

NEWSLETTER

ISSUE-70, EDITION - JUNE & JULY 2023



**FICCI – CONFEDERATION OF THE MICRO, SMALL
AND MEDIUM ENTERPRISES (FICCI-CMSME)**



www.ficci-cmsme.in, www.ficcicmsmeconnect.in



connect 
Bringing Businesses Together
www.ficcicmsmeconnect.in

**ARE YOU LOOKING FOR BUSINESS
OPPORTUNITIES ?**

REGISTER AT FICCI-CMSME CONNECT PORTAL

www.ficcicmsmeconnect.in

Online Directory & B2B Portal

**For more details, please contact at
cmsme@ficci.com**

FICCI - Confederation of Micro, Small and Medium Enterprises (CMSME)



Confederation of Micro, Small and Medium Enterprises (CMSME) established in December 2013 with a vision to empower Indian MSMEs and build their competitiveness is an affiliated body under the umbrella of the Federation of Indian Chambers of Commerce and Industry (FICCI), an apex Chamber of Commerce & Industry of India. FICCI has tie ups with over 300 industry associations and chambers worldwide.



What we do.....

- Provide a holistic grid to connect MSMEs with mentors, incubators & accelerators and assist them through capacity building programs & services
- Help MSMEs explore different government schemes
- Deliberate on policy issues that impact performance of the MSME sector and provide effective channels to communicate issues and concerns to government at the center and states as well as to other regulatory bodies and banks
- Provide regular interface between Industry, Government and regulators through workshops, round tables and representations and interactive sessions with to create an enabling environment for further growth of the sector

Areas of focus.....

- Policy Consultation with Government
- Legal
- & Taxation
- Marketing & Quality Standards including Packaging
- Environment
- Procurement
- Finance
- Start-up & Entrepreneurship
- Technology & Innovation

Services & Benefits.....

Services	Benefits to Members
Procurement of Raw Material*	Decrease in Cost
Quality	Improve quality & standard through expert training programmes @ discounted rates
Intellectual Property	IP services at more than 50 percent discounted rates as compared to those available in the market directly from the experts
Resource Conservation & Management	Enhancement in competitiveness and cost saving through resource optimization, sustainable use of the resources (raw material, energy, water etc.) and effective management of wastes generated (Energy, Water, etc Audits at competitive rates)
Advisory Services through External Experts	Insurance, Exports, Taxation, Financing, etc
Access to CMSME CONNECT Portal with B2B Facility www.ficcicmsmeconnect.in	Connect with other CMSME Members and Explore Business possibilities

Opportunities.....

1 Networking <ul style="list-style-type: none">Platform to interact amongst members, state & central governmentsPlatform to meet global business and political leadersParticipation in seminars, training programmes, conferences and meetingPlatform to network with industry leaders	10% discount for CMSME members on participation Fee of FICCI events (<i>applicable only on the fee component charged by FICCI</i>)
2 Business Services <ul style="list-style-type: none">Opportunity for participating in Sectoral delegations both in India and OverseasParticipation in trade fairs and exhibitionsDevelop business through buyer-seller meetsGovernment Notification UpdatesConnect with other CMSME Members and Explore Business possibilities	10% discount for CMSME members on participation Fee of FICCI events (<i>applicable only on the fee component charged by FICCI</i>)
3 Knowledge series	Free Access to Policy Papers, Studies & Surveys, MSME Newsletters

Membership

Membership Categories

- Associate Membership:** For enterprises involved in profit making activities in manufacturing/services
- Organisation Membership:** For Non-Profit Industry Associations involved in growth and development of MSME sector.

Both categories have two options: 1) Patron Membership: This is a lifetime membership of CMSME and as a privilege member, Patron Member gets an opportunity to be a part of Executive Committee of CMSME **(2) Annual Subscription:** Annual Membership remains valid for one year and follows Financial Year i.e. April – March. As the year closes on March 31, all annual memberships with CMSME subscribed anytime during the year, become due for annual renewal.

How to Apply for Membership

- Online Application:** Link: <http://ficci-cmsme.in/membership/member-login.asp> Membership can be applied at the above link by selecting 'New Registration'. After a brief registration, one will receive an auto generated email in inbox (sometimes in spam folder) of registered email ID containing login-ID & Password for CMSME Membership. The above link may again be visited and now log-in can be done with the details received to registered email ID to complete the profile for Membership.
- Offline Application:** One can always apply offline by submitting Membership Form along with other necessary documents to the Secretariat. For forms you may contact FICCI-CMSME secretariat.

Membership Fee

There are two components in the fee structure of CMSME Membership and applicable GST (18%) is levied on both components. **(1) One-time Admission Fee:** Admission Fee needs to be paid at the time of enrolment of Membership **(2) Subscription Fee:** Annual Subscription Fee is based on Annual Turnover of Organisation in the immediate completed last Financial Year. If the enrolment is done during October - March, the annual subscription fee is reduced to 50%. Patron Membership Subscription Fee is not dependent on Annual Turnover.

For any query please feel free to contact:

Mr Hemant Seth

Senior Director (FICCI) & Treasurer (FICCI- CMSME)

FICCI- CMSME

Federation House, 1, Tansen Marg, New Delhi 110 001

Tel: 91-11-23487307 / 23487491 Fax: 91-11-23320714

Email: cmsme@ficci.com; Website: www.ficci-cmsme.com





Table of content

S.NO	NEWS HEADLINES	Page No.
01	Credit to MSMEs moderates in April	01
02	IPEF supply chain pact could shift production centres to India.	01
03	India's natural rubber consumption at a record high of 13.5 lakh tonnes in FY23	01
04	Odisha committed to bring in more job-intensive industries: CM.	02
05	NSE, BSE to introduce enhanced surveillance mechanism for "micro-small" cos.	03
06	SIDBI signs pact with HDFC Bank	03
07	Uttar Pradesh Database of 9 million MSMEs on the cards	03
08	RBI allows insurers to participate in TReDS platform	04
09	India, UAE look to step up non-oil trade value.	04
10	KVIC breaks sales record.	05
11	PLI scheme resulted in 20% value addition in mobile production in 3 years: DPIIT.	05
12	Niti Working to Integrate MSMEs with Supply Chains	06



Table of content

S.NO	NEWS HEADLINES	Page No.
13	1QCOs will be implemented from July 1, says Piyush Goyal	07
14	MSMEs get time to comply with leather quality control rules.	07
15	India seeks exemption from EU's carbon tax for MSME.	07
16	OTS scheme slows down recoveries from retail portfolios for ARCs to 35%	07
17	Centre releases guidelines for agri waste-based utensils	08
18	MSMEs to face headwinds from economic slowdown in US & Eurozone	08
19	Uttar Pradesh Stamp duty relief for women-led MSMEs; States facilitate loans of Rs 20k crore to small business	09
20	Kerala Launches insurance cover for MSMEs	09
21	Transactions on GeM portal cross Rs 50,000 crore in first quarter	10
22	Bank Must Ensure Enhanced Affordable Credit to MSMEs: Goyal	11



