

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

UNSTARRED QUESTION NO:4538
ANSWERED ON:07.09.2012
LOAN TO KHADI INDUSTRIES
Venugopal Shri P.;Yadav Shri Dinesh Chandra

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

- (a) whether the Government has discontinued or proposes to discontinue providing interest free/low interest rate loans to Khadi sector;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the likely impact of the said decision on the total outstanding loan amount on Khadi sector?

Answer

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI VAYALAR RAVI)

(a): No, Madam. Presently, Khadi and Village Industries Commission (KVIC) is implementing the scheme of Interest Subsidy Eligibility Certificate (ISEC) for khadi under which khadi institutions can avail bank finance at a subsidized rate of 4% and the differential amount of interest is met by KVIC.

(b)&(c): Do not arise.