

9th April 2020

**The Hon'ble Chief Minister of Kerala
Government Secretariat
THIRUVANANTHAPURAM**

Dear Sir,

REPRESENTATION SEEKING SUPPORT FROM THE GOVERNMENT OF KERALA TO GET THE ECONOMY UP AND RUNNING

The Cochin Chamber of Commerce and Industry, established in the year 1857, has completed 163 years of service to the region's commerce, industry and trade. This Chamber is a Promoter Chamber of the Associated Chambers of Commerce and Industry of India (ASSOCHAM), New Delhi.

We take this opportunity to appreciate the Government's proactive efforts in addressing the public health emergency that emerged because of the Covid-19 outbreak. Kerala State's efforts in addressing Nipah (2018/2019) and Covid-19 outbreak in February 2020 has gained global attention. The Kerala Government's decision to start community kitchens to ensure that nobody goes without food during the crisis period and to deliver free mid-day meals to the children at their homes, definitely showcases the multi stakeholder perspective in the decision making process. However, there are a few concerns that the State should address for the trade & industry, which are listed below for your kind consideration.

1. Constitution of an Economic Task Force

In his address to the nation on 19th March 2020, the Hon'ble Prime Minister of India had announced setting up a Covid-19 Economic Task Force that will help India address the economic challenges caused by the pandemic. We request the Government of Kerala to constitute a similar Task Force for the State and initiate discussions with all stakeholders, in order to address the fall outs in the economy and to suggest measures to overcome the crisis in the business sector. The task force should ideally include representatives of all stakeholders involved, including trade associations, economists, bureaucrats etc.

2. Statutory and Regulatory compliance

Most of the regulatory compliances are compounded annually, wherein payments are made in the month of March before the financial year ends. The current scenario has made the situation difficult for various stakeholders operating in different sectors. The Union Finance Minister has announced relaxation in Statutory and Regulatory compliance matters across sectors. In most cases, the deadline has been extended to 30th June 2020 with no late fee/penalty being charged for delay relating to this period. Similarly, the State Government also should announce extension of deadline on all compliance requirements mandated under different laws like Kerala Shops and Commercial Establishments Act, The Real Estate (Regulation and Development) Act, the Kerala Abkari Act, Kerala Micro Small and Medium Enterprises Facilitation Act etc. The Government may also consider issuing a blanket order suspending the collection of fees, tax, cess etc., instituted under various State Laws, until further notice.

3. Electricity Tariff relaxations

According to news reports, electricity charges in Kerala are higher than anywhere else in India. The Kerala State Electricity Regulatory Commission, vide order dated 14th February 2020, had imposed an additional fuel surcharge of 10 paise per unit consumption to all consumers. We hope KSEB Board will postpone implementation of the same considering the current state of affairs. We also presume that the High Tension and Extra High Tension Industrial Electricity Consumers will be charged only on the basis of actual consumption during the lockdown period. Using the last three month average formula to calculate the bill amount during the lockdown months may not be appropriate for industries that have almost nil consumption during the lockdown period. The Government should also consider having no fixed charges levied in the electricity bills of industrialists and shopkeepers. The businesses should be charged only for their actual electricity usage. The Government should also refrain from taking any coercive measures for recoveries at least till 30th June 2020.

4. Reduce personnel costs for employers

As you are well aware, Employers are struggling to make ends meet. Even those establishments which are working during the lockdown are incurring huge financial burden to provide transport to staff, fuel etc. As is done by the Central Government, the State Government could consider paying the employer's share of the monthly Provident Fund component for the next three months. Any effort in the direction to reduce personal costs of the employers will play a crucial role in the survival of the industries. We also seek the State Government's intervention to prompt reduction or at least deferment of the lease rents of commercial buildings in the State, by extending reliefs such as waiver of taxes to the owners of the buildings.

5. Revival package for the Tourism Industry

According to the estimates of The Confederation of Kerala Tourism Industry (CKTI), Kerala's tourism industry is all set to witness a revenue loss of Rs.20,000/- Crores this year due to the impact of the COVID-19 outbreak and subsequent lockdown. Taxes and payments on the industry like Corporate Tax, Municipal Tax and various Licence Fees may be deferred at least for a period of three months. The Motor Transport Workers Welfare Fund Board could utilise its funds to pay reliefs to the registered taxi drivers. The pending electricity subsidy for hotels, resorts, and home stays should be disbursed immediately and a new subsidy should be introduced for the next three years.

6. Suspension of Local Self Government taxes

The Kerala Panchayat Raj Act, 1994 and The Kerala Municipalities Act, 1994 empower Local Self Governments i.e.Panchayats, Municipalities and Corporations to collect taxes and fees. The LSG Department, vide G.O(Rt)No.695-LSGD dated 20th March 2020, had extended the deadline for the collection of taxes and renewal of various licenses. The Government should suspend collection of these taxes at least till the 30th of June 2020.