Table of content

S.NO	NEWS HEADLINES	Page No.
23	Maharashtra gets nod for leather & footwear park in Raigad.	11
24	TN beats UP to regain top spot in electronic exports in India.	11
25	China slaps export curbs on essential chip-making metals	12
26	PNB launches its virtual branch in the Metaverse.	12
27	Plastic exports have potential to grow, says Piyush Goyal	12
28	'Schedule M compliance to be made mandatory for MSME pharma firms soon'.	13
29	QCOs issued for water bottles, lighters.	14
30	DPIIT appoints nodal officers to help MSME, retailers onboard ONDC.	14
31	No income tax for people earning up to Rs 7.27 lakh per annum under new tax regime, says Sitharaman.	15
32	Cabinet approves Press Regulation Bill.	15



Table of content

S.NO	NEWS HEADLINES	Page No.
33	Total market cap of BSE SME firms hit Rs 75K crore.	16
34	Govt rolls out credit guarantee scheme for MSMEs in livestock sector.	16
35	22 countries opened special bank accounts in India to trade in Rupee: Minister	17
36	Rs.200 Crore for silk promotion in NE	18
37	TN, Maharashtra accounted for most number of MSME shutdowns in FY23	18
38	Lok Sabha clears Jan Vishwas bill for ease of business.	19



1. Credit to MSMEs moderates in April.

The pace of credit to medium and small and micro enterprises (SMEs) moderated on a year-on-year (YoY) basis in April 2023, the first month of FY24. However, the pace of credit to large industries improved in the reporting month. Credit to medium industries grew by 19.1 per cent YoY in April 2023, sharply down from 53.7 per cent in April 2022.

Credit to SMEs registered a growth of 9.7 per cent in April, again sharply down from 29.8 per cent a year ago. Credit to large industries rose by 5.3 per cent as compared with 1.3 per cent a year ago, Reserve Bank of India (RBI) said in a statement.

Business Standard, 1st June 2023

2. IPEF supply chain pact could shift production centres to India.

The substantial progress made on a supply chain agreement at the recent meeting of trade ministers of the Indo-Pacific Economic Framework for Prosperity (IPEF) could lead to a shift in production centres of key goods and critical sectors to India, a statement by the commerce & industry ministry.

“The agreement will also lead to deeper integration of India in the global supply and value chains, especially Indian MSMEs,” it said.

At the meeting in Detroit, the trade ministers of the 14-member bloc on May 27 had made substantial progress on a supply chain agreement. Other benefits that will accrue to India by being a party to the agreement on supply chains is upward mobility in value chains, mitigation of risks of economic disruptions to India from supply chain shocks and creation of a seamless regional trade ecosystem.

“India and other partner countries will continue to engage to ensure effective implementation of the agreement so as to achieve the overall objectives of the agreement, which is to make IPEF supply chains more resilient, robust and well-integrated, and contribute towards economic development and progress of the region as a whole,” the statement said.

The IPEF was launched in May 2022. Its members include the US, Australia, Brunei Darussalam, Fiji, India, Indonesia, Japan, the Republic of Korea, Malaysia, New Zealand, the Philippines, Singapore, Thailand, and Vietnam. The grouping is negotiating issues of trade, supply chains, clean energy, decarbonisation, infrastructure, tax, and anti-corruption.

Financial Express, 2nd June 2023

3. India’s natural rubber consumption at a record high of 13.5 lakh tonnes in FY23

India’s natural rubber (NR) consumption increased to a record high of 13.5 lakh tonnes, despite imports declining by 3.2 per cent in 2022-2023 financial year. Consumption was supported by NR production rising to a 10 year high. According to data published by the directorate General of Commercial Intelligence and statistics (DGCI&S), Kolkata, total imports dropped to 5,28,677 tonnes in 2022-2023, against 5,46,369 tonnes (provisional) in the previous fiscal. Speaking at the 184th meeting of the Rubber Board M. vasanthagesan, Executive Director, said production was provisionally estimated at 8,39,000 tonnes in 2022-2023, compared with 7,75,000 tonnes in 2021-22.



Production in 2022-23 was second only to production of 9,13,7000 tonnes in 2012-13. An increase in yield, trappable area and area tapped during the year contributed to the rise in NR production, he said.

Consumption, on the other hand, has been provisionally estimated at 13,50,000 tonnes, up 9 per cent compared with 12,38,000 tonnes in 2021-2022. Exports were at 3,700 tonnes in 2022-23, compared with 3,560 tonnes in 2021-22.

EXPORT OPPORTUNITIES

Rubber Board Chairman, Sawar Dhanania, said efforts to explore opportunities in the MSME sector should be continued to improve the export of natural rubber products from the country.

‘We need to identify current demand for the products and promote their manufacture. Besides, the quality of raw materials such as sheet rubber and rubber latex, essential for manufacture, should also be maintained at par with international grading standards,’ he said at the 184th meeting of the Rubber Board. Rubber producers’ societies and Rubber Board companies should focus more on improving the quality of rubber latex and sheets.

Business Line, 2nd June 2023

4. Odisha committed to bring in more job-intensive industries: CM.

The Odisha government is committed to bring in more industries in highly job-intensive sectors like Textiles, Food Processing, Hospitality with emphasis on bringing regional parity in industrial development, Chief Minister Naveen Patnaik said.

Highlighting the efforts made by the government in developing the Biju Expressway and Biju Economic Corridor, Naveen Patnaik asked the Industries Department and Odisha Industrial Infrastructure Development Corporation (IDCO) to further augment the industrial infrastructure in the state so as to make them world-class as well as develop more MSME Clusters and Parks to promote the growth of the MSME sector in the state. He instructed the officials in Industrial Promotion & Investment Corporation of Odisha (IPICOL) to further reduce the turnaround time for applications and pushed for faster grounding of projects.

“With 5T framework, technology has become a key to Government service delivery. I would urge all the departments to further leverage technology and the 5T framework to bring about tangible transformation in the lives of people”, Patnaik said.

“Odisha is one of the fastest growing states in the country and has been ranked 2nd in attracting investment. The focus on the trifecta of Policy, Infrastructure-Development, and Skilling has made Odisha a destination of choice for investors and we hope to soon see the state become the fulcrum of industrial activities in the Bay of Bengal region,” Pratap Keshari Deb, Minister, Industries, MSME, and Energy said.

Odisha has witnessed a remarkable transformation in its industrial landscape over the past two decades. With a strategic focus on attracting investments, creating an enabling environment, and fostering sustainable development, Odisha has emerged as a preferred destination for industries across sectors. Hemant Sharma, Secretary Industries said.

The manufacturing sector in Odisha has shown consistent growth, contributing significantly to the state’s economy. The sector has witnessed a compound annual growth rate (CAGR) of 12.98% between 2002-03 and 2021-22, he said.

The state government’s emphasis on promoting sectors like Metal, Metal Downstream and Ancillary, Chemicals and Petrochemicals, Textiles and Apparel, IT/ITeS and ESDM,



Food Processing, Green Hydrogen and Green Ammonia, etc. have attracted major industrial players to Odisha. The state has successfully attracted substantial investments across various sectors, leading to a significant boost in industrial growth.

Statesman, 3rd June 2023

5. NSE, BSE to introduce enhanced surveillance mechanism for "micro-small" cos.

To curb volatility in small-cap counters, leading stock exchanges BSE and NSE have put in place an enhanced surveillance mechanism for companies that have a market cap of less than Rs 500 crore.

The Enhanced Surveillance Measure (ESM) will be effective from June 5.

Business Standard, 5th June 2023

6. SIDBI signs pact with HDFC Bank

State-owned Small Industries Development Bank of India (SIDBI) has entered into a Memorandum of Understanding (MoU) with HDFC Bank for providing financial solutions to MSMEs. Under the MoU, SIDBI and HDFC Bank will work together to provide complete financial product and services to the customers under Micro, Small and Medium Enterprises (MSMEs).

