

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

UNSTARRED QUESTION NO:2471  
ANSWERED ON:15.12.2004  
ACTION PLAN FOR EMPLOYMENT IN AGRO & RURAL INDUSTRIES  
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**Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:**

- (a): whether the Government has proposed an Action Plan to generate employment in the Agro and Rural Industries;
- (b): if so, the salient features of such Action Plan; and
- (c): the steps taken to implement the Action Plan?

**Answer**

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

(a)to(c): To generate more employment in the agro and rural industries sector, the Union Government has fixed a target of creation of 25 lakh additional job opportunities in rural areas during the Tenth Plan under the Rural Employment Generation Pogramme (REGP) being implemented through the Khadi and Village Industries Commission (KVIC). Under this programme, entrepreneurs can establish agro and rural industries, including 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 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% of project cost
2	SC/ST/Women/Ex-Serviceman/NE Region/Hill Areas	Upto Rs. 10 lakh	30% of project cost
3	General	Rs. 10 lakh and Upto Rs. 25 lakh	Rs. 2.5 lakh + 10% of balance project cost
4	SC/ST/Women/Ex-Serviceman/NE Region/Hill Areas	Rs. 10 lakh and Upto Rs. 25 lakh	Rs. 3 lakh + 10% of balance project cost

Note: SC/ST = Scheduled Caste/Scheduled Tribe;  
NE = North Eastern

In the first two years of the Tenth Plan, 8.32 lakh job opportunities have already been created under the REGP and a target of creation of 5.25 lakh jobs have been fixed for the current financial year i.e. 2004-05

Further, under the Pradhan Mantri Rozgar Yojana (PMRY) of the Government, being implemented through the District Industries Centres (DICs) of the States/Union Territories (UTs) and the banks, loans are provided to eligible educated unemployed to set up self-employment ventures. Under the PMRY, the Central Government allocates funds for subsidy, entrepreneurial development training (EDT), contingencies, etc., based on the targets of generation of employment opportunities assigned to each State/UT. The Central funds for subsidy are routed through the Reserve Bank of India (RBI), which, in turn, passes them on to the implementing banks for crediting the amounts to the loan account of each beneficiary.

Under this Yojana, projects with investment upto Rs. 1.lakh in the business sector and upto Rs. 2 lakh in other sectors are eligible for assistance. The subsidy amount is 15 per cent of project cost and subject to a ceiling of Rs. 7,500/-. Eligible persons can join together in a partnership to get assistance for projects with investment upto Rs. 10 lakh. The margin money contribution of the beneficiary varies from 5 per cent to 16.25 per cent of the project cost, so as to make sum of the Government subsidy and beneficiary's own contribution to margin money equal to 20 per cent of the project cost.

A target of creation of 16.5 lakh employment has been fixed under PMRY in the country for the Tenth Plan period. In the first two years of the Tenth Plan, i.e., 2003-04 and 2004-05, 5.44 lakh job opportunities have already been created under this Yojana in the country. A target of creation of 3.75 lakh employment opportunities has been fixed for 2004-05.