

Govt to Focus on Credit for MSMEs to Create Jobs

Our Bureau

New Delhi: The government will push credit growth in the medium and small enterprises (MSMEs) sector to generate more employment, as it announced a mega ₹2.11-lakh-crore capital infusion plan for state run banks.

Banks will come out with sector-specific Mudra financing products and a special campaign will be launched in 50 high employment clusters of MSMEs.

Launched in 2015 by Prime Minister Narendra Modi, Pradhan Mantri Mudra Yojna (PMMY), aims to provide formal access of financial facilities to non corporate and small business sector.

Financial services secretary Rajiv Kumar said MSMEs and SMEs are the backbone of the economy and the bank recap plan would also directly benefit them.

“MSMEs face two major problems, first getting access to finance and hence cash crunch, and second is access to markets,” he added.

The government will also now mandatorily bring all major PSUs to register themselves in

Trade Receivables Electronic Discounting System (TReDS) platform in the next 90 days.

“This is likely to improve the cash flow of the MSMEs to a large extent,” said Kumar.

The government will also update udaymitra.in, a web portal where MSMEs can list their projects and banks can compete to finance that project.

Kumar said banks will also help MSMEs to finalise their project templates and 100 bank-approved project templates will be put on the web portal.

The government will also develop sector-specific Mudra financing products such as

Mudra textile and Mudra manufacturing to give a boost to credit growth. “These will be customised for MSMEs which is a great provider of employment,” added Kumar.

To aggregate products of MSMEs, the government will initiate a drive to put them on government e-marketplace where procurement of goods and services is done by ministries, PSUs and autonomous bodies.



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