Indian Express, 7th June 2023

7. Uttar Pradesh Database of 9 million MSMEs on the cards.

In order to boost the industrial and 'doing business' ecosystem in Uttar Pradesh, the state government aims to create a comprehensive database of nearly 9 million micro, small, and medium enterprises (MSMEs).

According to the state's MSME and export promotion department, there are more than 9 million active MSMEs in UP, of which only 1.4 million are registered with the 'Udyam' portal, the rest operating in the unorganised sector. Registration of MSME platform facilitates many benefits to entrepreneurs, including insurance and financing.

Micro entrepreneurs will be eligible to the accident insurance cover of up to Rs 5 lakh, which is under active consideration of the Yogi Adityanath government.

"The MSMEs should be registered with the portal to avail of a bouquet of benefits under different government schemes, since they contribute to the Gross State Domestic Product (GSDP) of UP," a senior government official said.

The MSME sector contributes nearly 60 per cent to UP's annual industrial output and is the second-largest creator of employment after agriculture and allied farm activities.

The MSME accounts for the bulk of the state's merchandise exports, and the Adityanath government is aiming to increase its exports to Rs 3 trillion in four to five years.

Meanwhile, the department has launched an aggressive MSME registration campaign.

The UP directorate of industries will organise camps in each district. The MSMEs can also self-register by visiting the Udyam portal.

The intended benefits will be provided to the micro-enterprises with investment of up to Rs 1 crore and turnover of up to Rs 5 crore; small enterprises with investment of up to Rs 10 crore and turnover of up to Rs 50 crore; and medium enterprises with investment of up to Rs 50 crore and turnover of up to Rs 250 crore.

The objective is to provide a platform to the MSMEs so they can avail the schemes implemented by the central and state governments. Apart from providing insurance,



finance and marketing support, the registration will facilitate faster resolution of payment-related disputes, which will be available to registered entities, he added.

Business Standard, 7th June 2023

8. RBI allows insurers to participate in TReDS platform.

The Reserve Bank of India (RBI) issued a directive to TReDS operators and participants to facilitate insurance for transactions.

“Financiers place their bids on the TReDS platforms keeping in view the credit rating of buyers. They are generally not inclined to bid for payables of low-rated buyers. To overcome this, an insurance facility is being permitted for TReDS transactions, which would aid financiers to hedge default risks,” RBI said.

The RBI had first announced expanding the scope of TReDS platform in its February monetary policy committee meeting. TReDS is an electronic platform introduced by the RBI in 2014 to help MSME in managing their working capital needs by facilitating the financing or discounting of trade receivables through multiple financiers. As of now, three platforms-RXIL, Invoicemart, and M1Xchange received the RBI’s license to operate TReDs, and one more entity has been granted in-principle approval from the central bank.

The central bank said the TReDS platform operators may specify the stage at which insurance facility can be availed, ensure that a premium for insurance shall not be levied on the MSME seller. Further, the collection of premium and related activities could be enabled through National Automated Clearing House (NACH) system, it said.

As of now, the credit insurance shall not be treated as a Credit Risk Mitigant (CRM) to avail any prudential benefits.

Moreover, the pool of financiers will be expanded, and all entities allowed to undertake factoring business under Factoring Regulation Act,2011(FRA) are now permitted to participate as financiers on TReDs platforms RBI said. It added that TReDs platform operators may, at their own discretion, enable a secondary market for transfer of factoring units within the same TReDS platform.

Financial Express, 8th June 2023

9. India, UAE look to step up non-oil trade value.

India and UAE are looking to more than double non-oil bilateral trade to \$100 billion by 2030, commerce and industry minister Piyush Goyal said.

At present, the non-oil bilateral trade stands at \$48 billion.

The new target was agreed upon during the first meeting of the Joint Committee of India-UAE Comprehensive economic Partnership Agreement (CEPA). The agreement was implemented on May 01 last year.

“we have mutually agreed to now look at non-petroleum bilateral trade of \$100billion by 2030, which means doubling our non-petroleum trade from \$48 billion to \$100 billion in seven years,” Goyal said.

The UAE is a major supplier of crude oil to India. Oil shipments account for a major share of bilateral trade between the two countries.

He said that businesses from both sides were encouraged to further expand this trade and smooth implementation of the CEPA will help in this.

It was also agreed to set committees and technical councils with regard to the implementation of various provision of the trade agreement covering trade in goods,



customs facilitation, rules of origin, sanitary and phytosanitary and technical barriers to trade issues, trade remedies, investment facilitation, and economic cooperation.

“We have also agreed to set up an Indian-UAE CEPA Council that will serve as a vehicle for both governments and the export-oriented private sector,” Goyal said.

He added that this council would focus on areas such as MSMEs, Startups, women entrepreneurs, services sector participants.

On investments, the commerce minister said that the country will soon see Abu Dhabi Investment Authority’s (ADIA) set up in the GIFT city as most of the issues have been resolved.

Asian Age, 13th June

10. KVIC breaks sales record.

The sale of indigenous Khadi products made by artisans in rural areas has increased by an unprecedented growth of 332 %. The Khadi and Village Industries Commission (KVIC) has presented a gratified image of a robust India taking the ‘Aatmanirbhar Bharat Abhiyaan’ to new heights.

While the turnover of Khadi and Village Industries products was Rs 31,154 crore in the financial year 2013-14, it has drastically increased to Rs 1,34,630 crore in the financial year 2022-23, which is the best ever achievement so far. This may be perceived as an indication that the trust of the people of the country has augmented on ‘Make in India’, ‘Vocal for local’ and also for ‘Swadeshi products. The KVIC has set a record by creating 9,54,899 new job opportunities in rural areas.

During the nine years tenure of the ‘Modi government’ at the centre, nine such records of ‘prosperity from self-reliance’ have been established with the efforts of the KVIC, which have injected a new life to Khadi.

There has been an exceptional growth in the production of KVI products reaching to a height of Rs.95957 crores with a remarkable leap of 268%, which indicates that the KVIC has done a marvellous job in rural areas.

Besides production of KVI products there is also a maximum increase in sale in creating new records every year.

Khadi artisans associated with Khadi sector are also getting the benefit of increase in the production and sale of Khadi fabrics, with a remuneration of more than 150%.

However, there is an increasing demand for organic clothes after Covid-19 pandemic taking the sales figure to Rs 5943 crore.

In this regard, the promotion of Khadi on every platform has made a huge impact on the sale of Khadi fabrics.

Shillong Times, 13th June

11. PLI scheme resulted in 20% value addition in mobile production in 3 years: DPIIT.

The Government’s Production Linked Incentive (PLI) scheme has resulted in local value addition of 20 % in mobile manufacturing within three-year span, per the DPIIT.

“We have been able to increase the value addition in mobile manufacturing to 20% within three years whereas countries like Vietnam achieved 18% value addition over 15 years and China achieved 49% value addition in over 25 years. Seen in this perspective, it is big achievement,” DPIIT Secretary Rajesh Kumar Singh said at a press briefing.



The PLI scheme for large scale Electronics Manufacturing and the existing Phased Manufacturing Programme (PMP) have led to increased value addition in the electronics sector and in smartphone manufacturing, 23 per cent and 20 per cent, respectively, from negligible figures in 2014-15, a DPIIT note pointed out. Of the \$101-billion total electronics production in 2022-23, smartphones constitute \$44billion, including \$11.1 billion exports.

