

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

UNSTARRED QUESTION NO:976  
ANSWERED ON:06.03.2002  
RURAL INDUSTRIAL UNITS  
ALE NARENDRA

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

- (a) whether the Government propose to set up Rural Industrial Unit in each of the most backward districts of the country;
- (b) if so, the details thereof, State-wise;
- (c) the total funds provided to each State for the purpose during the current financial year; and
- (d) the steps taken by the Government to develop mat weaving, basketry making and coir thread making industries in the country?

**Answer**

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

(a) & (b): The Government through the Khadi and Village Industries Commission (KVIC) is implementing Rural Employment Generation Programme (REGP) in the entire country including all backward districts. Under this programme the KVIC provides margin money assistance at the rate of 25% of the project cost upto Rs. 10 lakhs and for the project above Rs. 10 lakhs and upto Rs. 25 lakhs rate of margin money is 25% of Rs. 10 lakhs plus 10% on remaining cost of the project. In the case of weaker sections viz. SC/ST/Women/ Physically Handicapped/Ex-Servicemen and Minority Community beneficiary/institution and for hill border and tribal areas, North Eastern Region, Sikkim, Andaman & Nicobar Island, Lakshadweep, the margin money grant is 30% of the project cost upto Rs. 10 lakhs but above this amount and upto Rs. 25 lakhs it is 10% of the remaining cost of the project. Under this scheme, the beneficiary is required to invest his own contribution of 10% of the project cost. In case of SC/ST and other weaker sections, beneficiary's contribution is 5% of the project cost. This scheme is being implemented through Public Sector Banks, Regional Rural Banks and on selective basis through Cooperative Banks and Private Sector Scheduled Commercial Banks. The Banks provide the balance funds for the projects in the shape of term loan.

(c): Funds are not provided State-wise.

(d): The Government on 14.05.2001 has announced a package for the development of Khadi and Village Industries sector. The package has been devised in accordance with the Government's prime objectives of creating more jobs in rural areas and empowering the women and backward classes in India. The main features of this package consists of strengthening of R&D activities, quality assurance, creation of packaging and design facilities, measures to promote marketing, brand building, cluster development etc. The KVIC imparts training also to develop entrepreneurship and skills. Moreover, for the development and promotion of coir and coir product, the Government through the Coir Board is laying emphasis on the mechanization of spinning of coir yarn. People engaged in manual spinning of coir are being encouraged, through training etc. to adopt mechanized ratts.