

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 2678
TO BE ANSWERED ON 14.03.2016

PROMOTION OF MSME

2678. SHRI NISHIKANT DUBEY:
SHRI RAVINDRA KUMAR PANDEY:
SHRI ANSHUL VERMA:
SHRI RAJESHBHAI CHUDASAMA:
SHRI N.K. PREMACHANDRAN:
SHRI BHARTRUHARI MAHTAB:
SHRI E. AHAMED:
SHRI DEVJI M. PATEL:
SHRIMATI PRATYUSHA RAJESHWARI SINGH:
SHRIMATI BHAVANA PUNDALIKRAO GAWALI PATIL:

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

- (a) whether the Government proposes to introduce new schemes/programmes for promotion of the Micro, Small and Medium Enterprises (MSMEs) sector in the country, if so, the details thereof including the funds allocated/utilised for the purposes during each of the last three years and the current year, State-wise;
- (b) whether the Government proposes to extend more financial assistance to the MSMEs in the country, if so, the details thereof including the steps taken by the Government to ensure adequate and timely disbursement of funds by the banks, State-wise;
- (c) whether the Government also proposes to introduce new schemes for providing sufficient raw materials to the MSMEs, if so, the details thereof; and
- (d) the details of initiatives taken by the Government for growth of the MSMEs sector under the 'Make in India' programme?

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

(a): Ministry of Micro, Small and Medium Enterprises (MSME) has taken following initiatives for promotion of MSME's and to enable ease of doing business:

Under **Udyog Aadhaar Memorandum (UAM)** Ministry has notified a simple one-page registration Form UAM on 18.09.2015. This is an important step to promote ease of doing business for MSMEs in India as the UAM replaces the filing of Entrepreneurs' Memorandum with the respective States/UTs. The information sought is on self-certification basis, no supporting documents are required at the time of online filing of UAM and no fees for UAM registration.

The **Framework for revival and rehabilitation of MSMEs** was notified by the Ministry on 29.05.2015 which provides a mechanism for revival and rehabilitation with a definite voice to the Entrepreneurs and is expected to balance the interest of debtors and creditors. The framework enables Banks/creditors to identify MSME's which are in the stage of initial stress and take corrective action to prevent them from becoming NPA's. MSMEs can seek revival and rehabilitation benefit through a committee constituted by banks with representative from State Governments, experts and others.

A Scheme for Promoting Innovation, Rural Industry and Entrepreneurship (ASPIRE) was launched on 18.3.2015 to promote Innovation & Rural Entrepreneurship through rural Livelihood Business Incubator (LBI), Technology Business Incubator (TBI) and Fund of Funds for start-up creation in the agro-based industry. During the year 2015-16, 22 LBIs & 2 TBIs have been approved and two LBI Centres have been operationalized at Deoria (U.P.) and Rajkot (Gujarat).

Ministry of MSME is also implementing various schemes and programmes for promotion and development of MSME sector. The major schemes/programmes include Prime Minister's Employment Generation Programme (PMEGP), Scheme of Fund for Regeneration of Traditional Industries (SFURTI), Credit Guarantee Scheme, Credit Linked Capital Subsidy Scheme (CLCSS), National Manufacturing Competitiveness Programme, Micro & Small Enterprises - Cluster Development Programme (MSE-CDP), Marketing Development Assistance, Skill Development Programmes, International Cooperation Scheme, etc.

The details of funds allocated and utilized during last three years and current year for plan schemes are as under:-

(Rs. in crore)		
Year	Budget Estimates	Utilization/ Expenditure
2012-13	2835.00	2229.52
2013-14	2977.00	2272.05
2014-15	3327.00	2384.57
2015-16	2612.51	1913.73*

*provisional till 29.2.2016

(b): Ministry of MSME's Budget allocation which was Rs.2612.51 crore (2015-16) has been enhanced to Rs.3000 crore (2016-17). This enhancement is 15% more than the previous year. In terms of the recommendations of the Prime Minister's Task Force on MSMEs (2010) chaired by the Principal Secretary to Hon'ble Prime Minister, the RBI has advised the banks, *inter alia*, the bank shall have to achieve a 20% year-on-year growth in credit to micro and small enterprises, allocation of 60% of the MSE advances to the micro enterprises and 10% annual growth in number of micro enterprise accounts.

To facilitate easy flow of credit to Micro, Small and Medium Enterprises (MSMEs), a Credit Guarantee Fund Scheme for Micro and Small Enterprises (MSEs) is being implemented under which guarantee cover is provided for collateral free credit extended to MSEs. The Reserve Bank of India (RBI) has issued guidelines in May 2010, which mandatorily require banks to dispense without collateral requirement for loans upto Rs.10 lakh to MSEs.

(c): National Small Industries Commission (NSIC) under the Ministry of MSME is implementing the Raw Material Assistance Scheme which aims at helping MSEs by way of financing the purchase of Raw Material (both indigenous & imported). Benefits under the scheme include the following:

- 1) Financial Assistance for procurement of Raw Material upto 90 days.
- 2) MSEs helped to avail Economics of Purchases like bulk purchase, cash discount, etc.
- 3) NSIC takes care of all the procedures, documentation & issue of Letter of Credit in case of imports.

(d): In addition to ASPIRE, Government is implementing the following schemes for growth of the MSMEs sector under the 'Make in India' programme:

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. Since inception and up to January 2016, 3.50 lakh micro enterprises have been set up by utilizing margin money amounting to Rs.7004.40 crore. 29.82 lakh jobs have been created from these units.

Scheme of Fund for Regeneration of Traditional Industries (SFURTI) was launched in 2005-06 for making Traditional Industries more productive and competitive by organizing the Traditional Industries and artisans into clusters. 26 clusters have been granted final approval with a total project cost of Rs.72 crore benefiting around 25000 artisans.

* * *