

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION NO. 109
TO BE ANSWERED ON 25.11.2024

MSME ROLE IN KARNATAKA'S ECONOMY

109. SHRI G.C. CHANDRASHEKHAR:

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

- (a) whether Government has implemented specific measures to support Karnataka's silk and textile Micro, Small and Medium Enterprises (MSMEs), which are key employment providers, particularly post-COVID-19, if so, the details thereof, including PMEGP funding, which supported over 1,200 MSMEs in Karnataka;
- (b) whether initiatives have been introduced for rural MSMEs in Karnataka, promoting local crafts like Channapatna toys and Ilkalsarees, especially under SFURTI's cluster funding; and
- (c) whether there are recent provisions for digitalization and global access for Karnataka's MSMEs, including assistance under ECLGS, which provided ₹6,000 crore in support, if so, the details thereof?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SUSHRI SHOBHA KARANDLAJE)

(a): Government has implemented specific measures to support Karnataka's silk and textile industries. Khadi Institutions registered and assisted by Khadi and Village Industries Commission (KVIC) are engaged in production and sales of Khadi (Cotton Khadi, Woollen Khadi, Silk Khadi, Muslin Khadi and Polyvastra) and thereby providing employment opportunities for rural Khadi artisans through implementation of the Scheme, Khadi Vikas Yojana (KVY).

2,945 number of Khadi Institutions and 4,98,594 Khadi artisans are engaged in the Khadi Sector in the country, out of which 265 Khadi Institutions are engaged and 27,708 Khadi artisans are from Karnataka State.

Ministry of MSME, through Khadi and Village Industries Commission (KVIC) as nodal agency, is implementing Prime Minister's Employment Generation Programme (PMEGP), for assisting entrepreneurs in setting up of new units in the non-farm sector. It aims to provide employment opportunities to traditional artisans/ rural and urban unemployed youth at their doorstep.

: 2 :

Under the scheme, maximum cost of project is Rs. 50 lakh in the Manufacturing sector and Rs. 20 lakh in the Service sector. General Category beneficiaries can avail of Margin Money (MM) subsidy of 25% of the project cost in rural areas and 15% in urban areas. For beneficiaries belonging to Special Categories such as Scheduled Castes, Scheduled Tribes, OBCs, Minorities, Women, Ex-servicemen, Physically Handicapped, Trans genders, beneficiaries belonging to Northeastern Region, Hill and Border areas, and Aspirational Districts, the Margin Money subsidy is 35% in rural areas and 25% in urban area.

Since 2018-19, existing PMEGP/MUDRA enterprises are also supported based on past good performances with 2nd loan for upgradation and expansion. Under 2nd loan, maximum project cost admissible for Margin Money (MM) subsidy under Manufacturing sector is Rs. 1.00 Crore and for Service sector, it is Rs. 25 Lakh. Eligible subsidy for 2nd loan for all categories is 15% of project cost (20% for NER & Hill States).

Performance of PMEGP from FY 2020-21 to FY 2024-25 across the country and for Karnataka State are placed at Annexure-I.

(b): Ministry of MSME has launched a cluster based scheme viz. Scheme of Fund for Regeneration of Traditional Industries (SFURTI) with an aim to help traditional industries become more productive, profitable and capable for generating sustainable employment for traditional industries artisans across the country, including Karnataka. SFURTI is a scheme to organize artisans of traditional sectors into collectives for manufacturing value added products and provide sustainable employment.

A total of 513 clusters have been approved under SFURTI since 2015-16, with a total Government of India assistance of Rs. 1,334 crores. Out of these clusters, 376 are functional, benefitting 2.20 lakh artisans and 137 clusters are under implementation as on 19-11-2024.

Financial Assistance provided under the Scheme: -

- Rs. 2.5 cr. for Regular clusters up to 500 artisans
- Rs. 5.0 cr. for Major clusters with more than 500 artisans

Total 29 clusters, including Channapatna Lacware Toys Cluster, have been approved in Karnataka state with GoI assistance of Rs. 81.07 cr, benefitting 18,952 artisans. Details of the approved clusters in Karnataka is placed at Annexure-II.

