

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

STARRED QUESTION NO:250

ANSWERED ON:18.08.2011

RURAL INDUSTRIES

Dhotre Shri Sanjay Shamrao;Wankhede Shri Subhash Bapurao

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

- (a) the details of the schemes being implemented for establishment of rural industries;
- (b) whether the Government provides an economic package to Khadi and Village Industries Commission (KVIC) for development of rural industries;
- (c) if so, the details thereof;
- (d) whether several State Governments have submitted proposals to the Union Government and KVIC for transformation of rural industries in their State;
- (e) if so, the details thereof; and
- (f) the details of proposals cleared so far by KVIC and the Union Government?

Answer

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

(a) to (f): A statement is placed on the table of the Sabha.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF THE LOK SABHA STARRED QUESTION NO. 250 FOR ANSWER ON 18.08.2011.

The Government has been making sustained efforts for promotion of khadi and village industries in the country. Khadi and Village Industries Commission(KVIC) was established as a statutory body under the administrative control of the Ministry for this purpose under Khadi and Village Industries Commission Act,1956. In particular, the Ministry of Micro, Small and Medium Enterprises has been implementing Prime Minister's Employment Generation Programme (PMEGP), a credit-linked subsidy programme since 2008-09 for generating self-employment opportunities through establishment of micro enterprises by organizing traditional artisans and unemployed youth. KVIC is the nodal agency at national level for PMEGP. 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 including rural industries units by availing of margin money subsidy of 25 percent of project cost for units in rural areas to be 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. In urban areas, the quantum of margin money subsidy is 15% and 25% for beneficiaries belonging to general and special categories, respectively. The number of units assisted under PMEGP and estimated number of employment opportunities created under PMEGP during last three years is given below:

No specific proposal as such has been received in the Ministry from State Governments. Project proposals under PMEGP for setting up micro- enterprises are submitted by individual beneficiaries to the implementing agencies such as DICs under State Government, State KVIBs and KVIC State/ Divisional offices. These are then screened by District Level Task Force and recommended to Banks for sanction.

Year Number of units assisted under PMEGP Estimated employment opportunities created under PMEGP

2008-09	25507	255070
2009-10	39502	419997
2010-11	48023	423233