FICCI – CONFEDERATION OF THE MICRO, SMALL AND MEDIUM ENTERPRISES (FICCI-CMSME)

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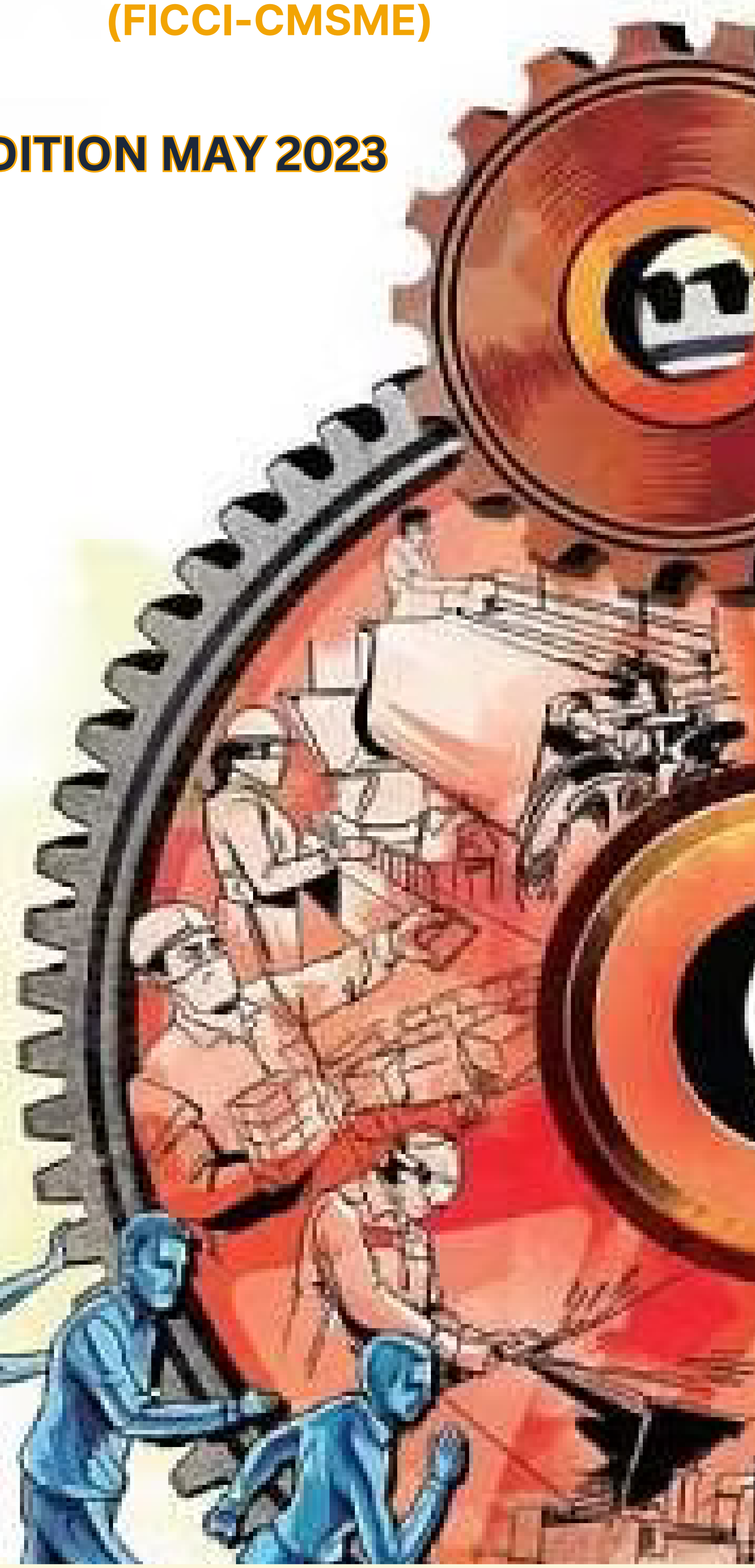
NEWSLETTER



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FICCI - Confederation of Micro, Small and Medium Enterprises (CMSME)

Empowering MSMEs

Confederation of Micro, Small and Medium Enterprises (CMSME) established in December 2013 with a vision to empower Indian MSMEs and build their competitiveness is an affiliated body under the umbrella of the Federation of Indian Chambers of Commerce and Industry (FICCI), an apex Chamber of Commerce & Industry of India. FICCI has tie ups with over 300 industry associations and chambers worldwide.

