

**GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:4297

ANSWERED ON:04.08.2009

RICE MILLS

Rao Shri Nama Nageswara

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

- (a) whether the rice mill industry is facing problems of fragmentation and lack of adequate credit and capital;
- (b) if so, the details thereof and the reaction of the Government thereto;
- (c) whether any funds have been earmarked for the purpose during the current fiscal year; and
- (d) if so, the details thereof?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE), MICRO, SMALL AND MEDIUM ENTERPRISES (DINSHA PATEL)

(a) to (d): The Rice milling industry has reported the need for adequate credit at cheaper rate of interest to upgrade the existing rice mills. The Government is implementing a scheme for technology upgradation of micro and small enterprises, namely, the Credit Linked Capital Subsidy Scheme for 48 approved sub-sectors including Rice Milling. Under this scheme, 15% capital subsidy is provided for loans up to Rs.1 crore. A budgetary provision of Rs.119.80 crore has been made under the scheme for 2009-10. The Government is also operating a scheme, namely, Credit Guarantee Fund Scheme for Micro and Small Enterprises. Under the scheme, guarantee cover is provided to collateral free credit facility extended by member lending institutions to the new as well as existing micro and small enterprises (including rice milling) on loans up to Rs.100 lakh. The budgetary provision made under the scheme for 2009-10 is Rs.122 crore. In addition, the Government is operating a scheme for Technology Upgradation/Setting up and Modernization of food processing industries. Under this scheme grant in aid is provided to grain milling sector including rice milling and other food products. A budgetary provision of Rs.2.47 crore has been earmarked for Rice Milling under the scheme for 2009-10. Further, twenty five rice milling clusters have been taken up under the Micro and Small Enterprises Cluster Development Programme for conducting diagnostic studies, soft interventions and hard interventions. The budgetary provision made under the scheme (including for rice milling clusters) for 2009-10 is Rs.26 crore.