

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

UNSTARRED QUESTION NO:2238

ANSWERED ON:18.12.2013

DEVELOPMENT OF SSIS

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

- (a) the present policy of the Government for advancement and development of Small Scale Industries (SSIs) in the rural areas of the country;
- (b) the number of small SSIs registered/functioning in various States of the country, investment made therein and the employment opportunities generated during each of the last three years and the current year, State/UT-wise;
- (c) whether the Government is providing/proposes to provide assistance/special package to States for promotion/marketing of products of SSIs;
- (d) if so, the details thereof and the assessment made/schemes launched/measures taken by the Government in this regard; and
- (e) the details of the initiatives taken by the Government to give assistance to Small entrepreneurs for setting up/expansion of business and to improve their skills along with the targets set/achieved as a result thereof?

Answer

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

(a): The Micro, Small and Medium Enterprises(MSME) Development Act, 2006 provides for classification of MSME as given below:

Classification	Investment in plant and machinery	
	Manufacturing sector	Services sector
Micro	Upto Rs.25 lakh	Upto Rs.10 lakh
Small	Above Rs.25 lakh & upto Rs.5 crore	Above Rs.10 lakh & upto Rs.2 crore
Medium	Above Rs.5 crore & upto Rs.10 crore	Above Rs.2 crore & upto Rs.5 crore

Government of India supplements the efforts of the State Governments for development of MSME in the country including those in the rural areas. In particular, Government of India is striving to improve the rural non-farm sector through a host of measures including creation of productive employment opportunities based on optimum use of local raw materials and skills as well as undertaking interventions aimed at improving supply chain, enhancing skills, upgrading technology, expanding markets and capacity building of entrepreneurs/ artisans and their groups / collectives.

(b): The latest Census (Fourth All India Census of MSME) conducted (with base reference year 2006-07) wherein the data was collected till 2009 and results published in 2011-12, State-wise number of registered MSME in the country, investment made and the employment opportunities generated are given in Annex. Year-wise data is not captured in the Census.

(c)to(e): Ministry of MSME has been implementing Marketing Development Assistance(MDA) Scheme for MSME to enhance their export through participation in international events. Government has also notified a Procurement Policy, according to which, Central Government Ministries, Departments and Public Sector Undertakings shall procure a minimum of 20 per cent of their annual procurement in value from the goods produced and services rendered by micro and small enterprises.

Government in the Ministry of MSME has also been implementing a credit-linked subsidy programme named Prime Minister's Employment Generation Programme (PMEGP) since 2008-09 with Khadi and Village Industries Commission (KVIC) as nodal agency at the national level for generating employment in the Country by setting up of micro-enterprises in the non-farm sector. Under PMEGP, 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 scheduled castes, scheduled tribes, OBCs, minorities, women, ex-servicemen, physically handicapped, beneficiaries belonging to North Eastern Region, hill and border areas, etc., the margin money subsidy is 35% in rural areas and 25% in urban area. The maximum cost of project is ` 25 lakh in the manufacturing sector and ` 10 lakh in the service sector. During 2012-13, 57078 micro-enterprises have been setup with margin money assistance of ` 1080.25 crore to create employment for an estimated 4.28 lakh persons in the country.

Skill/ entrepreneurship development programmes are conducted through three national level Entrepreneurship Development Institutes

of this Ministry, namely National Institute for Entrepreneurship and Small Business Development(NIESBUD), Noida, National Institute for Micro, Small and Medium Enterprises(NI-MSME),Hyderabad and Indian Institute of Entrepreneurship(IIE), Guwahati and also by various field units of KVIC, Coir Board, Development Commissioner(MSME), including 10 MSME Tool Rooms. During 2012-13, 5.51 lakh persons have been trained against the target of 6 lakh persons.