What we do……

- ProvideaholisticgridtoconnectMSMEswithmentors, incubators&acceleratorsandassistthem through capacity building programs &services
- Help MSMEs explore different governmentschemes
- Deliberateonpolicy issues that impact performance ofthe MSME sector and provideeffective channelstocommunicateissuesandconcernstogovernmentatthecenterandstatesaswellasto other regulatory bodies andbanks
- ProvideregularinterfacebetweenIndustry,Governmentandregulatorsthroughworkshops, round tables and representations and interactive sessions with to create an enabling environment for further growth of the sector

Areas of focus……

Policy Consultation with Government Legal

&Taxation Marketing & Quality Standards including Packaging

Procurement Finance Environment

Technology & Innovation Start-up &Entrepreneurship

Services & Benefits…..

Services	Benefits to Members
Procurement of Raw Material*	Decrease in Cost
Quality	Improvequality&standardthroughexperttraining programmes@ discountedrates
Intellectual Property	IPservicesatmorethan50percentdiscountedratesascomparedto those available in the market directly from the experts
Resource Conservation & Management	Enhancement in competitiveness and cost saving through resource optimization, sustainable use of the resources (raw material, energy, water etc.) and effective management of wastes generated (Energy, Water, etc Audits at competitive rates)
Advisory Services through External Experts	Insurance, Exports, Taxation, Financing, etc
Access to CMSME CONNECT Portal with B2B Facility www.ficcicmsmeconnect.in	Connect with other CMSME Members and Explore Business possibilities

Opportunities……

1 Networking - Platform to interact amongst members, state & central governments - Platform to meet global business and political leaders - Participation in seminars, training programmes, conferences and meeting - Platform to network with industry leaders	10% discount for CMSME members on participation Fee of FICCI events *(applicable only on the fee component charged by FICCI)*
2 Business Services - Opportunity for participating in Sectoral delegations both in India and Overseas - Participation in trade fairs and exhibitions - Develop business through buyer-seller meets - Government Notification Updates - Connect with other CMSME Members and Explore Business possibilities	10% discount for CMSME members on participation Fee of FICCI events *(applicable only on the fee component charged by FICCI)*
3 Knowledge series	Free Accessto Policy Papers, Studies & Surveys, MSME Newsletters

Membership

Membership Categories

- **Associate Membership**: For enterprises involved in profit making activities in manufacturing/services
- **Organisation Membership**: For Non-Profit Industry Associations involved in growth and development of MSME sector.

Both categories have two options: 1) Patron Membership: This is a lifetime membership of CMSME and as a privilege member, Patron Member gets an opportunity to be a part of Executive Committee of CMSME **(2) Annual Subscription**: Annual Membership remains valid for one year and follows Financial Year i.e. April – March. As the year closes on March 31, all annual memberships with CMSME subscribed anytime during the year, become due for annual renewal.

How to Apply for Membership

- **Online Application:** Link: http://ficci-cmsme.in/membership/member-login.asp Membership can be applied at the above link by selecting 'New Registration'. After a brief registration, one will receive an auto generated email in inbox (sometimes in spam folder) of registered email ID containing login-ID & Password for CMSME Membership. The above link may again be visited and now log-in can be done with the details received to registered email ID to complete the profile for Membership.

- **Offline Application:** One can always apply offline by submitting Membership Form along with other necessary documents to the Secretariat. For forms you may contact FICCI-CMSME secretariat.

Membership Fee

There are two components in the fee structure of CMSME Membership and applicable GST (18%) is levied on both components. **(1)** One-time Admission Fee: Admission Fee needs to be paid at the time of enrolment of Membership **(2)** Subscription Fee: Annual Subscription Fee is based on Annual Turnover of Organisation in the immediate completed last Financial Year. If the enrolment is done during October - March, the annual subscription fee is reduced to 50%. Patron Membership Subscription Fee is not dependent on Annual Turnover.

