

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**STARRED QUESTION NO. \*368**  
**TO BE ANSWERED ON 07.01.2019**

**AGRO-BASED INDUSTRIES**

\*368. SHRI SUNIL JAKHAR:

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

- (a) whether the agro-based industries have been included in the Micro, Small and Medium Enterprises (MSMEs) policy to develop the agriculture sector and if so, the details thereof;
- (b) whether the Government proposes to set up agro-based MSMEs in those districts of Punjab which are adjoining the international border and if so, the details thereof; and
- (c) whether the Government proposes to do away with the condition of an amount upto one crore rupee investment for inclusion of agro-based industries in MSME schemes and if so, the details thereof?

**ANSWER**

MINISTER OF STATE (INDEPENDENT CHARGE)  
FOR MICRO, SMALL AND MEDIUM ENTERPRISES  
(SHRI GIRIRAJ SINGH)

(a) to (c): A statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (c) OF THE LOK SABHA STARRED QUESTION No.\*368 FOR ANSWER ON 07.01.2019**

(a): Agro-based industries, except farming, have been included in the Micro, Small and Medium Enterprises (MSMEs) under the following categories:

- I. Agro Based & Food Processing Industry (ABFPI),
- II. Forest Based Industry (FBI)
- III. Handmade Paper & Fibre Industry (HMPFI).
- IV. Coir Industry.

Ministry of MSME is implementing the following schemes through Khadi and Village Industries Commission (KVIC) and Coir Board for promotion of Agro-based Industries in the country:

i) Prime Minister's Employment Generation Programme (PMEGP) is a credit linked subsidy scheme, for setting up of new micro-enterprises and to generate employment opportunities in rural as well as urban areas of the country through KVIC, State Khadi & Village Industries Board (KVIB) and District Industries Centre (DIC). General category beneficiaries can avail of margin money subsidy of 25% of the project cost in rural areas and 15% in urban areas. For beneficiaries belonging to special categories such as SC/ST/Women/PH/Minorities/Ex-Servicemen/NER, the margin money subsidy is 35% in rural areas and 25% in urban areas. The maximum cost of projects is Rs.25 lakh in the manufacturing sector and Rs.10 lakh in the service sector.

ii) Scheme of Fund for Regeneration of Traditional Industries (SFURTI) from 2005-06 for making Traditional Industries more productive and competitive by organizing the Traditional Industries and artisans into clusters. The Scheme envisages providing need-based assistance for replacement of production equipment, setting up of common facility centres (CFC), product development, quality improvement, improved marketing, training and capacity building etc.

iii) A Scheme for Promoting Innovation, Rural Industry and Entrepreneurship (ASPIRE) was launched on 18.3.2015 to promote Innovation and Rural Entrepreneurship through rural Livelihood Business Incubator (LBI), Technology Business Incubator (TBI) and Fund of Funds for start-up creation.

The following Schemes, being implemented by the Development Commissioner of MSME's Office also promote MSMEs including agro-based industries:

i) Credit Guarantee Fund Scheme for Micro and Small Enterprises (CGTMSE): Credit guarantees are provided for extending collateral free lending to Micro and Small Enterprises through banks and financial institutions (including Non-Banking Financial Company (NBFC)). The Scheme covers collateral free credit facility (term loan and/ or working capital) extended by eligible lending institutions up to Rs. 200 lakh per borrowing unit. The guarantee cover provided is up to 75% of the credit facility upto Rs. 50 lakh (85% for loans up to Rs. 5 lakh provided to micro enterprises, 80% for MSEs owned / operated by women and all loans to NER) with a uniform guarantee at 50% of the credit exposure above Rs. 50 lakh and up to Rs.200 lakh.

ii) Credit Linked Capital Subsidy Scheme (CLCSS): provides for capital subsidy on financial assistance availed by Micro and Small Enterprises for Technology Upgradation. Maximum assistance amount covered for subsidy is Rs. 1.00 crore.

iii) Micro & Small Enterprises-Cluster Development Programme (MSE-CDP): This Scheme envisages adoption of Cluster Development approach for enhancing the productivity and competitiveness as well as capacity building of Micro and Small Enterprises (MSEs).

(b): There is no separate Scheme for setting up of agro-based MSMEs in the districts adjoining the international border. However, under PMEGP, micro units set-up in border areas are covered as special category and are entitled for higher rate of subsidy.

(c): There is no such plan to do away with the condition of an amount upto one crore rupee investment for inclusion of agro-based industries in MSME Schemes. The Credit Linked Capital Subsidy Scheme (CLCSS) facilitates technology upgradation in Micro and Small Enterprises (MSEs) by providing capital subsidy of 15 % (limited to maximum of Rs. 15.00 lakh) on institutional finance availed by them. Maximum limit of eligible loan for investment in approved plant & machinery is upto Rs.1.00 crore for induction of well-established and improved technologies. This also includes agro-based industries under the following categories:

- I. Industry based on Medicinal and Aromatic plants
- II. Food Processing (including Ice Cream manufacturing)
- III. Agricultural Implements and Post Harvest Equipment
- IV. Khadi and Village Industries
- V. Coir and Coir Products

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