“As much as 82% of total mobile phone exports in 2022-23 was PLI companies,” figures compiled by the DPIIT show.

IPHONE EXPORTS

By 2024-25, iPhone 14 export are likely to touch \$10 billion, according to government estimates. As on date, 733 applications have been approved in 14 sectors with expected investment of Rs. 3.65 lakh crore, the note underlined.

A total of 176 MSMEs are among the PLI beneficiaries in sector such as bulk drugs, medical devices, pharma, telecom, white goods, food processing, textiles, and drones.

“Actual investment of Rs. 62,500 crores have been realised till March 2023 which has resulted in incremental production/sales of over Rs.6.75 lakh crore and employment generation of 3.25 lakh. Exports boosted by Rs. 2.56-lakh crore till 2022-23, “it said

Business Line, 14th June 2023

12. Niti Working to Integrate MSMEs with Supply Chains

The govt plans to introduce a comprehensive policy for micro, small, and medium enterprises (MSMEs) that will provide for easier credit, including collateral free loans and reduced documentation, to help them integrate with the large supply chains. The NITI Aayog, which is working on the plan, has held discussion with industry and states in this regard, said people aware of the matter.

The plan includes identification of products in sectors drawing benefits under Production-Linked Incentive (PLI) scheme which could be developed and supplied by local MSMEs through a dedicated vendor development programme.

“MSME have to become part of the domestic supply chain through preferential treatment. The govt. is exploring ways to incentivise the sector to become competitive, both in quality and pricing of the products,” a senior government official told ET.

Sops including collateral free credit financing to reduced rate of interest and reduced documentation could be considerate part of the policy, said the official, who did not wish to be identified.

The policy is expected to address some of the pressing challenges holding back the integration of MSMEs with the formal sector. Including restricted credit flow through collaterals, high rate of credit, too much documentation and lack of bandwidth for capacity expansion said the official.

“The need is to quickly identify constraints and come up with focused policies to make MSMEs qualify for global supply chain,” said an industry representative who did not wish to be identified.

Business Line, 14th June 2023



13. QCOs will be implemented from July 1, says Piyush Goyal

The Government in consultation with the footwear industry decided not to extend the deadline for complying with the mandatory quality standards- which will come into force on July 01—and included MSMEs from the sector into its ambit. “We have decided that QCOs will be implemented from July01. It was decided not to do any changes in that. No extension will be given, and everybody has agreed to that,” he said.

Business Standard, 15th June 2023

14. MSMEs get time to comply with leather quality control rules.

The Union government on Wednesday decided to give six more months to small industries for complying with the mandatory quality standards order for leather products. While the fresh deadline for companies with an annual turnover of ₹50 crore and investment of ₹10 crore will be 1January 2024, the deadline for the micro units with annual turnover less than ₹5 crore would be 1 July 2024. Notably, the small units were earlier out of the ambit of these orders.

Mint, 15th June 2023

15. India seeks exemption from EU’s carbon tax for MSME.

India has sought exemption for MSMEs from the EU’s Carbon Border Adjustment Mechanism (CBAM), under which import taxes are to be imposed on certain identified carbon-intensive items such as steel and aluminium, the transitional phase for which will begin from October 1, Commerce Secretary Sunil Barthwal has said.

Business Line, 16th June 2023

16. OTS scheme slows down recoveries from retail portfolios for ARCs to 35%

Recoveries by asset reconstruction companies (ARC) from retail loan portfolios have slowed down to 35 per cent since the launch of the one-time settlement (OTS) scheme in October last year, a domestic rating agency said on Thursday. The ARCs have started following measured steps to ensure realizations, which has slowed down the pace of recovery, and the recovery timelines can have got stretched by three to four quarters, India Ratings and Research said in a report. Recoveries across retail loan, including housing and ones to micro, small and medium enterprises, have seen a drag, coming at 35 per cent of the principal outstanding during June-December 2022 review cycle, the agency said.

The rating agency said a change in prescribed norms, which now require an independent advisory committee to examine all settlement of dues with borrowers including retail, SME and MSME loans may be resulting in this and added that as per OTS, all the methods of recoveries shall have to be exhausted before a settlement process takes place. Citing its discussions with ARCs, the rating agency said for retail loans backed security receipts, settlement or staggered payments were the most preferred method of recovery for ARCs in the past as it would increase the recovery amount and reduce the costs associated with repossession and foreclosure. The agency, however, made it clear that the new rules will not impact the quantum of recovery, but there shall be a delay in the timelines to recovery by three to four quarters. While recovery efforts take a hit in the near-medium term, the new guidelines could benefit counterparties to SR transactions in the longer term amid the growing requirements of the financial sector. “ARCs can tap their unused potential to



resolve stressed assets, while the OTS process will also enhance the transparency and bring consistency in the settlement processes,” the agency added.

Millennium Post, 23rd June 2023

17. Centre releases guidelines for agri waste-based utensils

wooden cutlery and paper plates are slowly replacing plastic in daily life, these are prone to non-uniformity and quality compromise in their manufacture and supply. In this context, the government has developed comprehensive standards and specifications to help producers and consumers contribute to environmental safety, conservation of natural resources and promotion of a circular economy.

The Bureau of Indian Standards (BIS) has published IS 18267: 2023 on ‘Food Serving Utensils Made from Agri By-Products – Specification’, which will lay down norms to make disposable utensils free from harmful additives.

The standards delineate various aspects such as raw materials, manufacturing techniques, and performance and hygiene requirements for the production of such utensils. It also recommends appropriate parts of plants to be used and lays down manufacturing techniques such as hot pressing, cold pressing, moulding and stitching.

This move is expected to have a far-reaching impact on India’s fight against plastic. The country has already banned single-use plastic in 2021. There is a growing demand for more sustainable ways to replace non-renewable raw materials such as petroleum-based polymers with bio-materials. This demand has turned disposable tableware into a billion-dollar industry.

“The market size of disposable plates was valued at USD 4.26 billion in 2020 and is projected to reach USD 6.73 billion by 2028, growing at a CAGR of 5.94% from 2021 to 2028,” said Smitha G Nair, director, BIS.

In India, numerous large-scale and MSME-level manufacturers are actively contributing to producing biodegradable cutlery as it is available at throwaway prices and in large quantities. The demand for these products is consistently rising, leading to a steady growth in the number of manufacturers involved in their production.

The major component for manufacturing tableware wooden cutlery is agricultural waste, which while being burnt, causes a significant negative impact on the environment. For instance, Delhi and the national capital region face thick smog around October-November every year when farmers burn it. This causes serious pollution and health problems in the national capital.

Morning Standard, 23rd June 2023

18. MSMEs to face headwinds from economic slowdown in US & Eurozone

Micro, small and medium enterprises (MSMEs), accounting for 40% of India’s exports will face headwinds from the imminent economic slowdown in advance countries, particularly the US and Eurozone, Crisil said in research. These two geographies account for a third of India’s overall exports.

Statesman, 27th June 2023



19. Uttar Pradesh Stamp duty relief for women-led MSMEs; States facilitate loans of Rs 20k crore to small business

To promote small businesses and start-ups, especially helmed by women entrepreneurs, the Uttar Pradesh government has announced a slew of incentives, which include a waiver of stamp duty.