For any query please feel free to contact:

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1. **Shri Narayan Rane launches the revamped CGTMSE Scheme**

Union Minister for MSME Shri Narayan Rane launched the revamped CGTMSE Scheme in Mumbai. CGTMSE has been provided with an additional corpus support of ₹9,000 crore in the Union Budget for FY 2023-24 to revamp its Scheme to provide guarantee for additional ₹2 lakh crore to Micro & Small Enterprises. Accordingly, the major revamp measures were launched.
Hindustan Times, 2nd May 2023

2. **Haryana's GST collection up by 22% to Rs 10,035 crore**

Goods and Services Tax (GST) collection has gone up by 22 per cent in Haryana, according to the data released by the Union Finance Ministry.
An official spokesperson said the state's GST collection, which was Rs 8,197 crore in 2022, has increased to Rs 10,035 crore in 2023. "Compared to Haryana's GST collection with the neighbouring states, Punjab has an increase of 16 per cent, 17 per cent in Himachal Pradesh, 8 per cent in Delhi and 5 per cent in Rajasthan. These figures clearly show that Haryana's growth rate is certainly more than these states," he added.
Expressing his joy over the figures released by the Union government, Chief Minister Manohar Lal Khattar said Haryana has made remarkable progress in GST collection, which shows that the state is progressing.
"Haryana is one of the leading states on the parameters of economic development. The state government is giving all required facilities to big industries as well as Micro, Small and Medium industries. The state government has also improved power availability and connectivity to promote industries. A strong network of roads and railways is spread across the state," he added.
The CM said the GST system implemented in the country on the concept of One Nation-One Tax is very effective. Simplification of the GST process has not only benefited the entrepreneurs, but the revenue of the government is also increasing, he added.
Khattar said more than 50 per cent of Haryana falls in the National Capital Region and the state government is developing this area as a logistics hub.
Statesman, 3rd May 2023

3. **Karnataka ranked the most 'innovative' State by the National Manufacturing Innovation Survey.**

A survey on the degree of innovation among manufacturing firms found that Karnataka, overall, is the most "innovative" State, followed by Dadra and Nagar Haveli, Daman, and Diu (DNH&DD), Telangana, and Tamil Nadu. Telangana, Karnataka, and Tamil Nadu had the highest share of innovative firms at 46.18% ,39.10% and 31.90%, respectively, with

Odisha, Bihar, and Jharkhand reporting the lowest share of such firms at 12.78%, 13.47% and 13.71%, respectively.

Nearly three-fourth of the 8,000-odd firms surveyed, most of them micro, small, and medium enterprises (MSME), neither made any innovative product nor business process innovation during the survey period of financial years 2017-2020. However, nearly 80% of the firms that did report significant gains such as expanding markets and reducing production costs.

The most frequent "barriers to innovation" were the lack of internal funds, high innovation costs, and lack of financing from external sources. Gujarat and DNH&DD reported the highest frequencies of barriers to innovation, despite being among India's most industrialised States.

The findings are part of the National Manufacturing Innovation Survey (NMIS) 2021-22, a joint study by the Department of Science and Technology (DST) and the United Nations Industrial Development Organization (UNIDO), to evaluate the innovation performance of manufacturing firms in India. The NMIS 2021-22 study was conducted as a two-pronged survey that examined the innovation processes, outcomes, and barriers in manufacturing firms, and also studied the innovation ecosystem that affects innovation outcomes in these firms. The exercise is a follow-up of the DST's first National Innovation Survey held in 2011.

"The NMIS survey shows that innovation is not yet common in manufacturing but has proved to be profitable for firms. Focus on manufacturing innovation is needed in addition to expanding production," said René Van Berkel, Representative & Head, Regional Office in India, UNIDO, said.

Akhilesh Gupta, a senior official of the DST and involved in commissioning the survey, said in a statement that the survey offered an empirical understanding of current innovation activities of the manufacturing economy in India as well as ways to navigate organisational rigidity to facilitate market demand for innovations. "Evidence of the barriers and challenges to technological learning, innovation and development, and up-gradation of Indian industries shall be used for devising policies, programs, and partnerships to strengthen innovation outcomes and benefits," he added.

