

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

UNSTARRED QUESTION NO:246
ANSWERED ON:09.07.2014
AGRO AND RURAL INDUSTRIES
Patle Smt. Kamla Devi

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

- (a) whether the Government has fixed any targets for setting up agro and rural industries in the country during each of the last three years and the current year;
- (b) if so, the details thereof and the achievements made in this regard, Statewise;
- (c) whether the Government proposes to provide financial assistance directly to villagers to start small industries so that they do not need to pay higher interest rate to banks;
- (d) if so, the details thereof; and
- (e) if not, the reasons therefor and the steps taken by the Government in this regard?

Answer

MINISTER FOR MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI KALRAJ MISHRA)

(a) & (b): Development of agro and rural industries is primarily the responsibility of State Governments. However, Government in the Ministry of Micro, Small and Medium Enterprises (MSME) supplements the efforts of State Governments by implementing a number of schemes for the development of khadi, village industries and coir through Khadi and Village Industries Commission (KVIC) and Coir Board. These include a major credit-linked subsidy programme named Prime Minister's Employment Generation Programme (PMEGP) being implemented through Banks since 2008-09 with KVIC as nodal agency at the national level for generating employment in the Country by setting up of micro-enterprises in the non-farm sector. Under PMEGP, 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, OBCs, minorities, women, ex-servicemen, physically handicapped, beneficiaries belonging to North Eastern Region, hill and border areas, etc., the margin money subsidy is 35% in rural areas and 25% in urban area. The maximum cost of project is ` 25 lakh in the manufacturing sector and ` 10 lakh in the service sector. State-wise release of margin money subsidy which is treated as target, as also the achievements in term of the margin money subsidy utilized, the corresponding number of projects assisted and estimated employment generated during the last three years and the current year is given at Annex.

(c): There is no proposal to provide financial assistance directly to villagers to start small industries.

(d): Does not arise.

(e): Government is already implementing the credit-linked subsidy programme PMEGP with attractive levels of subsidy and the scheme has already become popular.