

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

UNSTARRED QUESTION NO:3797
ANSWERED ON:17.08.2010
FUNDS TO BIO-DIESEL PRODUCING UNITS
Patel Shri Devji

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

- (a) whether the Khadi and Village Industries Commission (KVIC) provides financial assistance to the bio-diesel producing units in the country;
- (b) if so, the details thereof alongwith the policy of the KVIC for promoting the production of bio-diesel; and
- (c) the total funds provided by the KVIC during each of the last three years and the current year?

Answer

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

(a) to (c): The Government (in the Ministry of Micro, Small and Medium Enterprises) has been implementing the Prime Minister's Employment Generation Programme (PMEGP), from 2008-09 for generating employment through setting up 'micro enterprises', through Khadi and Village Industries Commission (KVIC) as the nodal agency at the national level and through field offices of KVIC, State/Union Territory Khadi and Village Industries Boards and District Industries Centres at the State/Union Territories level, with involvement of banks. Under PMEGP, eligible entrepreneurs can establish new 'micro enterprises', including bio-diesel producing units, by availing of margin money assistance from KVIC and loans from public sector scheduled commercial banks.

In order that new bio-diesel projects are supported under PMEGP, it is essential that viable units are proposed by the beneficiaries so that banks also come forward to finance them under PMEGP. KVIC has been making efforts to propagate bio-diesel production as an enterprise under PMEGP.