

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

STARRED QUESTION NO:164

ANSWERED ON:09.03.2015

TECHNOLOGICAL UPGRADATION OF MSME UNITS

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

- (a) whether a large number of Micro, Small and Medium Enterprises (MSME) units continue to use outdated technology and if so, the details thereof and the reasons therefor, State/UT-wise;
- (b) whether the Government provides financial assistance for augmenting infrastructure and promotion and technological upgradation of MSME units in the country and if so, the details thereof;
- (c) the funds allocated and utilised for the purpose and the number of MSME units benefitted during each of the last three years and the current year, State/ UT-wise, and
- (d) the corrective steps taken in this regard?

Answer

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI KALRAJ MISHRA)

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERED TO IN REPLY TO PARTS (a) to (d) IN RESPECT OF LOK SABHA STARRED QUESTION NO. 164 FOR ANSWER ON 09.03.2015

(a): Yes, Madam. It is generally believed that a large number of Micro, Small and Medium Enterprises (MSMEs) are using outdated technology because of lack of sufficient finance, lack of access to modern technology, absence of in-house research & development etc. The State/UT-wise details regarding the use of outdated technology is not maintained.

(b)to(d): This Ministry is implementing Micro & Small Enterprises Cluster Development Programme (MSE-CDP) for promotion / development of infrastructure to develop infrastructure, improve productivity and competitiveness of MSEs by way of preparing Diagnostic Study Report, Soft Intervention, Detailed Project Report, Hard Intervention/ Common Facility Centres (CFCs) and Infrastructure Development. The State/UT-wise status of funds released for the development of infrastructure projects under MSE-CDP in the last 3 years and current year is furnished at Annexure-I.

For upgradation of technology, this Ministry is implementing Credit Linked Capital Subsidy Scheme (CLCSS). Under CLCSS, 15% upfront subsidy (subject to maximum of Rs.15.00 lakhs) is given to micro and small enterprises for upgradation of technology. At present, 51 sub-sectors are covered under this scheme (Annexure-II). For more transparency and better implementation of CLCSS, Online Application and Tracking System was introduced for submission of applications with effect from 01.10.2013. The State/UT-wise details of subsidy released and number of units assisted under CLCSS during last 3 years and current year is given at Annexure-III.

To facilitate technology upgradation and enhance competitiveness of MSMEs, the Ministry, under the flagship scheme of National Manufacturing Competitiveness Programme (NMCP), is implementing schemes such as Lean Manufacturing Competitiveness Scheme, Design Clinic, Technology and Quality Upgradation Programme (TEQUP) and Quality Management Standards (QMS) and Quality Technology Tools (QTT). The expenditure details of these schemes during last three years and current year are given at Annexure-IV.