

MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

DEMAND NO. 64

Ministry of Micro, Small and Medium Enterprises

A. The Budget allocations, net of recoveries, are given below:

<i>(In crores of Rupees)</i>										
Major Head	Budget 2009-2010			Revised 2009-2010			Budget 2010-2011			
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	
Revenue	1785.00	238.02	2023.02	1508.76	317.55	1826.31	2389.00	247.40	2636.40	
Capital	9.00	1.43	10.43	9.00	1.30	10.30	11.00	1.30	12.30	
Total	1794.00	239.45	2033.45	1517.76	318.85	1836.61	2400.00	248.70	2648.70	
1. Secretariat Economic Services	3451	...	7.04	7.04	...	6.96	6.96	...	6.54	6.54
Micro, Small and Medium Enterprises (MSME)										
2. Credit Support Programme	2851	111.90	...	111.90	99.12	...	99.12	172.75	...	172.75
3. Quality of Technology Support Institution & Programmes	2851	256.00	8.00	264.00	243.64	8.00	251.64	328.50	5.00	333.50
4. Other Schemes	2851	11.00	1.95	12.95	6.39	1.30	7.69	50.25	1.00	51.25
5. National Small Industries Corporation Ltd.	2851	28.40	...	28.40	47.05	...	47.05	41.60	...	41.60
6. National Commission on Enterprises in the Unorganised/ Informal Sector	2851	1.10	...	1.10	1.11	...	1.11	...	...	...
7. Rajiv Gandhi Udyami Mitra Yojana	2851	4.50	...	4.50	0.45	...	0.45	7.15	...	7.15
8. Development Commissioner (MSME)	2851	...	16.40	16.40	...	18.78	18.78	...	15.00	15.00
9. Promotional Services Institutions and Programmes	2851	46.00	61.80	107.80	47.21	73.58	120.79	48.35	68.00	116.35
10. MSME Clusters Development Programmes and MSME Growth Poles	2851	36.00	...	36.00	25.56	...	25.56	50.50	...	50.50
11. Marketing Development Assistance Programme	2851	10.50	...	10.50	6.55	...	6.55	9.50	...	9.50
12. Updation of Database	2851	2.50	...	2.50	3.20	...	3.20	5.89	...	5.89
13. Collection of Statistics of Small Scale Industries	3601	16.10	...	16.10	12.93	...	12.93	10.16	...	10.16
	3602	0.50	...	0.50	0.50	...	0.50	0.35	...	0.35
<i>Total</i>		<i>16.60</i>	<i>...</i>	<i>16.60</i>	<i>13.43</i>	<i>...</i>	<i>13.43</i>	<i>10.51</i>	<i>...</i>	<i>10.51</i>
14. National Fund for Unorganised Sector (NAFUS)	2851	1.00	...	1.00	...	...	...	...	...	...
15. Construction of Office Accommodation-Village and Small Industries	4059	5.50	...	5.50	5.50	...	5.50	7.50	...	7.50
16. Special Scheme on MSME	2851	...	...	...	...	...	...	1.00	...	1.00
Total-Micro, Small and Medium Enterprises (MSME)		531.00	88.15	619.15	499.21	101.66	600.87	733.50	89.00	822.50
Khadi & Village Industries										
17. <i>Khadi and Village Industries Commission</i>										
17.01 Khadi Industries	2851	114.30	100.81	215.11	114.30	164.04	278.34	262.80	110.00	372.80
17.02 Other Village Industries	2851	37.80	...	37.80	37.80	...	37.80	51.30	...	51.30
<i>Total</i>		<i>152.10</i>	<i>100.81</i>	<i>252.91</i>	<i>152.10</i>	<i>164.04</i>	<i>316.14</i>	<i>314.10</i>	<i>110.00</i>	<i>424.10</i>
18. <i>Interest Subsidies</i>										
18.01 Khadi Industries	2851	4.95	22.00	26.95	4.95	22.00	26.95	4.95	22.00	26.95
18.02 Other Village Industries	2851	4.50	5.36	9.86	4.50	5.36	9.86	4.50	5.36	9.86
<i>Total</i>		<i>9.45</i>	<i>27.36</i>	<i>36.81</i>	<i>9.45</i>	<i>27.36</i>	<i>36.81</i>	<i>9.45</i>	<i>27.36</i>	<i>36.81</i>
19. Mahatma Gandhi Institute for Rural Industrialisation	2851	3.00	0.72	3.72	3.00	0.72	3.72	6.00	0.50	6.50
20. Workshed Scheme for Khadi Artisans	2851	14.95	...	14.95	14.95	...	14.95	18.00	...	18.00