The business ventures set up by women in the comparatively backward regions of Purvanchal and Bundelkhand would get a 100 per cent stamp duty waiver, whereas the subsidy would be 75 per cent in other pockets. Such units would also be exempt from mandatory inspections for three years from inception, to allow these businesses to establish and proliferate without worrying about procedural complexities.

Meanwhile, the state is gearing up to facilitate bank loans totalling Rs. 20,000 crores to the micro, small, and medium Enterprises (MSMEs) on easy terms this week. “The Yogi Adityanath-government has launched a slew of schemes to promote the MSME sector and make them globally competitive,” UP MSME and khadi minister Rakesh Sachan said. Moreover, nearly a dozen agricultural and traditional products are likely to be awarded the Geographical Indication (GI) certificate soon. The GI tag certifies or authenticates the bona fide of a local product, thus fetching a better price for the original manufacturers.

The MSME sector has been accorded top priority for equitable socio-economic growth, wealth distribution, and employment generation.

UP is home to the largest number of almost 9 million MSMEs and the sector is the second largest employment generator, after agriculture and allied activities. The sector contributes nearly 60 per cent to UP’ annual industrial output. At the same time, the sector accounts for the bulk of the merchandise exports from the state. Now, the state government is targeting to increase merchandise exports to Rs. 3 trillion in the next 4-5 years.

To provide a fillip to the sector, the state has announced to facilitate the setting of manufacturing units on smaller land parcels of between 10 and 50 acres, as well as in flatted factory complexes.

At the UP Global Investors Summit (GIS) 2023, the state garnered total investment proposals to the tune of Rs. 35 trillion, of which the MSME sector accounted for almost Rs. 1.6 trillion spanning more than 9,000 projects. Since the state is now gearing up to launch projects of about Rs. 8 trillion in the next couple of months, the MSME department is finalising the line-up of projects.

Business Standard, 27th June 2023

20. Kerala Launches insurance cover for MSMEs

The Kerala Government announced a clutch of schemes to promote Micro, Small, Medium Enterprises (MSMEs) in the state, including an insurance cover for them, where the state govt. will bear 50% of the premium with a monetary cap.

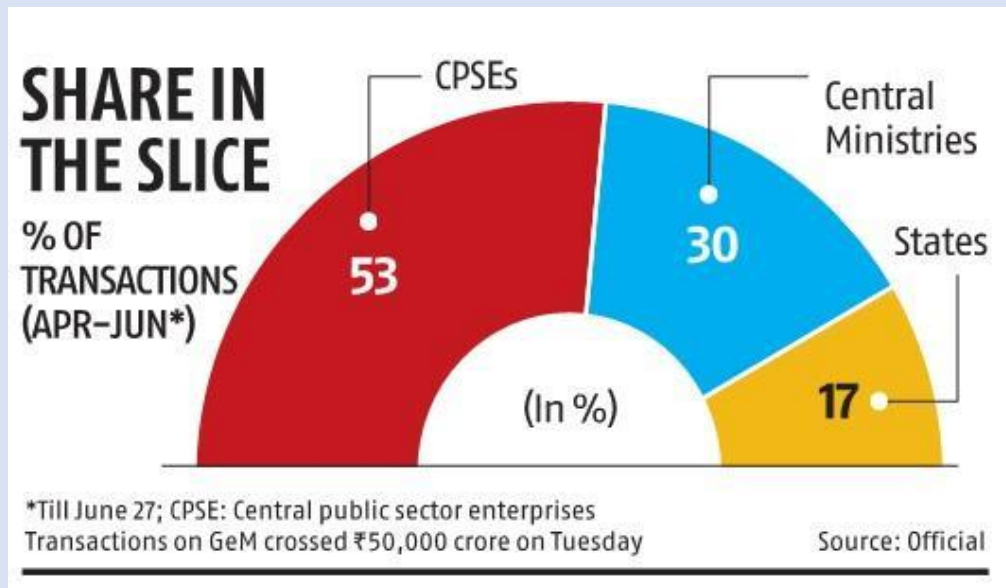
Inaugurating the International MSME Day celebrations here, state industry minister P Rajeev said the state government will provide Rs.100,000 each to 1,000 MSME ventures to enable them to scale up projects. “As part of this, up to Rs.2 crore will also be given as capital investment for approves projects”, he said.

“The insurance schemes and other projects in the offing will substantially help the MSME sector, especially the budding enterprises, Rajeev said.

Under the ambitious One Local Body One Product project, the department of industries and commerce will provide Rs.50,000 each to Local Self Government Institutions to meet the expenses for preparing the detailed project reports (DPRs).

Financial Express, 28th June 2023

21. Transactions on GeM portal cross Rs 50,000 crore in first quarter



The Government e-Marketplace (GeM) portal has crossed Rs. 50,000 crore in gross merchandise value (GMV) in this financial year so far, 1.5 times more than the same time a year ago, a senior official said.

Considering the pace of growth so far, the portal in the current financial year is expected to surpass the previous year's transactions of Rs. 2 trillion, said GeM Chief Executive Officer P K Singh said on the sidelines of the CII-MSME Growth Summit here. The procurement of goods and services on the portal was Rs. 1.06 trillion in 2021-22.

At an event on Monday, Union Commerce Minister Piyush Goyal had expressed confidence that the GeM's overall procurement for the 2022-23 would exceed Rs. 3 trillion.

Of the Rs. 50,000 crore worth of transactions, central public sector enterprises have made about 53 per cent, followed by central ministries (30 per cent) and state governments (17 per cent).

Singh said a provision on the portal for penal interest on delayed payments to vendors by government ministries and departments will be operational in July.

In 2020, the government decided to levy a 1 per cent penalty on government departments and agencies for delayed payments to vendors selling goods on the GeM platform.

Goyal had said that data analytics would be offered in the new system to help the buyers and sellers in making decisions related to procurement. "India's largest software exporter, TCS, has won the contract for running and maintaining the government procurement portal GeM."

Business Standard, 28th June 2023



22. Bank Must Ensure Enhanced Affordable Credit to MSMEs: Goyal

Commerce and industry minister Piyush Goyal has asked banks to ensure enhanced and affordable credit to Micro, Small, Medium Enterprises (MSMEs) exporters with a view to boost outbound shipments. At a meeting convened by the ministry on June 28 to discuss ways of enhancing availability of exports credit to MSME exporters, Goyal asked banks to ensure enhanced credit to help achieve the target of \$1 trillion merchandise exports.

The meeting was attended by top officials of 21 banks including State Bank of India, Bank of Baroda, Punjab National Bank, Canara Bank, Union Bank of India, Bank of India and Central Bank of India, among others.

As per an official statement, the export Credit Guarantee Corporation Limited (ECGC) has proposed further modification to make available adequate and affordable credit to a large section of MSME exporters.

“The product facilitates the borrower accounts to be treated equivalent to ‘AA’ rated accounts with reduced cost of export credit to the exporters.” The commerce ministry said in a statement.

Economic Times, 30th June 2023

23. Maharashtra gets nod for leather & footwear park in Raigad.

The Department for Promotion of Industry and Internal Trade (DPIIT) has granted Maharashtra an in-principal approval to establish a mega leather footwear and accessories cluster park in Ratwad, located in Raigad district.

Allocation of grants for the cluster will enable the state to take a leading position in footwear and apparel exports. The scheme ‘Indian Footwear and Leather Development Programme (IFLDP)’ has financial outlay of Rs.1,700 crore until March 31, 2026.

