

## **Retail and Wholesale Trade Included in MSMEs**

From 2<sup>nd</sup> July, 2021, the Government has included Retail and Wholesale Trades as MSMEs.

The Government, vide notification no. S.O. 2119(E) dated 26.06.2020, had notified composite criteria of classification of MSMEs based on investment in plant and machinery or equipment and turnover of the enterprise. With the introduction of new classification of MSMEs w.e.f. 01.07.2020, a new cost - free system of online Udyam Registration which is based on self –declaration, has replaced the erstwhile filing of Udyog Aadhaar Memorandum.

Filing of Udyog Aadhaar Memorandum (UAM)/ Udyam Registration is required for availing benefits of the schemes and programmes of the Ministry of MSME.

The Government has launched the Credit Guarantee Scheme (CGS) to strengthen credit delivery system and facilitate the flow of credit to the MSE sector without the hassles of collateral and third party guarantee. Under the scheme, Credit Guarantee is given to the Member Lending Institutions (MLIs) for loans upto Rs. 200 lakh. As per the data received from Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), Mumbai, there are 53,86,739 Nos. of guarantee and Rs. 2,72,007.42 crore amount of guarantee approved under Credit Guarantee Scheme since inception.

To strengthen the Indian economy and to provide help to upcoming entrepreneurs, recently the Government has taken a number of initiatives under Aatma Nirbhar Bharat Abhiyan to support the MSME sector in the country, especially in Covid-19 pandemic. Some of them are:

1. Rs. 20,000 crore Subordinate Debt for MSMEs.
2. Rs.3 lakh crores Collateral free Automatic Loans for business, including MSMEs.
3. Rs. 50,000 crore equity infusion through MSME Self-Reliant India Fund
4. New Revised criteria of classification of MSMEs.
5. New Registration of MSMEs through ‘Udyam Registration’ for Ease of Doing Business.
6. No global tenders for procurement up to Rs. 200 crores.

An Online Portal “Champions” has been launched on 01.06.2020 by Hon’ble Prime Minister. This covers many aspects of e-governance including redressal of grievances and handholding of MSMEs.

RBI has also announced several measures to Reduce Financial Stress of MSMEs.

This information was given by Minister for Micro, Small and Medium Enterprises Narayan Rane in a written reply in the Lok Sabha on 22 July, 2021.

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Source: World Trade Scanner