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		(In crores of Rupees)								
Major Head	Budget 2009-2010			Revised 2009-2010			Budget 2010-2011			
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	
21. Scheme for enhancing Productivity & Competitiveness of Khadi Industries and Artisans	2851	7.95	...	7.95	7.95	...	7.95	18.90	...	18.90
22. Strengthening of infrastructure of existing weak Khadi Institutions and assistance for marketing infrastructure	2851	4.90	...	4.90	4.90	...	4.90	4.90	...	4.90
23. Prime Minister's Employment Generation Programme	2851	738.75	...	738.75	539.03	...	539.03	815.25	...	815.25
24. Scheme of fund for Regeneration of Traditional Industries	2851	14.90	...	14.90	10.00	...	10.00	14.90	...	14.90
25. Khadi Reform Development Package (ADB Assistance)	2851	86.40	...	86.40	86.40	...	86.40	172.80	...	172.80
26. Loans to Khadi and Village Industries Commission										
26.01 Khadi Industries	6851	...	1.13	1.13	...	1.00	1.00	...	1.00	1.00
Total-Khadi & Village Industries		1032.40	130.02	1162.42	827.78	193.12	1020.90	1374.30	138.86	1513.16
27. Coir Industries										
27.01 Coir Board	2851	32.30	13.94	46.24	27.30	16.81	44.11	33.30	14.00	47.30
	6851	...	0.30	0.30	...	0.30	0.30	...	0.30	0.30
27.02 Rejuvenation, Modernisation and Technology Upgradation of Coir Industry	2851	18.90	...	18.90	11.70	...	11.70	18.90	...	18.90
Total-Coir Industries		51.20	14.24	65.44	39.00	17.11	56.11	52.20	14.30	66.50
28. Provision for projects/schemes for the benefit of North Eastern Region and Sikkim										
28.01 Other Schemes	2552	2.00	...	2.00	2.00	...	2.00	7.00	...	7.00
28.02 Rajiv Gandhi Udyami Mitra Yojana	2552	0.50	...	0.50	0.05	...	0.05	0.60	...	0.60
28.03 National Small Industries Corporation Ltd.	2552	2.50	...	2.50	2.95	...	2.95	3.40	...	3.40
28.04 Development Commissioner (MSME)	2552	53.50	...	53.50	48.85	...	48.85	70.00	...	70.00
	4552	0.50	...	0.50	0.50	...	0.50	0.50	...	0.50
	<i>Total</i>	<i>54.00</i>	<i>...</i>	<i>54.00</i>	<i>49.35</i>	<i>...</i>	<i>49.35</i>	<i>70.50</i>	<i>...</i>	<i>70.50</i>
28.05 Khadi and Village Industries	2552	113.60	...	113.60	28.25	...	28.25	60.95	...	60.95
	6552	3.00	...	3.00	3.00	...	3.00	3.00	...	3.00
	<i>Total</i>	<i>116.60</i>	<i>...</i>	<i>116.60</i>	<i>31.25</i>	<i>...</i>	<i>31.25</i>	<i>63.95</i>	<i>...</i>	<i>63.95</i>
28.06 Prime Minister's Employment Generation Programme	2552	...	...	...	63.17	...	63.17	90.75	...	90.75
28.07 Coir Industries	2552	3.80	...	3.80	3.00	...	3.00	3.80	...	3.80
	<i>Total</i>	<i>179.40</i>	<i>...</i>	<i>179.40</i>	<i>151.77</i>	<i>...</i>	<i>151.77</i>	<i>240.00</i>	<i>...</i>	<i>240.00</i>
Grand Total		1794.00	239.45	2033.45	1517.76	318.85	1836.61	2400.00	248.70	2648.70
B. Investments in Public Enterprises	Head of Dev	Budget Support	IEBR	Total	Budget Support	IEBR	Total	Budget Support	IEBR	Total
1. National Small Industries Corporation Limited	12851	...	70.00	70.00	...	125.00	125.00	...	150.00	150.00
Total		...	70.00	70.00	...	125.00	125.00	...	150.00	150.00
C. Plan Outlay										
1. Village & Small Industries	12851	1614.60	70.00	1684.60	1365.99	125.00	1490.99	2160.00	150.00	2310.00
2. North Eastern Areas	22552	179.40	...	179.40	151.77	...	151.77	240.00	...	240.00
Total		1794.00	70.00	1864.00	1517.76	125.00	1642.76	2400.00	150.00	2550.00

