

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

UNSTARRED QUESTION NO:3884
ANSWERED ON:19.12.2006
SETTING UP OF VILLAGE INDUSTRIES
Badiga Shri Ramakrishna

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

- (a) whether there is a target to set up 31,800 village industries in the country for 2006-07?
- (b) if so, the details thereof, state and union territory-wise:
- (c) the number of village industries proposed to be set up in Andhra Pradesh in 2006-07?
- (d) the number of village industries set up in the first 10 months of the current year?
- (e) the margin money and other assistance provided to above village industries during said period;
- (f) whether there are any conditions to be fulfilled by an entrepreneurs to set up a village industry ; and
- (g) if so, details thereon?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a),(b)&(c): The target of assisting the establishment of village industry units under the Rural Employment Generation Programme (REGP) during 2006-07 is 31,760. The State/Union Territory-wise details of these units, including those in Andhra Pradesh are given in the Annexure.

(d)&(e): 509 village industry units have been set up in Andhra Pradesh during 2006-07 (upto October 2007) and margin money assistance amounting to Rs. 891.03 lakh has been provided to them.

(f)&(g): under the REGP, an eligible entrepreneur can establish a village industry in rural areas and small towns with population upto 20,000 for economically viable activities, other than those in a small negative list, by availing of margin money assistance from KVIC and loan from any public sector scheduled commercial bank. The eligibility conditions include

- (i) the beneficiary should be of 18 years of age or above;
- (ii) only one person from one family is eligible;
- (iii) fixed capital investment should not exceed Rs. 1 lakh per worker employed in general category areas (Rs. 1.5 lakh in hilly areas);
- (iv) the project cost should not exceed Rs. 25 lakh (cost of land should not be included in the project)
- (v) the beneficiary will contribute 10 per cent of the project cost as own contributions (5 percent for certain weaker-sections, viz., scheduled Castes, Scheduled Tribes, Women, Ex-serviceman, etc.), etc.