

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 4146
TO BE ANSWERED ON 12.12.2016

SELF HELP GROUP FOR MSME

4146. SHRI JUGAL KISHORE:

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

(a) whether the Government is satisfied with the development in the field of micro, small and medium enterprises (MSMEs) in Jammu & Kashmir;

(b) if so, the details thereof along with the achievement made therein during each of the last three years;

(c) whether the task force set up for the development of MSMEs has recommended to form self help groups by micro-financing institutes and to provide incentives to grant financial assistance to micro enterprises at reasonable rates in the State;

(d) if so, the details thereof along with the recommendations made by the said task force; and

(e) the details of the memoranda of understanding signed with various countries including Mozambique for cooperation in the MSME sector in the country including that in Jammu & Kashmir?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF
MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI GIRIRAJ SINGH)

(a)&(b): In Jammu & Kashmir, Ministry of MSME through Khadi and Village Industries Commission (KVIC) is implementing Khadi and Village Industries (KVI) Programme. During the last three years, the performances in Jammu and Kashmir is as follows:

Physical performance of Khadi & V.I. in Jammu & Kashmir:

(Rs. in lakhs; employment in lakh persons)

Year	Khadi			Village Industries		
	Production	Sales	Emp.	Production	Sales	Emp.
2013-14	1471.43	1330.45	0.21	61014.74	70240.65	2.74
2014-15	2646.50	2293.47	0.24	64370.55	74660.54	2.82
2015-16	4110.05	2958.80	0.24	80611.24	94324.36	2.90

Financial performance of Khadi & V.I. in Jammu & Kashmir:

(Rs. in lakh)

Name of the Scheme	2013-14	2014-15	2015-16
Khadi Grant	1005.21	1247.08	1040.36
V.I. Grant including PMEGP	3055.14	3459.71	3845.21
Total	4060.35	4706.79	4885.57

(c)&(d): Prime Minister's Task Force on Micro, Small and Medium Enterprises, in its Report, recommends that the Government should encourage Micro Finance Institutions (MFIs) to form self-help groups and finance micro enterprises in unbanked/ identified excluded rural/semi-urban areas at reasonable rates. Banks may also be encouraged to formulate schemes for refinancing loans taken by the MSEs from non-institutional sources/moneylenders. Financial outreach is likely to prove an effective means to formalize the unorganized sector. Suitable incentives, including tax concessions, should be extended to MFIs to encourage them to work as business correspondents and business facilitators for banks to service micro enterprises.

Micro Units Development and Refinance Agency Bank (MUDRA Bank), is a new institution setup by the Government of India for development of micro units and refinance of MFIs to encourage entrepreneurship in India and provide the funding to the non-corporate small business sector. MUDRA Bank has two type of products like refinance for the micro units having loan requirement to support Micro Finance Institutions (MFI) for lending. MUDRA will finance micro business under the scheme of Pradhan Mantri MUDRA Yojana. Under this, loans are extended under the following three categories i) Sishu– Loans up to Rs.50,000/-, ii) Kishore– Loans from Rs. 50,001/- to up to Rs.5,00,000/- and iii) Tarun– Loans from Rs. 5,00,001/- to up to Rs.10,00,000/-.

The Ministry through KVIC implements Prime Minister's Employment Generation Programme (PMEGP) scheme which is a credit linked subsidy programme and is one of flagship programme of Ministry of MSME. Self Help Group are also eligible to set up their units. The rate of interest are decided by the Banks. The subsidy under the scheme is from 15% to 35%, depending upon the location of the unit and category of the beneficiary.

The performance of PMEGP Scheme during the last three years is as follows:

Sl. No	Year	Margin Money allocation (Rs. in crore)	Margin Money utilized# (Rs. in crore)	Units assisted (Number)	Estimated employment generated (Number)
1	2013-14	1145.00	1076.44	50493	378907
2.	2014-15	1093.06	1122.54	48168	357502
3	2015-16	1286.20	1020.06	44340	323362
4	2016-17*	1100.00	627.09	26885	199524

*upto 30.11.2016

(e): List of the Memoranda of Understanding (MoU) signed with various countries including Mozambique for cooperation in the MSME sector in the country is placed at **Annexure-I**. Copy of the MoU between India and Mozambique for cooperation in the MSME sector in the country is placed at **Annexure-II**.

