

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

UNSTARRED QUESTION NO:1853
ANSWERED ON:05.12.2006
ALLOCATION UNDER VARIOUS SCHEMES
Reddy Shri Karunakara G.

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

(a): the details of the Interest Subsidy Eligibility Certificate Scheme (ISECS) and Product Development Design Intervention and Packaging Programme implemented by the Government; and

(b): the details of funds allocated to States under these Schemes during each of the last three years and current year, State-wise?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a): Under the Interest Subsidy Eligibility Certificate (ISEC) Scheme, implemented by the Khadi and Village Industries Commission

(KVIC), loans at the concessional rate of interest of 4 per cent per annum for assessed requirement of capital expenditure and working capital are made available by banks to registered institutions producing khadi and polyvastra items. The difference between the actual interest rate of the bank and 4 per cent is paid by the Central Government through KVIC to the lending bank. The Product Development, Design Intervention and Packaging

(PRODIP) Scheme aims at assisting product quality improvement, introduction of new designs, marketing and packaging of khadi and village industry products. Under this Scheme, assistance is limited to

(i) Rs. 2 lakh per project per year or 75 per cent of the project cost, whichever is lower, in cases of eligible institutional entities and
(ii) Rs. 1 lakh per project per year or 75 per cent of the project cost, whichever is lower, in cases of eligible individual entrepreneurial units.

(b): The State / Union Territory (UT) - wise details of Interest Subsidy Eligibility Certificates issued by the KVIC and actual availment thereof during the last three years are given in Annexures I, II and III enclosed. The State/UT-wise details of funds under PRODIP released to eligible beneficiaries during 2003-04, 2004-05 and 2005-06 are given in Annexure IV enclosed.