New Indian Express, 1st July 2023

24. TN beats UP to regain top spot in electronic exports in India.

Surpassing Uttar Pradesh, Karnataka and Maharashtra, Tamil Nadu has regained the top spot in electronic exports in India in terms of value. Exports from the state are valued at USD 5.37 billion in the 2022-23 financial year (FY) and consist of a 23% share in the electronics market, according to export data by the state government.

The data show exports from Tamil Nadu grew gradually at 1.6% in 2020-21 FY and 1.8% in 2021-22 FY and jumped 5.3% in 2022-23 FY. Setting up of major manufacturing facilities by Tata Electronics, Apple contract manufacturer Pegatron as part of China plus one strategy and the Union government’s production-linked incentives for electronic manufacturing among other things have been pointed out as key factors behind the rise in exports.

Tamil Nadu’s strong industrial ecosystem with the availability of infrastructure, skilled workforce, and single window incentivising companies are also credited for the achievement. “New players are entering the state, while existing manufacturers are expanding their production capacities, demonstrating their confidence in the state.

TN continues to foster innovation, attract investments, and nurture entrepreneurship in the electronic sector,” Guidance Tamil Nadu, the government’s nodal agency for investment promotion said in a tweet.



The state has regained first place almost after a decade and jumped from fourth place in FY22 to first place last fiscal.

New Indian Express, 2nd July 2023

25. China slaps export curbs on essential chip-making metals

China said it would slap export controls on two rare metals essential for the manufacture of semiconductors over security concerns, as Beijing and Washington tussle over the global market for chips

Exports of gallium and germanium, of which China is a major producer, will require a license from August 1, according to a guideline issued by the Ministry of Commerce and China Customs.

The final recipient of the exports and the purpose of their use will have to be specified, the text said.

The need to "preserve security and national interests" was the reason for the measures, it said. Gallium, which is found in integrated circuits, LEDs and photovoltaic panels for solar panels, among other things, is considered a critical raw material by the European Union. China accounted for 80 percent of global gallium production, according to a 2020 report by the European Commission. Germanium, in turn, is essential for making optical fibres and infrared camera lenses, with 80 percent of it also coming from China, according to the same report. The export curbs follow Washington blacklists of Chinese companies in recent years aimed at cutting them off from access to American technologies. Including the Most Advance chips.

China, which is seeking to become self-sufficient in semiconductor design, says those moves are aimed at maintaining US supremacy in the industry. The United States has also tightened export restrictions on semiconductors in recent weeks and is pushing its allies to do the same. From September, the Netherlands will impose restrictions on the export of technologies intended for the manufacture of electronic chips.

Deccan Herald, 4th July 2023

26. PNB launches its virtual branch in the Metaverse.

Punjab National Bank launched PNB Metaverse powered by Kiya.ai (Infrasoft Technology Ltd). It is a virtual branch of the Bank, which will deliver a unique experience of Banking to the existing and new customers who can now explore the bank's deposit, Retail/MSME Loans, Digital Products, Women/Senior citizen, "Do it Yourself" and Government Flagship Schemes.

The bank will offer a 3D experience to the customers while performing traditional banking activities through digital avatars.

Hindustan Times, 8th July 2023

27. Plastic exports have potential to grow, says Piyush Goyal

Commerce minister Piyush Goyal on Friday said that country's exports were stalled at around \$500 million till 2020, but the scenario has changed in the last two years and the country has managed to touch the \$776 million mark in the export sector.

Out of the total exports, the plastic industry's contribution was \$12 billion, and it has the potential to grow.



“The sector has the potential to add business opportunities, jobs for young generation, opportunities in the world and it can help the government to grow the entire ecosystem of the plastic sector over the next few years, the minister said while addressing the 2nd Technology Conference for growth of plastic industry, virtually, held at Mumbai.

Goyal said that the government is always ready to listen to their suggestions for the orderly growth of this industry in the near future.

He informed that two FTAs were finalised with Australia and UAE last year and currently the government is actively negotiating with many other countries.

He urged the plastic industry to significantly use these FTAs and expand their basket, access newer markets and promote greater exports.

Goyal further pointed out the potential for huge import in this sector by both UAE and Australia. While underlining the importance of quality, he said that government is striving for quality and high standards and will not accept substandard production in this sector.

Therefore, government is awaiting the suggestions from the industry to make it more reliable and at par with the global standards and will implement them immediately.

He assured that the government is very sensitive to the potential of the industry as well as to the problems of the industry.

Assam Tribune, 8th July 2023

28. ‘Schedule M compliance to be made mandatory for MSME pharma firms soon’.

The Union Minister of Chemicals and Fertilizers Mansukh Mandaviya has directed regulatory authorities to conduct risk-based inspections and audits of manufacturing plants. He also added that Schedule M shall be made compulsory for the MSME pharma sector in a phased manner.

“This will help in quality assurance and also reduce compliance burden,” he said.

Schedule M part of Drugs and Cosmetics Act 1940 deals with ‘Good Manufacturing Practices’ for pharmaceuticals that should be followed by pharmaceutical manufacturing units in India.

Meanwhile, as part of the quality control drive launched across the country, 137 firms were inspected, and action has been taken against 105 firms. Production has been stopped at 31 firms and cancellation & suspension of product/section licenses have been issued against 50 firms. In addition, show cause notices have been issued to 73 firms, and warning letters have been issued against 21 firms,” said a release issued by the Ministry.

The statement comes following a meeting of the Minister with representatives from Micro, Small and Medium Enterprises (MSME) pharma companies, and the Minister also stressed on the need for self-regulation in the MSME pharma sector. “It is important for MSME pharma companies to be alert to the quality of drugs and expeditiously move towards Good Manufacturing Processes (GMP) through self-regulation,” said Dr. Mandaviya.

Strongly stressing the need for self-regulation in the MSME pharma sector, the Union Minister underscored its importance for India to maintain the status of ‘Pharmacy of the World’. “Our global position in the pharmaceutical sector is created through the quality of our products. We must undertake all possible steps to ensure that we strengthen this position in terms of value and quality. Hence, the role of self-regulation becomes critical”, he stated.

The Hindu, 12th July 2023

29. QCOs issued for water bottles, lighters.

The government has notified quality control orders (QCOs) for potable water bottles and flame-producing lighters to enhance public health and safety of consumers, according to an official release.

The notifications issued by the Department for Promotion of Industry and Internal Trade (DPIIT) on July 05, 2023, will come into effect six months from the date of notification.

“To support the domestic micro and small industries, relaxations have been granted in terms of the timeline for implementing the QCO. This aims to safeguard their interests while ensuring smooth implementation and fostering an environment conducive to ease of doing business,” the release stated.

QUALITY PRODUCTS

The QCO for potable water bottles mandates compulsory certification under the appropriate IS standard for the production and import of potable water bottles made of copper, stainless steel, or aluminium.

The QCO for flame-producing lighters mandates compulsory certification for lighters’, and safety specifications for utility lighters’, for the items manufactured for domestic market or imported into India.

Building a quality ecosystem in India for the manufacturing of world class products will not only contribute to the Gross Domestic Product (GDP) of the country but also put India prominently on the world map in terms of quality products, the statement noted.

Business Line, 12th July 2023

30. DPIIT appoints nodal officers to help MSME, retailers onboard ONDC.

The Centre has appointed nodal officers in all the states with a view to encouraging startups, MSMEs, and retailers onboard the government's initiative open network for digital commerce (ONDC), an official said.