The Hindu, 3rd May 2023

4. **FinMin sets June 30 deadline for MSMEs to submit refund claims.**

   THE FINANCE ministry has said micro, small and medium enterprises (MSMEs) will have time till June 30 to submit refund claims for performance or bid security and liquidated damages forfeited by government departments and public sector entries during the Covid-19 period. To give relief to MSMEs, finance minister Nirmla Sitharaman in 2023-24 Budget announced 'Vivad se Vishwas-I' scheme which provides that in cases of failure by MSMEs to execute contracts during the Covid period, 95 per cent of the forfeited amount relating to bid or performance security will be returned to them by government and government undertakings.

“The scheme was commenced from April 17,2023 and the last date for submission of claims is June 30,2023”, a finance ministry statement said.

Under the scheme, ministries have been asked to refund 95% of performance security, bid security and liquidated damages forfeited/ deducted during the Covid-19 pandemic.

All contactors or suppliers registered as MSMEs with the ministry of MSME as on March 31,2022, would be eligible to claim a refund. This relief will be provided in all contracts for the procurement of goods and services, entered into by any ministry/department/ attached or subordinate office/ autonomous body/ Central Public Sector Enterprise (CPSE)/ Public Sector Financial Institution etc. with MSMEs.

Indian Express, 3rd May 2023

5. **OPL to launch GST Sahay app for instant loan to MSMEs.**

   In yet another push for the digital credit ecosystem, small traders and MSMEs will be able to secure instant working capital loans from the banks using their Goods and Services Tax (GST) profile with an app developed by an Ahmedabad-based start-up.

   The GST Sahay app, developed by digital credit platform provider Online PSB Loans (OPL) will enable small storeowners, Kirana/grocers, and other micro-small and medium enterprises (MSMEs) to secure instant bank loan between ₹10,000 to ₹2 lakh.

   Notably, OPL’s infrastructure has also been deployed for the rollout of Reserve Bank of India (RBI) Innovation Hub’s pilot on GST Sahay.

   Business Line, 5th May 2023

6. **India seeks exemptions for MSMEs from EU’s carbon tax: Sources.**

   India is pressing the European Union for a mutual recognition agreement for its carbon certificates and exempt MSMEs in certain sectors to insulate the domestic industry from the burden of the EU’s carbon tax, which would kick in form October this year, a government official said.

   The EU is introducing the carbon Border Adjustment Mechanism (CBAM) from October 1 this year. CBAM would translate into a 20-35 percent tax on select imports into the EU starting January 1,2026.

   From October, domestic companies from seven carbon-intensive sectors including steel, cement, fertilisers, aluminium, and hydrocarbon products would have to seek compliance certificates from the EU authorities to comply with the CBAM norms.

   Under the mutual recognition agreement, India has asked the EU to give recognition to its Carbon Trading Schemes (CCTS), Which is under preparation by the power ministry.

   Acceptability of CCTS by the EU would help Indian companies to reduce additional burden in the form of carbon taxes on exports of these products.

"India is dealing with the issue both at bilateral and multilateral levels, Bilaterally, we are asking the EU to have a mutual recognition agreement with us and make a carve-out for MSMEs and if possible, for the country has been done in the case of some other countries," the official said.

Shilong Times, 10th May 2023

7. **RBI rejigs norms for lending to micro units.**

   THE RESERVE BANK has said Informal Micro Enterprises (IMEs) with an Udyam Assist certificate will be treated as micro enterprises under MSME for the purpose of priority lending classification.

   IMEs are those enterprises which are unable to get registered on the Udyam Registered on the Udyam Registration Portal (URP) due to lack of mandatory required documents, such as permanent Account Number (PAN) or Goods and service Tax Identification Number (GSTIN).

   As a result, such enterprises are unable to avail the benefits of government schemes or programmes.

   Financial Express, 10th May 2023

8. **Businesses with ₹5 crore to ₹10 crore sales will have to generate e-invoices.**

   Businesses with ₹5 crore to ₹10 crore sales will have to generate e-invoices for business-to-business transactions as part of a government move to capture a large volume of data on economic transactions and to check whether GST has been paid by those in the value chain. The government has been lowering the threshold for eligible entities for e-invoicing in phases, beginning with entities with more than ₹500 crore turnover in October 2020. Now the threshold is ₹10 crore, and the new threshold of ₹5 crore will be effective from 1 August, showed an official order from the Central Board of Indirect Taxes and Customs (CBIC) issued late on Wednesday. Companies have to generate these e-invoices from the portals of either government-owned National Informatics Centre or the portals run by private agencies. The transaction data will then feed automatically into other tax documents like e-way bills needed for goods shipment and the GST returns. This helps in automating the GST return filing process too, leaving little scope for businesses to under-report their sales. The phased implementation of e-invoicing has resulted in multiple benefits for the entire tax ecosystem which includes improved compliance and increased revenue collections, said Rajat Mohan, partner at AMRG Associates, an accounting firm. Lowering of e-invoicing threshold would extend this to MSME sector and would benefit the overall business ecosystem by reducing costs, rationalizing errors, faster invoice processing and improved compliance in the long term, explain Mohan.

