



Confederation of Indian Industry

Representations submitted with the Government of Kerala

MSME

- KFC/KSIDC should be mandated to participate in equity of MSME's aspiring for listing with SME exchange. This will help graduation of small to medium to large.
- Tax laws needs to be simplified
- Minimize human interface by absolute computerization
- Land locked with redundant units across the state – Device a scheme by which Vertical Industrial Buildings are made possible by including the existing promoter as a stake holder. This will enable at least 1 million square feet of industrial space across Kerala. We will be able to invite Industries to set up shop.
- Credit linked Capital Subsidy Scheme for Technology up gradation of MSME - KSIDC is not an approved primary lending institution (PLI). Hence MSME units availed loan from KSIDC are not eligible for capital subsidy.
- Modified Special Incentive Package Scheme for Electronics System Design and Manufacturing Sector. (M-SIPS) has been notified by Government of India Ministry of Communications and Information Technology Department of Electronics and Information Technology. M-SIPS will be open for receiving applications up to 2015. Government of India has allocated Rs.10000 Crores for 12th five year plan for this scheme. Financial incentives available under the scheme will be over and above any incentive being given by state governments. As KSIDC is setting up electronic parks in Kerala, KSIDC can work as a nodal agency for promoting units under this scheme. Minimum investment requirement is Rs.10 Crore. M-SIPS can be made use of for setting up electronic industries for participating OFFSET Policy purchase.
- Self-Certification
At the moment there are 16 licenses required to start and run a small business. The concept of self-certification can be put in place for all technical parameters, by individual industrial units as required under various laws and statutes. In order to save an industrialist from having to go through various types of inspections for different provisions of law, a Single Business Act could be considered for introduction. The Single Business Act could encompass the essence of almost all

the basic laws of relevance to industries under one umbrella. For the purpose, a pool of private agencies with experts in the relevant fields could be accredited to carry out the task of inspecting particular units and issue necessary certificates as required by law. A joint team of Government inspectors from different departments however, could inspect the unit once in a year. Stiffer penalties could be imposed for the abusers as well as accredited agencies issuing fake certificates including cancellation of licences. The entrepreneurs could be allowed to pay 5 year fees in one go. The system of self-certification would be a win-win situation for Government as well as the industries, as for the former it will ensure more transparency in the system and for the latter, it would be a case of professional inspection practices at reasonable intervals of time. An Inter-departmental Committee under the chairmanship of Industries Secretary could be constituted to implement this concept, in a time bound manner.

Summarizing the above, following initiatives could be considered by the Government to provide necessary comfort to the industries.

- Introduction of Single Business Act to simplify rules and procedures
- Introduction of the concept of self-certification and audit principle by accredited consultants and severe penalties for willful defaulters.
- Confining to only one comprehensive visit annually, by Government official(s) who are identified on the basis of the scale of operation of the unit.