

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

UNSTARRED QUESTION NO:4542  
ANSWERED ON:19.12.2001  
PROMOTION OF AGRO INDUSTRIES  
RAOSAHEB PATIL DANVE

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

(a) the efforts made by the Government to promote agro based industries in the country especially in Maharashtra during the last three years; and

(b) the number of agro-industries set up in Maharashtra during the said period and the funds spent thereon?

**Answer**

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

(a): The Government through the Khadi and Village Industries Commission (KVIC) promotes rural industrialization through the Rural Employment Generation Programme (REGP) of the KVIC. The REGP is applicable throughout the country including Maharashtra. Under this scheme, 25% of the project cost is provided as margin money. For project cost above Rs.10 lakhs and upto 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, the margin money is given at the rate of 30% of the project cost upto Rs. 10 lakhs and for the balance amount (upto Rs. 25 lakhs) it is 10%.

Moreover, the Government of India has announced a package for the promotion of Khadi and Village Industries Sector on 14th May, 2001, with the prime objective of creating more jobs in rural areas and empowering the women and backward classes. The main features of the package comprise of a rebate policy for five years, option of Rebate or 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 and cluster development.

(b): The Government does not set up any industry of its own. However, the number of village industry projects sanctioned under REGP in Maharashtra during the last three years is as under :-

| Year | No. of projects |
|------|-----------------|
|------|-----------------|

|           |      |
|-----------|------|
| 1998-1999 | 1856 |
| 1999-2000 | 3274 |
| 2000-2001 | 6354 |