(c): Emergency Credit Line Guarantee Scheme (ECLGS) was launched in May, 2020 as part of Aatmanirbhar Bharat Abhiyaan to support eligible Micro, Small and Medium Enterprises (MSMEs) and business enterprises in meeting their operational liabilities and restarting their businesses in context of the disruption caused by the COVID-19 pandemic. This scheme covered all the sectors of the economy. Under ECLGS, 100% guarantee was provided to Member lending Institutions (MLIs) in respect to the credit facility extended by them to eligible borrowers. In view of the evolving situations in the light of Covid waves and its effect on the various sectors of the economy, scope of the scheme was extended in the form of additional credit and expanded scope of eligible borrowers, by the introduction of ECLGS 2.0, 3.0 and 4.0 as well as changes from time to time. The scheme was valid till 31.3.2023. MSME data for the Textile Industry in Karnataka under the ECLGS is placed at Annexure -III.

Further, Ministry of MSME has made following provisions for digitalization and global access for MSMEs of the country: -

- i. Ministry of MSME has launched a portal, Udyam Assist Platform (UAP), for bringing Informal Micro Enterprises in the formal ambit which helped the registered IMEs to avail the benefits of Priority Sector Lending.
- ii. Ministry of MSME has launched Samadhaan Portal for filing of grievances and monitoring of outstanding dues to the MSEs from the buyers of goods and services.
- iii. Launching of an online Portal “Champions” in June, 2020 to cover many aspects of e-governance including redressing grievances and handholding of MSMEs.
- iv. Government vide notification no. S.O. 4845(E) dated 07.11.2024 instructed CPSEs and all companies with the turnover of Rs. 250 Crore or more to get themselves on-boarded on the Trade Receivables Discounting System (TReDS), an electronic platform for facilitating the discounting of trade receivables of MSMEs through multiple financiers.
- v. New revised criteria for classification of MSMEs, based on Investment and Turnover, to widen the ambit of the MSME sector.
- vi. “Udyam Registration (UR)” for MSMEs, for Ease of Doing Business.

State-wise total MSMEs registered under UR & UAP are placed at Annexure-IV.

Annexure-I

Annexure-I: referred to in reply to part (a) of the Rajya Sabha Unstarred Question No. 109 for answer on 25.11.2024.

Year-wise performance of PMEGP across the country from FY 2020-21 to FY 2024-25 (upto 18.11.2024)			
Projects: in Nos.; MM: Rs. in Crore; Emp.: in Nos			
Year	Projects	Margin Money Subsidy (MM)	Employment
2020-21	74415	2188.80	595320
2021-22	103219	2977.66	825752
2022-23	85167	2772.17	681336
2023-24	89118	3093.87	712944
2024-25	26076	1026.76	208608
Total	377995	12059.26	3023960

Year-wise performance of PMEGP in Karnataka State from FY 2020-21 to FY 2024-25 (upto 18.11.2024)			
Projects: in Nos.; MM: Rs. in lakh; Emp.: in Nos			
Year	Projects	Margin Money Subsidy (MM)	Employment
2020-21	4437	12504.26	35496
2021-22	5877	15843.36	47016
2022-23	5618	16154.42	44944
2023-24	4672	15862.48	37376
2024-25	1371	4193.18	10968
Total	21975	64557.7	175800

Annexure- II

Annexure- II: referred to in reply to part (b) of the Rajya Sabha Unstarred Question No. 109 for answer on 25.11.2024.

Details of SFURTI clusters in Karnataka:

S. No.	Cluster Name	District	Total Artisans	SFURTI Assistance (in Rs. lakhs)
1	Ankola Beekeeping Cluster	Uttar Kannada	210	81.25
2	Athani Leather Cluster	Belagavi	262	138.51
3	Bijapur Broom Cluster	Vijayapura	338	175.42
4	Bidar Readymade Cluster	Bidar	495	250
5	Bidar Wood Carving Mini Cluster	Bidar	635	145.37
6	BijapurKhadi Cluster	Belagavi	448	237.17
7	BR Hills Wild Bee Honey Cluster	Chamarajanagara	560	317.87
8	Channapatna Lacware Toys Cluster	Ramanagara	250	239.12
9	Cheluru Coir Cluster	Tumkur	800	413.69
10	Harihara Khadi Cluster	Davangere	365	130.5
11	Jack Fruit Processing Cluster	Udupi	536	500
12	Honnawar Beekeeping Cluster	Uttar Kannada	231	91.4
13	Hudli Khadi Cluster	Belagavi	635	132.82
14	Javagal Coir Cluster	Hassan	500	147.21
15	Kallandur Pottery Cluster	Kolar	367	221.66
16	Kortagere Coir Cluster	Tumkur	825	450.88
17	Kuddaluru Coir Cluster	Mandya	854	415.67
18	Kumta Uttara Kannada Cluster	Uttar Kannada	500	149.36
19	Sagara Woodcrafts Cluster	Shivamogga	580	229.48
20	Sandur Khadi Cluster	Ballari	847	423.85
21	Shri Ganganathswamy Coir Cluster	Tumkur	834	442.2
22	Shivmoga Natural Dyed Handloom Cluster	Shivamogga	459	198.38
23	SidhalgattaKhadi Cluster	Chikkaballapur	850	132.03
24	Sirsi Pepper and Cardamom Spices Cluster	Uttar Kannada	1014	422.625
25	The Haralakatta, Hassan Coir Cluster	Hassan	500	148.54
26	Tumkur Coir Cluster	Tumkur	2500	740.86
27	Zari& Multi Product Cluster	Chikkaballapur	1150	498.17
28	Yadgiri Agarbatti Cluster	Yadgir	390	219.2
29	Chitradurga Leather Cluster	Chitradurga	1017	413.05
	Total		18,952	8,106.285

