

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 2734
TO BE ANSWERED ON 12/03/2018

PROMOTION OF MSME SECTOR

2734. SHRI BHARAT SINGH:
ADV. NARENDRA KESHAV SAWAIKAR:
SHRI RAJENDRA AGRAWAL:
SHRI TEJ PRATAP SINGH YADAV:
SHRIMATI ANJU BALA:
SHRI AJAY MISRA TENI:
SHRI B. SRIRAMULU:
SHRI RAVINDRA KUMAR PANDEY:
SHRI RAVNEET SINGH:

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

- (a) whether the Government proposes to amend the Micro, Small and Medium Enterprises (MSMEs) Development Act and redefine MSMEs on the basis of annual turnover instead of the quantum of investment made in its plant and machinery;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the aforesaid initiatives taken by the Government would promote ease of doing business and create more job opportunities in the country;
- (d) if so, the details thereof along with the extent to which it is likely to benefit the MSME sector; and
- (e) the other steps taken/proposed to be taken by the Government to promote and stimulate the growth of the MSME sector in the country?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE)
FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI GIRIRAJ SINGH)

(a) & (b): Yes, Madam. The Government has decided to change the criterion for classifying Micro, Small and Medium enterprises. In the changed criterion, a micro enterprise is defined as an enterprise where the annual turnover does not exceed five crore rupees, a small enterprise as an enterprise where the annual turnover is more than five crore rupees but does not exceed seventy five crore rupees and a medium enterprise as an enterprise where the annual turnover is more than seventy five crore rupees but does not exceed two hundred and fifty crore rupees.

(c) & (d): Yes, Madam. Turnover as a classification criterion helps in having a non discretionary, transparent system and eliminates the need for inspections. The changed framework is also conducive for impetus to growth and thereby to increase in employment opportunities.

(e): The Ministry of MSME has taken several initiatives to promote and stimulate the growth of MSME Sector in the country. These include simplification of the registration process through a one page Udyog Aadhar Memorandum (UAM), introduction of the 'MSME SAMBANDH' portal for monitoring the implementation of public procurement policy for the MSEs and launching of the 'MSME SAMADHAAN' portal for enabling MSMEs to directly register their cases relating to delayed payments. In addition, Ministry of MSME also helps the MSME Sector through its schemes / programmes which include the Prime Minister's Employment Generation Programme (PMEGP), Credit Guarantee Scheme, Credit Linked Capital Subsidy Scheme (CLCSS), National Manufacturing Competitiveness Programme, Cluster Development Programme, Marketing Development Assistance and Skill/Entrepreneurship Development Programme etc.
