

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 3044
TO BE ANSWERED ON 12.03.2020

RECOMMENDATIONS OF U. K. SINHA COMMITTEE

3044. SHRI SUDHAKAR TUKARAM SHRANGARE:

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

- (a) the salient recommendations of the U. K. Sinha Committee to strengthen Micro, Small and Medium Enterprises (MSMEs) sector;
- (b) the reasons for delay in implementation of the recommendations of the committee; and
- (c) the steps taken by the Government for early implementation of the recommendations of the Committee in order to boost MSME sector of the country?

ANSWER

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI NITIN GADKARI)

(a)to (c): Salient recommendations of the U.K.Sinha Committee on Micro, Small and Medium Enterprises constituted by the Reserve Bank of India are in respect of:-

- i. Amendments in MSME Development Act.
- ii. Enhancing the role of Small Industries Development Bank of India (SIDBI).
- iii. Creating Equity and Venture Capital Fund for MSMEs.
- iv. Effective resolution mechanism for issues of delayed payments.
- v. Strengthening of Micro and Small Enterprises Facilitation Councils (MSEFC).
- vi. Enhancing the usage of Government e-Marketplace (GeM) portal for MSMEs.
- vii. Creating non-profit Special Purpose Vehicle (SPV) for crowdsourcing of impact investments.
- viii. Enhancing the role of State Financial Corporations (SFCs).
- ix. Setting up of Entrepreneurship Development Centres (EDCs).
- x. Strengthening of Cluster Development Programme.
- xi. Improving marketing support for MSMEs.
- xii. Encouraging technology adoption for the MSME sector.
- xiii. Improving financial literacy among MSMEs.
- xiv. Creation of better enabling environment for Startups.
- xv. Efficient insolvency system helping MSMEs.
- xvi. Strengthening of credit guarantee schemes for MSMEs.
- xvii. Strengthening of Trade Receivable e-Discounting System (TReDS) platform.
- xviii. Revision in collateral-free credit limit.
- xix. Lending to MSMEs under Priority Sector Lending (PSL).

- xx. Strengthening of credit appraisal mechanism.
- xxi. Cash-flow based lending for MSMEs.
- xxii. Portability of MSME loans.
- xxiii. Restructuring of Non-Performing Asset (NPA) accounts.
- xxiv. Access to digital payments and commerce platforms for rural MSMEs.
- xxv. Upgrading access to credit for Self-Help Groups (SHGs).
- xxvi. Mitigating risk and impact of calamities for MSMEs.
- xxvii. Creating financial architecture for MSME lending.
- xxviii. Regulatory action plan for cash-flow based lending.
- xxix. Digital public infrastructure action plan for cash-flow lending.

Concerned Ministries/Departments have taken necessary steps for implementation of these recommendations.
