

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

UNSTARRED QUESTION NO:1155
ANSWERED ON:03.03.2011
SPECIAL ASSISTANCE TO COTTAGE INDUSTRIES
Pandey Saroj

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

- (a) whether there is a proposal to give special assistance to cottage industries related to food in rural areas of the country; and
(b) if so, the names of the States where these are being operated?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI VIRBHADRA SINGH)

(a) & (b): The Ministry of Micro, Small and Medium Enterprises, at present, has no proposal as such, to give special assistance to cottage industries related only to food. However, Government in the Ministry of Micro, Small and Medium Enterprises is implementing Prime Minister's Employment Generation Programme (PMEGP), a credit-linked subsidy programme since 2008-09 through Khadi and Village Industries Commission(KVIC) throughout the Country for generating self-employment opportunities through establishment of micro enterprises including cottage, agro and food based industries by organizing traditional artisans and unemployed youth, helping in preventing their migration besides increasing their earning capacity. At the State/Union Territories level, the scheme is implemented through field offices of KVIC, State/ Union Territory Khadi and Village Industries Boards (KVIBs) and District Industries Centres (DICs) with involvement of Banks. Under this Programme, beneficiaries can establish micro enterprises inter alia, under Agro Based and Food Processing Industry by availing of margin money subsidy of 25 percent of project cost for units in rural areas set up by beneficiaries belonging to general category which will be 35 percent for beneficiaries belonging to special categories such as scheduled caste/scheduled tribe /women and others through the implementing agencies and loans from Banks, etc., for projects costing up to Rs.25 lakh each in the manufacturing sector and upto Rs.10 lakh each in the service sector. The number of units including agro and food based industries assisted under PMEGP during last three years is given below:

Year Number of units assisted
under PMEGP

2008-09 25507

2009-10 39502

2010-11 31605

upto 10.02.2011