1. **Secretariat Economic Services:** Provides for establishment related expenses etc. for the Ministry of Micro, Small and Medium Enterprises.

2. **Credit Support Programme:** Under this programme, a Credit Guarantee Fund Scheme for Micro and Small Enterprises is operational. Through this scheme, the guarantee cover is provided for collateral free credit facility extended by member lending institutions (MLIs) to the new as well as existing small enterprises on loans up to Rs. 100 lakh. In another component of Portfolio Risk Fund' (PRF) under this programme, Government of India provides funds for Micro Finance Programme to SIDBI which is used for security deposit requirement of the loan amount from the MFIs/NGOs. The Programme also covers Trade Related Entrepreneurship Assistance and Development (TREAD) Scheme for Women under which assistance is provided for economic empowerment of women through development of their entrepreneurial skills in non- farming activities.

3. **Quality of Technology Support Institutions and Programmes:** Under this programme, Tool Rooms and Technical Institutions are covered. MSME Tool Rooms are at Kolkata, Ludhiana, Ahmedabad, Aurangabad, Indore, Bhuvaneshwar, Jamshedpur, Jalandhar and Nagaur. These were started with Indo-German and Indo-Danish collaborations to assist MSMEs in technical Upgradation, good quality tooling by designing and producing tools, moulds, jigs & fixtures, components etc. They also provide training and consultancy for tool & die makers. MSME Technology Development Centres (MSME TDCs) are at Ramnagar, Firozabad, Meerut, Agra, Kanauj, Mumbai and Hyderabad. These are product specific centres to look into specific problems and render technical service, develop and upgrade technologies and manpower development and training in specific product groups like foundry & forging. electronics, fragrances & flavour, sport shoes, electrical measuring instruments and glass. MSME – Technology Development Centres (Central Footwear Training Institutes) at Agra and Chennai, provide training to developing manpower in footwear industry and common facility services to the micro & small footwear manufacturing units for doing their job work and also develop new designs for the footwear industry. The Programme also covers Credit Linked Capital Subsidy Scheme, ISO 9000/14001 reimbursement scheme, schemes of National Manufacturing Competitiveness Programme and Vertical Shaft Brick Kiln (VSBK) Technology.

4 **Other Schemes :** Under the Scheme of Survey, Studies and Policy Research, grants are provided to reputed independent agencies, for conducting survey/studies on various aspects and features of micro, small and medium enterprises. International Cooperation Scheme aims to promote international cooperation between Indian Micro, Small and Medium Enterprises (MSMEs) and enterprises abroad, with a view to technology infusion and/or Upgradation of Indian Micro, Small and Medium Enterprises, their modernization and promotion of exports.

Under the scheme of 'Training Institution' grant is provided to the National Entrepreneurship Development Training Institutions viz. National Institute for Entrepreneurship and Small Business Development (NIESBUD) at NOIDA and Indian Institute of Entrepreneurship (IIE), Guwahati, NIMSME Hyderabad and also to existing and new training institutes for supporting the entrepreneurship development efforts. Assistance is also provided to training Institutions for imparting training.

5 **National Small Industries Corporation Limited (NSIC):** National Small Industries Corporation, a PSE of the

Ministry, has been working to promote the interest of MSMEs and to enhance their competitiveness by providing integrated support services under Marketing, Technology, Finance and Support services.

