

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTIONNO. 2253
TO BE ANSWERED ON 24.12.2018

ESTABLISHMENT OF MSMEs

2253. SHRI BALABHADRA MAJHI:

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

- (a) whether the Government proposes to establish small scale industries to encourage Khadi in the country; and
- (b) if so, the details thereof including the number of such industries established during each of the last three years, State/ UT-wise?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE)
FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI GIRIRAJ SINGH)

(a)&(b): Ministry of Micro, Small and Medium Enterprises through Khadi and Village Industries Commission (KVIC) has been establishing micro enterprises to encourage Khadi in the country through various schemes, such as:

i) 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.

ii) Scheme of Fund for Regeneration of Traditional Industries (SFURTI) from 2005-06 for making Traditional Industries more productive and competitive by organizing the Traditional Industries and artisans into clusters. The Scheme envisages providing need-based assistance for replacement of production equipment, setting up of common facility centres (CFC), product development, quality improvement, improved marketing, training and capacity building etc.

iii) Market Promotion Development Assistance (MPDA) – A unified scheme by merging 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 network of Khadi & VI products. Under the Modified MDA (MMDA) financial assistance at 30% of the Prime Cost, is distributed amongst Producing Institutions (40%), Selling Institutions (20%) and Artisans (40%).

iv) Khadi Reform and Development Programme (KRDP) aims to revitalize the khadi sector with enhanced sustainability of khadi, increased incomes and employment for spinners and weavers, increased artisans' welfare and to achieve synergy with village industries. Under KRDP, restructured amount of US\$ 105 million has been negotiated with Asian Development Bank (ADB) and funds are being provided to the Government of India to be released to KVIC as 'grants-in-aid' under budgetary allocation through the Ministry of MSME. Khadi Reform Package envisages reform support in the following areas: (i) Artisan Earnings and Empowerment, (ii) Direct Reform Assistance to 400 Khadi Institutions & (iii) Implementation of a well-knit MIS.

v) 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 the Government of India through KVIC to the banks.

vi) 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.

vii) 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.

: 3 :

In addition to the above, KVIC launched an exclusive online portal called 'Khadi Institutions Registration and Certification Sewa' (KIRCS) for filing application for registrations of new Khadi units by entrepreneurs and institutions to undertake Khadi activities. The Khadi programme is being implemented by 2518 Khadi Institutions all over the country

371 number of 'Khadi Certificates' have been issued to new Khadi Institutions to undertake Khadi programme during the last three years, the State-wise details of which is placed at **Annexure-I**.

Number of micro units set up by entrepreneurs under the PMEGP Scheme during the last three years is placed at **Annexure-II**.

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Annexure-I

Annexure-I referred to in reply to part (a)&(b) of the Lok Sabha Unstarred Question No. 2253 for answer on 24.12.2018

State-wise details of new Khadi Certificates issued during 2015-16, 2016-17 & 2017-18

Sl. No.	Name of the state	Cumulative total of 3 years
1	Uttar Pradesh	98
2	Uttarakhand	27
3	Raipur	3
4	West Bengal	84
5	Odisha	19
6	Bihar	13
7	Jharkhand	3
8	Andhra Pradesh	53
9	Karnataka	10
10	Telangana	4
11	Tamil Nadu	0
12	Kerala	0
13	Jammu & Kashmir	10
14	Haryana	18
15	Rajasthan	2
16	Punjab	4
17	Rajasthan	2
18	Gujarat	16
19	Maharashtra	5
20	Assam	0
	Total	371

Annexure-II referred to in reply to part (a)&(b) of the Lok Sabha Unstarred Question No. 2253 for answer on 24.12.2018

Year-wise and State-wise number of units set up under **PMEGP Scheme** during 2015-16, 2016-17 & 2017-18

Sl.No.	State/UT	2015-16	2016-17	2017-18
1	Jammu& Kashmir	2207	1492	3753
2	Himachal Pradesh	1077	941	886
3	Punjab	966	1266	1520
4	UT Chandigarh	43	47	45
5	Uttarakhand	1136	1345	1613
6	Haryana	1248	1377	1718
7	Delhi	256	119	115
8	Rajasthan	1988	1749	1577
9	Uttar Pradesh	4365	4074	5432
10	Bihar	2430	3234	2307
11	Sikkim	110	27	37
12	Arunachal Pradesh	35	301	209
13	Nagaland	623	1018	930
14	Manipur	685	1265	600
15	Mizoram	1134	425	249
16	Tripura	642	2297	1116
17	Meghalaya	603	329	75
18	Assam	3483	6028	2282
19	West Bengal	1873	3528	1366
20	Jharkhand	1839	1300	1111
21	Odisha	2876	3029	2399
22	Chhattisgarh	1277	1598	1463
23	Madhya Pradesh	1979	1940	1804
24	Gujarat*	1419	1386	1876
25	Maharashtra**	2497	2325	3329
26	Andhra Pradesh	642	1357	1527
27	Telangana	660	664	1190
28	Karnataka	2140	3575	2115
29	Goa	91	90	50
30	Lakshadweep	0	00	00
31	Kerala	1369	1584	1347
32	Tamil Nadu	2463	2941	4095
33	Puducherry	65	66	44
34	A&N Islands	119	195	218
	Total	44340	52912	48398

* including Daman & Diu.

** including Dadra & Nagar Havel