

**GOVERNMENT OF INDIA  
AGRO AND RURAL INDUSTRIES  
LOK SABHA**

UNSTARRED QUESTION NO:6827  
ANSWERED ON:11.05.2005  
INDUSTRIALISATION OF VILLAGES  
Mahato Shri Bir Sing;Patel Shri Jivabhai Ambalal

**Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:**

- (a): whether the Government has any proposal to set up door-to- door industries in the rural areas on the pattern of Japan;
- (b): if so, the details thereof;
- (c): if not, the reasons therefor; and
- (d): the steps taken by the Government to industrialise the villages?

**Answer**

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES ( SHRI MAHABIR PRASAD )

(a): No, Sir.

(b): Does not arise.

(c)&(d): The Government has been implementing the Rural Employment Generation Programme (REGP), a credit-linked subsidy programme, through the Khadi and Village Industries Commission (KVIC), throughout the country, to assist eligible applicants in setting up industries in the rural areas and small towns with population upto 20,000. Under this programme, entrepreneurs can establish village industries, by availing of margin money assistance from the KVIC and loans from any public sector scheduled commercial bank, for projects with a maximum cost of Rs.25 lakh. The permissible margin money assistance is as detailed in the table below:

Margin Money Assistance under REGP

Sl.No. Category of beneficiary Project Cost Margin Money Assistance

1 General Upto Rs. 10 lakh 25 per cent of project cost

Above Rs. 10 lakh Rs. 25 lakh plus 10 per cent of  
and upto Rs. 25 lakh balance project cost.

2 SC/ST/OBC/Women/PC/Ex- Upto Rs. 10 lakh 30 per cent of project cost  
servicemen/NE Region/

Hill Areas Above Rs. 10 lakh Rs. 3 lakh plus 10 per cent of  
and upto Rs. 25 lakh balance project cost.

Note: SC/ST = Scheduled Caste/Scheduled Tribe;  
OBC = Other Backward Classes;  
PC = Physically Challenged;  
NE = North Eastern

Besides, the Government has also been implementing the Prime Minister's Rozgar Yojana (PMRY), in both rural and urban areas, for

providing self-employment opportunities to educated unemployed youth. This too is a credit-linked subsidy scheme and is implemented through the District Industries Centres of the States and Union Territories, with the loans being provided by banks. Under the PMRY, projects costing upto Rs. 1 lakh for business sector and upto Rs. 2 lakh in other sectors are eligible for assistance, with the subsidy being limited to 15 per cent of the project cost, subject to a ceiling of Rs. 7,500/-. Eligible persons can join together in a partnership to get assistance for projects upto Rs. 10 lakh. The margin money contribution from the beneficiary varies from 5 per cent to 16.25 per cent of the project cost so as to make the sum of the Government subsidy and beneficiary's own contribution equal to 20 per cent of the projects cost.