

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

UNSTARRED QUESTION NO:163

ANSWERED ON:09.11.2010

DEVELOPMENT OF RURAL AND AGRO BASED INDUSTRIES

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

- (a) whether the Government has received any proposal from the various States for the development of rural and agro based rural industries in the country;
- (b) if so, the total number of such proposals received during each of the last three years, State-wise including Gujarat;
- (c) whether the Government has formulated any scheme for rural industrialisation and technology advancement for the development of such industries in the country; and
- (d) if so, the details thereof and the total funds likely to be incurred in this regard, State-wise including Gujarat?

Answer

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

(a) & (b): Proposals for the development of rural and agro based rural industries under the various schemes implemented through the Khadi and Village Industries Commission (KVIC) are not received in the Government (in the Ministry of Micro, Small and Medium Enterprises). However, the proposals for setting up of units under the Prime Minister's Employment Generation Programme (PMEGP) implemented since 2008-09 for generating employment through setting up of 'micro enterprises', including rural and agro based rural industrial units in both rural and urban areas through the country, are received by the Agencies implementing PMEGP such as field offices of KVIC, State/Union Territory Khadi and Village Industries Boards and District Industries Centres. These applications are screened by a Task Force headed by the District Magistrate /Collector concerned and recommended to banks. Requests are occasionally received from the State Governments for enhancing/reducing the annual targets under this scheme. The proposals for enhancing the Targets are then considered keeping in view the past performance, the extent of rural population, backwardness and urban unemployment and potential.

(c) & (d): Though PMEGP is being implemented in both rural and urban areas throughout the country for setting up of 'micro enterprises', it is expected to contribute to rural industrialization in a big way. The scheme has an attractive subsidy pattern and lower beneficiary contribution for projects proposed in rural areas. Besides, the Mahatma Gandhi Institute for Rural Industrialization at Wardha, Maharashtra has been mandated to accelerate rural industrialization process in the country through appropriate pilot projects and demonstration of innovative technology to increase efficiency and productivity of rural industrial units.

KVIC has taken the following steps to improve the level of technology in the khadi and village industries sector; such as in-house testing facilities through establishment of laboratories in various khadi institutions. Khadi institutions are also being motivated to achieve Total Quality Management (TQM) by getting ISO 9001-2000 certification. 12 khadi institutions have so far secured ISO certificates and another 13 institutions are in the process for getting the certification.

The State/Union Territory-wise details of funds released under the Prime Minister's Employment Generation Programme (PMEGP) during 2008-09, 2009-10 and the allocations for 2010-11 are given at Annex.