Annexure- III

Annexure- III: referred to in reply to part (c) of the Rajya Sabha Unstarred Question No. 109 for answer on 25.11.2024.

ECLGS Karnataka-District wise MSME Textile Industry data								
District	Medium		Micro		Small		Total No. of Guarantee Issued	Total amount of Guarantee Issued(Rs in Cr)
	No. of Guarantee Issued	Amount of Guarantee Issued (Rs in Cr)	No. of Guarantee Issued	Amount of Guarantee Issued (Rs in Cr)	No. of Guarantee Issued	Amount of Guarantee Issued (Rs in Cr)		
BAGALKOT	3	0.02	170	2.32	12	1.90	185	4.24
BELAGAVI	18	7.53	821	8.24	78	6.01	917	21.77
BELLARY	4	0.19	219	6.78	42	13.08	265	20.04
BENGALURU (BANGALORE) RURAL	7	12.05	1046	7.27	39	6.36	1092	25.68
BENGALURU (BANGALORE) URBAN	81	143.73	2537	86.37	418	135.44	3036	365.53
BIDAR	2	0.10	211	0.26	4	0.03	217	0.39
CHAMRAJNAGAR	0	0.00	429	0.49	5	0.01	434	0.50
CHICKMAGALUR	2	0.02	634	0.63	4	0.06	640	0.71
CHIKKABALLAPURA	4	0.20	124	2.01	10	0.45	138	2.65
CHITRADURGA	0	0.00	255	0.49	3	0.14	258	0.63
DAKSHINA KANNADA	8	0.03	105	1.94	19	1.57	132	3.55
DAVANGERE	6	5.74	451	1.84	12	2.34	469	9.93
DHARWAD	6	1.53	1263	8.84	12	6.13	1281	16.51
GADAG	4	1.65	194	0.49	24	0.10	222	2.24
HASSAN	1	0.23	437	0.61	7	1.39	445	2.22
HAVERI	0	0.00	214	1.41	13	1.51	227	2.92
KALABURAGI	1	0.06	55	0.98	6	2.55	62	3.59
KARNATAKA	0	0.00	18	1.06	2	1.39	20	2.45
KODAGU	0	0.00	44	0.11	9	0.14	53	0.25
KOLAR	4	0.16	55	1.34	14	1.81	73	3.32

KOPPAL	0	0.00	32	0.31	5	2.77	37	3.08
MANDYA	1	0.00	1026	0.71	1	0.10	1028	0.81
MYSORE	6	7.51	2874	3.97	23	1.40	2903	12.87
RAICHUR	7	1.06	610	2.44	13	4.98	630	8.48
RAMANAGARA	1	0.40	99	1.81	17	3.20	117	5.42
SHIMOGA	3	1.00	1587	2.06	11	1.57	1601	4.62
TUMKUR	1	0.01	676	2.46	9	0.32	686	2.79
UDUPI	5	18.10	93	2.40	10	0.43	108	20.93
UTTARA KANNADA	1	0.00	78	0.47	4	0.05	83	0.53
VIJAYAPURA	2	2.56	50	2.22	14	2.53	66	7.31
YADGIR	5	1.07	368	0.46	3	3.28	376	4.82
Total	183	204.94	16775	152.78	843	203.04	17801	560.77

Annexure- IV

Annexure- IV: referred to in reply to part (c) of the Rajya Sabha Unstarred Question No. 109 for answer on 25.11.2024.

