

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UN-STARRED QUESTION NO. 2040
TO BE ANSWERED ON 21st DECEMBER, 2018 / AGRAHAYANA 30, 1940 (SAKA)
'Financial Support for MSMEs'

2040 : Shrimati V. Sathya Bama :
Shri Konakalia Narayana Rao :
Shri PR. Senthil Nathan:
Shrimati Vanaroja R.:
Shri Bharathi Mohan R.K. :

Will the Minister of FINANCE be pleased to state :

- (a) whether the Government has recently launched any financial support and outreach programme to promote and strengthen the Micro, Small and Medium Enterprises (MSMEs) sector in the country;
- (b) if so, the details thereof along with the funds allocated for the purpose during each of the last three years and the current year, State/UT-wise including Tamil Nadu; and
- (c) the other steps taken/proposed to be taken by the Government in this regard ?

ANSWER

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

- (a) and (b) : Government have launched a support and outreach programme for Micro, Small and Medium Enterprises (MSMEs) on 2nd November, 2018. The programme inter-alia, includes, initiatives for MSMEs on access to credit, access to market, technology upgradation, ease of doing business, social security for MSME sector employees, etc.
The initiatives include certain schemes which envisage an allocation of fund by respective Ministries. These schemes are on all India basis and do not have State specific allocation of funds.
- (c) : 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.
