

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

UNSTARRED QUESTION NO:2972
ANSWERED ON:20.03.2007
SUBSIDY TO KHADI AND VILLAGE INDUSTRIES
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Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

- (a): whether the Union Government has released subsidy/financial assistance to Khadi and Village Industry Commission;
(b): if so, the details thereof during each of the last three years and current year; and
(c): the balance thereof to be released?

Answer

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

(a) to (c): The Government provides funds every year from budgetary sources for implementation of the programmes for the development and promotion of khadi and village industries (KVI), to the Khadi and Village Industries Commission (KVIC), established by Khadi and Village Industries Commission Act, 1956. The funds provided are for
(i) plan programme and
(ii) for non-plan purpose.

The plan funds are provided under the budgetary heads

- (i) Khadi Grant
- (ii) Khadi Loan
- (iii) Village Industries Grant
- (iv) Village Industries Loan
- (v) Khadi Grant (Science & Technology)
- (vi) Village Industries Grant (Science & Technology)
- (vii) Rural Employment Generation Programme (REGP), and
- (viii) Scheme of Fund for Regeneration of Traditional Industries (SFURTI).

The Government also provides interest subsidy in lieu of interest on Government loans for KVI under plan head by way of book adjustment, every year. The year-wise details of funds made available by Government to KVIC under the above mentioned budget heads, during 2003-04, 2004-05 and 2005-06 are given below:

Budget head	Total	Funds released	Balance to
alloc-	(upto February,	be released	
ation	2007)		

Khadi Grant	88.85	90.00	106.90
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Khadi Loan	0.49	0.49	0.00
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Village Industries Grant	23.00	16.00	45.85
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Village Industries Loan	0.01	0.01	0.00
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Khadi Grant (Science & Technology)	1.50	1.50	1.35
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Village Industries Grant	4.00	4.00	3.60
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(Science & Technology)

REGP 281.75 326.00 376.86

SFURTI 0.00 1.00 1.12

Interest Subsidy (by 24.00 24.00 24.00
book adjustment)

Total 423.60 463.00 559.68

Non Plan 84.77 92.90 84.87

The details of the funds allocated by Government to KVIC for 2006-07, those released and balance to be released, are given in the table below:

Budget head Total Funds released Balance to
alloc- (upto February, be released
ation 2007)

Khadi Grant 138.30 132.95 5.35

Khadi Loan 0.49 0.36 0.13

Village Industries Grant 52.00 44.01 7.99

Village Industries Loan 0.01 0.00 0.01

Khadi Grant (Science & 1.50 1.01 0.49
Technology)

Village Industries Grant 4.00 0.90 3.10
(Science & Technology)

REGP 372.63 313.61 59.02

SFURTI 19.46 7.30 12.16

Interest Subsidy (by 24.00 24.00 0.00
book adjustment)

Total 612.39 524.14 88.25

Non Plan 84.82 75.96 8.86