   E-invoicing is helping the authorities to check the practice of selling without proper invoices which leads to leakage of tax revenue at the lower end of the supply chain. Since such business-to-business transactions get captured in the GST IT system, these buyers will have to comply with the tax obligations in their subsequent sales to consumers too. This has the potential to give further momentum to the formalisation in the economy. Gautam Mahanti, business head at IRIS Business Services Ltd. said that smaller taxpayers now need to start getting ready to align their processes and get their invoices registered with the Invoice Registry Portal (IRP) before issuing them to their recipient.

Large businesses that procure goods and services from smaller ones will have to ensure that sellers generate e-invoices, so that they can avail of input tax credit.

Mint, 12th May 2023

9. **Rajasthan govt to spend Rs 180 crore to promote small biz.**

The Rajasthan government has planned to spend over Rs 180 crore during the 2023-24 financial year under the Mukhyamantri Laghu Udyog Protsahan Yojana (Chief Minister) Small Industries Promotion Scheme) to provide subsidised loans through banks to help small entrepreneurs in the state and generate employment opportunities.

Under the scheme, loans worth Rs 25 lakh to Rs 10 crore will be provided for setting up new enterprises and expanding existing ones, along with an interest subsidy of 5-8 per cent. The official said any individual or institutional applicant, such as self-help groups, societies, partnership firms and companies, can avail of the benefits of the scheme.

Only establishments based out of Rajasthan are eligible, and applicants must be aged 18 or above, the official said.

Business Standard, 13th May 2023

10. **RBI slaps Rs 2.92-cr penalty on Canara Bank**

The Reserve Bank of India (RBI) has imposed a monetary penalty of Rs 2.92 crore on Canara Bank for violation of various norms, the central bank said in a release.

The RBI said it conducted scrutiny of Canara Bank in July 2020 and it revealed that the bank had failed to link interest on floating rate retail loans and loans MSMEs to an external benchmark, failed to link interest on floating rate rupee loans sanctioned and renewed during FY21 to its MCLR and opened several savings deposit accounts in the name of ineligible entities.

“After considering the bank’s replies to the notices and oral submissions made during the personal hearing, the RBI came to the conclusion that the charge of non-compliance with the aforesaid RBI directions was substantiated and warranted imposition of monetary penalty to the extent of non-compliance with such directions,” the release said.

It added that the action not intended to pronounce upon the validity of any transaction or agreement entered into by the bank with its customers.

Financial Express, 13th May 2023

11. Phased import ban on 928 defence items.

Defence PSUs will not be able to import these items beyond timelines indicated.

THE DEFENCE ministry has approved the fourth and the largest positive indigenisation list of 928 strategically- important Line Replacement Units (LRUs), sub-systems, spares, and components, including high-end materials and spares, with import sub-situation value worth Rs. 715crore.

The list means that defence PSUs will not be able to import these items beyond the timelines indicated against them, varying from December 2024 to December 2029.

The latest list- which is also the largest among the positive indenisation list- includes digital map generator for the IAF's Sukhoi-30 fighter aircrafts, Voyage data recorder for naval ships, smart multifunction display for the indigenous HTT-40 aircraft, flexible fuel tanks for the Light Combat Helicopter, gearbox and a variety of valves and tyres among others.

Indian Shipyard Mazagon Dock Shipbuilders Limited has provided the maximum number of items in the list.

The fourth list comes amid multiple government efforts to promote self-reliance in defence while reducing imports of defence items and equipment. The list of 928 also includes raw materials, low-value critical spares components- all identified by the Defence PSUs.

As per the Defence ministry, the DPSUs will undertake indigenisation of these items through different routes under 'Make' category and in-house development through the capabilities of MSMEs and Private Indian industry, thereby providing impetus to the growth in economy, enhanced investment in defence and reduction in import dependence of DPSUs.

