



WORLD ASSOCIATION FOR SMALL AND MEDIUM ENTERPRISES

11th May 2021

Hon;ble Finance Minister
Govt. of India
Smt. Nirmala Sitharaman

Subject : Covid second wave: Stimulus Demanded for MSMEs to sustain

Respected Hon'ble FM,
Greetings from WASME !!!

As you are aware that India's 63.4 million MSMEs, already battling low demand, are on the brink of forced shutdowns second labour exodus, high cost of inputs and loan-repayment blues. Resurgence of COVID-19 in India in recent weeks and associated containment measures adopted at local levels have created new uncertainties and impacted nascent economic revival that was taking shape.

Hon;ble Reserve Bank Governor Shaktikanta Das announced a slew of measures to offset economic impact of second Covid-19 wave on MSMEs and small businesses. To incentivize credit flow to micro, small, and medium enterprises (MSME) borrowers, scheduled commercial banks in February 2021 were allowed to deduct credit disbursed to new MSME borrowers from their net demand and time liabilities (NDTL) for calculation of the cash reserve ratio (CRR).

IMMEDIATE RELIEFS ARE DEMANDED TO SAVE MSMEs :

1. Immediate Cash stimulus package should be provided to micro enterprises to save their employees and honor their creditors to meet emergency.
2. All pending payments from Central/State/PSU/SU/Corporates should be released immediately.
3. Moratorium for all loans from EMI should be extended till December 2021 without any interest.
4. Defer all payments to Central Government such as Income tax, TDS, GST , PF, ESI , Capital Gains tax and to State governments all Registration costs , property tax , water tax , fixed EB cost , Road permits , professional Tax till December 2021 without any penalty.
5. Scrap all pending notices of recovery/demand notices/litigation to recovery till December 2021.
6. Abolish mandatory requirement of CIBIL score for extending loan facility and instruct not to consider past performance of an enterprises for last 2 years, while seeking fresh facility or additional loans.
7. Abolish all GST on Covid related care such as hospitals / medical / preventive care etc and medical insurances.
8. Announce VACCINATION advance from EPFO to meet expenses for vaccination and treatment.
9. CSR spending can be utilized for vaccination of employees. Banks to consider and disburse additional loans facilities sought within 1 week of application, depending on the type of industry involved in with liberal terms to repay especially where the loans are already fully secured.
10. Extend by additional 1 year of moratorium for all ECLGS loans disbursed last year and due for repayment from June 21.

WASME House, Plot No. 4, Institutional Area, Film City, Sector 16 A, Noida, G. B. Nagar-201301 (Uttar Pradesh) India

Tel:+91-120-4216283, 4216284, Mob: 9560685555, E mail: info@wasmeinfo.org/wasme@wasmeinfo.org, URL: www.wasmeinfo.org



WORLD ASSOCIATION FOR SMALL AND MEDIUM ENTERPRISES

11. Banks to consider and disburse additional loans or facilities sought within 1 week of application, depending the type of industry involved in with liberal terms to repay – especially where the loans are already fully secured. Extend by additional 1 year of moratorium for all ECLGS loans disbursed last year and due for repayment from June 2020.
12. EPFO and CSR funds can be utilized for vaccination of employees.

Unfortunately, MSME sectors have been going through troubled times since 2016 onwards. Having a long-term vision and plan is one side and ensuring ICU treatment for the present situation to save from unemployment and closure of Micro and Small enterprises. A separate task force consisting of experts in each of these sectors must be constituted from the Industry and their recommendations must be implemented within 1 month to ensure they recover.

Madam, we request you to consider WASME's suggestions and implement for the betterment of MSMEs and be confident that under your dynamic leadership we can overcome this unprecedented situation.

Thanks & regards.

Dr. Sanjiv Layek
Executive Secretary
Mobile - 9911500858

WASME
Serving SMEs Globally