

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

STARRED QUESTION NO:378
ANSWERED ON:15.12.2009
DEVELOPMENT OF AGRO,RURAL AND COTTAGE INDUSTRIES
Munda Shri Arjun

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

- (a) the number of schemes being run by the Government for the development of agro, rural and cottage industries in the country;
- (b) whether such schemes are implemented in all the States;
- (c) if so, the details thereof, State-wise:
- (d) if not, the reasons therefor; and
- (e) the criteria adopted by the Government to provide jobs in this sector to the persons belonging to General and Reserved categories separately?

Answer

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

(a) to (e): A statement is placed on the table of the Sabha.

STATEMENT REFERRED TO IN ANSWER TO PARTS (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO. 378 FOR ANSWER ON 15.12.2009.

(a)to(d): The Government (in the Ministry of Micro, Small and Medium Enterprises), through Khadi and Village Industries Commission (KVIC) implements several schemes in rural non-farm sector throughout the country which lead to the development of khadi and village industries (including those in agro, rural and cottage industries) viz., Interest Subsidy Eligibility Certificate (ISEC) scheme for providing bank loans to khadi and polyvastra units at subsidized rates of interest, Rural Industries Service Centres (RISC) for setting up of common facility centers (CFCs) to provide infrastructural support and services to village industries, Scheme of Fund for Regeneration of Traditional Industries (SFURTI) for development of clusters in khadi, village industries and coir sectors, Product Development, Design Intervention & Packaging (PRODIP) for improved design and packaging of khadi garments, Research & Development and other support services, viz., marketing, export promotion, exhibitions at district, State, zonal & national level, design facility, brand building, etc.

Besides, 'Prime Minister's Employment Generation Programme' (PMEGP) has been introduced during 2008-09 which is a significant initiative for setting up micro enterprises in rural and urban areas with attractive levels of subsidy for generation of additional employment opportunities. Three new schemes have also been introduced in khadi sector namely, 'Workshed Scheme for Khadi Artisans' for providing assistance for construction of worksheds for better work environment and the 'Scheme for enhancing productivity & competitiveness of Khadi Industries and Artisans' to assist 200 khadi institutions to make khadi industry competitive with more market driven and profitable production by replacement of obsolete old machinery and equipment and 'Strengthening of Infrastructure of existing Weak Khadi Institutions and Assistance for Marketing Infrastructure' which envisages renovation of selected 30 khadi sales outlets and providing assistance for strengthening of infrastructure of existing 100 weak selected institutions.

In coir producing States, the Government through Coir Board is implementing a number of schemes for the Coir sector, which include financial assistance for setting up of new units and modernization of existing units under Development of Production Infrastructure Scheme, financial assistance to groups of spinners and tiny household workers for replacement of outdated ratts/looms, respectively, and for constructing worksheds under Rejuvenation, Modernization and Technology Upgradation of the Coir Industry" (REMOT), training/skill upgradation, Mahila Coir Yojana, domestic market promotion including market development assistance scheme, etc.

(e): Keeping in view the prospective beneficiaries under the schemes mentioned above, due consideration is given for reserved categories at the formulation stage. Under PMEGP, margin money subsidy is provided to the beneficiaries belonging to reserved category viz, SC/ST/OBC/women/physical challenged/ ex-service men/hilly and border area, etc., at a higher rate of 35 per cent (25 per cent in the case of general category beneficiary) of the project cost for rural areas while it is 25 per cent (15 per cent for General category beneficiary) for urban areas. The own contribution of the beneficiary belonging to reserved category is kept lower at 5% of the project cost while it is 10% in the case of general category. The beneficiaries under Workshed Scheme for Khadi Artisans and REMOT schemes are mostly belonging to BPL category. Similarly, under the Scheme for Enhancing Productivity & Competitiveness of Khadi Industries and Artisans, 65 khadi institutions have been reserved for weaker sections and North Eastern Region and the Mahila Coir Yojana is completely for women beneficiaries.

