

## HOW TO SURVIVE DURING COVID-19 FOR MSMEs

APRIL, 2020

Sr. No	Subject	Recommendations
1.	<b>HOW TO SURVIVE DURING LOCKDOWN</b>	<p>a) Support from respective banks in paying Salary and Wages for next 2-3 months. This should be in the form of increase in CC limit without additional collateral guarantee. It can be treated as incentive declared by Central Govt.</p> <p>b) Auto extension and/or enhancement of working Limit viz. CC/OD facility with an additional 30% on current limits till the next FY year ending 31-03-2021 waiving any further collateral.</p> <p>c) Since the organisations are locked, minimum Electricity Bill should be waived off. These bills also should be allowed to be paid over 3 months after the operation resume.</p> <p>d) Specific Relief announcements for MSME manufacturing sector towards superfast receivables from Corporates &amp; Govt. Sectors to bridge cash flow deficit.</p> <p>e) Support to temporary and low wage workers in the form of food coupons by government. This will bring down the load on the MSME owners to pay the salary and wages.</p> <p>f) The government support and incentives should be sector specific. The manufacturing sector to be impacted the most.</p> <p>g) Since the cheque clearance system has stopped many MSMEs will not have access to internet banking, there has to be solution to this.</p> <p>h) Rebate on Income Tax both corporate &amp; personal to the tune of 50% of the accruals for FY 19-20 &amp; 20-21 to set off losses arising due to lockdown.</p> <p>i) Rebate on the interests @ 50% on borrowing of all Business Loans taken by MSME from 15-03-2020 till Lockdown period.</p> <p>j) Pending all Govt. clearances will also help to survive in this crucial period.</p>
2	<b>MSME EXPORTERS</b>	<p>i) Faster clearance of GST Refunds.</p> <p>ii) Withdrawal of Para 5&amp; 6 of the GST Circular no.135/05/2020-GST dated 31st March, 2020.</p> <p>iii) The govt. must open up the bear minimum activities related to Customs, imports, exports and manufacturing as early as possible.</p>

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3	<b>BUSINESS RISK SCREENING</b>	<p>i) All the new and running projects 'Must' be screened against all probable risk parameters on an annual basis or at a regular frequency.</p> <p>ii) Govt should subsidise charges for MSMEs for larger good by making it compulsory for these rating agencies to rate at least 40% of MSMEs out of their total certifications to reduce the charges (by 50 %) for registered MEMEs or the lenders should absorb this cost.</p>
4	<b>SOCIAL AND OCCUPATIONAL HYGIENE PROGRAMS</b>	<p>i) Papers and Practical- with Credit Points, should be introduced by Govt. at all School Level Education. This will spread beneficial habits in the society at a coronial speed.</p>
5	<b>CURRENT AND SUDDEN GLOBAL DEVELOPMENT( (Immediate term)</b>	<p>i) To extent help for any worst affected MSME peaceful Closure/Merger/Acquisition to retain/extract its residual value.</p>
6	<b>THINKING HOLISTIC</b>	<p>i) Chamber can run a program (small capsule) to address and elevate the morale of the most affected MSME members and may be for their associates too.</p>
7	<b>IDENTIFY SYNERGY MUSCLES OF MSMEs</b>	<p>i) To form Physical (Primarily) and Virtual (as a support framework) Clusters for MSMEs to save minimums 5% of their product costs. (This may require dislocation-relocation of Industry in some cases. However, this could be addressed. )</p> <p>ii) The Government may allow specific relief for Cluster development of 20 or more complimentary MSMEs to synergise and make the productivity better. (One of the supports can be technology transfer/ managerial skill developments/ six sigma training and subsidy on Capital expenditure.)</p>