

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

UNSTARRED QUESTION NO:3206
ANSWERED ON:28.07.2009
SMALL AND COTTAGE INDUSTRIES
Munda Shri Arjun

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

- (a) whether the Government proposes to set up a large number of small and cottage industries based on indigenous skills, traditional industries, rural industries, technology and agricultural products in States having low per capita income and high rates of poverty in the country including Jharkhand;
- (b) if so, the details thereof;
- (c) whether the Government has drawn up any action plan to implement the same in a time bound manner; and
- (d) if so, the details thereof?

Answer

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

(a) & (b): The Government (in the Ministry of Micro, Small and Medium Enterprises) does not set up small and cottages industries of its own. The development and promotion of small and cottage industries is primarily the responsibility of States / Union Territories (UTs). The Government (in the Ministry of Micro, Small and Medium Enterprises) however, supplements the efforts of the States / Union Territories for development and promotion of micro, small and medium enterprises, including cottage industries, through various schemes / programmes relating to credit, infrastructural development, technology upgradation, marketing, entrepreneurial development, etc, throughout the country, including the States/Union Territories having low per capita income and high rates of poverty. Prime Minister's Employment Generation Programme (PMEGP) is one of these schemes, under which entrepreneurs, can establish 'micro enterprises', as defined in the "Micro, Small and Medium Enterprises Development Act, 2006", i.e., the enterprises engaged in (i) the manufacture or production of goods pertaining to any industry specified in the first schedule to the Industries (Development and Regulation) Act, 1951, where the investment in plant and machinery does not exceed twenty five lakh rupees; (ii) those providing or rendering services, where the investment in equipment does not exceed ten lakh rupees, by availing of margin money assistance from the Khadi and Village Industries Commission (KVIC) and loans from any public sector scheduled commercial bank.

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), including Jharkhand, with involvement of banks. The permissible margin money subsidy assistance provided under PMEGP is as under:

Categories of beneficiaries under PMEGP	Beneficiary's Contribution Rate of Subsidy (of project cost)		
		Urban	Rural
Area (location of project/unit)			
General Category	10%	15%	25%
Special Category (including SC / ST / OBC / Minorities/Women, Ex-servicemen, Physically handicapped, NER, Hill and order areas etc.)	05%	25%	35%

(c) & (d): Tentative targets proposed for employment generation for 2009-10, 2010-11 and 2011-12 under PMEGP during the XI Plan are as under:

Year	Estimated employment target (No. of persons)
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2009-10	616667
2010-11	962000

