



# INDIAN INDUSTRIES ASSOCIATION

AN APEX BODY OF MICRO, SMALL & MEDIUM ENTERPRISES

( IN THE SERVICE OF MSME SINCE 1985 )

Ref. No. 4/GOI/0112

26<sup>th</sup> Mar 2020

To,  
Shri Piyush Goyal  
Hon'ble Minister,  
Ministry of Commerce & Industry  
Government of India

**SUBJECT: IMPACT OF CORONA VIRUS ON MSMEs, PRESENT SITUATION AND REQUEST FOR SUGGESTED MEASURES PERTAINING TO YOUR MINISTRY**

**Sir,**

Indian Industries Association (IIA) an apex body of MSME's in North India realizes the emergency situation and top most priority & duty of all of us to protect ourselves and the entire mankind from the Covid-19 epidemic . We on our part have issued advisories to all more than 8000 MSME Members of the association to abide by the Government instructions, rules and regulations as well as special appeal of our Prime Minister to combat the situation.

In view of countrywide Lockdown & complete shutdown of Industries from 25<sup>th</sup> March 2020, MSME's will be subjected to irreparable loss if not supported by the Central and State Governments.

Affected MSME 's will be unable to carry on with the production activities leading to zero capacity utilization and also no Electric power utilization, yet, all MSMEs will be required to pay Demand / fixed charges / minimum charges , pay the Wages to all the workers & employees during the period of lockdowns, make payment of bank loan & interests and meet all other fixed costs.

Government has thoughtfully extended the dates for statutory compliances, payments & filing returns for direct & indirect taxes and so on to 30<sup>th</sup>.Jun`2020, which is welcome step and we record our appreciation and admiration for this proactive move.

Although, government has placed lockdown for a period of 21 days, up to 14<sup>th</sup>.April, however, given the candid sharing of concern by the PM during his address, further extensions cannot be ruled out at this stage.

Therefore, there seems uncertainty of this shutdown looming on industries as well. In case of prolonged shutdown MSME's and without support from the Government, these MSME's may find very difficult to recover from the shock.

***Hence we are submitting following suggestions pertaining to Ministry of Commerce & Industry for your kind consideration and suitable action:-***



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## (A) Delayed payments of MSE's

Government Departments, Government Undertakings and Big Industries should be directed to make payments for supplies made by MSEs to them immediately and in no case the delay in payments should be for more than 45 days as stipulated in the MSMED Act.

## (B) Electric Energy

Advise all power discoms across the country to waiver / exempt Fixed Charges / Demand Charges / Minimum Charges from their MSME power consumers for the period of Lockdown.

## (C) Invocation of Force Majeure Clause

Invocation of Force Majeure Clause for all contractual obligations and no penalties be imposed by State and Central Government agencies for delayed deliveries or completion of the projects. The period of completion of the projects under any MOU signed between the Entrepreneur and State / Central Government undertaking / department be extended by minimum 3 months or further subject to the impact of Covid19.

*I hope you will be kind enough to accept our suggestions for the survival of MSMEs in this difficult time for them and take suitable necessary actions urgently.*

*Thanks & regards*

**Pankaj Kumar**

**National President IIA**

### **Copy for kind information and necessary action to :**

1. Hon'ble Prime Minister of India, New Delhi.
2. Hon'ble Minister MSME, Govt. of India

**Pankaj Kumar**