

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

UNSTARRED QUESTION NO:224
ANSWERED ON:22.11.2012
INVESTORS IN MSME
Dharmshi Shri Babar Gajanan

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

- (a) the growth rate targeted for Micro, Small and Medium Enterprises (MSMEs) for twelfth Five Year Plan;
- (b) whether the Government proposes to provide concessions/incentives to investors in order to achieve the targeted growth rate;
- (c) if so, the details thereof; and
- (d) the schemes formulated and steps taken by the Government in this direction?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI K.H. MUNIYAPPA)

(a): Madam, Micro, Small and Medium Enterprises (MSMEs) are highly diverse in their nature of activity and operate across the non-agricultural segment of the economy. The growth rate targeted for MSMEs during the twelfth Five Year Plan is likely to be on par with that of National Economy, as these enterprises are dependent on macro economic factors influencing industry and the economy of the country. The National Manufacturing Policy envisages share of manufacturing in the country to rise to 25% of Gross Domestic Product from the present 16% by the year 2022.

(b) to (d): The Government has formulated several policies, programmes and schemes to facilitate promotion and development of MSMEs in the country. In the Union Budget 2012-13, capital gains tax on sale of a residential property has been exempted, if the sale consideration is used for purchase of new plant and machinery. The restriction on Venture Capital Funds to invest only in nine specified sectors has been removed. Another important incentive is through implementation of Public Procurement Policy for Micro and Small Enterprises Order 2012. Other major schemes include Credit Guarantee Scheme, Credit Linked Capital Subsidy Scheme, Cluster Development Programme, National Manufacturing Competitiveness Programme, Prime Minister's Employment Generation Programme, Entrepreneurship & Skill Development Programme and Performance and Credit Rating Scheme, all of which help growth of this Sector.