

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

UNSTARRED QUESTION NO:4459
ANSWERED ON:04.08.2009
PROMOTION OF SMALL SCALE INDUSTRIES
Maadam Shri Vikrambhai Arjanbhai

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

- (a) whether the Union Government has any proposal to promote small scale industries in the country with foreign assistance; and
- (b) if so, the details thereof?

Answer

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

(a) & b): Ministry of Micro, Small and Medium Enterprises (MSMEs) through Department of Economic Affairs have arranged a loan of US \$ 150 million from Asian Development Bank (ADB) for:

- (i) enhancing sustainability of khadi;
- (ii) increasing income and employment;
- (iii) increasing artisans' welfare; and
- (iv) development of selected Village Industries (VIs).

The proposal is aimed at revitalizing Khadi and Village Industries (KVI) sector in the country. The specific intervention under this includes assistance to 300 khadi institutions, which are willing to undertake reforms. Other interventions include 50% representation of spinners and weavers in institutions' management, developing khadi mark and franchising, developing niche products, replacement of sales rebate with production incentives. The Implementing Agency for the scheme would be Khadi and Village Industries Commission (KVIC).