

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

UNSTARRED QUESTION NO:597  
ANSWERED ON:21.11.2001  
LOAN BY KVIC  
ADHIR RANJAN CHOWDHURY

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

- (a) whether KVIC is dependent on grants instead of loans from Government for its programme of providing credit to implementing institutions;
- (b) whether funds diverted from plan to non-plan and changed the target group of beneficiaries under District Special Employment Programme and Block Development Programme scheme without the approval of Government;
- (c) whether no proper system exists either in the Commission's Head Office or at various State Offices for appraisals of projects and institutions for loaning purposes and watching recoveries and if so, the reasons therefor; and
- (d) the action taken or proposed to be taken by the Government in this regard?

**Answer**

THE MINISTER OF AGRO & RURAL INDUSTRIES (SHRI KARIYA MUNDA)

- a): The Central Government under Plan and Non-Plan Heads provides financial assistance mainly in the form of grants to the Khadi and Village Industries Commission (KVIC) for the development of Khadi and Village Industries Programmes. The KVIC does not provide fresh loans to implementing agencies.
- b): Funds were not diverted from Plan to Non-Plan for changing the target group of beneficiaries under District Special Employment Programme and Block Development Programme Schemes.
- c): Yes Sir. The KVIC and KVI Boards are not perceived to be financial institutions.
- d): The Government encourages banks to give adequate credit facilities to Khadi and Village Industries Sector.