

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

UNSTARRED QUESTION NO:4910
ANSWERED ON:25.04.2013
INCENTIVES TO ENTREPRENEURS
Singh Shri Dushyant

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

- (a) the details of various incentives given by the Government to promote entrepreneurship;
- (b) whether India ranked 166th in the survey conducted by the World Bank in regard to starting businesses/industries;
- (c) if so, the reason for such a low rank; and
- (d) the reaction of the Government thereto?

Answer

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

(a): Ministry of Micro, Small and Medium Enterprises operates a number of schemes to promote entrepreneurship. Under the Prime Minister's Employment Generation Programme (PMEGP) subsidy linked bank loan is provided to new entrepreneurs; under the Credit Guarantee Scheme collateral free bank loan is facilitated; under Rajiv Gandhi Udyami Mitra Yojana (RGUMY), cost of Udyami Mitras providing hand holding support to new entrepreneurs is subsidized.

(b): World Bank brought out a report named, "Doing Business in a More Transparent World", in the year 2012. In the report ease of doing business in various countries, was reported on the basis of facilities available for starting businesses, as per a set of criteria decided. While overall rank of India given in the report is 132, under the category of "starting a business" India has been ranked 166.

(c): As per the criteria followed in the "Doing Business in a More Transparent World" Report-2012, the ranking under "starting a business" has been decided on the criteria of number of procedures to be completed; time taken; cost to be incurred and minimum own capital needed to be invested, for starting a new business. On the basis of data compiled under each of the above criteria and their comparison with data with other countries, the ranking of India has been decided in the report.

(d): Government has taken a number of initiatives to facilitate starting of new business in India, viz., abolition of registration of small scale industries with the enactment of MSMED Act -2006 and introduction of optional filing of Entrepreneurial Memorandum (EM); progressive online filing of Entrepreneurial Memorandum; launching of Venture Capital Fund by SIDBI; launching of special SME platform by the National Stock Exchange and Bombay Stock Exchange to facilitate capital market access for Micro, Small and Medium Enterprises (MSMEs) etc.