

Session creates awareness on schemes for MSME finance

Government of India has introduced several schemes to promote flow of formal credit to the micro, small and medium enterprises (MSMEs). In order to create awareness about these schemes, WTC Jaipur organised a brainstorming session in association with Institute of Chartered of India (ICAI) Jaipur, Branch (CIRC) and Federation of Rajasthan Trade and Industry (FORTI) Rajasthan. The session generation discussion on various financial support schemes of Government of India for MSMEs.

Speaking on this occasion, CA Vishnu Agarwal, Chairman, ICAI Jaipur informed, "I would like to reiterate one of the government's most successful schemes, as per the NSSO survey (2013), there are around 5.77 crore small/micro units in the country, engaging around 12 crore people, mostly individual proprietorship/Own Account Enterprises. More than 60% of these units are owned by persons belonging to Scheduled Castes, Scheduled Tribe, or Other Backward Classes. Most of these units are outside the formal banking system and hence are forced to borrow from informal sources or use their limited-owned funds. MUDRA Loan Scheme has been proposed to bridge this gap. MUDRA Loan Scheme will aim to increase the confidence of aspiring youth to become first-generation entrepreneurs as well as of existing small businesses to expand their activities."

CA Agarwal further added, "MUDRA loans are extended by banks, NBFCs, MFIs and other eligible financial intermediaries as notified by MUDRA Ltd. The Pradhan Mantri MUDRA Yojana (PMMY) announced by the Hon'ble Prime Minister on 8th April 2015, envisages providing MUDRA loans, up to Rs. 10 lakh, to income-generating micro enterprises engaged in manufacturing, trading and services sectors. The overdraft amount of Rs. 5000 sanctioned under PMJDY has also been classified as MUDRA loans under Prime Minister MUDRA Yojana (PMMY). The MUDRA loans are extended under the following three categories, loans up to Rs. 50,000/- (Shishu) ü Loans from Rs. 50,001 to Rs. 5 lakh (Kishore), and Loans from Rs. 5,00,001/- to Rs. 10 lakhs (Tarun). More focus would be given to Shishu.

CA Vishnu Goya, the session's subject matter expert informed, "The Credit Guarantee Fund Scheme for Micro and Small Enterprises (CGS) was launched by the Government of India (GoI) to make available collateral-free credit to the micro and small enterprise sector. Both the existing and the new enterprises are eligible to be covered under the scheme."

CA Goya further added, "The Ministry of Micro, Small and Medium Enterprises, GoI and Small Industries Development Bank of India (SIDBI), established a Trust named Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) to implement the Credit Guarantee Fund Scheme for Micro and Small Enterprises. The scheme was formally launched on August 30, 2000. The corpus of CGTMSE is being contributed by the GoI and SIDBI in the ratio of 4:1 respectively."

He continued further, "Apart from these schemes, MSMEs have many other schemes to opt from for their growth and expansion."

CA Ankur Kumar Gupta, Secretary, ICAI, Jaipur Branch shared his views on the Credit Guarantee Scheme for Subordinate Debt (CGSSD) and The SIDBI Make in India Loan for Enterprises (SMILE).

Mr. Navneet Agarwal, Assistant Director, World Trade Center Jaipur proposed vote of thanks.

The session was organised on September 23 2023 at Jaipur



Photo Caption: CA Ankur Kumar Gupta, Mr. Navneet Agarwal, CA Vishnu Goyal, CA Vishnu Agarwal, CA Ruchi Gupta, Treasurer, ICAI Jaipur