7. Extending payment of Property Tax

On receiving representations from various sectors, the State Government had extended the deadline for payment of Property Tax to the 30th April 2020 – this should be extended to the 30th June 2020 in view of the lockdown and uncertainties prevailing.

8. Strict enforcement of decisions taken by State Level Bankers' Committee Kerala

The State Level Bankers' Committee Kerala (SLBC) has recommend a one-year moratorium for all interest payments in the wake of the COVID-19 outbreak, including all housing, education, vehicle and agriculture loans. The Bankers Committee has also decided to keep all attachment proceedings in abeyance for three months. However, news about attachment of property under SARFAESI Act, being reported from different parts of the State, does paint a grim picture. The State Government should take necessary steps to avoid unnecessary burden on the public at large during these very difficult times.

9. Support for Plantation Sector

The plantation industry is facing one of the worst financial crisis. Planters in Kerala were already struggling after the floods in 2018/2019. The current lockdown has resulted in further decline of output and demand. According to estimates of the Association of Planters of Kerala (APK), the loss in the plantation industry in the State could be around Rs.500/- Crores. The Kerala Government's decision to exempt tea, cardamom, oil palm, cashew and coffee from the purview of the current lockdown is welcomed. Rubber Estates also should be permitted to function, especially since essential items like gloves and other medical equipment require rubber as a raw material. More support measures like waiver in electricity tariff payment, allocation of funds from Kerala Small Plantation Workers' Welfare Fund, bringing irrigation processing tariff under agriculture and providing health equipment to the workers in plantation sector are also required.

10. Unified Healthcare Act

The current situation points towards the need for overhauling the outdated health laws in the State. The present legal framework has limitations on the nature of interventions that the State can make in respect to public health in emergency situations. The laws do not adequately address the problem of non-observance of medical restraints by the suspected patients, potentially giving rise to public health crisis situations. We need a complete overhaul of the current regime that is confusing and difficult to implement. The southern districts of Kerala fall under the purview of the Travancore-Cochin Public Health Act, 1955, whereas the northern districts follow the Madras Public Health Act, 1939. The Kerala Government had circulated a Draft Public Health Act in 2009 for public consultation. The State Health policies finalised in 2013 and 2018 have also emphasised on the need for a unified

Kerala Public Health Act combining the existing laws and incorporating the provisions catering to the current public health needs in the State. The State Government should take necessary steps to ensure that a new law, incorporating the needs of the society and the various sectors involved, is in place to address issues arising out of public health situations.

11. Extending deadline for Constitution of Internal Committee

The Labour Commissioner's Office, vide Circular 09/2020 dated 17th March 2020, has instructed the inspecting officials to report on the Constitution of Internal Complaints Committee as mandated under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Government is planning to impose a penalty of Rs.50000/- on the establishments that have failed to comply with the requirement. We request the Government to extend the deadline for the same in view of the lockdown.

12. Extend ESIC's Unemployment Allowance to all Employees

The Employees State Insurance Corporation of India (ESIC) is designed to support the insured persons who are contributing to the ESIC Fund. Section 19 of the ESI Act empowers the ESIC to provide measures to improve the Health and Welfare of the Insured Persons. The ESIC, in its 175th meeting held on 18.09.2016, had formulated a Scheme christened as "Atal Bimit Vyakthi Kalyan Yojana" (ABVKY) to provide unemployment allowance to insured persons. As per this Scheme, the insured persons, with at least two years valid ESI coverage, will be entitled to unemployment allowance upto 90 days at 25% of their average daily wages. As per the latest annual accounts, it is gathered that the ESIC has reserves to the tune of Rs.91000/- Crores and that the Scheme will expire on 30.06.2020. ESIC should extend the benefits of the unemployment allowance under the above Scheme to all the employees, who are beneficiaries under the ESIC, in view of the unexpected predicament of the employees and the employers. We have already written to the Government of India regarding this and request Government of Kerala to kindly follow up this matter with the Central Government.

We feel that the above measures could boost the confidence of all stakeholders in the trade and industry and also revitalise the economy, facilitating a strong and speedy revival at the earliest. We also take this opportunity to reassure you about the commitment of Cochin Chamber of Commerce and Industry in all the initiatives of the Government of Kerala to overcome the disruptions, difficulties and consequential losses/damages caused by the COVID-19 crisis. Thank you once again for the leadership and initiatives.

Thanking you,

Yours faithfully,

VENUGOPAL

President

Copies to:- The Hon'ble Minister for Finance
The Hon'ble Minister for Industries
The Hon'ble Minister for Electricity
The Hon'ble Minister for Health
The Hon'ble Minister for Labour
The Chief Secretary to Government of Kerala