

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
STARRED QUESTION NO. †*28
TO BE ANSWERED ON: 18.12.2017

IMPACT OF GST ON MSMEs

†*28. **SHRI GANESH SINGH:**
SHRI ANANDRAO ADSUL:

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

- (a) whether the Micro, Small and Medium Enterprises (MSMEs) are reportedly facing difficulties due to various reasons after implementation of the Goods and Services Tax (GST) and if so, the details thereof, State-wise;
- (b) whether the Small and Medium Entrepreneurs have raised concern over the impact of the GST on MSMEs and if so, the details thereof; and
- (c) the corrective steps taken/proposed to be taken by the Government in this regard to boost the growth of MSMEs in the country?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE)
FOR MICRO, SMALL & MEDIUM ENTERPRISES
(SHRI GIRIRAJ SINGH)

(a)to(c): A Statement is laid on the Table of the House.

Statement referred to in the reply of Parts (a) to (c) of Lok Sabha Starred Question No. †*28 for answer on 18th December, 2017

(a)&(b): There have been some reports of micro, small and medium enterprises facing difficulties after implementation of Goods & Services Tax (GST). Industry Associations and other stakeholders have expressed concern about some aspects of GST such as; GST on Khadi, many items in 28% tax bracket, low ceiling of Composition Levy Scheme, reverse charge mechanism, etc. The Ministry of MSME has not only been taking up these concerns with Ministry of Finance, it has also taken several steps for awareness creation, registration and facilitation.

(c): Government has taken several pro-active measures for smooth implementation of GST for MSMEs including:

- i. Exemption to Khadi fabric sold through Khadi and Village Industries Commission (KVIC) and KVIC certified institutions/outlets;
- ii. Majority of items produced by the MSMEs in the band of 28% tax slab brought to lower slabs;
- iii. Composition levy extended upto turnover worth Rs. 150 lakh per annum;
- iv. Quarterly return to be filed by GST registered units having turnover of Rs. 150 lakh per annum or less.
- v. Reverse Charge Mechanism kept in abeyance till March 2018.
