

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

STARRED QUESTION NO:597  
ANSWERED ON:17.05.2012  
ASSISTANCE TO MSME SECTORS  
Maadam Shri Vikrambhai Arjanbhai

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

- (a) whether National Small Industries Corporation (NSIC) provides financial assistance to Micro, Small and Medium Enterprises (MSMEs) for raw material procurement by making payment to the suppliers;
- (b) if so, the details thereof;
- (c) the details of MSMEs in the country especially in Gujarat which were given such assistance by NSIC during the last three years, year-wise and State-wise; and
- (d) the other steps taken/being taken by the Government to boost the MSME sector?

**Answer**

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

(a)to(d): A statement is placed on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF THE LOK SABHA STARRED QUESTION NO. 597 FOR ANSWER ON 17.05.2012

(a)&(b): National Small Industries Corporation Limited (NSIC), a PSU under the administrative control of the Ministry of Micro, Small and Medium Enterprises, facilitates the raw material requirements of Micro, Small and Medium Enterprises (MSMEs) by procuring raw material from bulk manufacturers and supplying it to MSMEs. For this, NSIC also provides short-term credit to MSMEs, against the security of Bank Guarantee; and the payment is made directly by NSIC to the suppliers.

(c): Year-wise and State-wise details of the number of MSMEs in the country including Gujarat which were assisted by NSIC for procurement of raw material during the last three years is given at Annexure.

(d): To promote and develop the MSME sector, the Government in the Ministry of Micro, Small and Medium Enterprises is implementing various schemes/programmes in the areas of credit, infrastructure development, technology up-gradation, marketing assistance, enhancing competitiveness, entrepreneurial and skill development, etc. These schemes include Credit Guarantee Scheme, Credit Linked Capital Subsidy Scheme, Performance and Credit Rating Scheme, Micro and Small Enterprises - Cluster Development Programme, National Manufacturing Competitiveness Programme, Prime Minister's Employment Generation Programme and Marketing Development Assistance Scheme.

In addition, for improving the market access of micro and small enterprises, the Government has recently notified a new Public Procurement Policy which requires Central Government Ministries /Departments/Public Sector Undertakings to procure a minimum of 20% of their annual value of goods or services from micro and small enterprises.