

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

UNSTARRED QUESTION NO:2521

ANSWERED ON:01.08.2016

KVIC Schemes

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

(a) whether the Khadi and Village Industries Commission (KVIC) has started any scheme to provide self-employment to the differently abled, scheduled castes, scheduled tribes, other backward classes, minorities and persons living below poverty line in the country;

(b) if so, the details thereof along with the funds allocated, released thereunder and the monitoring mechanism put in place by the Government to ensure proper utilization of funds, the number of KVIC units setup and the number of persons benefited therefrom during each of the last three years and the current year, State/UTwise; and

(c) the other steps taken/proposed to be taken by the Government for generation of more employment avenues in the sector?

Answer

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

(a): There is no specific scheme of Khadi and Village Industries Commission (KVIC) to provide self-employment to the differently abled, SC, ST, OBC, minorities and persons living below poverty line. However, Government has been implementing a major credit-linked subsidy scheme named Prime Minister's Employment Generation Programme (PMEGP) for generating employment through setting up micro enterprises in 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 Rs.25 lakh in the manufacturing sector and Rs.10 lakh in the service sector.

(b): There is a four tiered monitoring system for implementation of the PMEGP scheme at the District, State, Zonal & National level.

State-wise allocation 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 current year is given at Annexure.

(c): The following steps have been taken by the Government for achieving the said targets.

1. Publicity is being made through print and electronic media about PMEGP scheme for the benefit of Rural and Urban areas.
2. Awareness camps at District level and State level are being organized in order to propagate the PMEGP scheme for the development of micro industries.
3. To bring in transparency in implementation of PMEGP scheme as well as to create data base of PMEGP beneficiaries, e-tracking of PMEGP applications introduced.
4. For speedy completion of EDP training and to generate IRG, policy decision has taken to conduct EDP training through Departmental Training Centres as well as RSETIs/RUDSETIs as per MOU executed between KVIC & MCR.
5. Where there is no mechanism of KVIC's Departmental and Non-Departmental Training Centers exist, the infrastructure of KVIC's Khadi/VI Institutions, professional training associates like NIESBUD etc. will be utilized to conduct EDP under PMEGP.
6. Trading activities/sales outlets have been included in PMEGP in the LWE Districts.
7. Industries such as Khadi, processing of Pashmina Wool, handloom and power loom units are now eligible for funding under PMEGP.
8. Ceiling of 10% on the extent of projects to be financed for transport activities is imposed in the states/UTs except in specific regions (hilly region, NER, A&N Island, Goa, Puducherry, Lakshadweep, Daman & Diu, Dadra Nagar Haveli, J&K and LWE affected districts).
9. Relaxation in per capita investment from Rs.1.00 lakh to Rs.4.50 lakh has been given to A&N Islands and Lakshadweep.
10. Exhibitions are also conducted at district/state/zone and national level for providing marketing support to the entrepreneurs/units.
11. An online grievance handling system for PMEGP is set up to provide prompt and online redressel.
12. To increase the registration of MSMEs in the country, the Government has undertaken measures that the PMEGP units can adopt the Udyog Aadhar Memorandum (UAM) to register online for filing for industrial land application for credit, pollution clearance etc.

Online system for direct transfer of fund to the financing banks:

1. Ministry through KVIC has set up an online system PMEGP-MIS portal for end to end monitoring of the scheme right from online application filing, application tracking, sanction of loans, disbursement of loans and repayment of loans including online transfer of PMEGP Margin Money funds directly to Financing Bank Branches.
2. The online system of transfer of Margin Money subsidy to the Financing Bank Branches will remove the delay for settling the Margin

Money Claims and thus, quality implementation and better timely progress and utilization of funds will result.