

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

UNSTARRED QUESTION NO:2207
ANSWERED ON:21.07.2009
NEW INDUSTRIAL UNITS
Maadam Shri Vikrambhai Arjanbhai

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

- (a) whether the Khadi and Village Industries Commission promotes new industrial units for generating employment opportunities;
- (b) if so, the number of new industrial units promoted during each of the last three years, State-wise;
- (c) the number of persons likely to get employment as a result thereof; and
- (d) the target fixed for opening new industrial units and the incentives given for this purpose during the current year?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI DINSHA PATEL)

(a): The Government (in the Ministry of Micro, Small and Medium Enterprises), through Khadi and Village Industries Commission (KVIC), had been implementing a Central Sector credit-linked subsidy scheme, called the Rural Employment Generation Programme (REGP) from 01.04.1995 to 31.03.2008, in the rural areas and small towns with population up to 20,000. Under this Programme, eligible entrepreneurs were assisted in establishing new village industry units, by availing of loans from public sector scheduled commercial banks, selected Regional Rural Banks, cooperative banks, etc., and also margin money assistance (subsidy) from the KVIC, for projects with a maximum cost upto Rs. 25 lakh.

REGP has been discontinued from 2008-09 and a new scheme titled Prime Minister's Employment Generation Programme (PMEGP) was approved in August 2008 by merging the then existing REGP and Pradhan Mantri Rozgar Yojana (PMRY) schemes of this Ministry. It is a significant initiative with a higher level of subsidy than PMRY and REGP. The permissible margin money assistance provided under PMEGP is as under:

Categories of beneficiaries under PMEGP Beneficiary's Contribution (of project cost) Rate of Subsidy (of project cost)

Area (location of project/unit)	Urban		Rural	
General Category	10%	15%	25%	
Special Category (including SC / ST / OBC / Minorities/Women, Ex-servicemen, Physically handicapped, NER, Hill and Border areas etc.)	05%	25%	35%	

PMEGP is implemented through KVIC as the single nodal agency at the national level. At the State/Union Territories level, the scheme is being implemented through field offices of KVIC, State/Union Territory Khadi and Village Industries Boards and District Industries Centres (DICs) with involvement of banks.

(b): The State/UT - wise number of village industry units / micro enterprises assisted under REGP during 2006-07 & 2007-08, and PMEGP during 2008-09 (provisional figures) are given at Annex.

(c): Around 5,95,451 persons were estimated to have benefited from additional employment generated under REGP during 2006-07; 9,75,651 persons during 2007-08 and estimated 3,62,870 persons under PMEGP during 2008-09 (provisionally).

(d): About 61,697 Micro enterprises are likely to be assisted with utilization of margin money subsidy of Rs. 740.33 crore as per the tentative targets set for 2009-10.