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Registration No. : S-E/1084/Distt. South-EAST/2016  
Registered Office : 404/95, Nehru Place, New Delhi - 110019



1-3-2020

**Ms. Nirmala Sitharaman  
Minister for Finance  
Govt Of India  
New Delhi**

Respected Madam,

Over 50000 strong FAIITA members who are spread across the country dealing with IT Trade, congratulate you for the pragmatic budget which will encourage the manufacturing in India and thus improving overall growth rate and employment situation. Many of our members who have traditionally in trade want to see their next generation becoming an entrepreneur and we appreciate your efforts for creating environment for same.

FAIITA specially congratulate you on initiative of Assembled in India and its integration with Make in India. This initiative is going to be real game changer.

Stand of Government to boost exports through disability benefits is exemplary thought but before exports this initiative will work towards import substitution of imports with Indian Brands as in IT Industry most of products are imported and growth of assembling units will immediately make import substitution in of 25 % value in term of assembling labour, packing cost apart from other indirect advantages.

Our members are full of enthusiasm to create startup units in assembling business which in turn create huge potential for component manufacturing in country as these component manufacturers shall get ready market for components produced.

To enable full benefit of initiatives taken by your ministry in terms of providing finance to Startup & MSME units added with transparent business environment created by GEM, MSME request you to support on following problems faced by them. We hope pragmatic initiatives and combine efforts at Finance, MSME, Electronics & Commerce will solve these problems and Indian Brands will be able to participate with VIKAS program of Government.

- A) In supplies made through GEM and other Govt Tenders provision of Performance Guarantee exists and it has blocked huge capital of MSME units for period of 3 to 5 years. It is requested that orders up to Rs 50 lacs if being awarded to MSME units, they should be exempted from furnishing the performance security.
- B) Indian brands be given compulsory option to match L1 price for tenders value up to Rs 10 lacs and in case they match the same order be given to MSME units.

**C) Price preference policy in Make In India be extended to Assembled in India, so that the disability factors in competition of Multinational Brands does not work to disadvantage of MSME assembling units.**

We also thank you to address issue of working capital shortage faced by MSME by bill discounting scheme announced by Govt, this scheme will enable MSME units to generate enough capital for production. We request you to please take this scheme little ahead and in case any govt department does not pay MSME in 45 days as stipulated by Govt Of India the burden of interest after the expiry of 45 days be passed upon the department, and a claim form be provided on web portal of each department so that claims can be lodged easily and are acknowledged on filing. This will work as a deterrent and government machinery will start working in more efficient manner.

Interest subvention of 2 % to MSME is still not paid for last two year and we request you to kindly issue instructions for release of same.

We also request you to kindly enrol us for any discussion relating to electronic and IT industry.

Regards

**(Devesh Kumar Rastogi)**  
**Sr.VP**  
**Mobile : 9839197000**

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