

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

UNSTARRED QUESTION NO:3675
ANSWERED ON:12.12.2001
OBJECTIVES OF KVIC
RAMDAS ATHAWALE

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

- (a) the details of the social objectives of Khadi and Gramodyog Commission;
- (b) the details of the region falling under the network of Khadi and Gramodyog Commission alongwith the work executed; and
- (c) the details of the special schemes being implemented by Khadi and Gramodyog Commission for making the rural women and persons belonging to SC/ST self-sufficient?

Answer

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

(a): The Khadi and Village Industries Commission (KVIC) is committed to provide employment in rural areas. For attaining this goal the KVIC promotes setting up of rural industries under the Rural Employment Generation Programme.

(b): The entire country is covered by the activities of the KVIC. The functions of the KVIC are to plan, promote, organise and assist in implementation of programmes for the development of Khadi and Village Industries. To achieve this, it undertakes (a) financing of eligible agencies through banks; (b) training of persons employed or desirous of seeking employment in Khadi & Village Industries sector; (c) helping procurement of raw material and implements; (d) R&D in Khadi and Village Industries sector; (e) promotion of sale and marketing of Khadi and Village Industries Products; (f) promotion and encouragement of cooperative efforts among the persons engaged in Khadi and Village Industries etc.

(c): The Rural Employment Generation Programme of the KVIC, is applicable throughout the country. Under this scheme 25% of the project cost is provided as margin money. For project cost above Rs. 10 lakhs and upto Rs. 25 lakhs, the rate of margin money is 25% of Rs. 10 lakhs plus 10% of the balance cost of the project. For 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 Islands, Lakshadweep, the margin money is given at the rate of 30% of the project cost upto Rs. 10 lakhs and for the balance amount (upto Rs. 25 lakhs) it is 10%. The beneficiary is required to invest his own contribution of 10% of the project cost. In case of women, SC/ST and other weaker sections, beneficiary's contribution is 5% of the project cost.

Moreover, the Government of India has announced a package for the promotion of Khadi and Village Industries Sector on 14th May, 2001, with the prime objective of creating more jobs in rural areas and empowering the women and backward classes.