

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 2007-2008			Revised 2007-2008			Budget 2008-2009			
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	
Revenue	1638.00	141.73	1779.73	1496.60	141.73	1638.33	1787.00	144.11	1931.11	
Capital	4.00	1.31	5.31	3.40	1.31	4.71	7.00	1.31	8.31	
Total	1642.00	143.04	1785.04	1500.00	143.04	1643.04	1794.00	145.42	1939.42	
1. Secretariat Economic Services	3451	...	4.58	4.58	...	4.58	4.58	...	5.10	5.10
Micro, Small and Medium Enterprises (MSME)										
2. Credit Support Programme	2851	186.80	...	186.80	186.50	...	186.50	122.67	...	122.67
3. Quality of Technology Support Institution & Programmes	2851	144.00	...	144.00	141.67	...	141.67	244.35	...	244.35
4. Other Schemes	2851	5.90	...	5.90	4.00	...	4.00	8.25	...	8.25
5. National Small Industries Corporation Ltd.	2851	18.00	...	18.00	18.00	...	18.00	20.70	...	20.70
6. National Commission on Enterprises in the Unorganised Sector	2851	4.50	...	4.50	4.50	...	4.50	5.00	...	5.00
7. Promotion & Handholding of Micro & Small Enterprises	2851	6.75	...	6.75	0.90	...	0.90	...	...	...
8. Rajiv Gandhi Udyami Mitra Yojana	2851	...	...	...	...	...	...	10.80	...	10.80
9. Development Commissioner(MSME)	2851	...	9.89	9.89	...	9.89	9.89	...	10.91	10.91
10. Promotion of Small Scale Industries Schemes	2851	...	0.50	0.50	...	0.50	0.50	...	...	...
11. Small Industries Service Institute	2851	...	40.44	40.44	2.50	40.44	42.94	...	...	...
12. Promotional Services Institutions and Programmes	2851	27.00	...	27.00	26.83	...	26.83	31.18	42.78	73.96
13. Micro, Small and Medium Enterprises Clusters Development Programmes and Growth Poles	2851	61.20	...	61.20	15.90	...	15.90	45.80	...	45.80
14. Marketing Development Assistance Programme	2851	4.00	...	4.00	1.60	...	1.60	9.75	...	9.75
15. Updation of Database	2851	18.00	...	18.00	5.65	...	5.65	10.65	...	10.65
16. Collection of Statistics of Small Scale Industries	3601	...	...	...	12.30	...	12.30	16.80	...	16.80
	3602	...	...	...	0.80	...	0.80	1.30	...	1.30
	<i>Total</i>	...	...	...	<i>13.10</i>	...	<i>13.10</i>	<i>18.10</i>	...	<i>18.10</i>
17. Construction of Office Accommodation-Village and Small Industries	4059	...	...	...	1.90	...	1.90	3.50	...	3.50
18. Waiver of Guarantee fee										
18.01 National Small Industries Corporation Ltd.	2851	...	...	...	...	4.04	4.04	...	...	...
Less - Receipts Netted	0075	...	...	...	...	-4.04	-4.04	...	...	...
Net		...	...	...	...	...	...	...	...	...
Total-Micro, Small and Medium Enterprises (MSME)		476.15	50.83	526.98	423.05	50.83	473.88	530.75	53.69	584.44
Khadi & Village Industries										
19. Khadi and Village Industries Commission										
19.01 Khadi Industries	2851	100.80	55.45	156.25	101.70	55.45	157.15	159.30	55.45	214.75
19.02 Other Village Industries	2851	53.80	1.00	54.80	53.60	1.00	54.60	55.80	...	55.80
	<i>Total</i>	<i>154.60</i>	<i>56.45</i>	<i>211.05</i>	<i>155.30</i>	<i>56.45</i>	<i>211.75</i>	<i>215.10</i>	<i>55.45</i>	<i>270.55</i>
20. Interest Subsidies										
20.01 Khadi Industries	2851	17.10	22.00	39.10	17.10	22.00	39.10	17.10	22.00	39.10
20.02 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>21.60</i>	<i>27.36</i>	<i>48.96</i>	<i>21.60</i>	<i>27.36</i>	<i>48.96</i>	<i>21.60</i>	<i>27.36</i>	<i>48.96</i>

