

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

UNSTARRED QUESTION NO:3903
ANSWERED ON:06.08.2014
DEVELOPMENT OF MSME
Patil Shri Shivaji Adhalrao;Shrirang Shri Chandu Barne

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

- (a) whether there is a need to attract investors towards the development of Micro, Small and Medium Enterprises Sector;
- (b) if so, the details thereof;
- (c) whether the Union Government is considering to give concessions/incentives to the investors for development of Micro, Small and Medium Enterprises to achieve the growth rate target set for the 12th Five Year Plan; and
- (d) if so, the details of the Schemes prepared by the Union Government in this regard?

Answer

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

(a)to(d): The responsibility of development and promotion of Micro, Small and Medium Enterprises is primarily of States/Union Territories. The Central Government however supports and supplements the efforts of State Governments and Union Territories in this regard. Ministry of MSME is implementing Prime Minister's Employment Generation Programme (PMEGP) for encouraging setting of Micro Enterprises under which General category beneficiaries can avail of margin money subsidy of 25 % of the project cost in rural areas and 15% in urban areas and Scheduled Caste/ Scheduled Tribe /Women beneficiaries can avail the margin money subsidy of 35% of the project cost in rural areas and 25% in urban areas. In addition, the Union Government is giving concessions/incentives to the investors under the Credit Guarantee Fund Scheme and Credit Linked Capital Subsidy Scheme (CLCSS). The Credit Guarantee Fund Scheme provides collateral free credit facility (term loan and/ or working capital) extended by eligible lending institutions to new and existing micro and small enterprises up to Rs. 100 lakh per borrowing unit. CLCSS provides 15% capital subsidy on eligible institutional loan up to Rs.100 lakh.