Annexure-I

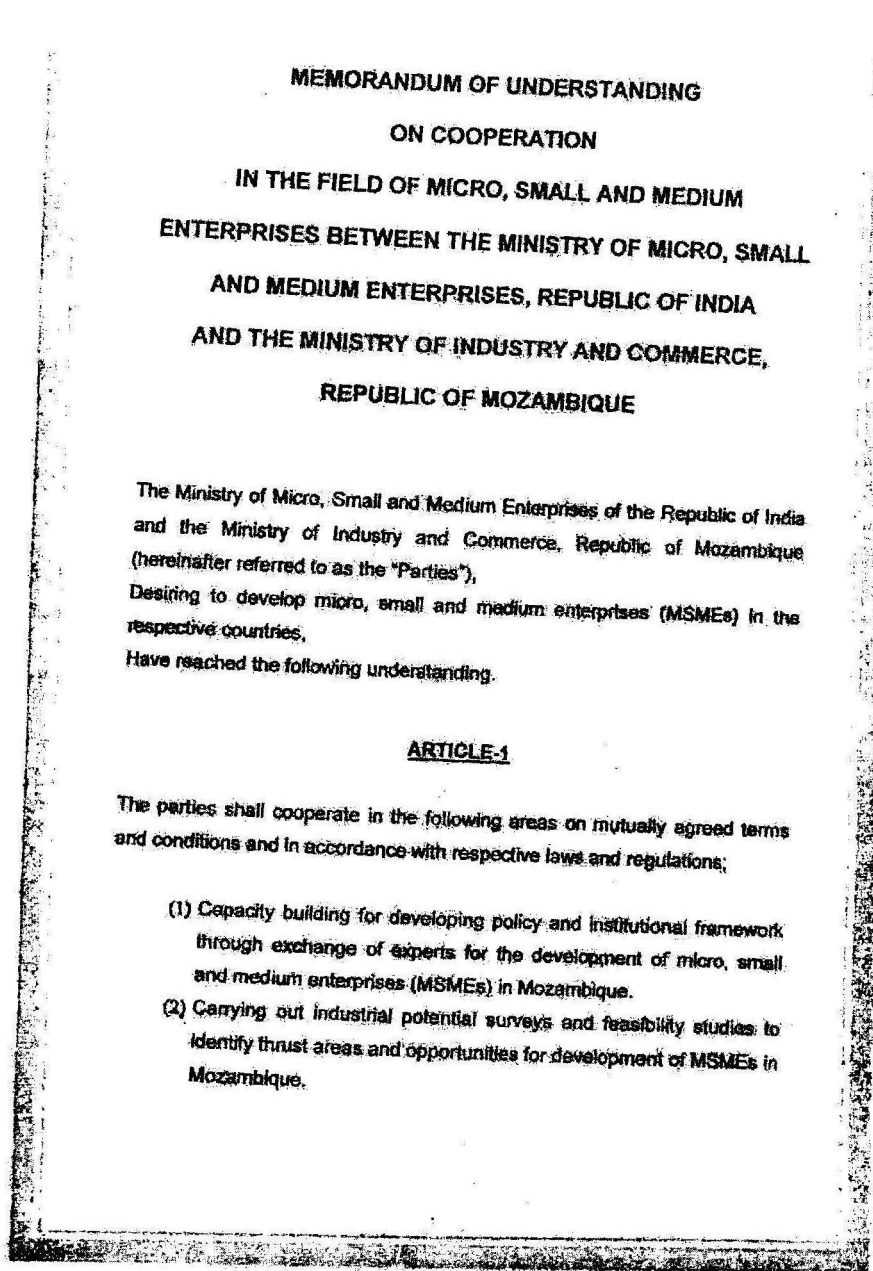
Annexure-I referred to in reply to part (e) of the Lok Sabha Unstarred Question No. 4146 for answer on 12.12.2016

Country-wise list of the Memorandum of Understandings (MoUs) signed for cooperation in the MSME sector in the country

