

MINISTRY OF AGRO AND RURAL INDUSTRIES**DEMAND NO. 4****Ministry of Agro and Rural Industries**

A. The Budget allocations, net of recoveries, are given below:

		<i>(In crores of Rupees)</i>								
Major Head	Budget 2006-2007			Revised 2006-2007			Budget 2007-2008			
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	
Revenue	966.50	86.32	1052.82	894.00	86.32	980.32	1108.00	86.32	1194.32	
Capital	0.50	1.31	1.81	0.50	1.31	1.81	4.00	1.31	5.31	
Total	967.00	87.63	1054.63	894.50	87.63	982.13	1112.00	87.63	1199.63	
1. Prime Minister's Rozgar Yojana	2851	292.48	...	292.48	227.30	...	227.30	288.00	...	288.00
Khadi & Village Industries Commission										
2. Khadi and Village Industries Commission										
2.01 Khadi Industries	2851	125.85	55.45	181.30	125.85	55.45	181.30	100.80	55.45	156.25
2.02 Other Village Industries	2851	50.40	1.00	51.40	50.40	1.00	51.40	53.80	1.00	54.80
<i>Total</i>		<i>176.25</i>	<i>56.45</i>	<i>232.70</i>	<i>176.25</i>	<i>56.45</i>	<i>232.70</i>	<i>154.60</i>	<i>56.45</i>	<i>211.05</i>
3. Mahatma Gandhi Institute for Rural Industrialisation	2851	...	...	...	...	...	...	3.00	...	3.00
4. Workshed-cum-Housing Scheme for Khadi Weavers	2851	...	...	...	...	...	...	4.50	...	4.50
5. Scheme for enhancing productivity & Competitiveness of Khadi Industries and Artisans	2851	...	...	...	...	...	...	4.50	...	4.50
6. Package for Developing Infrastructure for Khadi Institutions including nursing fund for weak Institutions	2851	...	...	...	...	...	...	4.50	...	4.50
7. Coir Industries	2851	21.90	2.51	24.41	21.90	2.51	24.41	28.70	2.51	31.21
	3601	0.10	...	0.10	0.10	...	0.10	...	...	...
	6851	...	0.30	0.30	...	0.30	0.30	...	0.30	0.30
8. Rejuvenation, Modernisation and Technology Upgradation of Coir Industry	2851	...	...	...	...	...	...	22.50	...	22.50
<i>Total</i>		<i>22.00</i>	<i>2.81</i>	<i>24.81</i>	<i>22.00</i>	<i>2.81</i>	<i>24.81</i>	<i>51.20</i>	<i>2.81</i>	<i>54.01</i>
9. Interest Subsidies										
9.01 Khadi and Village Industries Commission (Khadi Industries)	2851	17.10	22.00	39.10	17.10	22.00	39.10	17.10	22.00	39.10
9.02 Khadi and Village Industries Commission (Other Village Industries)	2851	4.50	5.36	9.86	4.50	5.36	9.86	4.50	5.36	9.86
<i>Total</i>		<i>21.60</i>	<i>27.36</i>	<i>48.96</i>	<i>21.60</i>	<i>27.36</i>	<i>48.96</i>	<i>21.60</i>	<i>27.36</i>	<i>48.96</i>
10.01 Rural Employment Generation Programme [REGP]	2851	334.48	...	334.48	334.48	...	334.48	400.50	...	400.50
10.02. Restructuring of Rural Employment Generation Programme	2851	...	...	...	...	...	...	45.00	...	45.00
<i>Total</i>		<i>334.48</i>	<i>...</i>	<i>334.48</i>	<i>334.48</i>	<i>...</i>	<i>334.48</i>	<i>445.50</i>	<i>...</i>	<i>445.50</i>
11. National Programme for Rural Industrialisation	2851	0.12	...	0.12	...	...	...	...	...	...
12. Loans to Khadi and Village Industries Commission										
12.01 Khadi Industries	6851	...	1.01	1.01	...	1.01	1.01	...	1.01	1.01
Village and Small Industries										
13. Scheme of fund for Regeneration of Traditional Industries	2851	23.37	...	23.37	23.37	...	23.37	23.40	...	23.40
14. Provision for projects/schemes for the benefit of North Eastern Region and Sikkim										
14.01 Khadi Industries	2552	13.80	...	13.80	13.80	...	13.80	11.00	...	11.00
14.02 Khadi Industries (S & T)	2552	0.15	...	0.15	0.15	...	0.15	0.20	...	0.20
14.03 Interest Subsidies - Khadi	2552	1.90	...	1.90	1.90	...	1.90	1.90	...	1.90

