



KCCI
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ಕೆನರಾ ವಾಣಿಜ್ಯ ಮತ್ತು ಕೈಗಾರಿಕಾ ಸಂಸ್ಥೆ

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KANARA CHAMBER OF COMMERCE & INDUSTRY

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CIN : U91990KA1940PLC001135

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28th May, 2021

To,

Shri Narendra Modi,
Honourable Prime Minister of India,
Prime Minister's Office, South Block,
Raisina Hill, New Delhi - 110 011

Respected Sir,

Sub: **Relief for MSME due to Covid and Lockdown**

I bring you greetings from the Kanara Chamber of Commerce & Industry (KCCI), Mangaluru.

We are a District level Chamber engaged in promoting Trade, Commerce, Industry and the general welfare of the people in the erstwhile undivided Dakshina Kannada District for the past eight decades.

The second wave of the Covid19 pandemic has enveloped the Tier II and III towns and villages. While Covid19 has created unexpected health challenges, the inevitable lockdown affects the economy considerably, impacting its contributors. MSMEs (Micro Small & Medium Enterprises), urban middle and lower middle class engaged in self-employment, small businesses or non-government jobs, and the scattered service sector have taken a considerable beating.

The packages announced by the state governments do not have concrete, urgent remedies, and it is unlikely that relief can reach the affected at the earliest.

The 'Aatmanirbhar Bharat' packages of 2020 have not been announced for the second wave. As a result, the lower middle class, urban poor and even the rural poor are slowly bleeding and losing power to face the crisis.

There is a requirement of urgent remedial actions from Central and State in the following areas to help save the economy:-

1. Suspend the rise in petrol-diesel prices for the next 3-6 months.
2. Halt the increase in property tax, vehicle tax, income tax, and GST rates and consider reducing rates for 1-2 years.

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3. Reduce Electricity and utility rates for the next 3-6 months and waive interest on arrears.
4. Grant extension of due dates for filing tax returns under GST Laws.
5. Grant an extension for TDS Compliances and interest rate reduction.
6. Grant an extension for holding AGMs in the corporate and cooperative sectors.
7. Announce concessions for loan instalments and interest servicing commitments.
8. Provide weighted income tax deduction equal to rent, salaries, electricity, insurance and fixed overheads incurred in the preceding year during the lockdown period.
9. Increase the validity of various approvals for a further 2 years without any additional fees or compliance.
10. Waive the Escom Fixed charges for MSME.
11. Postpone payment of EMI of all loans of MSME without any compounding interest.
12. Payment of wages from ESI to workers as lockdown wage, direct credit to the beneficiary.
13. Extend the period of all compliance like submission of Form C for CST assessment, the period for construction of house property to avail Section 54/54F benefits.
14. Relax the NPA norms for loan availed.
15. This is a time of crisis for everyone. Hence, the RBI and the Minister of Finance should come out with innovative solutions.
16. Announce a special package for the Travel and Hospitality industry, including Travel Agents, Hotels and the Tourism sector.
17. Suspend the applicability of declaration of default under Insolvency Laws.
18. Further extend the time limit of filing the Income Tax return for AY 2020-21 from 31st May 2021 to 30th June 2021.



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We are optimistic that the government will consider our plea to keep the economy afloat during these challenging times. We do believe that the government is doing its best in combating the pandemic. But you will agree that it is the combined efforts of both the government and citizens that would safeguard the lives and livelihoods of people while strategizing the efforts in fighting the onslaught of the deadly virus.

Together we can bring the economy back to its former glory!

Thanking you

Yours faithfully,
For Kanara Chamber of Commerce and Industry

**ISAAC VAS
PRESIDENT
DIN 00712781**

Copy to:

- 1) Smt. Nirmala Sitharaman, Minister of Finance and Corporate Affairs, Govt. of India.
- 2) Shri Nalin Kumar Kateel, Member of Parliament, Dakshina Kannada Dist. Karnataka.
- 3) Affiliated Bodies of KCCI.

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.