

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

UNSTARRED QUESTION NO:468
ANSWERED ON:21.11.2001
SCHEMES FOR AGRO RURAL INDUSTRIES
PRAKASH V. PATIL

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

- (a) the major Central Schemes under implementation to promote Agro and rural Industries in the States along with the funding pattern or their schemes;
- (b) the names of the State governments, including Maharashtra who have responded to these schemes;
- (c) whether the Government propose to initiate steps to further boost Agro and Rural Industries in the country; and
- (d) if so, the details thereof together with incentives proposed to be provided to States in this regard.

Answer

THE MINISTER OF AGRO & RURAL INDUSTRIES (SHRI KARIYA MUNDA)

a): The Government through the Khadi and Village Industries Commission (KVIC) is implementing the Rural Employment Generation Programme (REGP) in all the States for the development of Khadi & Village Industries including agro and rural industries. Under this scheme 25% of the project cost is provided as margin money. For project cost above Rs.10 lakhs and up to Rs.25 lakhs, the rate of margin money is 25% of Rs.10 lakhs plus 10% of the balance cost of the project. For weaker sections, margin money is given at the rate of 30% of the project cost up to Rs.10 lakhs and for the balance amount (up to Rs. 25 lakhs) it is 10%.

b): All State Governments including Maharashtra have responded positively to the implementation of the REGP in their States.

c) & d): For the development and promotion of Khadi & Village Industries, the Government of India announced a package for the Khadi & Village Industries Sector on 14.05.2001. The main features of this package consist of a Rebate Policy for five years, option of Rebate and Market Development Assistance (MDA), Insurance cover to Khadi artisans, emphasis on improvement of Khadi products, creation of packaging and design facilities, measures to promote marketing, brand building, cluster development etc. As far as incentives are concerned, subsidy in the form of margin money is given to the borrowers through banks, however, no incentive is proposed to be provided to the State Governments in this regard.