

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA  
UNSTARRED QUESTION NO. 2055  
TO BE ANSWERED ON 09.12.2021

PROMOTION OF MSMEs

2055. SHRI T.R.V.S. RAMESH:

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

- (a) whether the Government proposes to provide financial incentives for Start-Up companies in the State of Tamil Nadu;
- (b) if so, the details thereof;
- (c) whether the Small Industries Development Bank of India (SIDBI) has entered into a collaboration recently with Google for having a social impact lending programme to promote, finance and develop Micro, Small and Medium Enterprises (MSMEs) especially in Tamil Nadu and if so, the details thereof;
- (d) the details of programmes launched by SIDBI to help and revive the MSME sector; and
- (e) the other steps taken by the Government to promote MSME sectors in the country especially in the State of Tamil Nadu?

ANSWER

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES  
(SHRI NARAYAN RANE)

(a) & (b): As informed by Department for Promotion of Industry & Internal Trade (DPIIT), as part of the 'Start-up India' initiatives the Government has provisioned the following financial assistance and incentives for start-ups across the country including in the state of Tamilnadu:

- i. Start-up India Seed Fund Scheme (SISFS)
- ii. Fund of Funds for Start-ups (FFS) Scheme
- iii. Ease of Procurement
- iv. Income Tax Exemption for 3 years
- v. Exemption for the Purpose Of Clause (VII)(b) of Sub-section (2) of Section 56 of the Act
- vi. National Start-up Awards

(c): As informed by Small Industries Development Bank of India (SIDBI), SIDBI has entered into a collaboration with Google India Private Limited (GIPL) on November 18, 2021, for having a pilot social impact lending programme with a corpus of approx. Rs. 110 crore (equivalent to USD \$15 million) targeted at Micro enterprises with a turnover upto Rs.5.00 crore.

(d): As informed by SIDBI, the following programmes were launched by SIDBI to help and revive the MSME sector across the country including the State of Tamilnadu:

- **Special Liquidity Facility for MSMEs:-** In April 2020, RBI provided special refinance facilities for a total amount of Rs. 50,000 crore to NABARD, SIDBI and NHB to enable them to meet sectoral credit needs, of which SIDBI received Rs. 15,000 crore to continue lending to MSMEs.

In April 2021, another tranche of Rs. 15,000 crore was granted by RBI to meet the funding requirements of micro, small and medium enterprises (MSMEs) in FY 2022.

- **Initiatives under Direct Finance:** - Direct Lending operations of the Bank primarily focuses on ensuring uninterrupted flow of credit to MSMEs, especially to those engaged in fighting the pandemic.
- **Cluster Development:** - The Bank has launched SIDBI Cluster Development Fund (SCDF) of Rs. 6,990 crore to support the State Governments / State Government sponsored Organizations to attend to cluster development from both soft and hard infrastructure.
- **Financing micro-entrepreneurs:-** The b PRAYAAS Initiative of the Bank is aimed to facilitate access to low-cost finance for micro-entrepreneurs/ micro-enterprises, in the “Missing Middle Segment” by providing loans ranging from Rs. 0.50 lakh to Rs. 5.00 lakh at a cheaper rate through Partner Institutions.
- **Virtual Ecosystem:-** The Udyamimitra Portal of the Bank is a universal digital platform that aims to provide end-to-end solutions for not only credit delivery, but also a host of credit-plus services by way of handholding support to the MSMEs.
- **Implementing PMSVANidhi:-** The Scheme was announced by Ministry of Housing and Urban Affairs, Government of India to facilitate working capital loan up to Rs. 10,000 to provide financial aid to Street vendors during the situation of COVID-19 pandemic.
- **Digital Lending to MSMEs:-** PSBLoansin59minutes is the first contactless lending platform for MSMEs developed under consortium of PSBs led by SIDBI.
- **Swavalamban Connect Kendra (SCKs):-** The Bank under its umbrella program “Mission Swavalamban” has initiated setting up of 100 SCKs in 100 districts across 5 states viz., U.P., Bihar, Jharkhand, Odisha & Telangana.
- **Swavalamban Crisis Responsive Fund (SCRF):-** The Bank has set up SCRF with the support of FCDO, Govt. of United Kingdom, to support free onboarding of MSMEs on the TReDS platform.

(e): The Ministry of MSME implements various schemes and programmes for the growth and development of MSME Sector in the country including Tamil Nadu. These schemes and programmes include Prime Minister’s Employment Generation programme (PMEGP), Scheme of Fund for Regeneration of Traditional Industries (SFURTI), A Scheme for Promoting Innovation, Rural Industry & Entrepreneurship (ASPIRE), Credit Guarantee Scheme for Micro and Small Enterprises, Micro and Small Enterprises Cluster Development Programme (MSE-CDP).

Post Covid-19, the Government has taken a number of initiatives under Aatma Nirbhar Bharat Abhiyan to support the MSME Sector in the country especially in Covid-19 pandemic. Some of them are:

- i) Rs 20,000 crore Subordinate Debt for MSMEs.
- ii) Rs. 3 lakh crores Collateral free Automatic Loans for business, including MSMEs. The limit of Rs. 3.00 Lakh Crore has been enhanced to Rs 4.5 lakh crore.
- iii) Rs. 50,000 crore equity infusion through MSME Fund of Funds (Self Reliant India Fund).
- iv) New revised criteria for classification of MSMEs.
- v) New Registration of MSMEs through 'Udyam Registration' for Ease of Doing Business.
- vi) No global tenders for procurement up to Rs. 200 crores, this will help MSME.

An online Portal “Champions” has been launched on 01.06.2020 by Hon’ble Prime Minister.

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