No.64/Ministry of Micro, Small and Medium Enterprises

<i>(In crores of Rupees)</i>										
Major Head	Budget 2007-2008			Revised 2007-2008			Budget 2008-2009			
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	
21. Mahatma Gandhi Institute for Rural Industrialisation	2851	3.00	...	3.00	2.75	...	2.75	3.00	...	3.00
22. Workshed Scheme for Khadi Artisans (Formerly Workshed-cum-Housing Scheme for Khadi Weavers)	2851	4.50	...	4.50	1.50	...	1.50	24.95	...	24.95
23. Scheme for enhancing Productivity & Competitiveness of Khadi Industries and Artisans	2851	4.50	...	4.50	1.50	...	1.50	9.95	...	9.95
24. Package for Developing Infrastructure for Khadi Institutions including nursing fund for weak Institution	2851	4.50	...	4.50	1.50	...	1.50	0.90	...	0.90
25. Rural Employment Generation Programme (REGP)	2851	400.50	...	400.50	400.50	...	400.50	...	...	...
26. Restructuring of Rural Employment Generatrion Programme	2851	45.00	...	45.00	1.00	...	1.00	...	...	...
27. Prime Minister's Employment Generation Programme	2851	...	...	...	...	...	...	738.00	...	738.00
28. Scheme of fund for Regeneration of Traditional Industries	2851	23.40	...	23.40	18.90	...	18.90	18.90	...	18.90
29. Loans to Khadi and Village Industries Commission										
29.01 Khadi Industries	6851	...	1.01	1.01	...	1.01	1.01	...	1.01	1.01
29.02 Village Industries	6851	...	...	...	...	...	...	...	...	...
<i>Total</i>		...	1.01	1.01	...	1.01	1.01	...	1.01	1.01
Total-Khadi & Village Industries		661.60	84.82	746.42	604.55	84.82	689.37	1032.40	83.82	1116.22
30. Prime Minister's Rozgar Yojana	2851	288.00	...	288.00	288.00	...	288.00	...	...	...
31. Coir Industries										
31.01 Coir Board	2851	28.70	2.51	31.21	25.40	2.51	27.91	28.70	2.51	31.21
	6851	...	0.30	0.30	...	0.30	0.30	...	0.30	0.30
31.02 Rejuvenation, Modernisation and Technology Upgradation of Coir Industry	2851	22.50	...	22.50	9.00	...	9.00	22.50	...	22.50
Total-Coir Industries		51.20	2.81	54.01	34.40	2.81	37.21	51.20	2.81	54.01
32. Provision for projects/schemes for the benefit of North Eastern Region and Sikkim										
32.01 Other Schemes	2552	1.60	...	1.60	1.50	...	1.50	1.75	...	1.75
32.02 National Commission on Enterprises in the Unorganised Sector	2552	0.50	...	0.50	0.50	...	0.50	...	...	...
32.03 Promotion & Handholding of Micro & Small Enterprises	2552	0.75	...	0.75	0.10	...	0.10	...	...	...
32.04 Rajiv Gandhi Udyami Mitra Yojana	2552	...	...	...	...	...	...	1.20	...	1.20
32.05 National Small Industries Corporation Ltd.	2552	2.00	...	2.00	2.00	...	2.00	2.30	...	2.30
32.06 Development Commissioner (MSME)	2552	49.00	...	49.00	42.00	...	42.00	53.50	...	53.50
	4552	...	...	...	...	...	...	0.50	...	0.50
<i>Total</i>		49.00	...	49.00	42.00	...	42.00	54.00	...	54.00
32.07 Khadi and Village Industries	2552	71.40	...	71.40	68.10	...	68.10	113.60	...	113.60
	6552	4.00	...	4.00	1.50	...	1.50	3.00	...	3.00
<i>Total</i>		75.40	...	75.40	69.60	...	69.60	116.60	...	116.60
32.08 Prime Minister's Rozgar Yojana	2552	32.00	...	32.00	32.00	...	32.00	...	...	...
32.09 Coir Industries	2552	3.80	...	3.80	2.30	...	2.30	3.80	...	3.80
<i>Total</i>		165.05	...	165.05	150.00	...	150.00	179.65	...	179.65
Grand Total		1642.00	143.04	1785.04	1500.00	143.04	1643.04	1794.00	145.42	1939.42

(In crores of Rupees)

B. Investments in Public Enterprises	Head of Dev	Budget 2007-2008			Revised 2007-2008			Budget 2008-2009		
		Budget Support	IEBR	Total	Budget Support	IEBR	Total	Budget Support	IEBR	Total
1. National Small Industries Corporation Limited	12851	...	48.25	48.25	...	48.25	48.25	...	60.00	60.00
C. Plan Outlay										
1. Village & Small Industries	12851	1476.95	48.25	1525.20	1350.00	48.25	1398.25	1614.35	60.00	1674.35
2. North Eastern Areas	22552	165.05	...	165.05	150.00	...	150.00	179.65	...	179.65
Total		1642.00	48.25	1690.25	1500.00	48.25	1548.25	1794.00	60.00	1854.00

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

2. **Credit Support Programme:** It provides contribution to the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) for providing Guarantee Cover to Commercial Banks for extending loans to Small/Tiny Units without any collateral. Under this Head Government will provide assistance to SIDBI to create Portfolio Risk Fund for credit operations for micro enterprises under this scheme, assistance will be given for empowerment of Women Owned Enterprises and Scheduled Caste/Scheduled Tribes and Minorities.

