



हस्तशिल्प निर्यात संवर्धन परिषद्  
CIN U20299DL 1986NPL023253  
**EXPORT PROMOTION COUNCIL FOR HANDICRAFTS**

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March 24, 2020

**Shri Narendra Modi,**  
**Hon'ble Prime Minister of India**

**Smt. Smriti Zubin Irani,**  
**Hon'ble Union Minister of Textiles**

**Shri Piyush Goyal**  
**Hon'ble Minister of Commerce & Industry,**

**Smt. Nirmala Sitharaman**  
**Hon'ble Finance Minister,**

**Sub : - Support sought due to Novel Corona Virus outbreak-reg**

As you may be aware, handicrafts is an important employment generating sector of the Indian economy providing livelihood and employment to 7 million persons from all across the country specially belonging to weaker sections of the society including womenfolk. In addition to the high potential for employment, the sector is highly labour intensive and decentralized being spread all over the country in rural and urban areas. We are also the organizers of one of the world's largest handicrafts fair i.e. IHGF Delhi fair held twice in a year.

The global value chain has been adversely impacted due to Novel Corona virus outbreak in East Asia particularly in China leading to the restrictions on movement of visitors across countries. The virus outbreak has now spread to more than 140 countries which include countries like China, Germany, France, UK, Spain, Italy, South Korea, Japan and USA and there are travel restrictions as all existing visas have been suspended till April 15, 2020 making it difficult for visitors to come to India.

We would like to commend Ministry of Textiles and Ministry of Commerce & Industry for organizing brainstorming session for exploring the possibility of enhancing exports of the items which may have potential in markets whose supplies have been impacted due to the shutdown in China.

An initial estimate of the impact that the handicraft sector may suffer in wake of the existing crisis is approximately 8000 - 10000 crores which also include the disruption in around Rs.3000 crore business that may have been generated from the 49<sup>th</sup> edition of IHGF Delhi fair which was scheduled to be held from 15 – 19 April 2020 at India Expo Centre & Mart, New Delhi NCR, which now stands postponed.

Keeping in view the above, the MSMEs from across handicrafts sector request you to kindly consider the following support to the sector:-

- 50% wage compensation to the workers for next three months. Employee share of the PF and ESIC to be borne by government for a period of 6 months.
- Facilitate faster clearance of banking and packing credit to the industry and extend the packing credit period for existing loans upto a period of 360 days from the existing period of 270 days.
- Extend the bill realization period from 9 months to 1 year (365 days) in view of the liquidity challenges.
- Exemption from caution listing of exporters by RBI to be extended from March 31, 2020 to March 31, 2021
- Collateral free lending upto Rs. 2 crores may be implemented for MSME. The Capping of collateral requirement to 35-40% for lending beyond Rs 2 crores.
- Interest and incidental charges on Export Credit should be waived for a period commencing from 01.03.2020 upto 30.09.2020 to address / accommodate business loss.
- Extension of Interest Equalization Scheme for a period of 2 years to March 21, 2022 with interest equalization rate at 7% both for merchant and manufacturer exporter.
- RBI to delay declaring companies as NPAs for a minimum of 1 year as the lack of business coupled with fixed cost will make accounts as NPAs.
- Companies be allowed to retain 10 % of GST payable for next 12 months.
- Moratorium of interest payments for next 6 months. All EMI's to banks and NBFC to be put on hold for 6 months with no levy of interest or delayed payment. Extension of time period of the bank guarantees issued by various banks to MSME exporters by one year.
- The existing limits of exporters may be automatically enhanced by 25%, if so desired.
- Property tax for FY 2020-21 to be reduced to half for all commercial properties
- Extend the export obligation period under Advance Authorization and EPCG by 1 year.
- Since participation in international shows will be relatively slow, the penal (pro rata) cuts on reduced level of participation may be waived under MAI Scheme of the Department of Commerce for 2020-21. Further, support for the visiting buyers towards travel and hotel stay from developed markets to be included in the same scheme. The support for buyers from developed countries has been considered for fairs like Textiles India 2020 and Shopping festivals being organized by ITPO.
- The Government may ease out the liquidity by immediately releasing all exports benefit including risky exporters for which a bond may be taken from risky exporters.

- Encourage Indian missions abroad to organize Buyer-Seller Meets over Video-conferencing particularly in respect of identified potential products in specified markets.
- All existing Export promotion Scheme including MEIS must continue till 31.03.2021. In case, the new scheme i.e. RoDTEP is rolled out, the benefits under the scheme to be made available at par with benefit under MEIS Scheme.
- Forward booking of dollars for the shipments to be executed from 15<sup>th</sup> march onwards. Since the shipments are on hold and orders cancelled, exporters will not be able to honour the dollar commitment. Also Indian rupee has depreciated by around 7%. The banks are not to penalize the exporters for not fulfilling the forward contract.
- In order to support the MSME exporters, ECGC to address the issues like cancellation of orders by the buyers or revised payment terms negotiated by the buyers.

Your kind consideration in the matter during these difficult times would be of great help to this employment generating cottage sector of the Indian economy.

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