		(In crores of Rupees)									
Major Head		Budget 2006-2007			Revised 2006-2007			Budget 2007-2008			
		Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	
14.04	Village Industries	2552	5.20	...	5.20	5.20	...	5.20	4.00	...	4.00
14.05	Village Industries (S & T)	2552	0.40	...	0.40	0.40	...	0.40	0.20	...	0.20
14.06	Interest Subsidies - VI	2552	0.50	...	0.50	0.50	...	0.50	0.50	...	0.50
14.07	Workshed cum Housing Scheme for Khadi Weavers	2552	...	...	...	...	...	...	0.50	...	0.50
14.08	Scheme for enhancing productivity & Competitiveness of Khadi Industries and Artisans	2552	...	...	...	...	...	...	0.50	...	0.50
14.9	Package for Developing Infrastructure for Khadi Institutions including nursing fund for weak Institutions	2552	...	...	...	...	...	...	0.50	...	0.50
14.10	Coir Board	2552	1.00	...	1.00	1.00	...	1.00	1.30	...	1.30
14.11	Rejuvenation, Modernisation and Technology Upgradation of Coir Industry	2552	...	...	...	...	...	...	2.50	...	2.50
14.12	Rural Employment Generation Programme	2552	38.15	...	38.15	38.15	...	38.15	44.50	...	44.50
14.13	Restructuring of Rural Employment Generation Programme	2552	...	...	...	...	...	...	5.00	...	5.00
14.14	Scheme of Fund for Regeneration of Traditional Industries	2552	2.60	...	2.60	2.60	...	2.60	2.60	...	2.60
14.15	Prime Minister's Rozgar Yojna	2552	32.50	...	32.50	25.30	...	25.30	32.00	...	32.00
	Total		96.20	...	96.20	89.00	...	89.00	107.20	...	107.20
14.16	Khadi Loan	4552	0.49	...	0.49	0.49	...	0.49	...	...	...
	6552		...	...	...	...	...	...	3.00	...	3.00
	Total		0.49	...	0.49	0.49	...	0.49	3.00	...	3.00
14.17	Village Industries Loan	4552	0.01	...	0.01	0.01	...	0.01	...	...	...
	6552		...	...	...	...	...	...	1.00	...	1.00
	Total		0.01	...	0.01	0.01	...	0.01	1.00	...	1.00
	Total		96.70	...	96.70	89.50	...	89.50	111.20	...	111.20
Grand Total			967.00	87.63	1054.63	894.50	87.63	982.13	1112.00	87.63	1199.63
C. Plan Outlay	Head of Dev.	Budget Support	IEBR	Total	Budget Support	IEBR	Total	Budget Support	IEBR	Total	
1.	Village & Small Industries	12851	870.30	...	870.30	805.00	...	805.00	1000.80	...	1000.80
2.	North Eastern Areas	22552	96.70	...	96.70	89.50	...	89.50	111.20	...	111.20
Total			967.00	...	967.00	894.50	...	894.50	1112.00	...	1112.00

1. Prime Minister's Rozgar Yojana (PMRY):

Prime Minister's Rozgar Yojana (PMRY) was started in 1993 with the objective of making available institutional finance to the educated unemployed youth for setting up self-employment ventures for all economically viable activities and creation of new job opportunities.

PMRY has emerged as a major Central Sector Scheme for employment generation among the educated unemployed youth, by providing financial and other entrepreneurial development assistance in establishing self-employment ventures.

This scheme has provided employment to 38.13 lakh persons (approximately) over the last 13 years of its operation. During 2005-06, loans have been sanctioned to 3.11 lakh beneficiaries and disbursed to 2.56 lakh. During 2006-07 (upto November, 2006) loans have been sanctioned to 1,27,183 beneficiaries and disbursed to 74054 beneficiaries. 2.75 lakh beneficiaries are targeted to be disbursed loans in 2007-08.

2. Khadi and Village Industries Commission (KVIC):

The Khadi & Village Industries Commission (KVIC), established by an Act of Parliament, is a statutory organisation engaged in promoting and developing khadi and village industries for providing employment opportunities in the rural areas, thereby strengthening the rural economy. The KVIC has been identified as one of the major organisations in the decentralized sector for generating sustainable rural non-farm employment opportunities at low per capita investment. The KVIC undertakes activities like skill improvement, transfer of technology, rural industrialisation, research & development, marketing, etc., in the process of generating employment/self-employment opportunities in the rural areas.

