

**MSMEs provided Rs. 3794 Crore for Credit Support & Innovation**

Ministry of Finance

**MSMEs provided Rs. 3794 Crore for Credit Support & Innovation****Government takes new initiatives to increase Employment Opportunity****Study shows 70 Lakh formal jobs have been created this year, says Finance Minister**

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Announcing that a provision of Rs. 3794 crore has been provided in the General Budget 2018-19 for the Medium, Small and Micro Enterprises (MSMEs), the Union Minister for Finance and Corporate Affairs, Shri Arun Jaitley said that this has been done to provide credit support, capital and interest subsidy and innovations to this Sector. Presenting the General Budget 2018-19 in Parliament here today, Shri Jaitley added that an outlay of Rs.7148 crore has been provided for the Textile Sector.

Strongly emphasising that creation of job opportunities and facilitating generation of employment has been at the core of policy-making of the Government over the last three years, the Finance Minister mentioned that an independent study conducted recently has shown creation of 70 lakh formal jobs this year. Shri Jaitley pointed out that the Government will contribute 12% of the wages of the new employees in the Employee Provident Fund (EPF) for all the sectors for next three years. The Finance Minister also referred to the extension of the facility of fixed term employment to all sectors. He underlined that the Government will soon announce measures for effectively addressing non-performing assets and stressed accounts of MSMEs.

In an effort to reduce tax burden on MSMEs and to create large-scale employment, Shri Jaitley also announced measures to extend the benefit of reduced rate of 25% to companies who have reported turnover up to Rs.250 crore in the Financial Year 2016-17. "This will benefit the entire class of micro, small and medium enterprises which accounts for almost 99% of companies filing their tax returns," the Finance Minister said. He expressed confidence that the lower Corporate Income Tax rate for 99% will leave companies with higher investible surplus, leading to creation of more jobs.

Shri Jaitley, the Finance Minister, laid emphasis on the effort to provide incentive to employment of

more women in the formal sector. He added that this will lead to higher take-home salary. "Amendments have been proposed to reduce women employees' contribution to 8% for first three years of their employment against existing rate of 12% or 10% with no change in employers' contribution in the Employees Provident Fund and Miscellaneous Provisions Act, 1952," Shri Jaitley stated.

The Finance Minister announced that the Government is setting up a model aspirational skill centre in every district of the country under Pradhan Mantri Kaushal Kendra Programme. Shri Jaitley said that he proposed to onboard Public Sector Banks and corporates on Trade Electronic Receivable Discounting System (TReDS) platform and link it to GSTN. "Online loan sanctioning facility for MSMEs will be revamped for quick decision making by the banks," he said.

Shri Jaitley referred to the review of the refinancing policy and eligibility criteria set by MUDRA for better refinancing of Non-Banking Finance Companies NBFCs. In this regard, he proposed setting a target of Rs.3 lakh crore for lending under MUDRA for 2018-19, as the targets had been exceeded in all previous years.

The Finance Minister also referred to a Group in the Finance Ministry that is examining the policy and institutional development measures needed for creating right environment for Fintech companies to grow. He also stated that additional measures will be taken to strengthen the environment for Venture Capital Funds and for their growth and successful operation of alternative investment funds in the country.

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