

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

STARRED QUESTION NO:149

ANSWERED ON:14.07.2009

DEVELOPMENT OF AGRO BASED RURAL INDUSTRIES

Chavan Shri Harischandra Deoram;Rawat Shri Ashok Kumar

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

- (a) whether the Government proposes to launch new schemes for the development of the agro-based rural industries in the country;
- (b) if so, the details thereof;
- (c) whether the Union Government has received proposals from the States including Bihar for the development of agro-based industries in the States; and
- (d) if so, the details thereof?

Answer

MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRIDINSHA PATEL)

(a) to (d): A statement is placed on the table of the Sabha.

STATEMENT REFERRED TO IN ANSWER TO PARTS (a) TO (d) OF THE LOK SABHA STARRED QUESTION NO. 149 FOR ANSWER ON 14.07.2009.

(a) & (b): The Government (in the Ministry of Micro, Small and Medium Enterprises) has launched a new central sector credit-linked subsidy scheme titled 'Prime Minister's Employment Generation Programme (PMEGP)' in August 2008 by merging the existing Rural Employment Generation Programme (REGP) and Pradhan Mantri Rozgar Yojana (PMRY) of this Ministry which is a significant initiative and more attractive and useful than both the above schemes for setting up micro enterprises (including agro based units) in rural and urban areas. The permissible margin money assistance provided under PMEGP is as under:

Categories of beneficiaries Beneficiary's Contribution Rate of Subsidy
under PMEGP (of project cost) (of project cost)

Area (location of project/unit)	Urban	Rural
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General Category	10%	15%	25%
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Special Category (including SC / ST / OBC / Minorities/Women, Ex-servicemen, Physically handicapped, NER, Hill and Border areas etc.)	05%	25%	35%
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PMEGP is implemented through KVIC as the single nodal agency at the national level. At the State/Union Territories level, the scheme is being implemented through field offices of KVIC, State/Union Territory Khadi and Village Industries Boards and District Industries Centres (DICs) with involvement of banks.

(c) & (d): Proposals for setting up micro-enterprises under PMEGP are received by KVIC State offices, State KVI Boards and District Industries Centres (DICs) of State Governments and are scrutinized by District Level Task Forces in concerned Districts under the chairmanship of District Magistrates and Collectors and the overall co-ordination of KVIC as national nodal agency. During 2008-09, according to the provisional figures compiled by KVIC, a total of 2,17,762 proposals were received from all over the country (including 26,259 proposals from Bihar) for setting up micro enterprises including agro based units of which 36,287 units were sanctioned by

Banks (6,741 in Bihar) involving margin money subsidy of Rs.506.03 crore (Rs.45.25 crore for Bihar) from Union Government routed through KVIC.