

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

UNSTARRED QUESTION NO:784  
ANSWERED ON:06.03.2002  
SCHEMES FOR GUJARAT AND UTTAR PRADESH  
MANSINH PATEL,RATNA SINGH

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

- (a) whether Khadi and Gramodyog Commission has formulated and implemented any special scheme to promote Khadi and Village Industries in Gujarat and Uttar Pradesh;
- (b) if so, the details thereof; and
- (c) the role of the Commission to promote rural industries in these States?

**Answer**

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

(a) to (c): The Government through Khadi and Village Industries Commission(KVIC) is implementing Rural Employment Generation Programme (REGP) throughout the country including the State of Gujarat and Uttar Pradesh. Under this scheme, the KVIC provides margin money assistance at the rate of 25% of the project cost upto Rs. 10 lakhs and for the project above Rs. 10 lakhs and upto Rs. 25 lakhs, rate of margin money is 25% of Rs.10 lakhs plus 10% on remaining cost of the project. In the case of 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 Island, Lakshadweep, the margin money grant is 30% of the project cost upto Rs. 10 lakhs but above this amount and upto Rs. 25 lakhs, it is 10% of the remaining cost of the project. Under this scheme, the beneficiary is required to contribute 10% of the project cost only. In case of SC/ST and other weaker sections, beneficiary's contribution is 5% of the project cost. This scheme is being implemented through Public Sector Banks, Regional Rural Banks and on selective basis through Cooperative Banks and Private Sector Scheduled Commercial Banks.

The Government of India has announced a package for the development of Khadi and Village Industries sector on 14.05.2001. The package has been devised in accordance with the Government's prime objectives of creating more jobs in rural areas and empowering the women and backward classes in India. It will also help ensure that people in rural areas live with dignity and self-respect. The main features of this package consist of a Rebate Policy for five years, option of Rebate and market Development Assistance (MDA), Insurance cover to Khadi artisans, emphasis on improvement of Khadi Products, creation of packaging and design facilities, measures to promote marketing, brand building, cluster development etc.