

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA

UN-STARRED QUESTION NO. 1908
TO BE ANSWERED ON 21st DECEMBER, 2018 / AGRAHAYANA 30, 1940 (SAKA)

'PMMY for MSMEs'

1908 : Shri Anto Antony :
Dr. Manoj Rajoria :

Will the Minister of FINANCE be pleased to state :

- (a) whether the Government has made significant efforts for resolving the major problem of Micro, Small and Medium Enterprises (MSMEs) sector which relates to the lack of adequate credit for expansion of business activities and if so, the details thereof;
- (b) whether the Government has attempted to study the impact of loans extended under the Pradhan Mantri Mudra Yojana (PMMY) on the overall development of MSME sector and if so, the details and the major findings of the study;
- (c) whether the Government has taken cognizance that the recent data released by the Reserve Bank of India shows that there is a decline of nearly 1.5 per cent bank credit to MSMEs during the last three years;
- (d) if so, the details of credit given by various banks to MSMEs during the last three years, year-wise along with the major reasons for decline in credit to MSMEs; and
- (e) whether the Government has any data regarding number of jobs created by MSMEs during the last five years and if so, the details thereof, year-wise ?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SHIV PRATAP SHUKLA)

- (a) & (b) : Government and Reserve Bank of India (RBI) have taken several steps to ensure access of credit to Micro, Small and Medium Enterprises (MSMEs). These inter-alia, include, advice to all Scheduled Commercial Banks (SCBs) to achieve a 20% year-on-year growth in credit to Micro and Small Enterprises (MSEs), allocation of 60% of the MSEs advances to the micro enterprise accounts, a 10% annual growth in number of micro enterprise accounts, additional working capital limit to meet the requirements arising due to unforeseen/seasonal increase in demand, adoption of one cluster, operationalising at least one specialised MSME Branch in every district, simplified computation of working capital of MSE units to make it minimum 20% of the projected annual turnover of the unit for borrowal limits upto Rs.5 crore, setting up of Trade Receivables Discounting System (TReDS) to solve the problem of delayed payment of MSMEs, etc.
- (b) : No, Madam.

(c) and (d) : Outstanding credit of Scheduled Commercial Banks(SCBs) to Micro and Small Enterprises (MSEs) as on 31st March is as under :

(Amount Rs. in crore)

Financial Year	Outstanding credit
2015-16	9,96,424.94
2016-17	10,70,129.48
2017-18	11,49,353.83

Source : RBI.

There was thus an increase of 7.40% in outstanding credit to MSEs in 2016-17 and of 7.40% in 2017-18 over the corresponding previous year.

(e) : As per the 73rd Round of National Sample Survey (NSS) (July, 2015 - June, 2016), 1109.89 lakh persons were employed in unincorporated, non-agricultural MSMEs (excluding construction).
