

**GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:2291
ANSWERED ON:23.11.2010
PROCESSING CENTRES FOR FRUITS AND VEGETABLES
Shanavas Shri M. I.

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) the number of fruits and vegetables processing centres/outlets, under the Khadi and Village Industries Commission (KVIC), in the country;
- (b) whether the KVIC proposes to increase such fruits and vegetables processing centres in the country;
- (c) if so, the details thereof;
- (d) whether any institutional mechanism exists to monitor the functioning and ensuring smooth flow of credit to such centres; and
- (e) if so, the details thereof?

Answer

MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI DINSHA PATEL)

(a) to (c): Khadi and Village Industries Commission (KVIC) does not run any fruits or vegetable processing centre/outlets in the country. However, it does assist setting up of micro enterprises under non-farm sector including fruit or vegetable processing centres under its promotional schemes. Prime Minister's Employment Generation Programme (PMEGP) is one such credit-linked subsidy programme implemented by the Ministry of Micro, small and Medium Enterprises through KVIC as nodal agency from 2008-09 for generating self-employment through establishment of micro enterprises by organizing traditional artisans and unemployed youth, and thus preventing their migration and increasing their earning capacity. At the State/Union Territories level, the scheme is implemented through field offices of KVIC, State/Union Territory Khadi and Village Industries Boards (KVIBs) and District Industries Centres (DICs) with involvement of Banks. Under this Programme, beneficiaries can establish micro enterprises, including fruit and vegetable processing units, by availing of margin money assistance through the implementing agencies and loans from Banks, etc., for projects costing up to Rs.25 lakh each in the manufacturing sector and upto Rs.10 lakh each in the service sector. Such units are promoted by KVIC under the agro based industries group comprising interalia processing of cereals, pulses, spices, condiments, masala, fruits and vegetable processing, village oil, gur and khandsari, etc. The details of such units exclusively are not maintained centrally. During 2009-10, 8278 units were assisted under the agro based industries group of village industries under PMEGP, which also included fruit and vegetable processing units. KVIC however, to some extent, facilitates marketing of agro and food products through its Khadi Gramodyog Bhawans.

(d) & (e): There is a provision of 100% physical verification by (KVIC or its engaged agency) of the units set up under PMEGP before adjustment of margin money subsidy against the loan availed by the beneficiaries. There is also a system of voluntary registration of such units with KVIC for providing guidance.

The margin money subsidy available for setting up units under PMEGP ranges from 15% to 35% of the total project cost that includes working capital requirement of the unit for one cycle of operation, and the repayment commences after an initial moratorium of three years. Also, as per Reserve Bank of India guidelines, collateral-free credit is available to the beneficiaries for loans upto Rs.10 lakh.