

Financial problems of MSMEs in the country

3781. SHRI DHARMAPURI SRINIVAS:

SHRI T. G. VENKATESH:

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

- (a) whether Government is aware that MSMEs in the country are passing through acute financial problems;
- (b) if so, the details thereof;
- (c) the remedial measures being taken by Government to protect the MSMEs in the country; and
- (d) the incentives rebates and discounts being offered to the MSMEs?

THE MINISTER OF STATE OF THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI GIRIRAJ SINGH): (a) to (d) Government has taken the following measures to improve access of Micro, Small and Medium Enterprises (MSMEs) to finance:-

- (i) In the Union Budget 2017-18 tax rate for MSMEs reporting turnover of less than ₹ 50 crore has been reduced from existing 30% to 25%.
- (ii) Under the Credit Guarantee Fund Scheme, the Union Government has approved augmentation of the corpus of the Credit Guarantee Trust from the present level of ₹ 2500 crore to ₹ 7500 crore.
- (iii) The coverage of the loans under the scheme has been enhanced from ₹ 1 crore to ₹ 2 crore and the scheme has been extended to include NBFCs also.
- (iv) Facilitation of access to finance under Prime Minister Employment Generation Programme (PMEGP) and Credit Linked Capital Subsidy Scheme (CLCSS).

Definition of MSMEs

3782. SHRI BHUBANESWAR KALITA: Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether Government has recently redefined the definition of Micro, Small and Medium Enterprises (MSMEs);
- (b) if so, the details thereof;

(c) the extent to which the new definition would help the MSME sector in 'Ease of Doing Business', particularly in Assam and other North-Eastern States;

(d) whether Government feels that the sector can create job opportunities; and

(e) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI GIRIRAJ SINGH): (a) and (b) The Union Cabinet has approved a revised definition of Micro, Small and Medium Enterprises based on annual turnover in place of the earlier definition based on investment in plant and machinery/equipments. In the changed criterion, a micro enterprise is defined as an enterprise where the annual turnover does not exceed five crore rupees, a small enterprise as an enterprise where the annual turnover is more than five crore rupees but does not exceed seventy five crore rupees and a medium enterprise as an enterprise where the annual turnover is more than seventy five crore rupees but does not exceed two hundred and fifty crore rupees.

(c) The new definition aims to promote the ease of doing business by putting in place a non-discretionary, transparent and objective criterion.

(d) Yes, Sir.

(e) As per the data received from the 73rd round of the National Sample Survey on "Unincorporated non-agricultural Enterprise (excluding Construction)", conducted by National Sample Survey Office (NSSO), Ministry of Statistics and Programme Implementation, during July, 2015 to June, 2016, the total number of MSMEs in the country was 633.88 lakh and the total employment in this sector was to the tune of 1109.89 lakh.

Credit inflow to entrepreneurs in MSME sector

3783. SHRI BHUBANESWAR KALITA: Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether it is a fact that credit inflow to the entrepreneurs in MSME sector has been found to be inadequate;

(b) if so, the details thereof during the last three years;

(c) whether it is also a fact that the employment opportunities have been adversely affected due to inadequate inflow of funds in general in Assam and other North-Eastern States in particular; and

(d) if so, what remedial action has been taken by government to safeguard the MSME sector?