



Ref. No. 3/GoUP/0146

24.04.2020

To,
Shri Yogi Adityanath Ji
Hon'ble Chief Minister
Uttar Pradesh

Subject:- Regarding inability of MSME's closed due to Lockdown to pay salary to its employees for the month of April 2020 or till they are not in a position to start operations.

Sir,

Indian Industries Association (IIA) appreciates the efforts being made by the Central and State Governments to fight against the Covid-19 pandemic. IIA and its more than 8000 members are also with the Government in this hour of great difficulty for all sections of our society as well as for the Government.

We would like to bring to your kind notice the plight of Micro, Small & Medium Enterprises (MSME's) as on date which if not taken care of immediately, majority of these MSME's will close down permanently and on top of it will be subjected to penal actions owing to recent orders of the Government. One such order is related to payment of wages to the employees of the enterprises even when these enterprises are closed else the enterprise owners will have to face the FIR's etc.

You are aware that even in normal circumstances, Micro, Small & Medium Enterprises hardly have liquidity for maximum one month's expenditures on various heads. March being the financial year end, these enterprises have to clear more payments in March compared to earlier months. From 15th March 2020, the production activities in MSME's were disturbed which came to a complete halt on 25th March 2020 and is continuing till date for majority of the enterprises. Even before 15th March, due to Holi festival the production activities were at the lowest levels. The economic slow down also had crept in much before and the businesses were not doing well even before March 2020 for a long time.

Due to closure of the enterprises, production is stopped now, debtors are not making the payments, finished & semi-finished goods and inventories are blocked, bank interest & various tax burdens are on, fixed charges on electricity connections are to be paid without any consumption of electricity and finally entrepreneurs are to sustain their families also.

Employers of the MSME's have any how managed to honour the orders of the Government to pay salary of their employees for the month of March 2020. However, in view of the situation stated above, majority of MSME's are left with no funds now and the receipts have dried out completely. As such they are not in a position to pay the salaries for their employees for the month of April and onwards till the lockdown continues.



INDIAN INDUSTRIES ASSOCIATION

AN APEX BODY OF MICRO, SMALL & MEDIUM ENTERPRISES

(IN THE SERVICE OF MSME SINCE 1985)

In IIA, we had detailed discussions with our members on this difficulty and also the possibilities of supporting their employees under such circumstances as a moral responsibility. The consensus evolved through these discussions is that MSME's which are closed during lockdown period, anyhow will ensure and manage to support their employees by providing them sustenance allowance to meet their minimum requirements of living but they are not in a position to pay salaries to their employees for the lockdown period.

We are therefore approaching you with the request to take a pragmatic view of the situation so that all stakeholder's i.e employers and employees are able to survive in this difficult time and not to force the MSME's to pay salary for the month of April 2020 and onwards till lockdown & closure of the enterprise continues.

Looking forward for a favourable response urgently.

Pankaj Kumar

National President

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