

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

UNSTARRED QUESTION NO:5509

ANSWERED ON:15.05.2007

PROMOTION OF AGRO AND RURAL INDUSTRIES

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

- (a) the details of agro and rural industries established in the country during the Tenth Five Year Plan, State and Union Territory-wise;
- (b) the details of funds allocated/utilised to/by the State Governments for such industries during the said period, State and Union Territory-wise;
- (c) the target fixed and the achievement made for setting up of Agro and Rural Industries in the country during the Tenth Five Year Plan, State and Union Territory-wise;
- (d) the steps taken to promote Agro and Rural Industries in the country during the Tenth Five Year Plan;
- (e) the details of proposals sent by the State Governments to the Union Government particularly Orissa and Andhra Pradesh, State and Union Territory-wise; and
- (f) the action taken/proposed to be taken by the Government in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF SMALL SCALE INDUSTRIES AND AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a): Industries in the rural areas of the country are promoted by the Government (in the Ministry of Agro and Rural Industries) through two credit-linked subsidy schemes, namely, the Rural Employment Generation Programme (REGP), implemented by the Government through the Khadi and Village Industries Commission (KVIC) and the Pradhan Mantri Rojgar Yojana (PMRY), implemented through the States and Union Territories. Approximately, fifty per cent of the units established under PMRY

(implemented in both rural and urban areas) are estimated to be in rural areas. The State/UT - wise details of projects set up under REGP and self employment ventures set up under PMRY during Tenth Five Year Plan are given at Annex. I & II respectively.

(b): REGP is a Central Sector scheme and the approved grants for the scheme are released to the KVIC which, in turn, releases the funds

(towards margin money assistance) to the banks against the projects sanctioned in each State/Union Territory (UT). The State/UT - wise details of margin money allocated by KVIC under the REGP during Tenth Five Year Plan are given at Annex. III and those of margin money utilised are given at Annex. IV. Under the PMRY, allocation of the subsidy and release of funds are based on the

for States/UTs. The subsidy amount is released directly to the Reserve Bank of India (RBI), which, in turn, releases the necessary amounts to the implementing banks. The amounts of subsidy released to the RBI during Tenth Five Year Plan under PMRY are given below:

Year	Subsidy released under PMRY (Rs. crore)
2002-03	152.55
2003-04	147.63
2004-05	190.48
2005-06	251.36
2006-07	228.82

The State/Union Territory-wise details of funds allocated (released) to the States/UTs for entrepreneurial development and contingencies as well as the funds utilised under the PMRY during Tenth Five Year Plan are given at Annex. V.

(c): The State/UT - wise details of targets for setting up projects under REGP and self employment ventures under PMRY during Tenth Five Year Plan are given at Annex VI & VII respectively while the achievements have already been given in Annex. I & II mentioned in answer to part (a) above.

(d): As regards various initiatives undertaken for promoting the setting up of village industry units under the REGP in the rural and semi urban areas, convergence has been established by KVIC with Ministry of Women and Child Development (MWCD). Financial assistance is also provided under REGP for various backward forward linkages such as Entrepreneurship Development Programme, marketing, organising awareness camps, etc. KVIC has entered into a Memorandum of Understanding (MoU) with the MWCD, for the benefit of women entrepreneurs under REGP. As per MoU, KVIC and MWCD have agreed to work together for generating employment opportunities for rural women, through REGP and also for marketing their products. KVIC has also established convergence with various other organisations such as Army Wives Welfare Association and Nehru Yuva Kendra Sangathan for the benefit of rural entrepreneurs to create awareness among them about REGP scheme and in the creation of market avenues under REGP. Besides, Rural Industries Service Centre

(RISC) scheme has been introduced for providing assistance in setting up common facility centres (CFC) to provide infrastructural facility and services in manufacturing, testing / quality control, maintenance, etc. As regards PMRY, besides strengthening implementation procedures, in order to improve its effectiveness, the design parameters have been enhanced in terms of family income limits for eligibility, project cost ceiling, corresponding ceiling of subsidies, rates of assistance to States/UTs towards training of beneficiaries before and after selection, etc. with effect from 2007-08.

(e): Applications for setting up industry units mentioned at (a) above are not received directly by the Government in the Ministry of Agro and Rural Industries. Under the REGP, an eligible entrepreneur can establish a village industry by availing of margin money assistance from the KVIC and loans from any public sector scheduled commercial bank. For this purpose the prospective entrepreneur has to submit a project proposal to the State offices of the KVIC or the district offices of the respective State/ Union Territory Khadi and Village Industries Board (KVIB) or the implementing banks directly. Approval of the project depends on technical and financial appraisal by the respective banks. Similarly, under the PMRY, educated unemployed youth can establish a self-employment unit of village industry in the rural areas by availing the

permissible subsidy and loan from the banks. This Yojana is implemented through the District Industries Centres of States and Union Territories. For this purpose, the prospective entrepreneur has to submit a project proposal to the District Industries Centre concerned, which in turn, sponsors short listed applications to the implementing banks.

All proposals received for cluster development under the Scheme of Fund for Regeneration of Traditional Industries (SFURTI) have been examined and 29 clusters of khadi (including 2 in Rajasthan), 50 clusters of village industries (including 2 in Rajasthan) and 25 clusters of Coir have been identified for development under SFURTI.

(f): Does not arise.