

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

UNSTARRED QUESTION NO:7412  
ANSWERED ON:15.05.2002  
FINANCIAL ASSISTANCE BY KVIC  
RAMSHETH THAKUR

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

(a) whether KVIC is providing any financial assistance/loans to the unemployed youths for starting small scale income generating business; and

(b) if so, the details of assistance/loans provided to unemployed youths by KVIC during each of the last three years in each State particularly in Maharashtra and Karnataka?

**Answer**

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

(a): The Khadi and Village Industries Commission (KVIC) provides Margin Money assistance under the Rural Employment Generation Programme (REGP). 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 SC/ST/ OBC/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. Under the scheme, the beneficiary's contribution is at least 10% of the project cost. 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, etc. Balance funds for the projects are provided by banks in the form of term loan.

(b): State-wise details of financial assistance provided under the Rural Employment Generation Programme (REGP) including that of Maharashtra and Karnataka are given in Annexure-I.