

(b) Khadi spinning and weaving is a subsidiary activity. The artisans associated with Khadi Institutions are self-employed persons. They operate charkha/looms depending upon the free time available to them. The artisans are paid on piece rate basis *i.e.* number of hanks of yarn spun and meters of cloth woven. Hence, the wages of Khadi artisans are not strictly comparable to minimum daily wages.

(c) No classification on the basis of skill has been introduced in Khadi activities.

(d) Khadi spinning is mostly a subsidiary activity which is performed by Khadi artisans in their spare time. It is noticed that Khadi weavers are able to earn wages comparable to daily wages if they perform the activity for 8 hours. MDA is allowed @ 20% on cost of production of Khadi (Cotton, Silk, and Woolen) and Polyvastra to the extent of production target approved by the Standing Finance Committee (SFC) of KVIC for the year. As per MDA Guidelines, 25% of total MDA amount is passed on to the spinners and weavers in the form of incentive or 'bonus' through their bank or post office accounts, in addition to their normal earnings. It is observed that the amount works out to be 15% of the average earning of the artisans. Hence, it is not feasible to link release of MDA with minimum daily wages. Further, KVIC has advised Khadi Institutions to adopt market oriented pricing so as to increase the earning opportunities of the artisans.

Problems being faced by MSME sector

1190. DR. PRADEEP KUMAR BALMUCHU: Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether it is a fact that MSME Sector is reeling under problems and needs to be revitalized, if so, the details thereof and the reasons for the present state of affairs; and

(b) the steps being taken by Government to overcome the problems?

THE MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI KALRAJ MISHRA): (a) and (b) MSME entrepreneurs are facing several problems *i.e.*

- (i) Lack of adequate capital,
- (ii) Poor infrastructure
- (iii) Access to modern technology
- (iv) Access to markets
- (v) Getting statutory clearances related to power, environment, labour etc.

To obviate these problems, the Ministry of Micro, Small and Medium Enterprises (MSME) is implementing a number of Schemes and Programmes like Credit Guarantee Scheme, Credit Linked Capital Subsidy Scheme, Cluster Development Programme and National Manufacturing Competitiveness Programme etc. Furthermore, the Ministry has been interacting with various concerned Ministries/Departments/State Governments/Banks and other stake-holders to streamline the mechanism for grant of loans, simplify labour laws and other procedures to facilitate the growth of MSME units.

Credit facility to unregistered entrepreneurs

1191. SHRI RAJEEV CHANDRASEKHAR: Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether the Ministry has taken cognizance of the findings of the latest socio-economic and caste census which reports that 2.73 per cent of 4 million households with self-employed entrepreneurs have a registered enterprise;

(b) whether the Ministry has undertaken any initiatives in the last year, to bolster credit availability to unregistered self-employed entrepreneurs, the details thereof; and

(c) the targets of the Ministry, if any, to raise the number and percentage of registered enterprises amongst self-employed entrepreneurs in rural India?

THE MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI KALRAJ MISHRA): (a) Yes, Sir.

(b) Government of India (GOI) has set up a Micro Units Development and Refinance Agency (MUDRA) Ltd. which would be responsible for refinancing all Micro-finance Institutions (MFIs), which are in the business of lending to micro/small business entities engaged in manufacturing, trading and services activities for loan upto rupees ten lakh.

(c) There are no targets for registration of enterprises in rural areas.

Impact of NPA guidelines on MSMEs

1192. SHRI DEREK O'BRIEN: Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether the Reserve Bank of India's Guidelines which seeks to qualify any business loan restructuring to be classified as Non-Performing Asset (NPA) will have an adverse impact on Micro, Small and Medium Enterprises (MSMEs);

(b) if so, the details thereof and steps taken by Government to protect MSMEs; and