OF COMMERCE & INDUSTRY

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CIN : U91990KA1940PLC001135

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30th April, 2021

To

Smt. Nirmala Sitaraman,
Hon Minister of Finance and Corporate Affairs,
Government of India,
A Wing, Shastri Bhawan,
Rajendra Prasad Road,
New Delhi - 10001.

Respected Madam,

Sub: Representation of Trade and Industry to face challenges of COVID Second Wave Lockdown.

We are aware that the second wave of Covid Infection has hit our nation like a surprise Tsunami. In Karnataka, due to surge in the number of Covid cases of nearly 40,000 per day, we are given to understand that there are acute difficulties for patients for finding beds, oxygen, ICU facilities.

We understand that the Government of Karnataka has been compelled to take urgent steps to handle this challenge of the Pandemic. We note that severe restrictions have been imposed on economic activities and movement of people from 20th April 2021 and further a nearly complete lockdown has been imposed from 27th April 2021 till 11th May 2021, with a possibility to further extension by a week.

As a Representative Body of our members who are responsible citizens engaged in business and commerce in Dakshina Kannada, we hereby acknowledge the necessity for these urgent and harsh steps taken to face the situation.

However we also need to acknowledge with due seriousness that due to the lockdown, the business and economic activities have been forced to a near closedown and the trade, industry and commerce has been taken unawares and are suffering from various aspects. There are severe short and long term adverse impacts which are going to hit our economy and nation's tax revenues in a major manner including causing severe hardships to the workers, employees, entrepreneurs and general public.

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Just as we have to address the health and survival challenges of the Common Man, we also need to urgently address the very survival and health functioning of Trade and Industry especially in the MSME Sector who are faced with the challenge of stoppage of daily operations as well as meeting fixed commitments like salaries and wages, rents, Power Dues, Tax dues and Bank Loan servicing commitments.

We request you to publish a **White Paper** to help the Business and Commercial World as well as general public to understand, prepare for and cope with the challenge for the short and long term period. We request you to cover in the said White Paper, the following matters:-

1. Short and Long term steps taken following the first Lockdown of April 2020.
2. Present and future forecasts of the COVID numbers for the next 12 months and beyond areawise.
3. Present preparedness and forecasts on availability of healthcare including Hospitals, Beds, Oxygen availability, ICU availability, vaccine availability.
4. Strategy on Vaccination Production, Distribution and coverage of general public.
5. Outlay and manner of spending of Budget outlays earmarked for COVID Challenge in Central Budget 2021 and through the PM Cares Fund.

As an urgent and immediate action from the Government, we request your urgent measures from the Ministry of Finance to address the following challenges in right earnest to help the Businessworld to cope with the situation and ensure minimum damage to the health of the Economy and general well being of the Common Man.

COMPLIANCE MATTERS:-

S No	Law	Relaxation sought
1	Income Tax, GST, EPF, ESI, Company Law, LLP law	All compliance dates falling between 1 st April 2021 to 31 st July 2021 should be extended till 31 st August 2021 without any additional interest, Late fees and penalties.
2	Relaxation of Input Tax Credit based on GSTR 2A/2B	There should be relaxation of Input Tax Credit based on GSTR 2A/2B for a period of 6 months till September 30 th .
3	Company Law	The Government should provide similar relaxation in Company Law as the same was done for Financial year 2020-21
4	Insolvency Law	The provision for file for bankruptcy should be on hold similar to the relaxation done for 2020-21.
5	Validity of various approval	The validity of the various approvals which expire between 1 st April 2021 till 31 st July 2021 should be extended till 31 st August 2021.



6	Notices for Proceedings under various Laws like Income Tax, GST, Company Law, Labour Laws	As entrepreneurs need to focus more on survival and running the business during these challenging times, no notice under Income Tax or GST or Labour Laws should be issued during the Lockdown Period and the following three months and where issued, provide adjournments as and when requested.
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FINANCIAL SUPPORT FROM GOVERNMENT

1. We request the Government to expedite the refunds of Income Tax, GST, Duty Drawback.
2. The MEIS for 2020-21 is not released so far. We request the Government to issue MIES scripts immediately.
3. The rate of RoDTEP (Remission of Duties and Taxes on Export Products) is not finalized. We request the Government, considering the Pandemic situation, to fix an appropriate rate for RoDTEP at the earliest and release this funds.
4. Special package should be given to industries relating to tourism, hospitality and travel industry.
5. Interest and Penalty waiver on payment of Power Dues delayed payments to ESCOMs for MSMEs and Domestic Users.

BANKING AND SUPPORT SERVICES TO MSMEs

1. We request interest waiver for MSMEs for the loans obtained covering the lockdown period.
2. Funding should be given under Emergency Credit Line Guarantee Scheme under the AtmaNirbhar package to MSMEs.
3. The Interest Subvention scheme should be further extended till 31st March 2022.
4. There should be relaxation of norms for declaration of a loan account as NPA including 6 month repayment holiday from April 2021.
5. There should be relaxation of Penal Fees for non-submission of stock statements, financial statements in connection with Bank Nonperforming Assets for the Lockdown Period and following three months.



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While we assure you our commitment to participate and comply with all directives of the Governments in facing this national challenge, we urge to receive your empathetic listening to our above appeal and urgent mitigative steps in protecting the Economic health of our Nation.

Yours faithfully,
For Kanara Chamber of Commerce and Industry

**ISAAC VAS
PRESIDENT
DIN 00712781**

Affiliated to :

Federation of Indian Chambers of Commerce & Industry, New Delhi,
Federation of Karnataka Chambers of Commerce & Industry, Bangalore,
Confederation of Indian Industry, (Southern Region), Bangalore/Chennai,
Bangalore Chamber of Industry & Commerce, Bangalore &
Indian Merchants' Chamber, Mumbai.