

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

UNSTARRED QUESTION NO:2612
ANSWERED ON:29.03.2012
DEVELOPMENT OF RURAL INDUSTRIES
Rao Shri Konakalla Narayana

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

- (a) whether the Union Government has formulated new schemes for development of rural industries to benefit the people hit by drought and floods;
- (b) if so, the details thereof; and
- (c) the details of States selected for development under the aforesaid schemes?

Answer

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

(a) to (c): Government in the Ministry of Micro, Small and Medium Enterprises has not formulated any new scheme per se for development of rural industries to benefit the people hit by drought and floods. However, this Ministry is implementing a credit-linked subsidy programme named Prime Minister's Employment Generation Programme (PMEGP) since 2008-09 all over the country, including in drought and flood affected areas. Under PMEGP, margin money subsidy and entrepreneurship training is provided to beneficiaries for setting up of micro-enterprises in the non-farm sector. The scheme is implemented through field offices of Khadi and Village Industries Commission (KVIC), State Khadi and Village Industries Boards (KVIBs) and District Industries Centres (DICs) with the involvement of Banks. General category beneficiary can avail of margin money subsidy of 25% of the project cost in rural areas and 15% in urban areas. For beneficiaries belonging to special categories such as scheduled castes, scheduled tribes, OBC, minorities, women, ex-servicemen, physically handicapped, beneficiaries belonging to NER, hill and border areas, etc., the margin money subsidy is 35% in rural areas and 25% in urban areas. The maximum cost of project is Rs. 25 lakh in the manufacturing sector and Rs.10 lakh in the service sector.