"In additional, this will augment the design capabilities of the domestic Defence industry by involving academia and research institution", it said.

The DPSUs will soon initiate procurement actions for these notified items and the government's Srijan portal dashboard will publish the Expression of Interest (Eols) and Request for Proposal (REPs) for the items.

Indian Express, 15th May 2023

12. Central PSUs' procurement from micro and small enterprises sees steady increase.

The Central Public Sector Enterprises (CPSEs)' procurement from Micro and Small Enterprises (MSEs) has risen steadily in recent years, a trend that enabled them to cushion the impact of the pandemic and geo-political conflicts.

As much as 35.6% of CPSEs' purchases of goods and services were from MSMEs in FY23 compared with 32.48% in FY22 and 29.21% in FY21, all well above the mandatory 25% annual procurement requirement from these small units.

To provide marketing support to MSEs, the government modified the Public Procurement Policy in 2018, making it mandatory for PSUs to procure 25%, instead of 20% of their total purchases, from MSEs including a special provision of 3% procurement for women entrepreneurs.

As a result, CPSEs procurement from MSEs' rose from Rs 26,357 crore (23.1% of the total) in FY18 to Rs 53,423 crore in FY22 and Rs 61,033 crore in FY23.

However, despite the government nudging CPSEs to procure 100% through the Government e-Marketplace (GEM) portal, 38% of their procurement was outside of the GeM in FY23.

Of the CPSEs' total procurement which stood at Rs 1.71 trillion in FY23, Rs 1.06 trillion was through GeM in FY23.

The heads of the CPSEs have been asked to certify to the secretaries of the administrative ministry concerned that only those goods and services have been procured outside GeM which are not available on GeM. Finance Minister Nirmala Sitharaman has been nudging CPSEs to avoid purchases outside of the GeM.

Indian Express, 15th May 2023

13. SEBI floats consultation paper for regulating all web-based platforms.

Capital markets watchdog Sebi has floated a consultation paper for regulating all web-based platforms offering fractional ownership of real estate assets to protect small investors.

Such fractional ownership of real estate assets is proposed to be brought as Micro, Small and Medium REITs under Sebi's Real Estate Investment Trusts rules. The proposed regulatory framework would help develop the real estate market, provide investor protection measures and lead to an orderly development of this sector and the market, Sebi said in its consultation paper.

Typically, fractional investment of real estate through fractional ownership platforms (FOPs) is an investing strategy in which the cost of acquisition of real estate is split among several investors, who invest in securities issued by a special purpose vehicle (SPV) established by an FOP. Such SPVs purchase real estate assets. FOPs allow investors to own a certain percentage or fractional share in the real estate asset through the securities issued by the SPVs. Some FOPs are operated by real estate agents or brokers (before the property is purchased) and as property managers thereafter.

Sebi noted that there has been a mushrooming of web-based platforms offering fractional ownership of real estate assets in the past 2-3 years. These platforms provide investors with an option to invest in buildings and office spaces, including warehouses, shopping centres, conference centres etc. The minimum investment on these FOPs ranges from Rs 10 lakh to Rs 25 lakh.

Pioneer, 15th May 2023

14. Startup and MSME M&As to be cleared within 15-60 days.

India revamped the rules governing approval for mergers and acquisition (M&As) in the startup space to make the process faster and simpler.

M&As in startup and MSME sectors will now be able to secure approval within 15 days that can go up to a maximum of 60 days, a corporate affairs ministry (MCA) notification said.

The move is seen as a big boost for the startup sector that has seen a rise in corporate restructuring in recent times.

The MCA has set an upper limit of 60days for either approving the merger/ amalgamation or placing its views before the adjudicating authority on any objections received. Failure to do so within the time limit will be considered a deemed approval.

As per the notification, if the MCA doesn't receive any objection from the Registrar of Companies (RoC) and official liquidators within 30days and if it's in the interest of public or creditors of the companies, the ministry can confirm a merger or amalgamation within 15 days.

According to an official notification, the revised Companies (Compromises, Arrangements and Amalgamations) Rules will come into effect from June 15.

