Context:

- When the country was struggling hard with deadly Corona virus, Khadi and Village Industries Commission (KVIC), an autonomous body under Ministry of MSME, in collaboration with its Khadi Institutions (KIs) in Tamil Nadu has discharged its responsibility once again by purchasing cocoons from cocoon farmers.
- The main objectives of KVIC was to help the cocoon farmers struggling to sell their crop due to lock down pandemic outbreak and secondly to ensure continuous supply of Cocoons to the khadi institutions involved in Silk production.

**Khadi and Village Industries Commission (KVIC)**

- The Khadi and Village Industries Commission (KVIC) is a statutory body formed in April 1957 by the Government of India, under the Act of Parliament, 'Khadi and Village Industries Commission Act of 1956'.
- It is an apex organisation under the Ministry of Micro, Small and Medium Enterprises, with regard to khadi and village industries within India, which seeks to - "plan, promote, facilitate, organise 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.
- In April 1957, it took over the work of former All India Khadi and Village Industries Board.
- Its head office is in Mumbai, whereas its six zonal offices in Delhi, Bhopal, Bangalore, Kolkata, Mumbai and Guwahati. Other than its zonal offices, it has offices in 28 states for the implementation of its various programmes.

The main objectives of KVIC include:

(i) The social objectives or providing employment in rural areas;

(ii) The economic objectives of producing saleable articles, and

(iii) The wider objective of creating self-reliance amongst people and building up a strong rural community spirit.

In order to attract younger generation, the KVIC is holding exhibitions, seminars, lectures in over 120 universities and colleges throughout the country so as to disseminate knowledge of KVI products.

Moreover, to create a market-niche for eco-friendly pure and bio-degradable natural products, the KVIC has introduced two new brands viz., “Sarvodaya” and “Khadi”.

The KVIC has worked out a plan to supply KVI products in a big way to Central and State Government organisations. Plans are afoot to set up show windows in Indian Missions abroad as well as to open Khadi Gramodyog Bhawans in Australia, Germany, U.K., U.S.A., Canada, Dubai and Singapore.

**Prime Minister's Employment Generation Programme (PMEGP)**

- Government of India has approved the introduction of a new credit linked subsidy
programme called Prime Minister's Employment Generation Programme (PMEGP) by merging the two schemes that were in operation till 31.03.2008, namely Prime Minister's Rojgar Yojana (PMRY) and Rural Employment Generation Programme (REGP) for generation of employment opportunities through establishment of micro enterprises in rural as well as urban areas.

- PMEGP is a central sector scheme administered by the Ministry of Micro, Small and Medium Enterprises (MoMSME).
- At the national level, the Scheme is being implemented by Khadi and Village Industries Commission (KVIC), a statutory organization under the administrative control of the Ministry of MSME as the single nodal agency.
- At the State level, the Scheme will be implemented through State KVIC Directorates, State Khadi and Village Industries Boards (KVIBs) and District Industries Centres (DICs) and banks.
- The Government subsidy under the Scheme will be routed by KVIC through the identified Banks for eventual distribution to the beneficiaries / entrepreneurs in their Bank accounts.
- The Implementing Agencies, namely KVIC, KVIBs and DICs will associate reputed Non Government Organization (NGOs)/reputed autonomous institutions/Self Help Groups (SHGs) / National Small Industries Corporation (NSIC) / Udyami Mitras empanelled under Rajiv Gandhi Udyami Mitra Yojana (RGUMY), Panchayati Raj institutions and other relevant bodies in the implementation of the Scheme, especially in the area of identification of beneficiaries, of area specific viable projects, and providing training in entrepreneurship development.

**Objectives**

- To generate continuous and sustainable employment opportunities in Rural and Urban areas of the country
- To provide continuous and sustainable employment to a large segment of traditional and prospective artisans, rural and urban unemployed youth in the country through setting up of micro enterprises.
- To facilitate participation of financial institutions for higher credit flow to micro sector.

**Eligibility**

- Individuals above 18 years of age
- VIII Std. pass required for project above Rs.10.00 lakhs in manufacturing and above Rs. 5.00 lakhs for Service Sector
- Self Help Groups and Charitable Trusts
- Institutions Registered under Societies Registration Act- 1860
- Production based Co-operative Societies

**Salient features of the scheme**

- The Scheme is implemented through KVIC and State/UT Khadi & V.I. Boards in Rural areas and through District Industries Centres in Urban and Rural areas in ratio of 30:30:40 between KVIC / KVIB / DIC respectively.
- No income ceiling for setting up of projects.
- Assistance under the Scheme is available only to new units to be established.
- Existing units or units already availed any Govt. Subsidy either under State/Central Govt. Schemes are not eligible.
- Any industry including Coir Based projects excluding those mentioned in the negative list.
- Per capita investment should not exceed Rs. 1.00 lakhs in plain areas and Rs. 1.50 lakhs in Hilly areas.
- Maximum project cost of Rs. 25.00 lakhs in manufacturing sector and Rs. 10.00 lakhs in Service Sector.