

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

UNSTARRED QUESTION NO:3079
ANSWERED ON:13.12.2005
COMPREHENSIVE INTEREST SUBSIDY SCHEME BY KVIC
Singh Shri Sugrib

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

- (a): whether interest subsidy under a Comprehensive Interest Subsidy Scheme is admissible for institutional financing of the Khadi and Village Industries Programme;
- (b): if so, the details thereof alongwith Interest Subsidy Eligibility criteria fixed during last two years;
- (c): whether the additional interest subsidy was given by KVIC to various such institutions during the said period: and
- (d): if so, the details thereof alongwith the steps taken to revise the provision of the Interest Subsidy Scheme?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

- (a)&(b): Under the Interest Subsidy Eligibility Certificate (ISEC) Scheme, implemented by the Khadi and Village Industries Commission (KVIC), loans at the concessional rate of interest of 4 per cent per annum for assessed requirement of capital expenditure and working capital are made available by banks to registered institutions producing khadi and polyvastra items. The difference between the actual interest rate of the bank and 4 per cent is paid by the Central Government through KVIC to the lending bank. Assistance under the ISEC Scheme was available to village industry units set up prior to 01 April 1995. Village industry units set up thereafter have been assisted under the Rural Employment Generation Programme (REGP).
- (c): There is no other scheme for providing interest subsidy on loans to khadi and village industry institutions/units.
- (d): Does not arise.