NSIC is implementing two Plan Schemes of the Ministry viz., "Marketing Assistance Scheme" and "Performance and Credit Rating Scheme", for which grant is provided by the Government of India. Under the Marketing Assistance Scheme, micro and small enterprises are provided support to market their products in the domestic and international market. Under the Performance and Credit Rating Scheme, micro and small enterprises are subsidised by the Government to the extent of 75% (up to a maximum of Rs. 40,000) for getting themselves rated for performance as well as creditworthiness by one of the empanelled accredited credit rating agency.

7 **Rajiv Gandhi Udyami Mitra Yojana:** Under 'Rajiv Gandhi Udyami Mitra Yojana (RGUMY), handholding assistance is provided to designated nodal agencies namely Udyami Mitras for providing handholding support to first generation entrepreneurs to guide and facilitate the potential entrepreneurs in dealing with various procedural and legal hurdles and completion of various formalities required for setting up and running of enterprises successfully.

8. **Development Commissioner (MSME):** The Office of Development Commissioner (MSME) is the nodal body for formulating, coordinating and monitoring policies and programmes for promotion and development of micro, small and medium enterprises in the country. Development Commissioner maintains close liaison with the Central Ministries, Planning Commission, State Governments, Financial Institutions, Voluntary Organisations and other organisations concerned with the development of the sector. Provision is for establishment related expenses of Headquarter DC (MSME).

9. **Promotional Services Institutions and Programme:** Office of DC(MSME) provides training to its Officers under DC(MSME) Officers Training Programme. MSME Testing Centre and MSME Testing Stations (TSs) provide testing facilities to Micro, Small & Medium Enterprises. MDP/EDP/Skill Development, National Award, Vendor Development Programme for Ancillarisation, Support for Entrepreneurial & Management Development of Small & Medium Enterprises, Advertising and Publicity and SENET Project are the other components of the programme. Few new components viz. Scheme for conduct of tailor made courses for new entrepreneurs through select business schools, technical institutes, etc. and a programme to support 5 select universities / colleges to run 1200 entrepreneur clubs and establishment related expenditure of DC(MSME) field offices have been included under this head.

10. **MSME Clusters Development Programme and MSME Growth Poles:** MSME Clusters Development Programme is one of the important schemes of the Office of DC(MSME). Special emphasis has been accorded to comprehensive development of clusters. Infrastructural support has also been added under this programme. Association of women entrepreneurs will be assisted under the Cluster Development Programme in establishing exhibition centres at central places for display and sale of products made by women owned MSEs.

11. Marketing Development Assistance Programme: For successful international marketing of products in the retail market bar coding is an essential requirement. To promote adoption of bar coding of products by micro and small enterprises (MSEs) a scheme of reimbursement of 75% of one time registration cost for bar coding is operational for MSEs. To encourage MSEs to adopt the practice of Bar Coding on a larger scale. 75% of the annual fees (recurring) charged by GSI India is also reimbursed as subsidy for the first three years. The scheme includes financial assistance to enable MSEs to obtain product patents. MSEs are also encouraged to participate in international fairs. Various training programmes are also organised in packaging for exports.

12. Updation of Database: Collection of statistics and information through annual surveys and quinquennial census, in respect of number of units, employment, rate of growth, share of GDP/value of production, extent of sickness/closure and exports of micro, small and medium enterprises are collected under this programme. Under the Scheme data on women owned and/or managed enterprises will also be collected.

15 Construction of Office Accommodation – Village and Small Industries: Provides for construction of Office Accommodation for field Offices.

16. Special Scheme recommended by PM's Task Force on MSME : The Report of the Task Force on Micro, Small and Medium Enterprises was presented to the Hon'ble Prime Minister in January 2010 by its Chairman, Shri T.K.A.Nair. The report provides a roadmap for the development and promotion of the Micro, Small and Medium Enterprises (MSMEs). It recommends an agenda for immediate action to provide relief and incentives to the MSMEs, especially in the aftermath of the recent economic slowdown, accompanied by institutional changes and detailing of programmes, to be achieved in a time bound manner. In addition, it suggests setting up of appropriate legal and regulatory structures to create a conducive environment for entrepreneurship and growth of micro, small and medium enterprises in the country. Setting up of a Special Fund for the Micro Enterprises for exclusive lending to this sub-sector; introduction of a Public Procurement Policy which mandates government and PSUs to reach, in a stipulated time period, a target of at least 20 percent of their annual volume of purchases from micro and small enterprises; and earmarking of additional public spending of around Rs 5500 crore over a five year period, to specifically target deficiencies in the existing infrastructure and institutional set up are amongst some of the major recommendations of the Task Force.

