

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

UNSTARRED QUESTION NO:1044

ANSWERED ON:29.11.2012

USE OF MODERN TECHNOLOGY IN MSMEs SECTOR

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

- (a): the percentage of micro, small and medium enterprises (MSMEs) using modern technology in the country;
- (b): whether a large number of MSMEs have not been able to use modern technology due to the paucity of funds;
- (c): if so, the details of the financial assistance provided to MSMEs for the purpose during each of the last three years and the current year, State-wise;
- (d): whether the World Bank/Foreign agencies have approved any loan for MSMEs in the country; and
- (e): if so, the details of the funds granted and utilized by the States including Bihar for this purpose during the said period, State-wise; and
- (f): the extent to which MSMEs sector has been benefited in term of its growth by such assistance?

Answer

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

(a): Madam, based on the Fourth All India Census of Micro, Small and Medium Enterprises (MSMEs) with reference year 2006 – 07, it is estimated that around 12.31% of MSMEs were using 'Technical Know-how' obtained from abroad or through Domestic Collaborating companies/Domestic R & D institutions/specialized agencies/ organizations.

(b) & (c): Due to insufficient investment and lack of awareness about quality standards and modern technologies, a large percentage of MSMEs continue with outdated technologies and plant & machineries. In this regard, Ministry of Micro, Small and Medium Enterprises is operating a scheme for technology upgradation of SMEs called "Credit Linked Capital Subsidy Scheme" (CLCSS), which aims at facilitating technology upgradation by providing 15% upfront capital subsidy (maximum up to Rs.15.00 lakh) on institutional finances availed by them. The State-wise details of financial assistance given to MSMEs during each of the last three years and the current year are given in Annexure – I.

(d) & (e): World Bank has sanctioned a loan of US\$400 million to SIDBI during referred period to provide financial assistance to Micro, Small and Medium Enterprises (MSMEs). As on 31.10.2012, an amount of US\$370 million was utilized, out of said World Bank loan. The State-wise utilization of the said World Bank loan is given in Annexure – II.

(f): Micro, Small and Medium Enterprises are set up by individuals. The Central Government provides assistance for the promotion and development of MSMEs through implementation of various schemes/ programmes relating to credit, infrastructural development, technology upgradation, marketing, entrepreneurial/skill development, etc. As per the Fourth All India Census of Micro, Small and Medium Enterprises (MSMEs) with reference year 2006 – 07, wherein the data was collected till 2009, the number of enterprises in the MSME sector has grown to 361.76 lakhs in 2006 – 07 from 105.21 lakhs in 2001 – 02 (Third Census).