

Info Capsule

BUSINESS REFORM ACTION PLAN¹

- The Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry had circulated to all States/Union Territories in October 2015, a 340 point Business Reform Action Plan (BRAP) with an objective to increase transparency and efficiency of various Government regulatory functions and services for business in India.
- The result of the Assessment of Implementation of Business Reforms 2015-16 by States/UTs was released on 31.10.2016. The Assessment studies the extent to which States/UTs have implemented DIPP's 340-point BRAP, covering the period July 1, 2015 to June 30, 2016.
- The BRAP includes recommendations for reforms on 58 regulatory processes, policies, practices and procedures spread across 10 reform areas, that is, access to information and transparency enablers; single window; environmental registration enablers; obtaining electricity connection; availability of land; construction permit enablers; inspection reform enablers; labour regulation enablers; online tax and return filing and commercial dispute resolution enablers spanning the lifecycle of a typical business.
- Data for assessment of Implementation of Business Reforms was collected from States/UTs on the BRAP portal <http://eodb.dipp.gov.in>. The portal, among the first of its kind globally, allowed States and UTs to submit evidence of implemented reforms.
- At least 32 States and UTs submitted evidence of implementation of 7,124 reforms.
- These submissions were reviewed by the World Bank team and validated by DIPP's team to study whether they met the objectives of the BRAP. The portal allowed collaborative dialogue between DIPP and the States/UTs to analyse the evidence submitted.
- The results of the assessment demonstrate that States/UTs have increasingly risen to address the challenge of making it easier to do business. **The national implementation average stands at 48.93%**, which is significantly higher than the previous year's national average of 32%.

¹ Available at: <http://pib.nic.in/newsite/erelease.aspx?relid=0>

- The table below demonstrates the progress made by States and their implementation score:

2016 Rank	State	Score (%)	2015 Rank
1.	ANDHRA PRADESH	98.78	2
1.	TELANGANA	98.78	13
3.	GUJARAT	98.21	1
4.	CHHATTISGARH	97.32	4
5.	MADHYA PRADESH	97.01	5
6	HARYANA	96.95	14
7.	JHARKHAND	96.57	3
8.	RAJASTHAN	96.43	6
9.	UTTARAKHAND	96.13	23
10.	MAHARASHTRA	92.86	8
11.	ODISHA	92.73	7
12.	PUNJAB	91.07	16
13.	KARNATAKA	88.39	9
14.	UTTAR PRADESH	84.52	10
15.	WEST BENGAL	84.23	11
16.	BIHAR	75.82	21
17.	HIMACHAL PRADESH	65.48	17
18.	TAMIL NADU	62.80	12
19.	DELHI	47.62	15
20.	KERALA	26.97	18
21.	GOA	18.15	19
22.	TRIPURA	16.67	26
23.	DAMAN & DIU	14.58	-
24.	ASSAM	14.29	22
25.	DADRA & NAGAR HAVELI	1.79	-
26.	PUDUCHERRY	1.49	20
26.	NAGALAND	1.49	31
28.	MANIPUR	1.19	-
29.	MIZORAM	0.89	28
30.	SIKKIM	0.60	27
31.	ARUNACHAL PRADESH	0.30	32
31.	JAMMU & KASHMIR	0.30	29
31.	CHANDIGARH	0.30	24
31.	MEGHALAYA	0.30	30
31.	LAKSHADWEEP	0.30	-

- The status of implementation of the said BRAP was reviewed by World Bank team and validated by DIPP based on the submissions made by States/UTs.

This information was given by the Commerce and Industry Minister Smt. Nirmala Sitharaman in a written reply in Lok Sabha on April 10, 2017.

NATIONAL MANUFACTURING COMPETITIVENESS PROGRAMME²

The main objective of the National Manufacturing Competitiveness Programme (NMCP) is to enhance the global competitiveness of manufacturing Micro, Small and Medium Enterprises (MSMEs) by intervening through following components:

- i. Lean Manufacturing Competitiveness Scheme,
- ii. Design Clinic Scheme,
- iii. Technology & Quality Up-gradation support for MSMEs (TEQUP),
- iv. Promotion of ICT in manufacturing Sector,
- v. Building Awareness on Intellectual Property Rights (IPR),
- vi. Entrepreneurial & Management Development of SMEs through incubators,
- vii. Enabling Manufacturing Sector to be Competitive through Quality Management Standards (QMS) and Quality Technology Tools QTT (This component has been subsumed under ZED certification scheme).

