

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

UNSTARRED QUESTION NO:419
ANSWERED ON:07.07.2009
VILLAGE AND RURAL INDUSTRIES
Agarwal Shri Jai Prakash;Reddy Shri Magunta Srinivasulu

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

- (a) whether the Government is encouraging the setting up of village/rural industries; and
- (b) if so, the details of schemes functioning in this regard and the funds provided during each of the last three years under the said schemes, State-wise;
- (c) the number of village industries set up in each State including Andhra Pradesh;
- (d) the details of employment generated therein, State-wise;
- (e) whether the Government has formulated/proposes to formulate any scheme for rural industrialization and technical progress; and
- (f) if so, the details thereof?

Answer

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

(a)to(f): The Government (in the Ministry of Micro, Small and Medium Enterprises), through Khadi and Village Industries Commission (KVIC), was implementing Rural Employment Generation Programme (REGP) a credit-linked subsidy programme, for promotion of village/rural industries. The said programme has been discontinued after 31 March 2008 and a new scheme titled Prime Minister's Employment Generation Programme (PMEGP) has been approved in August 2008 with a total plan outlay of Rs. 4735 crore including Rs. 250 crore for backward and forward linkages.

Under this programme, financial assistance is provided for setting up of micro-enterprises costing upto Rs. 10 lakh in service/business sector and Rs. 25 lakh in manufacturing sector. The assistance is provided in the form of subsidy upto 25 per cent (35 per cent for weaker sections) of the project cost in rural areas while it is 15 per cent (25 per cent for weaker sections) for urban areas. It is implemented through KVIC as the single nodal agency at the national level. At the State/Union Territories level, the scheme is being implemented through field offices of KVIC, State/Union Territory Khadi and Village Industries Boards and District Industries Centres (DICs) with involvement of banks. The detailed implementation guidelines of PMEGP are available in the Ministry's website, www.msme.gov.in.

The state-wise number of units set up, funds provided towards margin money and estimated employment opportunities generated under the erstwhile REGP and recent launched PMEGP schemes during last three years including Andhra Pradesh are given at Annexure I, Annexure – II and Annexure–III, respectively.