

WASME finds Union Budget 2023-24 promising for MSME sector and highlights key challenges in implementing various reforms and regulatory frameworks.



On February 2, 2023, the World Association for Small and Medium Enterprise (WASME) organised a post-budget discussion to enlighten about the union budget, various economic reforms discussed in it, and the role of budget in the economic and industry growth of SMEs.

Dr. Sanjiv Layek, Executive Secretary WASME gave a warm welcome to all of the attendees at the event, which was well-attended by many notable figures from academia, the government, of MSMEs and Chartered Accountant community. He mentioned in his address that this budget offers a great opportunity to address some of the issues that have been affecting MSMEs for some time now, such as working capital space, delayed payments, and handholding.

Dr Aman Agarwal, Professor and Chairman of Indian Institute of Finance(IIF), gave a keynote address in which he talked about India's growth story. He highlighted important budgetary expenditures in a variety of areas, such as significant economic shifts in the agricultural sector and digitization in a range of industries, including banking, post offices, the health, and education sectors. He said that there are no industries in India that are not connected to the MSME sector. With the digital revolution transforming almost every industry, this budget also gives the post-Covid-19 economy new wings for growth and development. The Minister of Finance also emphasized on trust and confidence, and stated that for development to occur, we need to work together with existing ones.

Director of BRIEF, Mr Afaq Hussain, discussed certain points about how the union budget for 2023 will help SMEs. According to him, MSMEs will experience a direct impact from this budget through the government scheme of PM Awas Yojana. This will place more emphasis on financial literacy, digitization, and the difficulties associated with implementing the budget amount.

Mr K.P. Singh, President of Laghu Udyog Bharti, stated that execution and delivery are key to success - an idea that is reflected in the balanced budget. He went on to highlight several other key points, such as unemployment being one of the main issues facing nations today. However, he also noted that a lack of technology is preventing us from making further progress in industry.

CA H.K. Gupta discussed the union budget and noted that the government's priorities are clear and that there is a long-term focus on developing physical and social infrastructure for small and medium enterprises. He continued by saying that there are two things to consider: a budget speech and a budget document. He said, "There is a gap, or lack of funds, between the balance sheet and P&L account of India."

The recent revision to Section 43B of the Income Tax Act of 1961 means that deductions for payments to micro and small suppliers will now be based on actual payment instead of payable basis. This will fix the issue of lack of funds in the MSME sector. Additionally, there will be a 1% decrease in the cost of credit. There are numerous chances for MSMEs, which they must seize. The GDP to debt ratio was also discussed.

CA Dhruv Agarwal started by discussing the renewable energy evacuation in the budget, which included trading services in the MSMEs sector and increased the total number of MSMEs. He then went on to mention the budget's statement of a 2.5% BCD on copper scrap, which is still in effect to guarantee the supply of raw materials for secondary copper producers who are mostly found in the MSME sector.

Shri Vijay Kumar, a former director of the Delhi MSME-Di and ODD of the DSIIDC, described the budget's emphasis on funding SMEs. He placed a lot of emphasis on developing infrastructure, designing products, and integrating with many businesses in order to properly implement the budget. 90% of PM Narendra Modi's speeches focused on the MSMEs industry. This industry is extremely important for the growth of our economy and provides many opportunities for job creation which is something that we need to focus on in order to get our country moving again after the pandemic.

The experts on the panel also provided some great advice for new small business entrepreneurs who are looking to grow their businesses. The attendees then asked questions about a variety of topics, including infrastructure development, financial requirements, payment delays, resource allocation for entrepreneurs, Udhyaam Registration, the Gem Portal, and MSME Certificate and challenges faced by women led SMEs.

Ms. Archana Sharma, Director of Planning & Development at WASME, offered a vote of thanks on behalf of the organizing committee and the entire panel of experts to conclude the program. This event proved to be informative and helpful for all participants.

