

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. †4116
TO BE ANSWERED ON 27.03.2017

SETTING UP OF MSME UNITS

†4116. SHRI PARBHUBHAI NAGARBHAI VASAVA:
SHRI BHAI RON PRASAD MISHRA:
SHRI BHAGWANTH KHUBA:

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

- (a) the details of the number of Micro, Small and Medium Enterprises (MSME) units set up in the country during the last three years and the current year, year-wise ;
- (b) whether the Government proposes to set up more MSME units in the country including rural and tribal areas;
- (c) if so, the details thereof including the funds allocated for the purpose and number of persons likely to be benefitted therefrom during the next three years, State/UT-wise;
- (d) whether the Government proposes to implement the Draft National Entrepreneurship Policy; and
- (e) if so, the details thereof and if not, the reasons therefor?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF
MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI HARIBHAI PARATHIBHAI CHAUDHARY)

(a): The Government does not maintain information on the total number of MSMEs set up in the country in a year. However, as per registration on Udyog Aadhaar Memorandum (till 22nd March, 2017), numbers of MSMEs that commenced operation during the years 2013, 2014 and 2015 are 1.59 lakh, 2.38 lakh and 3.56 lakh, respectively. These figures show the numbers of only such MSMEs that are registered on the UAM platform.

Moreover, the Ministry of MSME is implementing the Prime Minister's Employment Generation Programme (PMEGP) which is a major credit-linked subsidy programme aimed at generating self-employment opportunities through establishment of micro-enterprises in the non-farm sector by helping traditional artisans and unemployed youth. KVIC is the national level nodal agency for implementation of the PMEGP.

The number of units set up, margin money utilized and total estimated employment generated under the PMEGP Scheme during last three years and current year, year wise is given below.

(Values in crore)

Year	Margin money subsidy utilized#	No. of units assisted/ to be set up	Estimated employment generated
2013-14	1076.45	50,493	378,907
2014-15	1122.54	48,168	357,502
2015-16	1020.06	44,340	323,362
2016-17*	761.98	31,403	235,768

including un-utilized balance funds of previous year

* up to 28th Feb.2017

(b)&(c): Yes, the budgetary allocation for the PMEGP scheme is made on yearly basis, keeping in view the last year's performance. Budgetary allocation for the scheme is fixed by the Ministry of Finance on yearly basis and the targets are fixed accordingly, based on the fund allocation. The budgetary allocation for the year 2017-18 is the amount of Rs1024.49 crore, out of which Rs 1004.49 crore are earmarked for margin money subsidy. The target for employment creation is demand-driven. A brief note on the PMEGP is enclosed at Annexure-A.

(d)&(e): The Draft National Entrepreneurship Policy has now been formalised in the form of National Policy on Skill Development and Entrepreneurship-2015. This Policy comes under the domain of the Ministry of Skill Development & Entrepreneurship (MoSD&E). The Government is working to institutionalise policy instruments stated in the National Policy on Skill Development and Entrepreneurship-2015. The initiatives that have been taken up under the Policy are Pradhan Mantri Yuva (PM-YUVA) project on Entrepreneurship education of youth and National Entrepreneurship Awards-2016. A note on these two initiatives is attached at annexure B.

Annexure-A referred to in reply to part (b) and (c) of the Lok Sabha Unstarred Question No. 4116 for answer on 27.03.2017

Brief Note on the Prime Minister's Employment Generation Programme (PMEGP)

Prime Minister's Employment Generation Programme (PMEGP) is a major credit-linked subsidy programme aimed at generating self-employment opportunities through establishment of micro-enterprises in the non-farm sector by helping traditional artisans and unemployed youth.

