

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

UNSTARRED QUESTION NO:1896
ANSWERED ON:09.03.2010
DEVELOPMENT OF KHADI AND POLYVAISTRA
Paranjpe Shri Anand Prakash

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

- (a) whether the Government has provided financial assistance for Khadi and Polyvastra;
- (b) if so, the funds granted in this regard during the last three years;
- (c) whether this assistance is provided as a special assistance for fixed period; and
- (d) if so, the details thereof?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI DINSHA PATEL)

(a)&(b): The Union Government provides financial assistance through Khadi and Village Industries Commission (KVIC) for khadi and polyvastra under its Khadi Grant and Village Industries (VI) Grant Heads. Besides, budgetary support is also made available for implementation of various programmes relating to khadi and village industries. Funds released by the Government to KVIC under the above two heads during the last three years are as under:

| Year | Khadi Grant | VI Grant |
|------|-------------|----------|
|------|-------------|----------|

| | | |
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| 2006-07 | 138.30 | 52.00 |
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| 2007-08 | 99.90 | 39.00 |
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| 2008-09 | 175.00 | 40.94 |
|---------|--------|-------|

(c)&(d): Funds released under Khadi Grant are for promotion and development of khadi, reimbursement of rebate on sale of khadi to khadi institutions, interest subsidy on term and working capital loans taken by khadi institutions at reduced interest rate of 4%, allocation for schemes envisaging development of new products, designs and better packaging for khadi products and welfare of khadi artisans, including the Khadi Karigar Janashree Bima Yojana.

Under VI Grants head, KVIC meets the expenditure towards development of village industries including polyvastra through technology upgradation, reimbursement of rebate on retail sales of polyvastra, participation in exhibitions, allocation for scheme for development of new products, designs and better packaging for VI products and setting up Common Facilities Centres.