ONDC is an initiative of the Department for Promotion of Industry and Internal Trade (DPIIT) which aims to build an open, interoperable network on which buyers and sellers can transact without needing to be present on the same platform.

It is neither an application, nor platform, intermediary or software but a set of specifications/provisions designed to promote open, unbundled, and interoperable open networks.

WORKING WITH STATES

The official said that the nodal officers in every state would drive dedicated and customised programs for startups, MSMEs, retailers and state bodies to take advantage of the network.

The appointments were conducted in collaboration with all state governments.

joint Secretary in the DPIIT Sanjiv said that the officers will help spread awareness, empower the local e-commerce ecosystem and onboard local businesses onto the network.

State governments can also integrate existing state portals or systems with the ONDC.

Business Line, 14th July 2023

31. No income tax for people earning up to Rs 7.27 lakh per annum under new tax regime, says Sitharaman.

Finance Minister Nirmala Sitharaman on Friday said the Narendra Modi government has provided several tax benefits to middle class people, including income tax exemption for those earnings up to Rs 7.27 lakh per annum.

Asserting that no section of the society has been left out by the government, she mentioned about skepticism in certain quarters when it was decided to provide income tax exemption for those earnings up to Rs 7 lakh in the Union Budget for 2023-24.

The skepticism was about what will happen to those earnings little more than Rs 7 lakh, she noted.

“So, we sat as a team and went into the details (to find out) at what stage you pay tax for every additional Re 1 you earn... (for instance) for Rs 7.27 lakh, you don’t pay any tax now. It is only at Rs 27,000 that the break even comes. After that you start paying tax.

“You have a standard deduction of Rs 50,000 also. Under the new scheme, the grievance was that there was no standard deduction. It is given now. We have brought in the simplicity in the paying rate and the compliance side,” Sitharaman said.

Speaking about the achievements of the government, she said the total budget for the Micro, Small and Medium Enterprises (MSME) has increased to Rs 22,138 crore for 2023-24 compared to Rs 3,185 crore in 2013-14.

This is a jump in budgetary allocation by almost seven times in nine years, symbolising the government’s unwavering commitment to empower MSME sector, she said. Under the ‘Public Procurement Policy for Micro and Small Enterprises’ scheme, she said 33 per cent of the total procurement made by 158 Central Public Sector Enterprises has been from MSMEs and that is the highest ever till date.

“We launched the TReDS platform (Trade Receivables Discounting System) so that the MSMEs and other corporations do not have to face any liquidity crunch due to non-payment by their buyer,” she said. Sitharaman said the ONDC (Open Network for Digital Commerce) has enabled Micro, Small and Medium Enterprises businesses to reach out to a larger potential customer base and added that the world appreciates that India has set up a public platform comparable to the ‘Amazons of the world’.

Pointing out that India’s efforts to improve the ease of doing business are being acknowledged on the global stage, the minister said the country’s ranking in the World Bank’s Ease of Doing Business Index surged from 142 in 2014 to 63 in 2019.

“We have reduced unnecessary compliance burden by repealing more than 1,500 archaic laws and nearly 39,000 compliances. Decriminalisation of the Companies Act has happened,” she noted.

The finance minister also inaugurated the Common Facility Centre (CFC) at the Indian Institute of Gems and Jewellery (IIGJ) in Udupi. The institute will provide training to the youth in the region in various aspects of hand-crafted jewellery making.

Millennium Post, July 2023

32. Cabinet approves Press Regulation Bill.

The union cabinet approved the Press and Registration of periodicals Bill that seeks to do away with the provision for prosecution and imprisonment of publishers and simply the registration process for periodicals. The press and Registration of periodicals bill will



replace the press and Registration of Books (PRB) Act, 1867, that governs the registration of print and publishing industry in the country. The new Bill seeks to provide a simple online system for registration of periodicals with the Registrar of Newspapers for India. "The aim of the Bill is to bring transparency and ease of doing business. It will provide for a process which is simple through an online system without human interface. The step will help small and medium publishers." A senior official said.

Asian Age, 20th July 2023

33. Total market cap of BSE SME firms hit Rs 75K crore.

The total m-cap of companies listed on BSE SME platform crossed the Rs 75,000-crore mark on Thursday. With more than 450 companies listed on the platform, the average market cap of the companies works out to around Rs 165 crore.

SME firms on BSE have mopped up over Rs 5,000 crore since the platform was started in 2012. The 400th company was listed in October last year. Maharashtra and Gujarat have accounted for the most number of listings.

Overall, SME firms mopped up Rs 2,232 crore by way of 125 offerings in FY23, more than thrice the mainboard issuances that hit the market. The collection was 128% higher than the previous year and higher than the cumulative Rs 1,722 crore garnered in the previous three years.

According to experts, the performance of some of the SME IPOs in the last two years has led retail and HNI investors to join the SME bandwagon. One in five SME IPOs got oversubscribed by more than 100x and 15 IPOs got subscribed in excess of 200x in 2022-23, according to data from Hem Securities. Eighty two percent of the companies listed on the SME platforms gave positive returns on listing day compared with 65% that did so on the main board.

Despite the possibility of high returns, SMEs are high risk bets. Analysing these firms could be tough because they are not tracked by analysts and there is limited data in the public domain. Investors are left to themselves when it comes to gauging the credibility of promoters.

Financial Express, 21st July 2023

34. Govt rolls out credit guarantee scheme for MSMEs in livestock sector.

Department of Animal Husbandry & Dairying on Thursday said it is implementing a credit guarantee scheme to facilitate inflow of fund to MSMEs engaged in livestock sector.

The department, which is under the Ministry of Fisheries, Animal Husbandry and Dairying, is implementing the Credit Guarantee Scheme under Animal Husbandry Infrastructure Development Fund (AHIDF).

The scheme is aimed to strengthen credit delivery system and facilitate smooth flow of credit to the Micro, Small & Medium Enterprises (MSMEs) engaged in livestock sector without hassles of collateral security.

"For operationalising the scheme, the department has established a Credit Guarantee fund Trust of Rs 750 crore, which will provide credit guarantee coverage up to 25 per cent of the credit facilities extended to the MSMEs by the eligible lending institutions," an official statement said.

The credit guarantee scheme facilitates access to finance for un-served and under-served livestock sector, making availability of financial assistance from lenders to mainly first-



generation entrepreneurs and underprivileged section of society, who lack collateral security for supporting their ventures.

"The main objective of the Credit Guarantee Scheme is that the lender should give importance to project viability and secure the credit facility purely on the basis primary security of the assets financed," it added.

The establishment of credit guarantee fund trust was approved under a Rs 15,000 crore-Animal Husbandry Infrastructure Development Fund (AHIDF) for incentivising investments by individual entrepreneurs, private companies, MSMEs, Farmers Producers Organisations (FPOs) and Section 8 companies.

Hitavada, 21st July 2023

35. 22 countries opened special bank accounts in India to trade in Rupee: Minister

Banks from 22 countries have opened special Rupee vostro accounts in Indian banks in order to trade in local currency as part of gradual de-dollarisation plans, the Parliament was informed.