3. **Quality of Technology Support Institutions and Programmes:** Under this Head Tool Rooms and Technical Institutions are covered MSME Tool Rooms are at Kolkata, Ludhiana, Ahmedabad, Aurangabad, Indore, Bhuvaneshar, 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 Centers (MSME TDCs) are at Ram Nagar, Firozabad, Meerut, Agra, Kanauj, Mumbai and Hyderabad. These are products specific centres to look into specific problems and render technical services, develop and upgrade technologies and manpower development and training in specific product groups like Foundry & Forging, Electronics, Fragrances & Flavour, Sports Shoes, Electrical Measuring Instruments and Glass. MSME - Technology Development Centres (Central Footwear Training Institutes) at Agra and Chennai develop footwear design to promote export and provide training for manpower in footwear industry. Credit Linked Capital Subsidy Scheme, ISO 9000/14001 reimbursement scheme and various other schemes covered under National Manufacturing Competitiveness Programme are also under this Head. Other programmes under this Head include promotion of Vertical Shaft Brick Kiln (VSBK) technology and Technology Mission etc.

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 and enterprises abroad, with a view to technology upgradation, modernization and promotion of exports and provide for institutional support to promote trade and investment linkages.

Under the scheme of 'Training Institution' grant is provided to the three National Entrepreneurship Development Training Institutions viz. National Institute for Entrepreneurship and Small Business Development (NIESBUD) at NOIDA and Indian Institute

of Entrepreneurship (IIE), Guwahati. In addition, matching grant is also provided to existing and new training institutes for supporting the entrepreneurship development efforts.

5. **National Small Industries Corporation Limited (NSIC):** The National Small Industries Corporation Ltd. was established by the Government in 1955 as a public sector company, with a view to promoting, aiding and fostering the growth of SSI in the country, with focus on commercial aspects of their operation. NSIC implements several schemes to help the SSI in the areas of raw material procurement, product marketing, credit rating acquisition of technologies, adoption of improved management practices, etc. The Budgetary support through grant is to part-finance its promotional activities and services.

6. **National Commission on Enterprises in the Unorganised Sector (NCEUS):** Provides for establishment related expenditure of the Commission and its activities.

8. **Rajiv Gandhi Udyami Mitra Yojana:** To provide handholding support and assistance to the potential first generation entrepreneurs, who have already successfully completed Entrepreneurship Development Programme/Skill Development Programme/Entrepreneurship-cum-Skill Development Programme or vocational training from I.T.I.s through the selected lead agencies i.e. 'Udyami Mitras', in the establishment and management of the new enterprise, in dealing with various procedural and legal hurdles and in completion of various formalities required for setting up and running of the enterprises.

9. **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 small scale industries in the country. Development Commissioner maintains close liaison with the Central Ministries, Planning Commission, State Governments, Financial Institutions, Voluntary Organisations and other organizations concerned with the development of small scale industries. Provision is for establishment related expenses of Headquarter DC(MSME).

12. **Promotional Services Institutions and Programmes:** office of the DC(MSME) provides training to its officers under DC(MSME) Officers Training Programme. MSME Testing Centre and MSME Testing Stations provide testing facilities to micro, small and medium enterprises. MDP/EDP/Skill Development, National Award, Vendor Development Programme for Ancillarisation, Support for Entrepreneurial & Management Development of small and medium enterprises, advertising and publicity and SENET Project are the other programmes under this scheme. A 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/

No.64/Ministry of Micro, Small and Medium Enterprises

colleges to run 1200 entrepreneurs clubs and establishment related expenditure of DC(MSME) field offices have been included under this Head.

13. MSME Clusters Development Programme and MSME Growth Poles: MSME Cluster Development Programme is one of the important scheme of offices of the DC(MSME) special emphasis has been accorded on comprehensive development of clusters and increasing the ceiling for project cost to Rs. 10 crore. Infrastructural support has also been added under this programme. Association of women entrepreneurs will be assisted under the Cluster Development Programme in establishment exhibition centres at central places for display and sale of products made by women owned MSEs.

14. 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 the MSEs a scheme of reimbursement of 75 per cent of the one time registration cost for bar coding is operational. To encourage MSEs to adopt the practice of bar coding on a large scale, 75 per cent of the annual fees (recurring) charged by EAN India will also be reimbursed as subsidy for the first three years. A scheme of financial assistance is being launched to enable micro and small enterprises to obtain product patents.

15. Updation of Database: Through annual surveys and quinquennial census, the Central Statistical Organization (CSO) would collect statistics and information 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. Under the Scheme data on women owned and/or managed enterprises will also be collected.

