

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 697
TO BE ANSWERED ON 17.09.2020

REDUCTION OF FUNDS UNDER ASPIRE

697. MS. S. JOTHIMANI:

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

- (a) the reasons for reduction in allocations under A Scheme for Promotion of Innovation, Rural Industries and Entrepreneurship (ASPIRE) and the credit support programme by 86% in the Budget; and
- (b) the steps taken to promote the MSME industries in Karur, Tamil Nadu during the last five years?

ANSWER

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI NITIN GADKARI)

(a): Under A Scheme for Promotion of Innovation, Rural Industries and Entrepreneurship (ASPIRE), assistance is provided for setting up of Livelihood Business Incubators (LBIs) and Technology Business Incubators (TBIs) to promote livelihood based enterprises and innovation, besides setting up a Rs.310 crore Fund of Funds (FoF) under Small Industries Development Bank of India (SIDBI) for investment in agro-rural focused Start-ups and early stage enterprises in MSME sector. In 2018-19, under ASPIRE, Rs. 224 crore was allocated at RE stage, of which Rs. 210 crore was for SIDBI as the last installment for FoF corpus, while Rs.14 crore was allocated for setting up LBIs and TBIs. In 2020-21, the BE allocation is Rs.30 crore only for setting up LBIs and TBIs. Hence, the reduction of 86% in budget allocation from the year 2018-19 to 2020-21 is on account of the fact that there is no further requirement of funds for SIDBI as FoF as the corpus with approved amount has already been set up. The funds allocated for LBI/TBI have actually increased from Rs.14 crore in 2018-19 to Rs.30 crore in 2020-21.

Under Credit Guarantee Trust Fund for Micro and Small Enterprises (CGT-MSE), there is a total corpus of Rs.7,500 crore with GoI contribution of Rs.7000 crore and SIDBI contribution of Rs.500 crore to provide guarantee on credit facilities extended to eligible borrowers in MSME, without collateral guarantee. Since the corpus has reached the upper ceiling of GoI contribution with the release of Rs.555.16 crore in 2019-20, the allocation in 2020-21 has been reduced to Rs.100 crore, as a reserve amount in case there is an upward revision in the ceiling of GoI contribution in the corpus of the fund.

(b): Following steps have been taken to promote MSME industries in Karur, Tamil Nadu, during the last 5 years.

- (i) Under Prime Minister's Employment Generation Programme (PMEGP), loan is being provided by Banks and financial assistance in the form of Margin Money subsidy is provided by the GoI to new entrepreneurs for setting up micro enterprises in non-farm sector. The details of the micro-units assisted under PMEGP in Karur District of Tamil Nadu during last five years and the current year is as follows:

| Year | No. of micro units assisted under PMEGP | Margin Money Subsidy disbursed (Rs. in lakh) | Estimated Employment generated |
|----------------------------------|--|---|---------------------------------------|
| 2015-16 | 21 | 86.83 | 323 |
| 2016-17 | 98 | 432.95 | 1080 |
| 2017-18 | 85 | 403.08 | 680 |
| 2018-19 | 176 | 902.52 | 1416 |
| 2019-20 | 104 | 560.37 | 832 |
| 2020-21 (as on 11.09.2020) | 22 | 106.59 | 176 |

(ii) Under Coir Vikas Yojna for the training and welfare of coir artisans, 4 number of awareness camps have been held in Karur, Tamil Nadu for training total 450 coir artisans over the past 5 years. Besides, 1 Entrepreneurship Development Programme has been organized for training of 60 coir entrepreneurs. Alongside, 32 coir fibre extraction units, 14 curled coir units, 14 coir pith block units and 12 coir spinning units are functioning in and around Karur district, out of which 20 units (12 coir fibre extraction units, 4 coir pith block units and 4 coir spinning units) have been registered with Coir Board under Coir Industrial Registration Act, 2008. Coir Board has also issued Export Registration Certificate to 6 coir exporters which has helped them to avail 1-2 % export incentive.

(iii) In addition, Government of India has recently taken number of special initiatives under AtmaNirbhar Bharat to support MSME sector in the entire country, including Karur, Tamil Nadu. These include Rs. 20,000 crore Subordinate Debt scheme for MSMEs, Rs.3 lakh crore Collateral free Automatic Loans scheme for businesses including MSMEs, Rs. 50,000 crore equity infusion through MSME Fund of Funds, implementation of new revised criteria for classification of MSMEs, enhanced process of MSME registration through 'Udyam Registration' and ban on global tenders for procurement up to Rs.200 crore.
