

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION NO. 1380
TO BE ANSWERED ON 13.03.2023

ISSUES FACED BY MSMEs

1380. SHRI P. WILSON:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether the Ministry has taken measures to solve problems such as delayed payment by corporates, currency fluctuation, issues connected to GST, lack of orders and skilled labour and shunning by banks faced by MSMEs in Tamil Nadu from the year 2020, if so, the measures taken during the said COVID period; and
- (b) if so, the details thereof, if not, the reasons therefor?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI BHANU PRATAP SINGH VERMA)

(a) & (b): The Ministry has taken various steps during the COVID period to address issues faced by MSMEs in the country, including Tamil Nadu. Some of these include:

1. The Ministry of MSME had created a special sub-portal within Samadhaan Portal on 14.06.2020, after the AatmaNirbhar Bharat announcements, for reporting the dues and monthly payments by central Ministries/Department/Public Sector Enterprises to MSMEs.
2. Budget 2023 announcement: -
 - i. Under Section 43B of Income Tax Act: Deduction has been allowed for expenditure incurred on payments only when payment is actually made to MSMEs.
 - ii. Vivad se Vishwas – Relief for MSMEs: 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.
 - iii. Infusion of Rs 9,000 crore Credit Guarantee Trust for Micro, Small & Medium Enterprises (CGTMSE) with reduced credit cost by about 1 per cent.
3. No global tenders for procurement up to Rs. 200 crore.
4. Rs. 5 lakh crore Emergency Credit Line Guarantee Scheme (ECLGS), for businesses, including MSMEs.
5. Rs. 50,000 crore equity infusion through Self Reliant India Fund.

6. Non-tax benefits extended for 3 years in case of an upward change in status of MSMEs w.e.f. 18.10.2022.
7. New revised criteria for classification of MSMEs.
8. “Udyam Registration” for MSMEs, for Ease of Doing Business w.e.f. 1.7.2020.
9. Launch of Udyam Assist Platform on 11.1.2023 to bring Informal Micro Enterprises (IMEs) under the formal ambit for availing the benefits under Priority Sector Lending.
10. Launching of an online Portal “Champions” in June, 2020 to cover many aspects of e-governance including grievance redress and handholding of MSMEs.
11. Inclusion of Retail and Wholesale traders as MSMEs w.e.f. 2.7.2021.
12. Field offices of Ministry of MSME organize various awareness campaigns for UDYAM registration and benefits of Government schemes /programmes, in coordination with MSME/ Industry Departments of States/UTs concerned and other MSME stakeholders through physical workshops, social media, print media & electronic media for creating wide publicity for increasing participation from all stake holders.
13. Budget 2023 announcement : PM Vishwakarma Kaushal Samman (PM VIKAS): Financial Assistance for traditional artisans and craftspeople to improve the quality, scale and reach of their products, integrating them with the MSME value chain, access to advanced skill training, knowledge of modern digital techniques and efficient green technologies, brand promotion, linkage with local and global markets, digital payments, and social security.
