

Revision of definition of MSME

2083. SHRI PALVAI GOVARDHAN REDDY: Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether there is any proposal before the Ministry to revise the definition of micro, small and medium enterprises (MSME);
- (b) if so, the details thereof; and
- (c) the other changes that the Ministry proposes so as to help micro, small and medium enterprises in the country?

THE MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI VAYALAR RAVI): (a) and (b) The micro, small and medium enterprises (MSMEs) are defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. Several suggestions for the amendment to the Act have been received from various Associations.

(c) The Government helps and facilitates promotion and development of MSMEs through implementation of various Schemes/Programmes relating to credit, infrastructure development, technology upgradation, marketing, entrepreneurial / skill development, etc. Review of these schemes and introduction of new schemes and programmes as per felt needs is a continuous process.

Higher borrowing cost for MSMEs

2084. SHRI N.K. SINGH:

DR. JANARDHAN WAGHMARE:

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

- (a) whether micro, small and medium enterprises (MSMEs) in India are subject to high borrowing costs which makes them less competitive;
- (b) whether MSMEs are facing severe challenges like obsolete technology, non availability of raw material, infrastructural constraints, inadequate and delayed credit and managerial deficiencies;
- (c) if so, the measures Government is taking to improve the situation; and
- (d) if not, the reasons therefor?

THE MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI VAYALAR RAVI): (a) Yes, Sir.

(b) Yes, Sir.

(c) The Ministry of Micro, Small and Medium Enterprises (MSME) is implementing a number of schemes to address these issues. Major schemes include:

- National Manufacturing Competitiveness Programme (NMCP) and Credit Linked Capital Subsidy Scheme (CLCSS) are being implemented to facilitate upgradation of technology, improve processes and design.
- National Small Industries Corporation Limited (NSIC) under the Ministry of MSME is implementing a scheme for Raw Material Assistance by way of financing the purchase of Raw Material (both indigenous and imported) to micro and small enterprises (MSEs).
- The Micro and Small Enterprises-Cluster Development Programme (MSE-CDP) facilitate infrastructure upgradation and setting up of Common Facility Centres.
- The Credit Guarantee Fund Scheme for Micro and Small enterprises (CGTMSE) facilitate collateral free credit facility (term loan and/ or working capital) to new and existing micro and small enterprises (MSEs). The Reserve Bank of India (RBI) has also laid down time lines for disposal of loan applications, acknowledgement of loan applications, composite loan limit for working capital and term loan, etc. Further, the RBI has advised banks to achieve 20 per cent year-on-year growth in credit to MSEs to ensure enhanced credit flow.
- The Ministry of MSME is also implementing Management Development Training Programmes (MDPs) for enhancing managerial skills.

(d) Does not arise.

Promotion to coir sector

2085. SHRI RAJKUMAR DHOOT: Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state.

(a) whether it is fact that Coastal Maharashtra has the requisite potential for the growth of coir products and there is vast market for the coir products in Maharashtra and other parts of the country;

(b) if so, the details thereof;