

Date : 30 May 2014

To,
Hon'ble Shri Narendra Modi
Prime Minister of India
New Delhi- 11

HARYANA CHAMBER OF COMMERCE & INDUSTRY MANIFESTO

Chanakya said about 2300 years ago “In the absence of fruitful economic activity both current prosperity and future growth are in danger of destruction”. India is world’s third largest economy. But uncertainty prevails towards large national projects. We have arising Import bill of about Dollars 500 Billion and are losing opportunities to explore produce and utilize our natural resources.

Change the definition of NGO or CSR to include Small and Micro Industry in view of the CSR currently being advocated maximize of profit under company's Act 2013 is no longer acceptable. The **big corporate** those which are covered under **CSR** and making huge profit can make the SME healthy and prosperous which will further result in the small Industry being viable and staff and workers getting better salaries and in time. This is possible only by giving good profit margin to **SME for R&D, Innovations**. The old doctrine that company is only required to make maximize profits is no longer acceptable. Also as mentioned in different platform the CSR money amounting to Rs. 15000 Crore can be misused by growing industry of CSR Consultants,

Bureaucrats and other inappropriate people. The CSR spend is not donations but investments for the long term interest of its stakeholders and society in general. ----- Coal India is planning to create huge number of CSR officers to meet its obligations; ---Air Authority is planning to spend Rs. 10 Crore or 63% of its CSR budget to build wrestling halls in constituency of Aviation Minister.

To expand the definition of MSME under NGO/CSR will be panacea for all the current problems, (Like non implementation of 2006 Act 20% of preference procurement, factoring institutions automating payments and imposing penalties on the defaulting like mandatory disclosures on accounts due to MSME in the annual reports of companies) covered under NGO/CSR definition.

What Technical startups need from new Govt.

1. Structural changes and innovations in policy making is crucial in education. Higher education has been left out of all Political parties manifestos.
2. Direct Taxes and Indirect Taxes need clarification or amendment procedures. HS code of many items is not in coordination with international system and clubbing of different items in same HS code like Polyester Fibre, Low Melt Polyester Fibre, EPP Granules and PP Granules. Like this there are many items resulting in wrong interpretation for **anti dumping duty. These items are used for technical application and manufacturing for automobiles parts in textile and plastics.**
3. Also Service tax litigation on account of service tax on freight inward and outward on goods being supplied on F.O.R. basis to Maruti/Hyundai etc.. Central excise duty has been paid already

while issuing the bill to the company because the purchase order is on FOR basis that means the Freight part in the rates of the product have already been charged excise duty. While on the other hand when the industry issuing the bill pays freight charges to the transporter he has to pay again service tax as per the service tax regulation with the result the freight has attracted excise duty as well as service tax and when the service tax set off is claimed the litigation starts with the department who fail to appreciate the whole issue and trying to club it with the cement suppliers issue who are trading the material in different part of the country through C&F and other systems.

4. Rethink small & micro industry. Unshackle this sector to grow big. (Include in NGO Definition or in CSR) To better understand inclusion of MSME in NGO or in CSR it will be better to go through the **Bill Gates foundation and Buffet** Foundation where investment/CSR is been provided eco friendly companies backed by Vinod Khosla which include power Grid software developer Varentec and the low emission engine maker Eco Motors, Terra power to generate power from nuclear waste and in nimbus discovery for research of Drugs.
5. Institute labour law reforms and uniform labour code. Review of Labour Laws to drive employment and growth. Easier hiring policy to encourage Job creation for low capital intensive manufacturing, coverage under shop act, Micro units coverage under PF/ESI or not etc.
6. Extend Tax breaks to early stage investors
7. Improve business environment by simplifying Govt. laws and policies.

