

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**STARRED QUESTION NO. \*359**  
**TO BE ANSWERED ON 12.12.2019**

**CLOSURE OF AGRO AND RURAL INDUSTRIES**

\*359. SHRIMATI RANJEETA KOLI:  
SHRI SADASHIV KISAN LOKHANDE:

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

- (a) whether the Government is aware that a number of agro and rural industries have been closed during the last three years;
- (b) if so, the details thereof and the reaction of the Government thereto;
- (c) the provisions regarding setting up and closure of the said industries; and
- (d) the corrective steps taken/being taken by the Government in this regard?

**ANSWER**

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES  
(SHRI NITIN GADKARI)

(a) to (d): A statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO THE PARTS (a) TO (d) OF  
LOK SABHA STARRED QUESTION No.\*359 FOR ANSWERON 12.12.2019**

(a) to (d): The Government of India has been implementing various schemes/programmes through various Ministries/Departments for promotion of Agro and Rural Industries in the country.

The Ministry of Micro, Small and Medium Enterprises ( MSME) is implementing Prime Minister's Employment Generation Programme (PMEGP), which is a major credit-linked subsidy programme aimed at generating self-employment opportunities through establishment of micro-enterprises in the non-farm sector, including Cottage, Khadi and Village Industries units, by helping traditional artisans and rural/urban unemployed youth. Under the scheme, beneficiary can avail loan up to Rs. 25 lakh in the manufacturing sector and Rs. 10 lakh in the service sector, with the subsidy of 15% to 35% for different categories.

Under PMEGP scheme, since its inception in 2008-09, a total of about 5.70 lakh micro enterprises have been assisted with a margin money of Rs. 12902 crore providing employment to an estimated 47 lakh persons, till 2019-20 (up to 31.10.2019).

As per guidelines of PMEGP scheme, 100% physical verification of units is carried out through outsourced agencies after completion of 24 months and before 36 months of setting up of units. Accordingly, as per currently available data for the period 2008-09 to 2014-15, it is observed that on an average about 80% of PMEGP units are found working and the rest are either closed or not found existing at the original registered location.

In order to enhance the employment opportunities, Ministry of MSME has also introduced a scheme of second financial assistance for expansion/upgrading existing PMEGP/MUDRA units. The second financial assistance for manufacturing units is up to Rs. 1.00 crore and for service/trading unit it is up to Rs. 25.00 lakh with subsidy of 15% for non-NER and 20% for NER and hilly States.

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