

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

UNSTARRED QUESTION NO:619

ANSWERED ON:24.11.2011

EMPLOYMENT BY KVIC

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

(a) whether the Khadi and Village Industries Commission (KVIC) has launched any scheme for providing self-employment to the persons belonging to the General Category, Scheduled Castes, Scheduled Tribes, Other Backward Classes and the people living below poverty line;

(b) if so, the number of units assisted and estimated employment created during each of the last three years, State-wise;

(c) the extent to which this scheme has achieved its target; and

(d) the steps taken/being taken by the Government to assist the aforesaid classes for generating self-employment?

Answer

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

(a) Yes, Madam. Government in the Ministry of Micro, Small and Medium Enterprises has been supplementing the efforts of the State Governments by promoting self-employment ventures through setting up of new micro enterprises in non-farm sector. In particular, a credit-linked subsidy programme named the Prime Minister's Employment Generation Programme (PMEGP) was launched in 2008-09 and is being implemented through Khadi and Village Industries Commission (KVIC), a statutory body under the administrative control of the Ministry. PMEGP is particularly aimed at generating self-employment opportunities through establishment of micro enterprises by helping traditional artisans and unemployed youth, including persons belonging to the General Category, Scheduled Castes, Scheduled Tribes and Other Backward Classes. 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 the involvement of Banks. Under PMEGP, general category beneficiaries can establish micro enterprises by availing of margin money subsidy of 25 percent of project cost in rural areas and in case of beneficiaries belonging to special categories such as scheduled caste/ scheduled tribe /women, this is 35 percent. In urban areas, the quantum of margin money subsidy is 15% and 25% for beneficiaries belonging to general and special categories respectively. The maximum cost of projects financed by banks is Rs.25 lakh in the manufacturing sector and Rs.10 lakh in the service sector.

(b) The State-wise number of units setup and estimated number of employment opportunities created under PMEGP during the last three years and the current year (upto 21.11.2011) are given at Annex I & II respectively.

(c) PMEGP is gaining popularity, especially amongst the unemployed youth. There is increasing trend in the year-wise number of projects assisted under PMEGP since its inception, as indicated in the following table :-

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

2008-09	25507	255070
2009-10	39502	419997
2010-11	49819	482024
2011-12	25309	237315

(upto 21.11.2011)

(d) The steps taken by the Government through KVIC to ensure that targets in respect of self-employment under PMEGP including that in the stated categories are met include (i) organizing awareness programmes/ workshops(ii) monitoring by KVIC, Ministry and respective State Governments (iii) accreditation of more than 500 Training Centres across the country to provide entrepreneurship training to the beneficiaries and (iv) making available more than 300 model project profiles on the KVIC web site.