

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**UNSTARRED QUESTION NO. 3662**  
**TO BE ANSWERED ON 10.08.2023**

**GST IN MSME SECTOR**

3662. SHRI SANTOSH KUMAR:

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

- (a) the names of the schemes run by the Government to promote Micro, Small and Medium Enterprises (MSMEs);
- (b) the details of the funds spent during the last five years, year-wise;
- (c) the steps taken by the Government to tackle the big problem of Goods and Services Tax (GST) in MSME sector; and
- (d) the facilities provided by the Government to MSMEs for compliance of pollution certificate?

**ANSWER**

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

(a): The Ministry of Micro, Small and Medium Enterprises (MSME) implements various schemes for the promotion and development of Micro, Small and Medium Enterprises across the country in the areas of credit support, formalization, technological assistance, infrastructure development, skill development and training and market assistance to MSMEs. The schemes/programmes inter alia include Prime Minister's Employment Generation Programme (PMEGP), Credit Guarantee Scheme for Micro and Small Enterprises (CGTMSE), Micro and Small Enterprises-Cluster Development Programme (MSE-CDP), Entrepreneurship Skill Development Programme (ESDP), Procurement and Marketing Support Scheme (PMS) and National SC/ST Hub (NSSH).

(b): Details of the funds spent during the last five years by the Ministry of MSME are given below.

<b>Financial Year</b>	<b>Amount (Rs. in crore)</b>
2018-19	6,513.13
2019-20	6,717.53
2020-21	5,647.50
2021-22	15,160.46
2022-23	23,583.90

(c): As informed by Central Board of Indirect Taxes & Customs (CBIC) and the Office of the GST Council, Government has taken several initiatives/policy measures/reforms to address the problems of the Micro, Small & Medium Enterprises Sector. Some of them are given below.

- (i) Special registration provisions for MSME Sector: Small and medium enterprises are not required to obtain GST registration, if their aggregate turnover in a financial year does not exceed:
  - a) Rs. 40 lakh (Rs. 20 lakh in the States of Arunachal Pradesh, Meghalaya, Puducherry, Sikkim, Telangana, and Uttarakhand) for Intra - State taxable supply of goods.

- b) Rs. 20 lakh (Rs. 10 lakh for States of Manipur, Mizoram, Nagaland and Tripura) for Intra-State or Inter-State taxable supply of Services.
- (ii) Composition levy scheme in GST for Registered Small and Medium Enterprises, tax has to be paid on Quarterly based on a declaration and have to file only one annual return. Scheme may be opted if:
  - a) supplier of goods whose aggregate turnover does not exceed Rs. 1.50 crore, (Rs. 75 Lakh for Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura and Uttarakhand) in the preceding financial year.
  - b) A supplier of services only (or services and goods together) with annual turnover up to Rs. 50 Lakh.
- (iii) Special return filing provisions for MSME Sector: All eligible registered suppliers of goods or services having annual turnover up to Rs 5 crore in the preceding financial year may opt for filing of quarterly return with monthly payment of tax.
- (iv) Threshold for mandatory issuance of e-invoice has been reduced to Rs. 10 crore from 01.10.2022. Data from e-invoice is auto populated in FORM GSTR-1 & FORM GSTR-3B of the registered suppliers of goods or services, thereby easing the process of return filing.
- (v) Retrospective amendment with effect from 01.07.2017 made in section 50 to provide that interest is required to be paid on the wrongly availed ITC only when the same has been availed as well as utilized. Rate of interest on wrongly availed and utilized ITC reduced to 18% from 24% with retrospective effect from 01.07.2017.
- (vi) Suspension of GST registration will be automatically revoked without requiring taxpayer to make any application with the tax officer, once all the pending returns are filed on the portal. Time limit for applying for revocation of cancelled GST registration extended from 30 to 90 days.
- (vii) UPI & IMPS to facilitate registered suppliers of goods or services and to further encourage digital payment.
- (viii) Exemption from filing annual return in FORM GSTR-9/9A for FY 2022-23 to registered suppliers of goods or services having Annual Aggregate Turnover upto Rs. 2 crore. All registered suppliers of goods or services with annual aggregate turnover upto Rs. 5 crore are not required to file Reconciliation Statement in FORM GSTR 9C along with annual return.

(d): As informed by Central Pollution Control Board (CPCB), CPCB categorizes industries, into Red, Orange, Green and White Categories on the basis of pollution index. White categories of industries including MSMEs are considered as non-polluting and are exempted from consent mechanism.

Ministry of MSME is implementing MSME Sustainable (ZED) Certification Scheme, which helps MSMEs improve the process, quality of the product and reduces the negative impact on the environment.

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