- PMEGP was announced by PM on 15 Aug.2008, the Scheme was launched during 2008-09 by merging two employment generation schemes viz., PMRY and Rural Employment Generation Programme (REGP).
- Any individual above 18 years of age is eligible.
- No educational qualification is prescribed for projects costing less than Rs.10 lakh in manufacturing sector and less than Rs.5 lakh in service/ business sector. For projects costing above Rs.10 lakh in the manufacturing sector and above Rs.5 lakh in the business /service sector, the beneficiaries should possess at least VIII standard pass educational qualification.
- The maximum cost of projects is Rs. 25 lakh in the manufacturing sector and Rs. 10 lakh in the service sector.
- General category beneficiaries can avail of margin money subsidy of 25 % of the project cost in rural areas and 15% in urban areas, personal contribution is 10%.
- For beneficiaries belonging to special categories such as scheduled caste/scheduled tribe/OBC/minorities/women, ex-serviceman, physically handicapped, NER, Hill and Border areas etc. the margin money subsidy is 35% in rural areas and 25% in urban areas, personal contribution is 5%.
- Assistance under the Scheme is available **only for new projects**. Existing units and the units that have already availed Government subsidy under any other scheme of Government of India or State Government are not eligible.
- Any activity (barring a few indicated in the negative list of PMEGP guidelines) can be taken up under PMEGP, broadly in the areas as mentioned below:
 - (i) Agro Based & Food Processing Industry (ABFPI),
 - (ii) Forest Based Industry (FBI)
 - (iii) Mineral Based Industry (MBI),
 - (iv) Polymer & Chemical Based industry (PCBI),
 - (v) Rural Engineering & Bio Technology Industry (REBTI),
 - (vi) Handmade Paper & Fibre Industry (HMPFI), and
 - (vii) Service & Textiles.
- A total of 4.02 lakh micro enterprises have been assisted with a margin money subsidy of Rs 8176.34crore providing employment to an estimated 33.76 lakh persons since 2008-09 till 2016-17 (28.02.2017).

Annexure-B referred to in reply to part (d) and (e) of the Lok Sabha Unstarred Question No. 4116 for answer on 27.03.2017

'Pradhan Mantri YUVA' Yojana (PM-YUVA)

As per this policy, MSDE has recently launched a scheme on entrepreneurship education and training called 'Pradhan Mantri YUVA' Yojana (PM-YUVA). The duration of the scheme is five years (2016-17 to 2020-21). Entrepreneurship Education and Training will be provided in 2200 Institutes of Higher Learning (IHL), 300 schools, 500 ITIs and 50 Entrepreneurship Development Centers (EDCs). PM YUVA will be implemented through a system of Entrepreneurship Resource and Coordination Hubs, namely, National E-hub, 6 Regional E-hub, 50 Nodal E-hubs and E-hubs (IHL, schools, ITIs and EDCs). The scheme is expected to create approximately 23,000 Enterprises over five years besides setting up of a total of 360 Social Enterprises. The scheme spans over five years (2016-17 to 2020-21) with a project cost of Rs. 499.94 crore and will provide entrepreneurship education and training to over 10.37 lakh students in 5 years

NATIONAL ENTREPRENEURSHIP AWARDS-2016

Further, to make the entrepreneurial ecosystem aspirational under this Policy, MSDE has instituted National Entrepreneurship Awards to recognize the efforts of outstanding entrepreneurs and their ecosystem builders. The major thrust of this event is on institutionisation of robust framework for 'National Entrepreneurship Award' system to support and inspire the young entrepreneurs' and encourage their ecosystem builders. Involvement of youth is the main objective of this Award Scheme, ensuring that those are aspirational for the youth.

Total of 19 awards have been proposed under two selection tracks – Award Track and Recognition Track. Under the Award Track, a total of 16 first generation entrepreneurs in emerging sector specific domain will be awarded. This category also includes Special Category Segments dedicated to women, SC/ST, PwD, difficult areas and social entrepreneurship. In the second track, i.e. the recognition track, efforts of three eminent ecosystem builders - institutes, educators, mentors, and Hand holding organizations engaged in entrepreneurship development - will be recognized.

The jury will comprise of eminent people in the field of Government, Industry, Investment, Banking, Non-Governmental Organisation (NGOs) and Incubators. Winners will be given a trophy, certificate and cash prize of Rs. 10,00,000 (organizations) and Rs. 5,00,000 (individuals).

To implement the scheme a Core Committee of Implementing Partners, comprising of seven premier institutes, will be nominated under the scheme. Each year one of these institutes could be nominated as the Lead Institute for implementing the awards while others will support the Lead Institute in this process. At least one knowledge partner will be identified from each zone of the country – North, East, West, South and Central. IIT-Delhi has been nominated as the lead institute for the National Entrepreneurship Awards 2016-17. The implementation process will include mobilisation of nominations, conduct the selection process and identify winners.