Simply put, vostro accounts enable domestic banks to provide international banking services clients who have global banking needs. In a written reply in Lok Sabha, Union Minister of State (External Affairs) Rajkumar Ranjan Singh listed out the names of the countries. They include Belarus, Botswana, Fiji, Germany, Guyana, Israel, Kenya, Malaysia, Mauritius, Myanmar, New Zealand, Oman, Russia, Seychelles, Singapore, Sri Lanka, Tanzania, Uganda, Bangladesh, Maldives, Kazakhstan and United Kingdom. "Government is engaged with Indian trading community including the Small and Medium Enterprises (SMEs) to simplify the administrative procedures to implement this mechanism," the minister said. The Reserve Bank of India last year put in place an arrangement, allowing transactions in domestic currencies to promote growth of global trade with emphasis on exports from India and to bring in increasing interest towards rupee.

The internationalisation of the rupee gathered steam following the Reserve Bank of India's (RBI) announcement of a mechanism to settle payments for international trade in rupees, especially for India's exports. The RBI allowed invoicing and payments for international trade in Indian Rupee on July 11, 2022. Experts widely believe if the mechanism fructifies then it may go a long way in internationalizing the Indian currency rupee in the long run. A currency can be termed "international" if it is widely accepted worldwide as a medium of exchange.

To examine issues related to internationalisation of INR and suggest a way forward, the RBI had constituted an Inter-Departmental Group (IDG) in December 2021. The panel has recently come up with a report, where it made various short-term and long-term recommendations.

In the short-run, the members of the Group recommended enabling rupee as an additional settlement currency in existing multilateral mechanisms; integrating Indian payment systems with other countries for cross-border transactions; inclusion of G-Secs (or government bonds) in global bond indices; and providing equitable incentives to exporters for rupee trade settlement.

In the long-run, its recommendations included a review of taxes on Masala bonds (Masala bonds are rupee-denominated bonds issued outside India by Indian entities);



international use of Real Time Gross Settlement (RTGS) for cross-border trade transactions; examining taxation issues in financial markets to harmonise tax regimes of India and other financial centres; and allowing banking services in rupee outside India through off-shore branches of Indian banks. Stating India as one of the fastest-growing countries which showed remarkable resilience even in the face of major headwinds, the IDG said it feels that the rupee has the potential to become an internationalised currency.
Statesman, 22nd July 2023

36. Rs.200 Crore for silk promotion in NE

The Centre has approved Rs. 200 Crore during 2023-2024 for beneficiary-oriented projects for silk promotion in the eight northeastern states and autonomous councils. A government official told The Assam Tribune that the Union Ministry of Textiles has adequate project proposals suiting the local requirements of the northeastern states for sericulture development under Silk Samagra-2.

“Tentative fund requirement for these newly sanctioned projects in 2023-24 is pegged at Rs. 70.27 Crore. Besides, additional funds spillover activities of projects essentially for eri spun silk mills and large projects proposed by Assam, BTC and Manipur is estimated at Rs.120 crore.” The official said.

In addition to 38 projects for sericulture production continuing in the region, additional projects were in the pipeline for sanction in 2023-24.

Assam Tribune, 23rd July 2023

37. TN, Maharashtra accounted for most number of MSME shutdowns in FY23

Nearly 25,000 units in the micro, small and medium enterprise (MSME) segment in the country closed their operations in the past three years — the post Covid period — according to a statement by Bhanu Pratap Singh Verma, Union Minister of State for MSMEs in the Rajya Sabha.

Per the Udyam Registration Portal, the total number of MSMEs shut down between July 1, 2020, and July 18, 2023, stood at 24,839. However, the last fiscal saw the highest number of shutdowns in the MSME segment — 13,290 Udyam registered MSMEs downed their shutters compared with 6,222 units in FY22, and 175 units in FY21. In the current fiscal (as of July 18), 5,152 units have shut down their operations.

DUBIOUS TOPPERS

Maharashtra and Tamil Nadu accounted for the highest number of MSME shutdowns during this period. In Maharashtra, 6,317 MSME units closed their operations during the past three years.

As much as 3,276 MSMEs downed their shutters in FY22 alone. Tamil Nadu reported the closure of 3,158 Udyam registered MSMEs in the past three years and in FY22, 1,900 units had wound up their operations. While FY23 saw the highest number of MSME shutdowns in the past three years, the year also saw the highest number of MSME registrations on the Udyam portal. In FY23, 72,55,873 units got registered on the portal when compared with 51,50,422 units in FY22 and 28,49,158 units in FY21.

Maharashtra, Tamil Nadu and Gujarat accounted for the highest credit outstanding to the MSME sector by scheduled commercial banks.



Credit outstanding to MSMEs in Maharashtra stood at ₹3.8 lakh crore as of March 31, 2023, while the amount was ₹2.39lakh crore for Tamil Nadu and ₹2.11lakh crore for Gujarat.

Business Line, 26th July 2023

38. Lok Sabha clears Jan Vishwas bill for ease of business.

The Lok Sabha on Thursday passed the Jan Vishwas (Amendment of Provisions) Bill, 2023 that seeks to decriminalise minor offences in 42 central acts pertaining to environment, agriculture, media, industry and trade, and publication, among others.

The objective of the bill — which amends 183 provisions in 42 acts — is to reduce the compliance burden and promote ease of living and doing business in the country. The bill was passed through a voice vote amid protests and sloganeering by the Opposition over its demand of a statement by Prime Minister Narendra Modi on the Manipur situation in House, followed by a detailed discussion on the ongoing ethnic strife in the northeastern state.

Moving the bill for passage, Union commerce and industry minister Piyush Goyal said around 40,000 provisions and procedures that had the possibility of creating problems for people have been either simplified or removed by the Narendra Modi government over the last nine years.

“We saw several provisions that would make a person run court-to-court even for small mistakes. They would have to spend a lot of money,” Goyal said. “Even for little fine, people were faced with several difficulties, businesses were hampered... making the life of small shopkeepers, hawkers, and small business owners working in MSMEs difficult... With a fine or a penalty, they will be given another chance for improvement.”

Some of the acts that are being amended, include The Drugs and Cosmetics Act, 1940; Public Debt Act, 1944; Pharmacy Act, 1948; Cinematograph Act, 1952; Copyright Act, 1957; Environment (Protection) Act, 1986; and Motor Vehicles Act, 1988.

Bahujan Samaj Party lawmaker Malook Nagar appreciated the economic aspect of the bill and said: “Instead of imprisonment, this is a monetary punishment. This is good for the country’s economy. If anyone is imprisoned and he dies, the business will also die and loss for the economy.”

Goyal had introduced the bill in the Lok Sabha in December last year. It was referred to a Joint Parliamentary Committee (JPC) for review. The committee had made seven recommendations, which were approved by the Union Cabinet.

Meanwhile, amid opposition’s sloganeering on Manipur, the Lok Sabha also passed The Repealing and Amending Bill, 2022. The bill aims to repeal 65 laws that are obsolete or that have been made redundant by other laws.

The Offshore Areas Mineral (Development and Regulation) Amendment Bill, 2023 was also introduced by Union minister Pralhad Joshi in the Lok Sabha. The bill seeks to allow the auction of minerals mined offshore and omit at least six atomic minerals from a list of 12 that cannot be commercially mined.

Hindustan Times, 28th July 2023



For Advertisement Opportunities in Newsletter

CONTACT US CMSME@FICCI.COM



**FICCI – CONFEDERATION OF THE MICRO, SMALL
AND MEDIUM ENTERPRISES (FICCI-CMSME)**

www.ficci-cmsme.in

www.ficcicmsmeconnect.in