

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

UNSTARRED QUESTION NO:250

ANSWERED ON:02.03.2005

ACTION PLAN FOR PROMOTION OF COTTAGE AND AGRO INDUSTRIES

Gao Shri Tapir

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

(a): whether the Government proposes to formulate any national Action Plan for the promotion of Cottage and Agro Industries in the rural areas of Arunachal Pradesh;

(b) if so, the details thereof; and

(c): the details of the allocation of funds made by the Government for the promotion of Cottage and Agro Industries in each of the last three years?

**Answer**

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

(a)&(b): To promote village industries, including cottage and agro industries in the rural areas and small towns, the government is implementing the Rural Employment Generation Programme (REGP) through the Khadi and Village Industries Commission (KVIC) throughout the country, including Arunachal Pradesh. Under this programme, an entrepreneur can establish self-employment project of maximum cost of Rs. 25 lakh, by availing of margin money assistance from the KVIC and loans from public sector scheduled commercial banks, selected regional rural banks and cooperative banks, etc. The pattern of margin money assistance, given in the table below, is more favourable to the North Eastern Region, which also includes Arunachal Pradesh:

Margin Money Assistance under REGP

Sl.No.	Category of Beneficiary	Project Cost	Margin Money Assistance
1	General	Upto Rs. 10lakh	25 per cent of project cost
		Above Rs. 10 lakh and upto Rs. 25 lakh	Rs. 2.5 lakh plus 10 per cent of balance project cost
2	SC/ST/Women/Ex-servicemen/ NE Region/Hill Areas	Upto Rs. 10lakh	30 per cent of project cost
		Above Rs. 10 lakh and upto Rs. 25 lakh	Rs. 3 lakh plus 10 per cent of balance project cost

Note: SC/ST = Scheduled Caste/Scheduled Tribe;  
NE = North Eastern

Besides, funds are also earmarked under REGP for backward and forward linkages, which include conducting Entrepreneurs' Development Programme (EDP), exhibitions, workshops, awareness camps, etc.

(c): The details of the allocations made for implementing the REGP and khadi programme during the last three years in Arunachal Pradesh are as under:

Year      Amount allotted (Rs. in lakh)

2001-02	54.29
2002-03	326.08
2003-04	103.15