

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**UNSTARRED QUESTION NO. †1302**  
**TO BE ANSWERED ON 11.02.2019**

**DEVELOPMENT OF MSMEs**

†1302. SHRI JUGAL KISHORE:  
SHRIMATI RITI PATHAK:

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

- (a) whether the Government is satisfied with the development of micro, small and medium enterprises (MSME) sector in the State of Jammu and Kashmir and Madhya Pradesh, if so, the details thereof;
- (b) the details of the important steps taken/achievements made in the aforesaid sector during each of the last three years and the current year;
- (c) whether the task force constituted for development and promotion of MSMEs has recommended to encourage micro financing institutes for setting up of self help groups and financing for these enterprises at reasonable rates, if so, the details thereof;
- (d) the salient features of the other recommendations made by the said task force; and
- (e) the details of the several memoranda of understanding signed with the various countries including Mozambique for co-operation in the MSME sector during the said period?

**ANSWER**

MINISTER OF STATE (INDEPENDENT CHARGE)  
FOR MICRO, SMALL AND MEDIUM ENTERPRISES  
(SHRI GIRIRAJ SINGH)

(a): Several Measures have been put in place for the development of MSME Sector in the country, including Jammu and Kashmir and Madhya Pradesh.

The Central Government implements various schemes and programmes such as Prime Minister's Employment Generation Programme (PMEGP), Scheme of Fund for Regeneration of Traditional Industries (SFURTI), A Scheme for Promoting Innovation, Rural Industry and Entrepreneurship (ASPIRE), Credit Guarantee Fund Scheme for Micro and Small Enterprises, Credit Linked Capital Subsidy Scheme (CLCSS), National Manufacturing Competitiveness Programme (NMCP), Micro & Small Enterprises - Cluster Development Programme (MSE-CDP), National Scheduled Caste and Scheduled Tribe Hub (NSSH), and Schemes for Coir products and Khadi & Village Industries.

National Small Industries Corporation (NSIC) under the Ministry of MSME also promotes and supports Micro, Small and Medium Enterprises by providing integrated support services encompassing marketing, finance, technology and other services.

(b): The details of achievements made and new initiatives taken for promotion and development of the MSME sector during each of the last 3 years and current year are as under:-

(i) The Prime Minister's Employment Generation Programme (PMEGP), a credit-linked subsidy programme aimed at generating self-employment opportunities through establishment of micro-enterprises. A provision of second loan of upto Rs. 1 crore has been introduced under this Programme for well performing units.

(ii) To ease credit flow to Micro and Small Enterprises, Government implements 'Credit Guarantee Trust Fund for Micro and Small Enterprises (CGTMSE)' Scheme. The corpus of this fund has been enhanced from Rs. 2500 crore to Rs. 7500 crore. The eligible loan limit under the CGTMSE has been enhanced from Rs. 1 crore to Rs. 2 crore and the Non-Banking Financial Companies (NBFCs) have been allowed to become Member Lending Institutions (MLIs) under the Scheme.

(iii) National Scheduled Caste and Scheduled Tribes (SC/ST) Hub (NSSH) has been set up to provide professional support to SC/ST entrepreneurs.

(iv) Hon'ble Prime Minister's 12 key announcements on 02.11.2018 regarding Support and Outreach Initiatives for MSME Sector:

1. Loans upto 1 crore within 59 minutes through online portal.
2. Interest subvention of 2% for all GST registered MSMEs, on fresh or incremental loans.
3. All companies with turnover of more than Rs. 500 crores to be mandatorily on TReDS platform to enable entrepreneurs to access credit from banks, based on their upcoming receivables, thus, solving the problems of cash cycle.
4. All Central Public Sector Undertaking (CPSUs) to achieve an overall procurement of a minimum of 25% from MSEs.
5. Out of the 25% procurement, mandated from MSEs, 3% reserved for women entrepreneurs.
6. All CPSUs to compulsorily procure through Government e-Marketplace (GeM) portal.
7. 20 Hubs and 100 Spokes in the form of Tool Rooms for Technological Upgradation to be established across the country with a fund allotment of Rs. 6000 crore.
8. Govt. of India to bear 70% of the cost for establishing Pharma clusters.
9. Returns under 8 Labour laws and 10 Union regulations to be filed once in a year.
10. Establishments to be visited by an Inspector will be decided through a computerized random allotment.
11. Single consent under air and water pollution laws. Returns to be accepted through self-certification and only 10% MSME units to be inspected.
12. For minor violations under the Companies Act, entrepreneurs no longer have to approach court but can correct them through simple procedures.

(c)&(d): The Government had constituted One Man Committee under the Chairmanship of Shri Prabhat Kumar to make recommendations for a National Policy for Micro, Small and Medium Enterprises. Recommendations of the Committee include the following:-

- (i) The Government scales up Micro Units Development & Refinance Agency Ltd. (MUDRA) as a Financial Institution responsible for the entire Micro enterprises sector in the country and MUDRA undertakes developmental activities for the overall development of Micro enterprises sector including regulation and monitoring of Micro Finance industry.
- (ii) The Government takes a new look on policies to reap the advantages of a growing young MSME entrepreneurial class.
- (iii) Development of a synergistic ecosystem for development of MSMEs.
- (iv) Effective Coordination with State governments.
- (v) The Public-Private-Participation mode of implementation to be encouraged.
- (vi) Aggregation of livelihood oriented micro enterprises.
- (vii) A transparent database that can be gainfully used by the key stakeholders at the national, state and local levels.

(e): During last three years and current year, Memoranda of Understanding have been signed by the Ministry of MSME with various countries in the fields of Micro, Small and Medium Enterprises and innovation and cooperation. No Memorandum of Understanding was signed with Republic of Mozambique during the said period. A Memorandum of Understanding was, however, signed in the year 2010 with Republic of Mozambique by the Ministry of MSME.