

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 344
TO BE ANSWERED ON 05.02.2018

ASSISTANCE TO MSMEs

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SHRI P. KUMAR:
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Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether the Government is implementing/proposes to implement any scheme to provide assistance in the form of a relief package, subsidy and other benefits to the Micro, Small and Medium Enterprises (MSME) sector in the country?
- (b) if so, the details thereof including the MSMEs being covered / proposed to be covered under the scheme and the nature of assistance likely to be provided thereunder; and
- (c) the salient features of the composition scheme for the MSME sector?

ANSWER

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

(a)&(b): Ministry of Micro, Small and Medium Enterprises is implementing a number of Schemes/programmes providing subsidy and other benefits to the Micro, Small and Medium Enterprises (MSMEs) in the country. These includes:

1. Prime Minister's Employment Generation Programme (PMEGP)
2. Scheme of Fund for Regeneration of Traditional Industries (SFURTI)
3. A Scheme for Promotion of Innovation, Rural Industry and Entrepreneurship (ASPIRE)
4. Interest Subsidy Eligibility Certificate (ISEC)
5. Workshed Scheme for Khadi Artisans
6. Market Promotion Development Assistance (MPDA) Scheme
7. Khadi Reforms Development Programme (KRDP)
8. Coir Vikas Yojana
9. Coir Udyami Yojana
10. Coir S&T Scheme
11. Public Procurement Policy for Micro and Small Enterprises (MSEs)
12. Credit Guarantee Scheme for Micro and Small Enterprises (CGTMSE)
13. Credit linked Capital subsidy Scheme (CLCSS)
14. Marketing Assistance & Technology Up-gradation (MATU) Scheme
15. National Manufacturing Competitiveness Programme (NMCP)
16. Financial Support to MSMEs in Zero Defect Zero Effect (ZED) certification Scheme.
17. Technology Centre Systems Programme (TCSP)

18. Micro Small Enterprises – Cluster Development Programme (MSE-CDP)
19. Performance and Credit Rating Scheme
20. Assistance to Training Institutes
21. Marketing Assistance Scheme and Public Procurement Policy, 2012, Which was made mandatory from April 2015.
22. International Cooperation Scheme
23. National Scheduled Caste and Scheduled Tribe Hub
24. Digital MSME Scheme.

In addition, the following institutes are also working for the development of MSMEs:

- i. The National Institute for Micro, Small and Medium Enterprises (NIMSME) conducts training and capacity building programme for Development of Micro, Small and Medium Enterprises in India.
- ii. Mahatma Gandhi Institute for Rural Industrialization (MGIRI) is promoting innovation, quality and productivity to make rural products competitive. MGIRI conducts technology dissemination workshops/seminars for entrepreneurs.
- iii. National Small Industries Corporation Ltd (NSIC) is providing comprehensive support to MSMEs through Marketing, Technology and Credit Support services.
- iv. Khadi & Village Industries (KVIC) is entrusted with the task of providing financial assistance to institutions and individuals for development and operation of Khadi and village industries and guiding them through supply of designs, prototypes and other technical information.
- v. Coir Board is providing support to the promotion and development of Coir Industry as well as export market of coir and coir products in India as a whole.

As per the MSMED Act, 2006, the following units are classified as the MSMEs

Manufacturing Sector		Service Sector	
Enterprise	Investment in Plant & machinery	Enterprise	Investment in equipments
Micro Enterprises	Upto Rs.25 lakh	Micro Enterprises	Does not exceed Rs. 10 lakh
Small Enterprises	More than Rs.25 lakh but does not exceed Rs. 5 Crore	Small Enterprises	More than Rs.10 lakh but does not exceed Rs. 2 Crore
Medium Enterprises	More than Rs.5 crore but does not exceed Rs. 10 Crore	Medium Enterprises	More than Rs.2 crore but does not exceed Rs. 5 Crore

Direct subsidy is provided under major scheme of Credit Linked Capital Subsidy Scheme, Marketing Development Assistance Scheme, Digital MSME Scheme, Technology Upgradation, Interest Subsidy Eligibility Certificate Scheme (ISEC), Quality Certification Scheme (TEQUP) and Prime Minister's Employment Generation Programme (PMEGP).

(c): Salient features of Composition Scheme for MSME Sector.

Benefits to the MSME Sector under Composition Scheme as regards GST are as below:

- i. Increase in aggregate annual turnover threshold for eligibility under the composition scheme from Rs. 75 lakh to Rs. one crore for 27 States (including Jammu & Kashmir and Uttarakhand).

- ii. Increase in the aggregate annual turnover threshold for eligibility under the Composition scheme from Rs. 50 lakh to Rs. 75 lakh for Special Category States (as specified in sub-clause (g) of clause (4) of article 279A of the Constitution) other than Jammu & Kashmir and Uttarakhand.
- iii. Taxpayers having annual turnover of up to Rs.1.5 crore in the previous year provided with an option to file quarterly Returns.
- iv. Registered persons making supply of goods to make payment of tax on issuance of invoice and not at the time when advances are received.
- v. Suspension of the application of reverse charge mechanism under Section 9(4) of the CGST/SGST Acts, 2017 and Section 5(4) of the IGST Act, 2017 till 31 March, 2018 for all categories of registered persons.
- vi. Uniform rate of tax @1% under Composition scheme for manufacturers and traders. The turnover of taxable goods to be considered for eligibility for the Composition scheme for traders.
- vii. Supply of exempted services by Composition taxpayer will be allowed and the same will not be taken into account while computing the aggregate turnover.
- viii. Amount of late fee payable for delayed filing of return in Form GSTR-3B by a taxpayer whose tax liability for the month was 'Nil' reduced to Rs.20/- per day (Rs.10/- per day each under CGST & SGST Acts) subject to maximum Rs.5000/- under each Act from October, 2017.
- ix. The amount of late fee payable for delayed filing of return in Form GSTR-3B by other taxpayers reduced to Rs. 50/- per day (Rs. 25/- per day each under CGST & SGST Acts) subject to maximum Rs.5000/- under each Act from October, 2017.
- x. The filing of returns by the taxpayers has been simplified by continuing the GSTR-3B return up to March 2018. The filing of FORM GSTR-2 and GSTR-3 returns has been kept in abeyance till further notice.
