

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

UNSTARRED QUESTION NO:555

ANSWERED ON:26.11.2014

RURAL ARTISAN INDUSTRY

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

- (a) the present status of rural and agricultural industries in various States in the country;
- (b) whether any efforts have been made by the Government to promote rural industries/rural artisan in the country especially in North Eastern States;
- (c) if so, the funds earmarked/allocation made for the purpose during each of the last three years and current year, State-wise;
- (d) the number of industries set up under the scheme during the above period; and
- (e) the various steps taken/proposed to be taken to promote rural industries in 2013-14 in various States including Maharashtra, Rajasthan and Gujarat?

**Answer**

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

(a)to(d): 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 including in North Eastern States 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 Rs.25 lakh in the manufacturing sector and Rs.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.

Government of India has launched KVI Programme in the Hill, Border & Left Wing Extremism (LWE) affected areas in respect of 100 institutions with financial assistance amounting to Rs.76 crores i.e. Rs.76 lakh/institution under Khadi Reform Development Programme (KRDP), in which relaxation is given in criteria of selection of institutions and in minimum number of artisans associated with the institution of Hill, Border & LWE affected areas.

Government through KVIC and the Coir Board has also been implementing a cluster-based scheme named Scheme of Fund for Regeneration of Traditional Industries (SFURTI), under which khadi, village industries and coir clusters have been taken up for development by providing them with improved equipments, common facilities centres, business development services, training, capacity building and design and marketing support, etc.

(e): KVIC has taken various steps to promote rural industries under PMEGP in various States including Maharashtra, Rajasthan and Gujarat, which include review of the scheme at the State level Bankers Committee by senior functionaries of the State Governments/Union Territories. Central Government has been providing necessary funds, policy inputs and guidance to KVIC for achieving the targets. Intensive monitoring of the scheme and periodic interaction with Banks are also carried out at various levels by KVIC and at national level by the Ministry, in addition to 100% physical verification of the units assisted.

KVIC has also undertaken awareness camps, workshops, exhibitions, etc at State and district levels to further popularize the scheme.