17. Khadi and Village Industries Commission: Khadi & Village Industries Commission (KVIC) established under the Khadi and Village Industries Commission Act, 1956 (61 of 1956), is a statutory organization engaged in promoting and developing khadi and village industries for providing employment opportunities in the rural areas, thereby strengthening the rural economy. KVIC has been identified as one of the major organisations in the decentralised sector for generating non-farm employment opportunities in rural areas at low per capita investment. The KVIC undertakes activities like skill improvement, transfer of technology, research & development, marketing, etc., in the process of generating employment/self-employment opportunities in rural areas besides providing interest subsidy on bank credit availed by eligible khadi/VI institutions, in the process of generating employment/self-employment opportunities in the rural areas.

Khadi and Village Industries Commission (KVIC) implements various schemes launched by the Government in the Sector including the latest employment generation programme, i.e., Prime Minister's Employment Generation programme (PMEGP) with the co-operation of State/Union Territory Governments and the implementing banks.

17.01. Khadi Industries : Budgetary allocation under Khadi grant is for promotion and development of khadi, financial assistance for revitalisation of KVI institutions through, inter alia, replacement of charkhas and looms that have outlived their utility, scheme for encouraging value addition by converting khadi fabric into readymade garments, provision for rebate on sale of khadi, MDA based on production, interest subsidy on term and working capital loans taken by khadi institutions at reduced interest rate of 4%, allocation for the PRODIP scheme for development of new products, designs and better packaging for khadi products and welfare of khadi artisans, etc., including the Khadi Artisans Janashree Bima Yojana.

17.02. Other Village Industries : The budget provision under this sub-head is meant for promotion and development of village industries through technology upgradation, improved market access through facilitating participation in exhibitions at International, National, State and District levels, modernisation of sales outlets, allocation for the PRODIP scheme for development of new products, designs and better packaging for VI products, rebate on retail sales of polyvastra/MDA based on production of polyvastra, up gradation of existing training institutes of KVIC/KVIBs and institutions affiliated to KVIC/KVIBs, development of clusters under the Rural Industries Service Centre (RISC) scheme through setting up of Common Facilities Centres (CFCs).

18. Interest Subsidies : The budgetary allocation under this sub-head is meant for subsidy in lieu of interest accrued on Government loans given in the past to KVIC for promotion of khadi and Village Industries sector for onward lending to khadi institutions. This amount is a book transfer as it is adjusted against the Khadi Loan interest dues of Khadi & Village Industries Commission.

19. Mahatma Gandhi Institute for Rural Industrialisation (MGIRI): To strengthen the R& D activities in khadi and village industry sectors a national level institute namely 'Mahatma Gandhi Institute for Rural Industrialisation (MGIRI)' has been established at Wardha, Maharashtra in association with IIT, Delhi by revamping Jamnalal Bajaj Central Research Institute. The main functions of MGIRI are to improve the R&D activities in rural industrial sector by encouraging research, extension of R&D, quality control, training and dissemination of technology related information.

20. Workshed Scheme for Khadi Artisans: To facilitate and empower khadi spinners and weavers to chart out a sustainable path for growth, income generation and better work environment to enable them to carry out their spinning and weaving work efficiently 'Workshed Scheme for Khadi Artisans' has been introduced in May 2008 through the Khadi and Village Industries Commission (KVIC).

21. Scheme for Enhancing Productivity & Competitiveness of Khadi Industries and Artisans: To make khadi industry more competitive with more market-driven, profitable, production and sustained employment for khadi artisans

and related service providers by replacement of obsolete and old machinery and equipment and repairs to/renovation of existing/operational machinery and equipment, the Ministry has introduced the 'Scheme for Enhancing Productivity and Competitiveness of Khadi Industries and Artisans' through KVIC with effect from July 2008. The scheme aims to provide financial assistance to 200 of the 'A+' and 'A' category khadi institutions of which 50 institutions would be those which are managed exclusively by beneficiaries belonging to Scheduled Castes (SCs)/ Scheduled Tribes (STs) with a total cost of Rs. 84.crore involving financial assistance of Rs. 71.14 crore as grant to KVIC from Government's budgetary sources between 2008-09 to 2011-12.