The achievements under the programme are visible from the improvement in the demand offtake from the MSMEs which is showing an increasing trend. This is reflective of the realization of the benefits by MSMEs under the scheme after implementation of various NMCP components. The figures during the last three year are given below:

Actual Utilization (Rs. in crore)	Year
31.90	2014-15
36.37	2015-16
47.13 (upto Dec, 2016)	2016-17

The Ministry of Micro, Small and Medium Enterprises (MSME) implements various schemes and programmes for promotion of MSME in all the States of India, viz., Credit Guarantee Scheme, Credit Linked Capital Subsidy Scheme, National Manufacturing Competitiveness Programme (NMCP), Cluster Development Programme, Marketing Development Assistance, International Cooperation Scheme and Prime Minister's Employment Generation Programme, etc. The budgetary allocations and utilization in respect of the Ministry of Micro, Small and Medium Enterprises (MSME) for implementation of various schemes / programmes for promotion and development of MSMEs for last three years is as under:

² Available at: <http://pib.nic.in/newsite/erelease.aspx?relid=0>

(Rupees in crore)

Utilization	Allocation (BE)	Years
2389.90	3327.00	2014-15
2440.56	2612.51	2015-16
2015.33 (upto Dec, 2016)	3000.00	2016-17

As per the data compiled by the Reserve Bank of India (RBI) from the Scheduled Commercial Banks, the position regarding number of sick Micro, Small and Medium Enterprises (MSMEs) in the country at the end of March, 2013, March, 2014, March, 2015 and March, 2016 is as under:

Number of sick MSMEs	At the end of
2,22,204	March, 2013
4,68,399	March, 2014
5,37,269	March, 2015
4,86,291	March, 2016

The Government has organised 78 nos. of Awareness campaign on Intellectual Property Rights (IPR) during the year 2016-17 under IPR scheme.

The Ministry of MSME has implemented "Enabling Manufacturing Sector to be Competitive through Quality Management Standards (QMS) and Quality Technology Tools (QTT)" to improve the Quality of the products in the MSME sector and inculcate the quality consciousness in enterprises in this sector. The QMS/QTT scheme has since been subsumed / merged with Zero Defect Zero Effect (ZED) Certification Scheme w.e.f. 18th October, 2016. Under the scheme 27,755 MSEs were assisted with an expenditure of Rs. 10.35 crore till date.

This Press Release is based on information given by the Minister of State for MSME Shri Haribhai Parathibhai Chaudhary in a written reply to a question in Lok Sabha on 10.04.2017 (Monday).

GOODS & SERVICES TAX³

1. Taxpayers registered under the new goods and services tax (GST) regime that is set to be implemented from 1 July will be assigned a rating, based on how promptly they upload invoices, pay taxes and file returns. The ratings will be made public on the GST Network.
2. A beta testing exercise of the GST system will be undertaken in mid-May. State governments, the Central Board of Excise and Customs (CBEC), tax officials drawn from these departments and actual taxpayers selected by them will be involved in the beta testing exercise. Further, in mid May, a government agency — the Standardisation Testing Quality and Certification (STQC), will come and audit the system. They will conduct VAPT (or virtual assessment and penetration testing).

Team ICSI

Disclaimer : The information in the Info Capsules is developed according to the information available in public domain and for academic purposes only. Any person wishing to act on the basis of this document should do so only after cross checking with the original source.

³ Available at : 1. <http://www.livemint.com/Politics/egNO2qmdlOgLtGIPBpoK1J/Taxpayers-to-be-rated-on-GST-compliance.html> 2. <http://timesofindia.indiatimes.com/business/india-business/gstn-will-see-300cr-invoices-monthly/articleshow/58073734.cms>