3 Mahatma Gandhi Institute for Rural Industrialization (MGIRI):

An outlay of Rs 16.33 crore (Rs. 3 crore for 2007-08) is projected for XI Plan for setting up the MGIRI. A proposal for setting up Mahatma Gandhi Institute for Rural Industrialization

(MGIRI), Wardha by revamping the Jamnalal Bajaj Central Research Institute (JBCRI) has been approved by the Government. This will be a National Institute for coordinating all R&D work relating to rural industries and khadi for strengthening rural industrialization and enhancing the opportunities for meaningful and productive employment in rural areas.

4. **Workshed-cum-Housing Scheme for Khadi Weavers and Artisans** - This is a scheme exactly identical to the one under implementation in the Ministry of Textiles.

5. **Scheme for enhancement of productivity and competitiveness of Khadi Industry and Artisans:** This aims to provide financial assistance to 200 of the 'A plus' and 'A' category Khadi institutions in a Public Private Partnership mode to realize increased value addition to Khadi products, readymade garments, muslin khadi, setting up of common facility centres, need based dyeing and printing facilities besides ensuring better wages to artisans along with skill upgradation.

6. **Package for developing infrastructure of Khadi Institutions including nursing fund for weak institutions:** This scheme envisages replacement of looms and charkhas for increasing production of khadi and to expand employment base. The scheme involves renovation of sales outlets also.

7. **Coir Industries:** The objective is to promote development of Coir Industry in the country including science & Technology and promotion of export of coir products. The provision also includes funds for rebate on coir products and the Scheme for Modernisation of Coir industries and the administrative expenses of Coir Board.

8. **Rejuvenation, modernization and technology upgradation for coir industry-** The Scheme has two components. First is the rejuvenation and modernization part. Increasing the utilization of husk, better conversion rate of husk into coir products and providing additional employment to at least 50,000 new workers are some of the targets.

The second part is to promote 5 mega clusters, one each in Kerala, Tamil Nadu, Andhra Pradesh, Karnataka and Orissa.

9. **Interest Subsidies:** The Interest Subsidy Eligibility Certificate (ISEC) Scheme is the major source of funding for the khadi programme. It was introduced in May 1977 to mobilize funds from banks to fill the gap in the actual fund requirement and its availability from budgetary sources.

Under the ISEC Scheme, credit at the concessional rate of interest of 4 per cent p.a. for capital expenditure as well as working capital is given as per the requirement of the khadi institutions. The difference between the actual lending rate of

banks and 4 per cent is paid by the Central Government through KVIC to the lending bank.

10.01 **Rural Employment Generation Programme (REGP):** Under the Rural Employment Generation Programme (REGP) being implemented by the KVIC, capital subsidy in the form of margin money is provided for setting up labour-intensive projects in rural areas as well as in small towns with population upto 20,000. The objective of this programme is to provide employment to the people in rural areas and small towns, thereby reducing the migration from the rural to urban areas.

Under this programme, an entrepreneur can establish a village industry by availing of margin money assistance from the KVIC and loans from any public sector, scheduled commercial bank (and some other banks), for projects with a maximum cost of Rs. 25 lakh.

The outlay to the extent of Rs. 445 crore for 2007-08 under REGP is expected to generate additional employment opportunities for 7.04 lakh persons and setting up of 37000 Nos. of projects.

10.02 **Restructuring of REGP** - This scheme is going to be a comprehensive proposal which seeks to merge the major employment generation schemes viz. PMRY and REGP.

12. Provision is for loan to Khadi and Village Industries Commission

13. **Scheme of Fund for Regeneration of Traditional Industries:** In pursuance to the Budget announcement 2004-2005 regarding establishment of a fund for regeneration of traditional industries like coir, handloom handicrafts, sericulture, leather, pottery and other cottage industries, the Government has approved a scheme titled the "Scheme of Fund for Regeneration of Traditional Industries" for the integrated development of traditional clusters of khadi, coir and village industries, including leather and pottery. It is proposed to take up development of 100 clusters (25 khadi, 50 village industries and 25 coir) during the next five years. The Scheme Steering Committee (SSC) has already approved 104 clusters (29 Khadi, 50 VI and 25 Coir). A sum of Rs. 14.03 crore has been sanctioned to KVIC and Coir Board so far till 2006-07 and training programmes for Technical Agencies and Implementing Agencies have commenced. Clusters Development Agencies have been identified for all the approved clusters and formal agreements are being executed by KVIC and Coir Board. Thirty per cent of the 104 approved clusters will be targeted to become operational in 2007-08. Expected employment generation will be 15,500 persons.

14 Provision has been kept for projects /schemes for the benefit of north Eastern Region and Sikkim.