



The Federation of Telangana Chambers of Commerce and Industry

(Formerly known as FTAPCCI)

Empowering Industry, Commerce & Trade
Registered under the Companies Act, 1956

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March 24, 2020

Sri Somesh Kumar, I.A.S

Hon'ble Chief Secretary,
Government of Telangana
5th Floor, Burgula Rama Krishna Rao Bhavan,
NH 44, Hill Fort, Adarsh Nagar,
Hyderabad.

Dear Sir,

Sub: Covid-19 pandemic impact and measures requested for- reg

At the outset we appreciate and commend the measures taken by the government of Telangana to control the impact of pandemic Covid-19 and we extend our complete support and cooperation to make the efforts fruitful and secure the State from spreading of disease.

While we understand the importance of social distancing and closure of non-essential shops, as industry body, we are also very concerned for financial health of the all industrial units, Large Scale and MSMEs.

You are aware that all the industrial units work on a precarious state of finances and any minor disruptions in their regular flow of works will upset their production and cash flows and is harmful for the overall health. While the loss and difficulties of workers and employees is predictable, it is equally difficult for the large scale and MSME units and businesses to pay the salaries and wages by taking additional loans while foregoing the production and revenues.

The industry stakeholders need working capital and they are looking at interventions either from banking sector in easing out of norms or they will be looking at support through reduction of taxes, waiver of penalties, interests etc.

It is brought to our notice that commercial taxes department officials are forcing the businesses to clear the dues /settle the disputed payments for more than seven to eight years and are freezing the bank accounts of the entrepreneurs without informing/giving notice to them. On one hand government is appealing to close the units and pay the wages to all workers- regular

as well as contractual, and on the other forcing the entrepreneurs to pay the long pending dues in these difficult times and resorting to coercive actions!

We request you to use your good offices to restrain the tax authorities from resorting to coercive actions and give sufficient time to provide all the documents/records/information required to settle the pending dues. We also request you to instruct not to freeze the bank accounts of the units and multiply the hardships of the businesses.

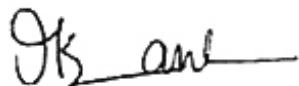
In these very difficult times to every section of the people, to protect and provide livelihood and employment to lakhs of people depending on industry, directly and indirectly, we request the government of Telangana to consider the following suggestions/recommendations:

1. Waiver of Payment of penalties/interest on delayed payment of power bills, water bills, property taxes, license fee and any other statutory payments to be made by March 31 for 3 months.
2. Extension of time for the payment of GST without penalties and interests for 3 months i.e. till June 2020
3. Extension of time for claim of industrial incentives for first half of 2019-20 for which last date is 31-3-2020 (ex: claim of interest subsidy under pavala vaddi, claim of sales tax reimbursement)
4. Many industrial units were sanctioned 14 years Sales Tax (VAT) Deferment under the Industrial Promotion Policy of the State Government for such units, the deferred sales tax (VAT) amount of FY 2005-06 becomes due for payment by 31st March 2020. This deadline may be extended till 30th June 2020, without imposing any penalties or interest.
5. To create a fund for MSMEs and extend working capital loans at no interest or minimal interest (2-3%) to tide over their financial crisis
6. To release the pending sanctioned industrial incentives at the earliest before 31st March or by April end.

We are sincerely hoping and waiting for all the support from the government as industry is going to be hit hard with the closure of units for one week or more if situation warrants.

Looking forward for your timely intervention

Yours sincerely,



Karunendra S Jasti
President
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