

THE MINISTER OF STATE IN THE MINISTRY OF HUMAN RESOURCE DEVELOPMENT (SHRIMATI D. PURANDESWARI) : (a) to (e) The University Grants Commission (UGC), provides financial assistance in the form of Scholarship to all eligible students regardless of the type of college/university, details of which are available on the website at www.ugc.ac.in. According to UGC, a provision of Rs. 300.00 lakhs has been made for the year 2010-11 under the Scheme of PG Scholarship for Professional Courses for SC/ST Candidates.

This Ministry has also introduced a Central Sector Scholarship Scheme for College and University students from the year 2008, for pursuing higher Studies or professional courses from recognized institution as regular candidates. Meritorious students not belonging to the 'creamy layer' are eligible under this scheme. A provision of Rs. 120 crore has been made for this scheme for the financial year 2010-11.

Implementation of recommendations of the Task Force

658. DR. E. M. SUDARSANA NATCHIAPPAN: Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) the Government proposal on implementing the recommendations of the Task Force constituted under the chairmanship of the Principal Secretary to the Prime Minister to address issues of MSME sector;

(b) whether there are any time bound proposals; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI DINSHA J. PATEL) : (a) to (c) The Task Force constituted to address the issues of the micro, small and medium enterprises (MSME) sector in its report has made various recommendations in the areas of credit taxation, labour issues, infrastructure/technology/skill development, marketing, etc., for providing an impetus to the growth of the sector. The report has been circulated to the departments/agencies concerned for time-bound action as laid down in the report. A Steering Group under the chairmanship of Principal Secretary to the Prime Minister has been constituted for ensuring timely/speedy implementation of the recommendations of the Task Force.

Rebate for Khadi products

659. PROF. P.J. KURIEN: Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) the percentage of rebate and special rebate, if any, fixed for retail of Khadi products and textiles for the Financial Year 2010-11;

(b) whether any decision has been taken to discontinue the rebate given by Central Government for the retail of Khadi products;

(c) if so, the details thereof;

(d) the total number of workers in the Khadi and Village Industries sector;

(e) whether discontinuation of rebate by Central Government would be advantageous to Khadi workers;

(f) whether Government proposes to introduce any new scheme for the development of Khadi sector, in view of its poor condition; and

(g) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI DINSHA J. PATEL) : (a) to (c) In order to promote market for khadi products, the Government had continued through the Khadi and Village Industries Commission (KVIC) a policy of rebate on sale of khadi and khadi products till 2009-10. Normal rebate @10% of sales used to be given throughout the year whereas a special rebate of additional 10% used to be given for 108 days in a year coinciding with Gandhi Jayanti and / or local festivals. However, on the recommendations of Expert Committee and after trying several pilot projects and extensive consultations with stakeholders, the Government has introduced a more flexible scheme, namely, Market Development Assistance (MDA) Scheme on production of khadi in place of existing scheme of Rebate on Sales with effect from 01.04.2010 for implementation by KVIC during 2010-11 and 2011-12. The scheme envisages financial assistance @ 20% of production value on khadi and polyvastra which will be shared among artisans, producing institutions and selling institutions in the ratio 25:30:45. Under the new system of MDA; sales are expected to be evenly spread throughout the year, the institutions will have the flexibility to use the assistance in improving the outlets, products giving incentive to customers, etc.

(d) As per data compiled by KVIC, there are about 1.08 crore workers engaged in the khadi and village industries sector, including an estimated 9.81 lakh artisans alone in the khadi sub-sector.

(e) The erstwhile scheme of rebate on sales caused delay in paying incentives to the institutions in the sense that they would have to wait till sale and wait till next year to get the claims reimbursed. Under MDA, incentive would be provided immediately after production of the items and this is expected to ease out the working capital situation of the institutions by ensuring immediate liquidity which would in turn ensure timely payment to the artisans. The newly introduced MDA scheme has a provision of sharing 25% of the assistance (MDA) with the artisans as incentive or bonus in addition to their wages through their bank accounts or post Office accounts. With these measures, the sector is expected to grow at a faster pace ultimately benefiting the artisans.

(f) and (g) For the development of khadi sector, the Government, through KVIC, has introduced several other new schemes, in addition to MDA scheme for khadi and polyvastra, namely, 'Workshed Scheme for Khadi Artisans' for providing assistance for construction of worksheds for better work environment and the 'Scheme for enhancing productivity and competitiveness of Khadi Industries and Artisans' to assist 200 khadi institutions to make khadi industry competitive with more market driven and profitable production by replacement of

obsolete and old machinery and equipment and 'Strengthening of Infrastructure of existing Weak Khadi Institutions and Assistance for Marketing Infrastructure' which includes strengthening of Infrastructure' of existing 100 weak selected khadi institutions. Besides, the recently introduced Khadi Reforms and Development Programme funded by the Asian Development Bank also provides for revitalization of khadi sector through measures which, *inter alia*, include enhanced employment and earnings of the artisans through their capacity building and empowerment.

Self-employment to disabled, SCs/STs etc. by KVIC

660. SHRI BIRENDRA PRASAD BAISHYA: Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether Khadi and Village Industries Commission (KVIC) has launched a scheme to provide self employment to the disabled, Scheduled Castes, Scheduled Tribes, Other Backward Classes and persons living below poverty line in NER also; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI DINSHA J. PATEL) : (a) and (b) Yes, Sir. The Khadi and Village Industries Commission (KVIC), a statutory body under the administrative control of the Ministry of Micro, Small and Medium Enterprises, has been implementing a scheme named "Prime Minister's Employment Generation Programme" (PMEGP) for creation of opportunities for self-employment through setting up new micro enterprises in manufacturing or business / service sector, under which margin money assistance is provided to the interested persons, including those belonging to the categories of disabled, Scheduled Castes, Scheduled Tribes, Other Backward Classes, North-Eastern Region (NER) also. Substantial credit is extended by banks depending upon the project cost and location / category of the beneficiary. PMEGP was introduced in 2008-09 by merging the erstwhile Pradhan Mantri Rozgar Yojana and Rural Employment Generation Programme. PMEGP is being implemented in both rural as well as urban areas, throughout the country. The scheme has higher quantum of margin money subsidy for special category under which disabled, Scheduled Castes, Scheduled Tribes, Other Backward Classes, NER are covered, as shown below :

Categories of beneficiaries under PMEGP	Beneficiary's Contribution (% of project cost)	Rate of Margin Money Subsidy (% of project cost)	
		Urban	Rural
Area (location of project/unit)			
General Category	10%	15%	25%
Special Category (including SC/ST/OBC/Minorities/Women, Ex-servicemen, Physically handicapped, NER, Hill and Border areas etc.)	05%	25%	35%