

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

UNSTARRED QUESTION NO:1993
ANSWERED ON:23.08.2012
RURAL INDUSTRIES
Reddy Shri Modugula Venugopala ;Sugumar Shri K.

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

- (a) whether the number of rural industries in the country have increased considerably during the last three years;
- (b) if so, the details thereof, State-wise;
- (c) the details of the schemes being implemented for establishment of rural industries;
- (d) whether the Government provides economic package to Khadi and Village Industries Commission (KVIC) for development of rural industries;
- (e) if so, the details thereof during each of the last three years and the current year; State-wise;
- (f) whether various State Governments have submitted proposals to the Union Government /KVIC for transformation of rural industries in their State;
- (g) if so, the details thereof; and
- (h) the details of proposals cleared so far by KVIC/Union Government?

Answer

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI VAYALAR RAVI)

(a): Yes, Madam.

(b): As per 3rd All India Census of Micro, Small and Medium Enterprises (MSME) with reference year 2001-02, published in 2004, there were 58.08 lakh rural small scale industries (SSI). This increased to 200.19 lakh MSMEs in the 4th All India Census of MSME with reference year 2006-07, published in 2009. State-wise details of the distribution of enterprises is given in Annex-I

(c): Government in the Ministry of MSME through the Khadi and Village Industries Commission (KVIC) has been implementing a number of schemes for the development and promotion of rural industries, which include a major credit-linked subsidy programme named Prime Minister's Employment Generation Programme (PMEGP) under which assistance is provided to set up micro-enterprises in the non-farm sector. 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 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.

(d)&(e): The details of funds released to KVIC under various Plan schemes for development and promotion of rural industries during last three years and current year is given below.

Year Funds provided to KVIC for PMEGP for Margin Money Subsidy (Rs. crore) Funds provided to KVIC under other Plan schemes (Rs. crore)

2009-10	504.21	331.85
2010-11	877.20	570.17
2011-12	1010.24	248.23
2012-13		
(till 31.07.2012)	630.14	-

(f)to(h): No specific proposal as such has been received in the Ministry from State Governments. Individual project proposals for setting up micro-enterprises under PMEGP are screened by the District Level Task Force Committees (DLTFCs) under the District Magistrate and Collector and recommended to Banks for sanction. The details of units assisted during the last three years and the current year under PMEGP are given below:

Year	No. of units assisted	Amount of Margin Money
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Subsidy made available
(Rs. crore)

2009-10	39502	742.76
2010-11	49819	905.41
2011-12#	54841	1058.51
2012-13#		
(till 31.07.2012)	1264	40.85
Total	145426	2747.53

#Provisional