

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

UNSTARRED QUESTION NO:562
ANSWERED ON:24.02.2011
SETTING UP OF COTTAGE VILLAGE INDUSTRIES
Chitthan Shri N.S.V.

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

- (a) the various initiatives undertaken by the Government for promoting the setting up of cottage/village industries and micro enterprises in the rural and semi-rural areas during the last three year and the current year;
- (b) the targets fixed for setting up of these industries and achievements made therein during the said period;
- (c) the amount of subsidy including capital subsidy given to the entrepreneurs for setting up of industries during the said period; State-wise;
- (d) the total amount earmarked, sanctioned and spent under the programme, year-wise; and
- (e) the various measures taken/ proposed to be taken to encourage unemployed youth to set up village and micro enterprises in the rural and semi-urban areas?

Answer

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI VIRBHADRA SINGH)

(a) & (e) Promotion and development of cottage/village industries is the responsibility mainly of the State Governments. However, the Government of India in the Ministry of MEME has been facilitating promotion and development of khadi and village industries sector including cottage/village industries and micro enterprises through labour intensive techniques. The specific schemes/programmes undertaken by the Ministry through Khadi and Village Industries Commission (KVIC) for the development of KVI sector including those in cottage industries include 'Prime Minister's Employment Generation Programme (PMEGP) for setting up micro enterprises in rural and urban areas with attractive levels of subsidy for generation of additional employment opportunities, 'Interest Subsidy Eligibility Certification (ISEC) scheme for providing bank loans to khadi and polyvastra units at subsidized rates of interest', 'Workshed Scheme for Khadi Artisans' for providing assistance for construction of worksheds for better work environment, 'Scheme for enhancing productivity & competitiveness of Khadi Industries and Artisans' to assist 200 khadi institutions to make khadi industry competitive with more market driven and profitable production by replacement of obsolete old machinery and equipment,' 'Strengthening Infrastructure of existing Weak Khadi Institutions and Assistance for Marketing Infrastructure' envisaging renovation of selected 30 khadi sales outlets and providing assistance for strengthening infrastructure of existing 100 weak selected institutions, 'Scheme of Fund for Regeneration of Traditional Industries (SFURTI) for development of clusters in khadi, village industries and coir sectors' and 'Product Development, Design Intervention & Packaging (PRODIP) for improved design and packaging of khadi garments'.

The Government of India has also been facilitating development of cottage industries in coir sector through Coir Board which is implementing a number of schemes, which include financial assistance for setting up of new units and modernization of existing units under Development of Production Infrastructure Scheme, financial assistance to groups of spinners and tiny household workers for replacement of outdated ratts/looms, respectively, and for providing worksheds under Rejuvenation, Modernization and Technology Upgradation of the Coir Industry" (REMOT), training/skill upgradation, Mahila Coir Yojana, domestic market promotion including market development assistance scheme, etc.

(b) The targets and achievements for setting up micro enterprises including cottage/village industries under PMEGP during the last three years and the current year are as under:

Year	Targets	Achievement
	(Number of projects)	(Number of projects)

2007-08#	37000	44285
2008-09	61227	25507
2009-10	46640	39502
2010-11\$	59714	31605

Projects setup under Rural Employment Generation Programme(REGP)
\$ upto 10.02.2011

(c) The State-wise details of margin money assistance provided under REGP and PMEGP during last three years and current year are given at Annex. I.

(d) The year wise details of total amount of margin money subsidy earmarked, sanctioned and spent under PMEGP are as under:

(Rs. crore)

Year Allocation of Margin Released to KVIC Utilized by KVIC
Money (RE)

2008-09	753.00	753.00	408.64
2009-10	539.70	504.21	742.76
2010-11#	1023.09	994.10	593.66

#Up to 31.01.2011