

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

UNSTARRED QUESTION NO:3937
ANSWERED ON:19.12.2006
FUNDS FOR AGRO AND RURAL INDUSTRIES
Kripalani Shri Srichand

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

- (a): whether several States have demanded more funds for setting up agro & rural Industries;
- (b): if so, the details thereof; and
- (c): the details of funds released/likely to be released, State- wise?

Answer

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

(a): No, Sir.

(b): Does not arise.

(c): The Government (in the Ministry of Agro and Rural Industries) provides funds for its 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. These units are part of agro and rural industries sector. REGP is a Central sector scheme and the approved grants 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 assistance provided by KVIC under the REGP during 2003-04, 2004-05 and 2005-06 are given in Annex I. Under the PMRY, allocation of the subsidy and release of funds are based on the targets 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 2003-04, 2004-05 and 2005-06 are given below:

Year Subsidy released
under PMRY
(Rs. crore)

2003-04 147.63
2004-05 190.48
2005-06 251.36

The amounts of grant released to the States/UTs for entrepreneurial development and contingencies under the PMRY during 2003-04, 2004-05 and 2005-06 are given in Annex II.