

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

UNSTARRED QUESTION NO:4520

ANSWERED ON:03.05.2012

PROMOTION OF VILLAGE INDUSTRIES

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

- (a) the details of schemes to promote the establishment of cottage/village and micro industries in rural and semi-rural areas;
- (b) the targets fixed and achievements made for setting up of these industries during each of the last three years;
- (c) the amount of subsidy/assistance provided to the entrepreneurs to set-up these industries during the aforesaid period;
- (d) the total amount earmarked, sanctioned and spent under the said scheme during the said period;
- (e) the steps taken to encourage unemployed youth to set-up village industries and micro industries in rural and semi-rural areas;
- (f) whether the Government is taking any steps to provide training, financial, technical and marketing assistance to persons employed in these industries; (g) if so, the details thereof; and (h) if not, the reasons therefor?

**Answer**

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

(a)to(e): Central Government in the Ministry of Micro, Small and Medium Enterprises implements a number of schemes to increase employment opportunities in the country. Prime Minister's Employment Generation Programme (PMEGP) is a major credit-linked subsidy programme launched in 2008-09 to provide margin money subsidy and entrepreneurship training to beneficiaries for setting up of micro-enterprises in the non-farm sector. The scheme is implemented through 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 beneficiaries 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 caste/scheduled tribe /women the margin money subsidy is 35% in rural areas and 25% in urban areas. The maximum cost of projects is Rs. 25 lakh in the manufacturing sector and Rs. 10 lakh in the service sector. The allocation of margin money subsidy, its utilization, number of projects assisted and estimated number of employment created during the last three years is given in Annex.

(f)&(g): Entrepreneurship Development Programme(EDP) training is a mandatory requirement under Prime Minister's Employment Generation Programme (PMEGP). KVIC, the nodal agency for PMEGP, has accredited around 558 Training Centres for providing EDP training and has also tied-up with national level entrepreneurship development institutions such as National Institute for Entrepreneurship and Small Business Development (NIESBUD), National Institute for Micro, Small and Medium Enterprises (NIMSME) and Indian Institute of Entrepreneurship (IIE), Guwahati, etc., for this purpose. Marketing support is also provided to the entrepreneurs by way of participation in National/Zonal/State/District-level exhibitions.

(h): Does not arise.