

**GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:2385
ANSWERED ON:21.07.2009
FUNDS TO AGRO AND RURAL INDUSTRIES
Owaisi Shri Asaduddin

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) the total number of Agro and Rural Industries functioning in the country, State-wise and Union Territory-wise including Gujarat;
- (b) the total funds granted and utilised by the Government during each of the last three years, State-wise and Union Territory-wise;
- (c) whether the Government has any proposal to set up more Agro and Rural Industries during the current year; and
- (d) if so, the details thereof and if not, the reasons therefor?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI DINSHA PATEL)

(a): Industries in the rural areas of the country, including those of Gujarat, have been promoted by the Government (in the Ministry of Micro, Small and Medium Enterprises) through three credit-linked subsidy schemes, namely,

(i) the Rural Employment Generation Programme (REGP), implemented by the Government from 01.04.1995 to 31.03.2008 through the Khadi and Village Industries Commission (KVIC);

(ii) the Pradhan Mantri Rojgar Yojana (PMRY), implemented from 02.10.1993 to 31.03.2008 through the States and Union Territories, and

(iii) Prime Minister's Employment Generation Programme (PMEGP), being implemented from 2008-09 through KVIC as the single nodal agency at the national level and through field offices of KVIC, State/Union Territory Khadi and Village Industries Boards and District Industries Centres (DICs) at the State/Union Territories level, with involvement of banks. 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 the entire period of their implementation, and the 'micro enterprises' assisted under PMEGP during its inaugural year 2008-09 (provisional) are given at Annex. I

(b): REGP was a Central Sector scheme and the approved grants for the scheme were used to be released to the KVIC which, in turn, released 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 as well as those of margin money utilised during 2006-07 and 2007-08, are given at Annex. II. Under PMRY, allocation of the subsidy and release of funds were based on the targets for States/UTs.

The subsidy amount had been released directly to the Reserve Bank of India (RBI), which, in turn, released the necessary amounts to the implementing banks. The amounts of subsidy released to the RBI during 2006-07 and 2007-08 under PMRY are given below:

Year Subsidy released under
 PMRY (Rs. crore)

2006-07 228.82
2007-08 283.20

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 2006-07 and 2007-08 are given at Annex. III.

During 2008-09, no budget provision was made under these two schemes, namely, REGP and PMRY, since they have now been merged into a new scheme called "Prime Minister's Employment Generation Programme (PMEGP)", the details of which have been given in the answer to part (a). The State/UT - wise details of margin money utilised under PMEGP during 2008-09 (Provisional), are given at Annex. II.

(c) & (d): About 61,697 micro enterprises, including agro and rural industries, are likely to be assisted with utilization of margin money subsidy of Rs. 740.33 crore as per the tentative targets set for 2009-10.