Currently, there is no specified time frame for the approval from the RoCor official liquidators. Moreover, where the objections of the RoC and the official liquidators are found to be unsustainable and the government considers the merger or amalgamation to be in public interest, it may issue a confirmation order regarding the merger or amalgamation within 60 days.

However, where the government finds the case to be not in public interest, it has to convey it to the National Company Law Tribunal (NCLT), stating is objections or suggestions in this regard.

Economic Times, 17th May 2023

15. Defence production for first time crosses Rs 1 lakh-crore mark for first time.

The value of defence production in the Financial Year (FY) 2022-23 has crossed the figure of Rs. one lakh crore for the first time ever due to some of the major initiatives taken by the Ministry of Defence (MoD).

The value currently stands at Rs 1,06,800 crore and will go further up once the data is received from the remaining private defence industries, the MoD said Thursday. The current value of defence production in FY 2022-23 is an increase of more than 12 per cent over FY 2021-22 when the figure was Rs 95,000 crore.

"The government is continuously working with defence industries and their associations to remove the challenges faced by them and promote defence production in the country. A number of policy reforms have been taken to achieve the objective of ease of doing business, including the integration of MSMEs and start-ups into the supply chain," a press note said.

Due to these policies, industries, including MSMEs and start-ups, are forthcoming in defence design, development and manufacturing and there is almost a 200 per cent increase in the number of defence licenses issued to the industries in the last 7-8 years by the government. These measures have given a boost to the defence industrial manufacturing ecosystem in the country and generated tremendous employment opportunities.

Statesman, 20th May 2023

16. No data sharing in Shien-Rel Retail pact: Govt.

The government has assured that Chinese e-commerce player Shien's licence agreement with Reliance Retail will not result in sharing data of local customers as the operations are to be managed by Mukesh Ambani's entity with servers located in India.

"The entire ownership and control will remain with Reliance Retail", said an official. Shien was among the Chinese entities whose app was banned by the IT ministry three years ago. Curiously, their proposal for a licence agreement was cleared by the same entity, after discussions with the textile ministry.

Shien will set up an app through which Reliance Retail is hoping to onboard 25,000 MSME players who will also be able to sell to the Chinese retailer's global clients. It will also launch a website. "They have told us that the idea is to increase the sourcing of products from India, and it could be as much as Rs. 50,000 crores in the coming years," a textiles ministry official said.

Times of India, 20th May 2023

17. Govt mulls changes to MSME prepack Scheme.

Taking cue from the poor response to the pre-packaged scheme for MSMEs, the corporate affairs ministry is considering measures to make it more attractive. This would include more power to the Insolvency and Bankruptcy Board of India (IBBI) for making changes as required for easing the process and holding more awareness and advocacy sessions for banks, according to government sources.

Business Standard, 25th May 2023

18. CBIC issues SoPs for scrutiny of GST returns for FY20 onwards.

Detailing the standard operating procedure (SoP) for scrutiny of tax returns from the financial year 2019-20 onwards under the Goods and Services Tax (GST) regime, the Central Board of Indirect Taxes and Customs (CBIC) has stated that the analytics unit will identify returns for scrutiny depending on various risk parameters.

As per the SoP released Friday, selection of returns for scrutiny will be done by the Directorate General of Analytics and Risk Management (DGARM) based on various risk parameters identified by them. DGARM will select the GSTINs registered with the central tax authorities, and the details of GSTINs selected will be made available on the scrutiny dashboard of the concerned Central Tax officer on ACES-GST application.

"The details of the risk parameters, in respect of which risk has been identified for a particular GSTIN, and the amount of tax/ discrepancy involved in respect of the concerned risk parameters (i.e., likely revenue implication), will also be shown on the scrutiny dashboard of the proper officer for their convenience," the SoP said. Earlier this month, the CBIC had rolled out a module for automated scrutiny of GST returns. The module enables tax officers to carry out scrutiny of GST returns of Centre-administered taxpayers selected on the basis of data analytics and risks identified by the System.

Amid rising instances of GST frauds and cases of fake invoices, the government has been taking steps to broaden the compliance mandate for more businesses, especially small and medium enterprises and also help boost the GST revenue collections.

The concerned Central Tax officer will have to conduct scrutiny of returns pertaining to a minimum of 4 GSTINs every month, which would include scrutiny of all returns pertaining to a financial year for which the said GSTIN has been selected for scrutiny.