22. Strengthening of Infrastructure of existing Weak Khadi Institutions and Assistance for Marketing Infrastructure: The Scheme has been introduced by the Ministry in July, 2009 for renovation of 30 selected Khadi sales outlets and providing assistance for strengthening of infrastructure for existing 100 weak selected institutions, over a period of four years.

23. Prime Minister's Employment Generation Programme (PMEGP): 'Prime Minister's Employment Generation Programme (PMEGP)' is a credit linked, Central Sector Credit Linked Subsidy Scheme approved in August 2008 by merging two earlier schemes of the Ministry, that were in operation till 31.03.2008, i.e., Prime Minister's Rozgar Yojana (PMRY) and Rural Employment Generation Programme (REGP). It is a significant initiative with a higher level of subsidy than both PMRY and REGP. The main objective of this programme is to generate employment opportunities by assisting establishment of micro enterprises in rural as well as urban areas by the first generation entrepreneurs. The scheme is expected to increase the participation by and coverage of rural beneficiaries by KVIC and State Governments in a more focused manner through rationalized implementation, focused EDP Training, monitoring and verification procedures to be piloted and coordinated by KVIC, Khadi Village Industries Boards and District Industries Centres (DICs) of State Governments. The funds earmarked under the scheme would be utilized for providing subsidy to the beneficiaries through banks and meeting cost of training as well as backward and forward linkages.

24. Scheme of Fund for Regeneration of Traditional Industries (SFURTI): SFURTI has been introduced in October 2005 with a view to developing around 100 traditional clusters from khadi, village industry and coir sectors for comprehensive development over 5 years. KVIC and Coir Board are the nodal agencies for the scheme which is the first comprehensive initiative for focused regeneration of the khadi and village industries sector, based on the cluster development methodology. The Scheme Steering Committee (SSC) has approved 118 clusters (32 khadi, 60 village industries and 26 coir) with additional clusters serving as a reserved cluster against any possible 'dropout'. 17 National

level institutions have been identified as Technical Agencies under this programme for providing technical support to these clusters. Diagnostic Study Reports (DSR) and Annual Action Plans (AAP) for 96 clusters have been approved by the SSC. 69 KVI clusters (29 Khadi and 40 VI) have been operationalized with the distribution of tools, equipments and inauguration of common facility centres. Complementary activities have been initiated in 25 coir clusters.

25. Khadi Reform and Development Programme (ADB Assistance) : Department of Economic Affairs, Ministry of Finance is arranging external financial aid from Asian Development Bank amounting to US\$ 150 million over a period of three years for implementing the comprehensive Khadi Reform and Development Programme worked out in consultation with ADB and KVIC. With this Reform Programme, the Ministry proposes to revitalize the KVI sector with enhanced sustainability of khadi, increased incomes and employment, increased artisan welfare and to enable KVIC to stand on its own with decreasing dependence on Government grants. Necessary Agreements have been signed between ADB and KVIC recently on 22.12.2009.

26. Loan to Khadi and Village Industries Commission: Provides loan for employees of Khadi and Village Industries Commission.

27. Coir Industries

27.01 Coir Board: The objective of Coir Board is to promote development of coir industry in the country by undertaking scientific, technological and economic research and development activities; collection of statistics relating to exports and internal consumption of coir and coir products; development of new products and designs; publicity for promotion of exports and internal sales; marketing of coir and coir products in India and abroad; preventing unfair competition among producers and exporters; assisting in the establishment of units for the manufacture of products; promoting co-operative organisations among producers of husk, coir fibre, coir yarn and manufacturers of coir products; ensuring remunerative returns to producers and manufacturers, etc. The target for export for the year 2010-11 has been kept at Rs.800 crore.

27.02. Rejuvenation, Modernisation and Technological Upgradation of Coir Industry' : The scheme aims at developing Coir Industry by providing financial assistance to spinners and tiny household sector. Under this scheme, assistance is provided for replacement of outdated rattts/looms and for constructing worksheds so as to increase production and earnings of workers.

28. Provision for projects/schemes for the benefit of North Eastern Region and Sikkim.