

**GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA**

STARRED QUESTION NO:47

ANSWERED ON:24.11.2011

DIFFICULTIES FACED BY MSME INVESTORS

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

- (a) whether the Government is aware that investors in the micro, small and medium enterprises are facing difficulties in respect of start-up units;
- (b) if so, the details thereof;
- (c) whether the Government has any proposal to set up a separate department within the Ministry of Micro, Small and Medium Enterprises to handle the problems of the aforesaid start-up units especially in relation to the other Ministries/ Departments/banks etc;
- (d) if so, the details thereof; and
- (e) the time by which the said proposal is likely to be finalised?

Answer

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI VIRBHADRA SINGH)

(a) to (e): A Statement is placed on the table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (E) OF LOK SABHA STARRED QUESTION NO. 47 FOR ANSWER ON 24.11.2011

(a) & (b): Government has received some complaints about lack of availability of institutional finance to Micro units start ups.To obviate this problem, the Reserve Bank of India (RBI) has issued guidelines/instructions to banks that all loan applications for micro and small enterprise (MSE) units up to a credit limit of Rs. 25,000/- should be disposed of within 2 weeks and those up to Rs. 5 lakh within 4 weeks provided the loan applications are complete in all respects and accompanied by a "check list".Government takes up such issues with concerned Banks and RBI as required.

(c) & (d): Government has no proposal to set up a separate Department within the Ministry of Micro, Small and Medium Enterprises (MSME).The Ministry and offices/ organisations under it assist and guide start-ups and coordinate with other Ministries/ Departments/Banks for the same. The major schemes/programmes implemented by the Ministry of MSME for helping start-ups are given below:

Prime Minister Employment Generation Programme (PMEGP)

Rajiv Gandhi Udyami Mitra Yojana (RGUMY)

Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)

Support for Entrepreneurial and Managerial Development of SMEs through Incubators.

Trade Related Entrepreneurship Assistance and Development (TREAD)

(e) Does not arise.