8. Ease Financing of Industry and infrastructure.
9. Single window system for all Industrial units.
10. Cut down Interest rates in credit policy of RBI and take steps to reduce the cost of credit.
11. Give 50% IT exemption on manufacturing investment.
12. FAST Track issuance of 'C' forms.
13. Bank Reforms ----- Transparency, NPA of MSME ----- partly due to banks procedure of disbursing and granting loans piecemeal.
14. Direct Taxation Code. Introduce goods and service tax (GST) & to also cover all products including diesel, Petrol and lubricants.
15. Industrial cluster for sectors such as Apparel and leather.
16. Reinforcing factoring institutions automated payments and imposing penalties on companies defaulting Payments to MSME and mandatory disclosure in their account books in the annual reporting.
17. Section 185 of the companies Act, 2013 which has been notified on 12th September 2013 replaces the old section 295 of the companies Act, 1956 which provides for loans to directors. This section now applies to all companies including private companies also. Hitherto private companies were exempted from the provisions of old section 295. So companies cannot give any loans to directors or to persons in whom director is interested.

Amendment is needed for MSME to revert back to old system and also for other Acts.

18. General Insurance Reforms ---IRDA--- for Insurance claims to the industry there is unprecedeted delay of the claim is bad than it must be out rightly rejected otherwise settlement should not be delayed resulting in MSME getting sick and loss of interest and use of working capital to put the unit into operation, because the claim is unnecessarily delayed due to paper work. Best will be if claim is Genuine make interim payment for survival of MSME.
19. **Bankruptcy Law ----- Struggling to shut shop :** Entrepreneurs keen to down shutters on failed business and start afresh are finding that Indian laws do not make it easy to move on as in other countries you can shut your company within a week but in India it is like court case in India that can be dragged on for years.
20. A good science linked tax policy can increase private investment in R&D. The government could do its own spending in science especially on improving the research infrastructure.
21. Govt. Circular transparency of Centre and state in revenue.
22. Online systems billing and payment for all type of Taxes Centre & State.
23. **Chapter HCCI Building in all Districts with auditorium and meeting place.**
24. Small & minor irrigation projects should be provided to improve agriculture productivity.

25. State & Centre must work together on mission mode to connect each village with “Pucca Roads” and provide them 10-12 hrs electricity.
26. National Rural Health Mission must cover all Rural areas.
27. Nurturing of Technology entrepreneurship.
28. Micro environment improvement --- Better infrastructure, improved governance, Stable policies, enforceable laws. Unified tax regime across the nation and general restoration of faith and trust in our everyday business environment.
29. Dedicated Rail Freight corridor and Railway Reforms. Complete pending Road Projects and Rail.
30. Start stalled Land Acquisition.
31. Fuel Price reforms. Put Coal India on notice to boost production of quality Coal and reduce Imports. Coal and other fuel flowing to power projects in time.
32. FDI reforms --- open Defence in a big way to start manufactures.
33. Use food grains to temper inflation.
34. Tourism should get special statue because of its foreign exchange earning potential.
35. Coastal shipping policy aimed at cheaper and faster movement of domestic cargo and plan to boost Inland waterways.

36. Bring down pressure of inflation.
37. Push up economic growth.
38. Creating enormous Jobs in the country.
39. Set up expert advisory group on advisories.
40. Address Fuel and Gas shortage in power sector and resume mining industry.
41. Enact a model Agriculture Product Market Committee (APMC) Act easing bottlenecks in food supply.
42. Formulate a manufacturing Policy on priority. New Export manufacturing policy to boost exports. National manufacturing Policy to be implemented properly to create jobs in the country.
43. To revive growth urgently implement Delhi Mumbai Industrial corridor (DMIC).
44. Ease of doing business in INDIA. Our ranking is 134 in the world.
45. If investment which is currently blocked due to policy paralysis and poor coordination among competing regulatory bodies is unblocked the GDP growth will show Robust Rebound.

46. Code of poll Conduct

Many of the poll codes of conduct are obsolete.

Because -

Long period of elections in different phases—canvassing in other areas shown in TV when the elections are held then what is the use of code of conduct, Mobile world apps and smart phones---

I have tried to give the demands of MSME briefly and if need be I can personally bring my members for discussion before the budget and would be happy to be associated with the any Task Force formed by the Government for the Commerce and Industry.

Kindest Regards

Pankaj Kapoor
State President
Haryana Chamber of Commerce & Industry