

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
(DEPARTMENT OF COMMERCE)

RAJYA SABHA
UNSTARRED QUESTION No. 529
TO BE ANSWERED ON 29/11/2024

INTEREST EQUALISATION SCHEME (IES) FOR MSME SECTOR

529. SHRI NARAYANA KORAGAPPA:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether it is a fact that Interest Equalisation Scheme (IES) for MSME sector has expired on 31st August, 2024;
- (b) whether it is a fact that in view of headwinds and contraction in exports, there is a need to extend the IES for further period;
- (c) if so, whether Government is planning to extend the scheme for a further period of one more year due to geopolitical and other disruptions;
- (d) if so, the details thereof; and
- (e) the reasons for substantially reducing the Budget for IES from ₹ 3,700 crores in 2023-24 to ₹ 1,700 in 2024-25?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI JITIN PRASADA)

(a), (b) and (c) Interest Equalisation Scheme (IES) was due to end on 30.06.2024. However, the scheme has been partially extended till 31.12.2024 for the MSME sector. Interdepartmental consultations to determine the need to extend the IES for a further period in view of global headwinds and contraction in exports are underway.

(d) NA in view of reply above.

(e) The budget of Rs. 1700 Cr for FY 2024-2025 is for meeting the liability incurred by Banks till 30.06.2024 which was the earlier sunset date of Interest Equalisation Scheme.
