

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 1818
TO BE ANSWERED ON 01.08.2024

DEVELOPMENT OF MSME SECTOR

1818. SHRI RAJESH RANJAN:
SHRI DINESH CHANDRA YADAV:
SHRI KAUSHALENDRA KUMAR:

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

- (a) the steps being taken by the Government for the development of Micro, Small and Medium Enterprises (MSME) sector;
- (b) whether the Government is aware about the difficulties being faced by MSME sector under Goods and Service Tax (GST) monthly payment as there is heavy penalty on delay of payments and if so, the details thereof;
- (c) whether the Government proposes to give exemption to MSME manufacturing units (atleast to MICRO mfg. units) upto three months from payment of any penalties; and
- (d) if so, the details thereof?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SUSHRI SHOBHA KARANDLAJE)

- (a): Government has taken a number of steps for the development of MSME sector. They are as given below:
- i. New criteria for classification of MSMEs with higher threshold, based on Investment and Turnover, to widen the ambit of the MSME sector, notified on 26.06.2020.
 - ii. No global tenders for procurement up to Rs. 200 crores.
 - iii. “Udyam Registration” for MSMEs, for Ease of Doing Business, launched on 01.07.2020.
 - iv. Launch of Udyam Assist Platform, on 11.01.2023, for bringing Informal Micro Enterprises in the formal ambit.
 - v. Inclusion of Retail and Wholesale traders as MSMEs w.e.f. 02.07.2021 for credit purpose.
 - vi. Non-tax benefits extended for 3 years in case of an upward change in status of MSMEs.
 - vii. Launch of SAMADHAAN Portal for filing of grievances and monitoring of outstanding dues to the Micro and Small Enterprises from the buyers of goods and services.
 - viii. Launch of an online Portal “Champions” in June, 2020 to cover many aspects of e-governance including redressing grievances and handholding of MSMEs.
- (b) to (d): As per the information provided by Goods and Services Tax Council Secretariat, as a trade facilitation measure, based on turnover, following enterprises are not required to obtain GST registration:
- i. Persons involved in intra–state taxable supply of goods, if aggregate turnover in a financial year does not exceed ₹ 40 Lakh.

: 2 :

- ii. Persons involved in intra–state or inter-state taxable supply of services, if aggregate turnover in a financial year does not exceed ₹ 20 Lakh.

To ease the compliance burden involved in filing of monthly Returns, several facilitation measures have been taken for the MSME sector. It has also been informed that Composition levy scheme in GST has been designed for small and medium taxpayers having turnover within the prescribed limit. A supplier of Goods having an aggregate turnover upto Rs. 1.5 crore and a supplier of service having a turnover upto Rs. 50 lakh may opt for the Composition Scheme. The tax has to be paid on a quarterly basis, based on a declaration and such taxpayers do not have to maintain elaborate accounts and have to file only one annual return.

Further, as per the information provided by Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, the Income Tax Act, 1961 does not provide for any specific penalty only for Micro, Small and Medium Enterprises.