17. Construction of office Accommodation - Village and Small Industries: Provides for construction of Office Accommodation for field Offices.

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

Interest Subsidies

20.01 Khadi Industries :

20.02 Other Village Industries: The interest Subsidy Eligibility Certificate (ISEC) scheme is the major source of funding for the khadi programme. It was introduced in May 1977 to mobilize funds from banks to fill the gap in the actual fund requirement and its availability from budgetary sources.

Under the ISEC scheme, credit at the concessional rate of interest of 4 per cent p.a. for capital expenditure as well as working capital is given as per the requirement of the khadi institutions. The difference between the actual lending rate of banks and 4

per cent is paid by the Central Government through KVIC to the lending bank.

21. Mahatma Gandhi Institute for Rural Industrialisation (MGIRI): This will be a National Institute for coordinating all R&D work relating to rural industries and khadi for strengthening rural industrialization and enhancing the opportunities for meaningful and productive employment in rural areas. It is operating in project mode in association with IIT, Delhi.

22. Workshed Scheme for Khadi Artisans (Formerly Workshed-cum-Housing Scheme for Khadi Weavers) : This Scheme envisages to provide worksheds to around 38000 khadi artisans on a selective basis on the lines of a similar scheme under implementation in the Ministry of Textiles.

23. Scheme for enhancing Productivity & Competitiveness of Khadi Industries and Artisans : This aims to provide financial assistance to 200 of the 'A plus' and 'A' categories khadi institutions of which 50 institutions would be those which are managed exclusively by beneficiaries belonging to Scheduled Castes (SCs)/Scheduled Tribes (STs) in a Public Private Partnership mode replacing old/obsolete charkhas and looms with new charkhas/looms so as to realize increased value addition to khadi products, readymade garments, muslin khadi, setting up common facility centres, need based dyeing and printing facilities besides ensuring better wages to artisans along with skill upgradation. The better performing of 150 institutions (other than 50 above) would be also contributing their prescribed share of finance.

24. Package for Developing Infrastructure for Khadi Institutions including nursing fund for weak Institution: This scheme envisages renovation of selected sales outlets and provide a nursing fund to help around 200 Khadi institutions which have become financially weak over the years but have the potential to rebound with focused assistance and monitoring.

27. Prime Minister's Employment Generation Programme (PMEGP): The existing schemes of Prime Minister's Rojgar Yojana (PMRY) and Rural Employment Generation Programme (REGP) are credit linked subsidy programmes to support entrepreneurs to set up micro enterprises and do not involve financial contribution from State Governments. Subsidy levels and extent of recovery of loans under PMRY are much less compared to REGP. There is a need for more focused identification in targeting of beneficiaries belonging to marginalized sections with increased subsidy to these beneficiaries in respect of projects and units especially of smaller value/cost to more effectively promote inclusive growth. Based on the recommendations of Expenditure Finance Committee, Prime Minister's Rojgar Yojana (PMRY) and Rural Employment Generation Programme (REGP) would be merged forming Prime Minister's Employment Generation Programme (PMEGP). The merged 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, training, monitoring and verification procedures to be piloted and coordinated by KVIC. The funds earmarked under the scheme would be utilized for providing subsidy to beneficiaries meeting cost of training, backward and forward linkages and to meet residual or committed liabilities under PMRY/REGP.

28. Scheme of fund for Regeneration of Traditional Industries (SFURTI): SFURTI has been launched by the Ministry

No.64/Ministry of Micro, Small and Medium Enterprises

in October, 2005 with a view to developing around 100 traditional industry clusters of khadi, village industry and coir 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 124 clusters (34 Khadi, 64 Village Industries and 26 Coir) with additional clusters serving as a reserve/cushion against any possible 'dropouts'. Seven clusters have been launched in KVI Sector under this scheme. Annual Action Plans and diagnostic study reports have been approved for 71 clusters.

29. Loans to Khadi and Village Industries Commission:

29.01 Khadi Industries : Provides Loan for Employees of KVIC.

31. Coir Industries :

31.01 Coir Board: The objective is to promote development

of Coir Industry in the country through efforts under Science & Technology and promotion of export of coir products. The provision also includes funds for the scheme for modernisation of Coir Industries and the administrative expenses of Coir Board. The target for export for the year 2008-2009 has been kept at Rs. 750 crore as compared to Rs. 680 crore for 2007-2008.

31.02 Rejuvenation, Modernisation and Technology Upgradation of Coir Industries:

The total outlay for the schemes Coir Board for the year 2008-2009 has been envisaged to the tune of Rs. 55 crore which includes Rs. 25 crore for the scheme of rejuvenation, modernisation and technological up-gradation of Coir Industry where financial assistance is targeted to be provided to spinners and tiny household units for replacement of outdated ratts, looms and for providing worksheds resulting in increased production and earnings of workers.

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