"As far as possible, scrutiny of return should have minimal interface between the proper officer and the registered person and, there should normally not be any need for seeking documents/ records from the registered persons before issuance of Form GST ASMT-10," it added.

GST ASMT-10 is a scrutiny notice that a tax officer would send to an assesses. On receipt of such notice in GST ASMT-10 on common portal, the registered person may accept the discrepancy mentioned in the said notice, and pay the tax, interest and any other amount arising from such discrepancy and inform the same or may furnish an explanation for the discrepancy in Form GST ASMT-11, through the common portal, to the proper officer within the specified time period of 30 days, the SoP added.

Abhishek Jain, Partner & National Head – Indirect Tax, KPMG in India said this SoP would bring a uniform and consistent methodology to authorities to perform the scrutiny of returns filed by taxpayers. "Now businesses should take a proactive step and prepare requisite reconciliations with intact reasons/ records to substantiate such differences," he said.

Indian Express, 28th May 2023

19. Focus on MSMEs, infra, Yogi aims for $1 trillion economy.

Addressing the eighth Governing Council meeting of NITI Aayog in New Delhi. Chief Minister Yogi Adityanath said Uttar Pradesh has resolved to grow into a trillion-dollar economy in the next five years to achieve Prime Minister Narendra Modi's target of making the country's economy five trillion dollars.

In the meeting held at Pragati Maidan in the national capital, Adiyanath listed step-by-step accomplishments of UP in the areas of MSME, women's safety, infrastructure development, PM Gati Shakti, health, and nutrition. The chief minister said the accomplishments made by his government have benefited every section of society.

"The contribution of Uttar Pradesh to the country's GDP is more than 8 per cent. Uttar Pradesh has resolved to grow into a trillion-dollar economy in the next five years in order to achieve the Prime Minister's target of making the country's economy five trillion dollars," said the CM.

The chief minister said by adopting PM Modi's mantra of "Reform, Perform and Transform," UP has become "the dream destination" for industrial investment in the nation, adding that more than 22,000 MoUs of about Rs 35 lakh crore were signed at UP Global Investors Summit 2023 in February, which would create more than one crore employment opportunities in the state.

Adityanath said Uttar Pradesh has the maximum number - 96 lakh- of MSME (Micro, small and medium enterprises) units. "The state government is constantly striving and committed to the development of the MSME sector. Each district of the state has a unique identity for its traditional product. The state government has done the work of taking these products to a new height by declaring them ODOPs (One district-one product)," said Adityanath.

Indian Express, 28th May 2023

20. Textile Industry likely to get second tranche of PLI worth ₹4,307 crore.

The second edition of the production linked incentive (PLI 2.0) scheme for textiles is likely to have an outlay of Rs.4,307 crore and will cover manufacture of garments, made ups and textiles accessories of all materials, natural or man-made, per the cabinet note finalised by the Textile Ministry.

While the existing edition of the PLI scheme for textiles, introduced in 2021, is limited to the production of man-made fibre fabrics and apparels and technical textiles, the second edition being proposed will be open for garments, made ups and accessories of all materials including cotton, a source tracking the matter told businessline.

"The government decided to go in for the second edition of PLI for textiles as the total corpus of Rs. 10,683 crores allocated for the scheme will not get used up as incentives for the 64 selected applicants under the first phase. Going by estimates, just a little over Rs.6,000 crore will be used." The source said.

LARGER PARTICIPATION

The objective of the proposed PLI 2.0 is to enhanced India's manufacturing capabilities in value – added finished textile products which, by nature, requires low investment but has high employment generation capacity, according to another note.

The proposed minimum investment and turnover criteria is, therefore, considerably lower under the proposed scheme so that even MSMEs can participate. "The qualifying investment under the proposed scheme is likely to be in the Rs.15-45 crore range, with minimum prescribed turnover of Rs.30-90 crore, to earn incentives ranging between 8 per cent and 10 per cent," the source said.

The government may also do away with the condition of setting up of a new company to be eligible for the scheme. Instead, it may allow all companies registered in India to participate under conditions such as maintenance of separate accounts and counting investments in only new machines towards eligibility, sources said.

Once the cabinet approves the proposal, the PLI 2.0 schemes for textiles would be announced and implemented.

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