

6% OF MSMEs OWNED BY SC ENTREPRENEURS

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Industry & Services Sector incl. MSMEs and PSUs

Thriving sector: Micro, small and medium enterprises (MSMEs) are eligible for government concessions. File photo

Maharashtra tops India's list in the number of micro, small and medium enterprises (MSME) owned by entrepreneurs from the Scheduled Castes with as many as 96,805 enterprises.

Generally, the proportion of enterprises owned by Scheduled Caste entrepreneurs in the overall national tally of MSMEs is 6%.

Tamil Nadu with 42,997 enterprises and Rajasthan with 38,517 units occupy the second and third slots, according to the data furnished by the Office of the Development Commissioner in the Union Ministry of MSME exclusively to *The Hindu* regarding the number of SC-owned enterprises covered under the Udyam system of registration.

The fourth, fifth and sixth slots belong to Uttar Pradesh (36,913 units), Karnataka (28,803 enterprises) and Punjab (24,503 units) respectively. As on January 23, 2022, the number of SC-owned enterprises at the all-India level was 4,53,972, of which micro enterprises accounted for 4,50,835, small — 3,004 and medium — 133.

The Udyam system of registration, which came into force on July 1, 2020, is a pre-requisite for any MSME (regardless of the social category of ownership) to avail itself of concessions or benefits from the Central and State governments and the last date for migration to Udyam has been extended up to March 31, 2022, said K.K. Sharma, General Manager, National SC/ST Hub.

Government schemes

Mr. Sharma, however, clarified that this stipulation is only in respect of MSMEs, which want to get covered under schemes of the governments including priority sector lending of banks. Otherwise, the enterprises, which had registered themselves under the previous system such as Udyog Aadhar Memorandum (UAM), can carry on their business.

A perusal of the data on registration of enterprises under the two systems — Udyam (July 1, 2020 to January 23, 2022) and UAM (September 1, 2015 to June 30, 2020) — revealed that under the latter system, Bihar, Uttar Pradesh and Madhya Pradesh were in the first, third and fourth places with 1,46,244 enterprises; 1,33,552 and 1,08,715 enterprises respectively whereas, under Udyam, their numbers stood at 23,195, 36,913 and 19,875 respectively.

Asked about the wide variation in the numbers of registered units with regard to the northern States, Mr. Sharma and Milind Kamble, founder chairman of the Dalit Indian Chamber of Commerce & Industry (DICCI), explained that the Udyam system of registration is more streamlined than the previous Udyog Aadhar Memorandum.

There is no room for duplication under the new system, which has a provision for integration with the GSTN (Goods and Services Tax Network).

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