

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**UNSTARRED QUESTION NO. 1748**  
**TO BE ANSWERED ON 28.11.2019**

**PROMOTION OF KHADI**

1748. SHRI KAPIL MORESHWAR PATIL:

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

- (a) whether the Government is formulating any plan to provide loans to unemployed youth for promoting Khadi;
- (b) if so, the details thereof along with the time by which it is likely to be implemented; and
- (c) if not, the steps taken/being taken by the Government in this regard?

**ANSWER**

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES  
(SHRI NITIN GADKARI)

(a)&(b): Ministry of MSME has been providing loans to unemployed youth for promoting Khadi and Village Industries, by implementing a credit linked subsidy scheme viz., Prime Minister's Employment Generation Programme (PMEGP) since 2008-09, for setting up of new micro-enterprises and to generate employment opportunities, in rural as well as urban areas of the country through Khadi and Village Industries Commission (KVIC), State Khadi & Village Industries Boards (KVIBs) and District Industries Centres (DICs). 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 SC/ST/Women/PH/Minorities/Ex-Servicemen/NER, the margin money subsidy is 35% in rural areas and 25% in urban areas. The maximum cost of projects is Rs.25 lakh in the manufacturing sector and Rs.10 lakh in the service sector.

The individuals interested to start Khadi activities can apply for loan from Banks under the PMEGP scheme.

(c): Does not arise.

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