

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 4191
TO BE ANSWERED ON: 18.07.2019

EXPERT COMMITTEE ON MSMEs

4191. SHRI SANJAY SADASHIV RAO MANDLIK:
SHRI SUDHEER GUPTA:
SHRI GAJANAN KIRTIKAR:
SHRI SRINIVAS KESINENI:
SHRI SYED IMTIAZ JALEEL:
SHRI KANUMURU RAGHU RAMA KRISHANA RAJU:
SHRIMATI APARAJITA SARANGI:
SHRI ASADUDDIN OWAISI:
SHRI VENKATESH NETHA BORLAKUNTA:
SHRI BIDYUT BARAN MAHATO

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

- (a) whether small businesses which account for more than 50 per cent of employment in the country are facing a spate of disruptions since the demonetization, if so, the details thereof;
- (b) whether the Reserve Bank of India(RBI) has constituted an Expert Committee on Micro, Small and Medium Enterprises (MSMEs) to undertake a comprehensive review of the sector and to identify causes and proposes long-term solutions for their economic and financial sustainability and if so, the details thereof;
- (c) whether the said Committee has submitted its report to the Government and if so, the details thereof and the main recommendations made by the Committee along with the response of the Government on the recommendations of RBI;
- (d) whether RBI has suggested a Rs. 5000 crore stressed asset fund for domestic MSMEs to provide relief to small businesses hurt due to demonetization, GST and ongoing liquidity crunch and if so, the details thereof and the steps taken/ being taken by the Government in this regard;
- (e) whether the Committee has suggested for forming a Government sponsored fund of Rs. 10,000 crore to support venture capital and private equity firms investing in MSMEs and if so, the details thereof; and
- (f) whether the panel has also suggested to replace MSME Act, 2006 to MSME Code and if so, the details thereof and steps taken or being taken by the Government to develop MSMEs in the country?

ANSWER

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI NITIN GADKARI)

- (a): As per the preliminary assessment report brought out by the Reserve Bank of India, the adverse impact of demonetization had been only transient.

(b): Yes, sir.

(c): As per the information submitted by the Reserve Bank of India, the Expert committee has submitted its report to them. The committee has made recommendations for legislative and institutional framework, access to finance, capacity building and new technological interventions for lending to MSME sector.

(d): No such plan is under consideration in the Ministry of Micro, Small & Medium Enterprises, Government of India.

(e): The committee has suggested setting up of a Government sponsored Fund of Funds of Rs. 10,000 crore that will support crowd funding from venture capital and private equity firms investing in MSMEs.

(f): The committee has suggested to reframe the MSMED Act, 2006 as a comprehensive and holistic MSME code which revolves around a policy based and transparent inspection system.

The Ministry of Micro, Small and Medium Enterprises implements various schemes for the benefit of MSMEs in all part of India including aspirational/backward districts, which include Prime Minister's Employment Generation Programme (PMEGP), Micro and Small Enterprises-Cluster Development Programme (MSE-CDP), Scheme for Promotion of MSMEs in North Eastern Region and Sikkim, Tool Rooms & Technology Centers, Mission Solar Charkha (MSC), Scheme for Fund for Regeneration of Traditional Industries (SFURTI), Procurement and Marketing Support Scheme, Entrepreneurship Skill Development Programme (ESDP), Credit Guarantee Scheme for Micro and Small Enterprises (MSEs) and Credit Linked Capital Subsidy and Technology Upgradation Scheme (CLCS-TUS).
