

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

UNSTARRED QUESTION NO:1752
ANSWERED ON:07.03.2006
COTTAGE INDUSTRY IN POOR STATE
Prasad Shri Hari Kewal

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

- (a): the number of cottage industries in Uttar Pradesh at present;
- (b): whether the cottage industry in Uttar Pradesh is in a poor state;
- (c): if so, the details thereof and reasons therefor; and
- (d): the steps taken by the Union Government to improve the condition of this industry and to set up cottage industries in backward areas of Uttar Pradesh also?

Answer

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

(a): The number of village industry units set up in Uttar Pradesh under the Rural Employment Generation Programme (REGP) during 01.04.1995 and 31.01.2006 is 18870.

(b)&(c): The performance of the khadi and village industries in terms of production, sales and employment in Uttar Pradesh during the last three years is as under :

YEAR	PRODUCTION (RS. IN CRORE)	SALES (RS. CRORE)	EMPLOYMENT (LAKH PERSONS)
2002-03	1167.80	1531.73	12.46
2003-04	1366.36	1774.19	13.11
2004-05	1547.97	2027.52	13.86

OVERALL, these data do not reflect poor state of these industries.

(d): The Government has been implementing the REGP through the Khadi and Village Industries Commission (KVIC), to help eligible entrepreneurs set up village industry units and thus create employment opportunities in village and small towns with population upto 20,000, throughout the country, including Uttar Pradesh. Under this programme, entrepreneurs can establish village industries by availing of margin money assistance from the KVIC and loans from public sector scheduled commercial banks, selected regional rural banks, cooperative banks, etc., for projects with a maximum cost of Rs. 25 lakh. The other steps taken for the promotion and development of village industries throughout the country, including the backward areas of Uttar Pradesh, include :

(i) Rural Industries Service Centres Scheme (RISC) for setting up of common facility centers (CFCs) to provide infrastructural support and services to such industries;

(ii) Product Development, Design Intervention and Packaging Programme (PRODIP) for improved design and packaging of village industry products; and

(iii) Various types of subsidies for cluster-based development in khadi and village industries under the recently approved Scheme of Fund for Regeneration of Traditional Industries (SFURTI).