

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

UNSTARRED QUESTION NO:2416

ANSWERED ON:31.07.2017

Loans for MSMEs

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

- (a) whether the Government proposes to introduce a programme for bringing transparency in sanction/disbursal of bank loans to self employed persons under various schemes of the Micro, Small and Medium Enterprises (MSME) sector in the country, if so, the details thereof;
- (b) whether there has been reduction in lending loans to the MSMEs in the country during the last three years and if so, the details thereof and the reasons therefor along with the corrective steps taken by the Government in this regard;
- (c) whether employment opportunities are decreasing due to dismal condition of small scale industries and if so, the details thereof;
- (d) whether the Government proposes to enhance the mandatory purchase limit from small scale units for the public sector and if so, the details thereof; and
- (e) the other steps taken by the Government to protect and promote MSMEs and for solving their problems / issues relating to fund crunch, timely payments and exporters?

Answer

MINISTER OF STATE IN THE MINISTRY OF
MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI HARIBHAI PARATHIBHAI CHAUDHARY)

(a): No, Madam. However, all amenable schemes of the Ministry of Micro, Small and Medium Enterprises (MSME) are being brought under DBT (Direct Benefit Transfer), which will increase transparency in the disbursal of scheme funds.

(b): No, Madam. As per statistics compiled by Reserve Bank of India (RBI), the credit to the MSME sector by all scheduled commercial banks at 31st March for the last three year is placed in below table:

(Amount Rs. in crore)

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| Year | MSE | Medium | Total | MSME |
|------------|------------|-----------|------------|------|
| 31-Mar-14 | 851076.78 | 188838.24 | 1039915.02 | |
| 31-Mar-15 | 961174.17 | 209851.88 | 1171026.05 | |
| 31-Mar-16 | 996424.94 | 219582.17 | 1216007.11 | |
| 31-Mar-17* | 1069821.88 | 225759.38 | 1295581.26 | |

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Source: Reserve Bank of India *Provisional

From above table it can be seen that credit to MSME has increased from Rs. 1039915.02 crore on March 31, 2014 to Rs. 1171026.05 crore on March 31, 2015 and further to Rs. 1216007.11 crore on March 31, 2016 and further to Rs. 1295581.26 crore on March 31, 2017.

(c): As per the last census (Fourth) of MSMEs with reference to base year 2006-07, the total employment in the MSME sector was 805.24 lakh. Thereafter, as such no census has been conducted by M/o MSME, thus it cannot be said that employment opportunities are declining.

(d): Government has not proposed any enhancement of mandatory purchase limit from small scale units for the public sector.

(e): The Government is implementing a number of schemes to protect and promote MSMEs. Some of them are Prime Minister Employment Generation Programme, Credit Guarantee Scheme, Capital Linked Capital Subsidy Scheme, National Manufacturing Competitiveness Programme, Marketing Promotion Schemes, Entrepreneurship and Skill Development Programmes, Scheme of Fund for Regeneration of Traditional Industries (SFURTI), A Scheme For Promoting Innovation, Rural Industry & Entrepreneurship (ASPIRE). Furthermore, Goods & Service Tax (GST) has in-built provision for solving the delayed payment problems.