

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

UNSTARRED QUESTION NO:105

ANSWERED ON:25.04.2016

Promotion of Rural Industries

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

- (a) whether an exponential growth of rural industries has been reported in the country, if so, the details thereof, State/UT-wise;
- (b) the details of schemes being implemented by the Government for promotion of agro-based rural industries in the country;
- (c) whether the Government has received any proposals from the State Governments for revival of the said industries during each of the last three years; and
- (d) if so, the details thereof including the status of the proposals, State/UT-wise?

Answer

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

(a): Yes, Madam. It is reported that there is reasonable growth in overall production by Village Industries in last three years. The details are at Annexure-I.

(b): Ministry of MSME through Khadi and Village Industries Commission (KVIC) and Coir Board is implementing the following schemes to promote cottage and agro-based rural industries:

Prime Minister's Employment Generation Programme (PMEGP) is a credit linked subsidy scheme for setting up of new micro-enterprises and to generate employment opportunities in rural as well as urban areas of the country through KVIC, State Khadi & Village Industries Board (KVIB) and District Industries Centre (DIC). 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 SC/ST/Women/ PH/Minorities/Ex-Servicemen/NER, 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.

Scheme of Fund for Regeneration of Traditional Industries (SFURTI) was launched in 2005-06 for making Traditional Industries more productive and competitive by organizing the Traditional Industries and artisans into clusters.

A Scheme for Promoting Innovation, Rural Industry and Entrepreneurship (ASPIRE) was launched on 18.3.2015 to promote Innovation & Rural Entrepreneurship through rural Livelihood Business Incubator (LBI), Technology Business Incubator (TBI) and Fund of Funds for start-up creation.

Market Promotion Development Assistance (MPDA) – MDA scheme of KVIC has been modified as MPDA scheme formulated as a unified scheme by merging different schemes/sub-schemes/components of different Heads implemented in the 11th Plan, namely, Market Development Assistance, Publicity, Marketing and Market Promotion. A new component of Infrastructure namely setting up of Marketing Complexes /Khadi Plazas has been added to expand the marketing net worth of Khadi & VI products. Under the erstwhile MDA scheme financial assistance was distributed amongst Producing Institutions (30%), Selling Institutions (45%) and Artisans (25%). Under the modified MPDA scheme financial assistance is distributed amongst Producing Institutions (20%), Selling Institutions (40%) and Artisans (40%). This will lead to increase in the earnings of artisans.

Interest Subsidy Eligibility Certificate (ISEC) Scheme provides credit at concessional rate of interest through Banks as per the requirement of the Khadi institutions. The institutions are required to pay interest of only 4%, any interest charged by banks over 4% will be paid by Central Government through KVIC.

Workshed Scheme for Khadi Artisans was introduced in 2008-09 to provide financial assistance for construction of workshed to khadi artisans belonging to BPL category through the khadi institutions with which the khadi artisans are associated. This empowers khadi spinners and weavers to chart out a sustainable path for growth, income generation and better work environment.

Strengthening infrastructure of weak Khadi institutions and assistance for marketing infrastructure: This scheme provides need-based support towards the Khadi sector for nursing the sick/problematic institutions elevated from "D" to "C" category as well as those whose production, sales and employment have been declining while they have potential to attain normalcy and to support creation of marketing infrastructure in other identified outlets. Under this scheme, financial assistance is provided to existing weak Khadi institutions for strengthening of their infrastructure and for renovation of selected khadi sales outlets.

Coir Udyami Yojana (formerly known as REMOT Scheme) is a credit linked subsidy scheme, which provides assistance for setting up of coir units with a maximum cost of project upto Rs.10 lakhs plus working capital, which shall not exceed 25% of the project cost. The pattern of assistance is 40% as Govt. subsidy, 55% as loan from Banks and 5% as beneficiary contribution. Scheme is open to all individuals, companies, SHGs, NGOs, Institutes, etc.

Mahila Coir Yojana (a component of Coir Vikas Yojana-CVY) is an exclusive skill development programme for rural women artisans in

coir sector. Training is provided in spinning of coir yarn/various coir processing activities. The scheme envisages distribution of motorized ratts/motorized traditional ratts and other coir processing equipments at 75% subsidy subject to a maximum amount of Rs.7500/- on successful completion of the training programme. During the training period, the women artisans are given a stipend amounting to Rs.1000/- per month. Coir Vikas Yojana also includes Skill Development & Training Programme in coir sector, Domestic & Export Market Promotion and Development of Production Infrastructure.

Coir S&T Scheme promotes scientific, technological and economic research and development activities, developing new products & designs, marketing of coir and coir products in India and abroad. It also promotes co-operative organisations among producers and manufacturers of coir sector. Two research institutes viz. Central Coir Research Institute (CCRI), Alleppey, and Central Institute of Coir Technology (CICT), Bengaluru are undertaking research activities on different aspects of coir industry.

(c)& (d): No specific proposal for revival has been received from the State Governments. However, the Ministry does receive proposals under various schemes which are dealt with as per scheme provisions.