

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION NO. 442
TO BE ANSWERED ON 06.02.2023

INTEREST-FREE CREDIT SUPPORT TO MICRO-UNITS

442. SHRI JAGGESH:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether it is a fact that Government is in the process of giving final shape to a Merchant Credit Card (MCC) scheme for traders and a Vyapar Credit Card (VCC) for micro-units, in a move aimed at giving them further credit support;
- (b) whether Government proposes to extend an interest-free credit period of up to 50 days and coverage under the Credit Guarantee Fund for micro units;
- (c) whether a subsidized interest rates on loans, similar to Kisan Credit Card will be extended to Merchant Credit Card (MCC) scheme; and
- (d) if so, the details thereof, and the number of MSMEs to be covered under the scheme?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI BHANU PRATAP SINGH VERMA)

(a) to (d): As informed by Department of Financial Services (DFS), Indian Banks' Association (IBA) has been advised to devise a credit card, in consultation with Reserve Bank of India and other stakeholders, similar to Kisan Credit Card (KCC) that provides a card to operate the Cash Credit limit sanctioned to MSMEs for their working capital requirement. As per forty-sixth report of Parliamentary Standing Committee on Finance, SIDBI in association with Government of India is developing a Vyaapar Credit Card (VCC) aimed at providing access to formal bank credit for MSMEs. As reported by DFS, all credit decisions, including interest, are taken by banks in terms of their Board approved policies and as per extant guidelines/regulations of RBI.