Country	Partner Ministry/Organisation	Date signed
Kingdom of Sweden	Memorandum of understanding between M/o MSME of the Republic of India & M/o Enterprise and Innovation of the kingdom of Sweden on cooperation in the field of Micro, Small & Medium Enterprises	01/06/2015
Republic of Mauritius	Memorandum of understanding on cooperation between the M/o MSME of the Republic of India and the Ministry of Business, Enterprise and Cooperatives of the Republic of Mauritius in the field of Micro, Small and Medium Enterprises.	02/12/2013
Republic of Vietnam	MoU between the M/o MSME, Government of India and Ministry of Planning and Investment of the Government of Socialist Republic of Vietnam on Cooperation in the field of Micro, Small and Medium Enterprises.	15/01/2013
Republic of Indonesia	MOU between the M/o MSME of the Republic of India and Ministry for Cooperatives and Small and Medium Enterprises of the Republic of Indonesia.	25/01/2011
Republic of Mozambique	MoU on Cooperation in the field of Micro, Small and Medium Enterprises, Republic of India and the Ministry of Industry and Commerce, Republic of Mozambique.	30/09/2010
Republic of Korea	MoU between M/o MSME of the Republic of India and Small and Medium Business Administration of the Republic of Korea.	18/06/2010
Republic of Botswana	MoU between the Government of the Republic of India and Government of the Republic of Botswana on Cooperation in the field of Small, Medium and Micro Enterprises.	17/06/2010
Arab Republic of Egypt	Joint Action Plan on Cooperation in the field of Micro, Small and Medium Enterprises between the Ministry of Trade and Industry of Arab Republic of Egypt and the M/o MSME of the Republic of India.	29/10/2009
Cote d'Ivoire	The Ministry of Small Scale Industries of India and Ministry of Industry and Promotion of Private Sector of Cote d'Ivoire.	14/02/2007
Government of Tunisia	Cooperation agreement in the field of Small and Medium-Sized Enterprises between the Government of the Republic of Tunisia and the Government of the Republic of India.	08/02/2007
Government of Romania	The Ministry of Small Scale Industries of India and The National Agency for Small and Medium-Sized Enterprises and Co-Operatives of Romania.	23/10/2006
Republic of Rwanda	The Ministry of Commerce, Industry, Investment Promotion, Tourism and Cooperatives, Republic of Rwanda.	30/08/2006
United Mexican States	The Secretariat of Economy of the United Mexican States.	27/03/2006
The Government of Republic of Uzbekistan	The Government of Republic of Uzbekistan.	05/04/2005
Government of the Republic of Lesotho	The Government of the Republic of Lesotho.	10/09/2004
Democratic Socialist Republic of Sri Lanka	Democratic Socialist Republic of Sri Lanka.	27/01/2004
Democratic Republic of Algeria	Ministry of Small and Medium Size Enterprises and Handicraft in the People's Democratic Republic of Algeria.	10/10/2003
Republic of Sudan	Government of the Republic of Sudan.	09/04/2000

Annexure-II referred to in reply to part (e) of the Lok Sabha Unstarred Question No. 4146 for answer on 12.12.2016

Copy of the MoU between India and Mozambique for cooperation in the MSME sector



- (3) Promoting partnership projects and cooperation between institutions in both countries as well as between business enterprises.
- (4) Providing training for improvement of managerial & technical skills for MSMEs.
- (5) Organising exhibitions and trade fairs in India and Mozambique for marketing the products of MSMEs, and also for displaying the latest machineries and equipments, as well as material inputs required by MSMEs for their production operations.
- (6) Exchanging business missions to help initiate technology transfer and sustainable business alliances between Indian and Mozambique enterprises.

ARTICLE-2

A Joint Committee, hereinafter referred to, as "Committee", shall monitor the implementation of this Memorandum of Understanding. The Committee shall comprise representatives of the Ministry of Industry and Commerce on the Mozambique side and of the Ministry of Micro, Small & Medium Enterprises on the Indian side. Each party shall inform the other about the composition of the member(s) of the Joint Committee from its side.

ARTICLE-3

- (i) The Committee shall meet in ordinary session, once in a year, in Mozambique or India alternately, and in extraordinary sessions at the request of either party at any time, when necessary.
- (ii) The Committee shall oversee formulation of programmes and plans of cooperation and monitor the progress of implementation with the aim of strengthening relations and partnership between the two countries in the field of promotion and development of MSMEs.

ARTICLE-4

The Parties shall regularly exchange information relating to micro, small and medium business enterprises, development opportunities and possibilities of partnerships and shall work towards their achievement.

ARTICLE-5

The parties may, by mutual consent, make amendments to this Memorandum of Understanding. Any amendment shall enter into force under the same terms and conditions as required for the entry into force of this Memorandum of Understanding

ARTICLE-6

Any dispute between the Parties arising out of the interpretation of this Memorandum of Understanding shall be settled amicably through consultation or negotiation between the Parties and through diplomatic channels.

ARTICLE-7


This Memorandum of Understanding shall enter into force upon signature by both the parties and shall remain in force unless it is terminated by either party giving a 90 days' written notice to the other party through diplomatic channels, indicating its intention to terminate this Memorandum of Understanding.

ARTICLE-8

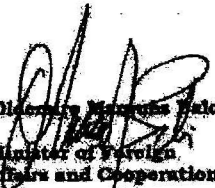
Termination of this Memorandum of Understanding shall not affect the completion of any project undertaken pursuant to this Memorandum of Understanding prior to its termination, unless the parties agree otherwise.

IN WITNESS WHEREOF, the following representatives duly authorized thereto by their respective Government have signed this Memorandum of Understanding.

Signed at New Delhi on this 30th day of September 2010, in two originals each, in English, Hindi and Portuguese languages, all texts being equally authentic. In case of any divergence of interpretation, the English text shall prevail.


Dinsha Patel
Minister of State
(Independent Charge) Micro,
Small and Medium Enterprises

Republic of India


Olomona Menezes Felol
Minister of Foreign
Affairs and Cooperation

Republic of Mozambique