

**GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:1067

ANSWERED ON:11.12.2013

LOANS TO EWS THROUGH KVIC

Ajnala Dr. Rattan Singh;Choudhry Smt. Shruti;Rajaram Shri Wakchaure Bhausahab

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) the details of loans provided to economically weaker sections through Khadi and Village Industries Commission (KVIC) during each of the last three years and the current year;
- (b) the social objectives of Khadi and Gramodyog Commission and the works implemented by it in the areas coming under its network and outside its ambit;
- (c) the State-wise details of special schemes being initiated by the Khadi and Gramodyog Commission to make poor and rural people of the country self-reliant;
- (d) whether the Khadi and Village Industries Commission has any proposal to manufacture green cloth by spinning yarn on solar spinning wheels; and
- (e) if so, the details thereof?

Answer

MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI K.H.MUNIYAPPA)

(a)&(c) At present there are no schemes whereby Khadi and Village Industries Commission (KVIC) provides loan to economically weaker sections. However, Government in the Ministry of Micro, Small and Medium Enterprises (MSME) has been implementing a credit-linked subsidy programme named Prime Minister's Employment Generation Programme (PMEGP) since 2008-09 with Khadi and Village Industries Commission (KVIC) as nodal agency at the national level for generating employment in the Country by setting up of micro-enterprises in the non-farm sector. The scheme also contributes to making poor and rural people of the country self-reliant. Under PMEGP, general category beneficiaries can avail of margin money subsidy of 25% of the project cost in rural areas and 15% in urban areas. For beneficiaries belonging to special categories such as scheduled castes, scheduled tribes, OBCs, minorities, women, ex-servicemen, physically handicapped, beneficiaries belonging to North Eastern Region, hill and border areas, etc., the margin money subsidy is 35% in rural areas and 25% in urban area. The maximum cost of project is RS 25 lakh in the manufacturing sector and RS 10 lakh in the service sector. State-wise number of units assisted and margin money subsidy utilized under PMEGP during the last three years and current year is given at Annex.

(b) The KVIC is a statutory organization established under the KVIC Act 1956 (as amended upto 2006) of Parliament. The social objective of KVIC is to provide employment in rural areas, creating self-reliance amongst people and building up a strong rural community spirit. The functions of KVIC include: to plan, promote, facilitate, organize and assist in the establishment and development of khadi and village industries in the rural areas in coordination with other agencies engaged in rural development wherever necessary.

(d)&(e) KVIC in association with Mahatma Gandhi Institute for Rural Industrialization (MGIRI), Wardha has piloted development of solar charkhas and the results of field trial has been encouraging. Khadi as defined in the KVIC Act 1956, is a cloth woven on handlooms in India from cotton, silk or woolen yarn handspun in India or from a mixture of any two or all of such yarns, and hence is 'green' as it does not leave carbon footprint in the process.