State Wise Total MSMEs Registered UR & UAP Since 01/07/2020 to 19/11/2024								
Sl. No.	State	Micro	Small	Medium	Total (UR)	UAP (Micro)	Total Micro (UR + UAP)	Total
1	ANDHRA PRADESH	10,35,351	24,669	1,974	10,61,994	14,19,825	24,55,176	24,81,819
2	ARUNACHAL PRADESH	15,907	389	37	16,333	10,697	26,604	27,030
3	ASSAM	6,12,497	9,769	814	6,23,080	2,92,346	9,04,843	9,15,426
4	BIHAR	12,48,981	19,106	1,025	12,69,112	17,76,662	30,25,643	30,45,774
5	CHHATTISGARH	4,35,240	11,949	1,278	4,48,467	5,11,715	9,46,955	9,60,182
6	GOA	60,745	1,709	155	62,609	35,279	96,024	97,888
7	GUJARAT	20,51,859	82,894	8,503	21,43,256	10,83,688	31,35,547	32,26,944
8	HARYANA	9,52,136	34,190	3,302	9,89,628	4,16,896	13,69,032	14,06,524
9	HIMACHAL PRADESH	1,82,444	3,896	444	1,86,784	52,013	2,34,457	2,38,797
10	JHARKHAND	5,13,159	8,881	660	5,22,700	6,15,919	11,29,078	11,38,619
11	KARNATAKA	17,21,700	46,137	4,364	17,72,201	18,00,397	35,22,097	35,72,598
12	KERALA	7,17,605	18,936	1,461	7,38,002	5,54,202	12,71,807	12,92,204
13	MADHYA PRADESH	14,80,227	29,707	2,260	15,12,194	20,27,005	35,07,232	35,39,199
14	MAHARASHTRA	49,07,822	1,06,127	12,275	50,26,224	22,33,698	71,41,520	72,59,922
15	MANIPUR	81,516	672	37	82,225	38,958	1,20,474	1,21,183
16	MEGHALAYA	27,391	497	61	27,949	8,536	35,927	36,485
17	MIZORAM	27,097	199	11	27,307	11,887	38,984	39,194
18	NAGALAND	28,775	242	17	29,034	20,522	49,297	49,556
19	ODISHA	9,18,797	14,728	1,094	9,34,619	8,18,763	17,37,560	17,53,382
20	PUNJAB	11,40,696	27,068	2,456	11,70,220	4,03,402	15,44,098	15,73,622
21	RAJASTHAN	21,54,727	42,445	3,407	22,00,579	9,65,620	31,20,347	31,66,199

22	SIKKIM	12,517	189	18	12,724	9,023	21,540	21,747
23	TAMIL NADU	29,53,361	59,492	5,312	30,18,165	13,38,906	42,92,267	43,57,071
24	TELANGANA	10,72,198	27,691	3,110	11,02,999	9,63,845	20,36,043	20,66,844
25	TRIPURA	69,714	981	72	70,767	1,73,205	2,42,919	2,43,972
26	UTTAR PRADESH	29,07,039	61,855	4,791	29,73,685	29,42,178	58,49,217	59,15,863
27	UTTARAKHAND	2,95,578	6,286	541	3,02,405	1,57,523	4,53,101	4,59,928
28	WEST BENGAL	12,74,964	36,023	3,263	13,14,250	26,54,458	39,29,422	39,68,708
29	ANDAMAN AND NICOBAR ISLANDS	13,792	274	14	14,080	2,773	16,565	16,853
30	CHANDIGARH	44,261	1,978	206	46,445	12,738	56,999	59,183
31	DELHI	6,95,261	40,831	4,991	7,41,083	2,92,624	9,87,885	10,33,707
32	JAMMU AND KASHMIR	4,56,694	5,185	350	4,62,229	2,00,632	6,57,326	6,62,861
33	LADAKH	11,619	142	5	11,766	4,610	16,229	16,376
34	LAKSHADWEEP	1,077	1	-	1,078	810	1,887	1,888
35	PUDUCHERRY	43,312	948	126	44,386	33,994	77,306	78,380
36	THE DADRA AND NAGAR HAVELI AND DAMAN AND DIU	20,061	1,276	237	21,574	5,179	25,240	26,753
	Total:-	3,01,86,120	7,27,362	68,671	3,09,82,153	2,38,90,528	5,40,76,648	5,48,72,681