

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES
RAJYA SABHA
QUESTION NO 27.11.2009
ANSWERED ON
SPECIALIZED KHADI INSTITUTIONS FOR SCs AND STs .

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Dr. Abhishek Manu Singhvi

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

(a) whether any specialized khadi institutions are set up or fully supported by Khadi and Village Industries Commission exclusively for scheduled castes and scheduled tribes;

(b) if so, the penetration of KVIC in hilly areas where raw-material and traditional expertise availability is comparatively more diverse in quantity and traditional arts and crafts; and

(c) as the sale through KVIC outlets in North-Eastern sector is restricted due to less tourism activity, whether KVIC is subsidizing production operations with a view to utilizing optimum local employment potential?

ANSWER

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

(SHRI DINSHA PATEL)

(a): Yes, Sir. There are 154 khadi institutions having predominantly scheduled castes and scheduled tribes population, registered with the Khadi and Village Industries Commission (KVIC).

(b): The khadi programme is implemented through the khadi institutions registered under the Societies Registration Act, 1860 and enlisted with KVIC / Khadi and Village Industries Boards (KVIBs) of States / Union Territories. There are 50 khadi institutions functioning in various hilly and border areas, which are working primarily by using local manpower, raw materials and expertise.

(c): Although there is no separate scheme for subsidizing KVI production operations in the North-Eastern Region (NER), production operations of the khadi institutions in NER, as a special case, are supported by providing khadi loans from the budgetary sources of the Government to meet the working capital requirement of the khadi institutions of the region. In addition, the khadi institutions of the NER are also eligible to avail loans towards working capital from the banks as per their assessed requirements at concessional rate of interest under the Interest Subsidy Eligibility Certificate (ISEC) Scheme, where the institutions have to bear interest liability only at the rate of 4 per cent per annum while the difference between the actual lending rate and 4 per cent is borne and paid by the Central Government through KVIC to the lending bank directly.

Also under the recently introduced 'Prime Minister's Employment Generation Programme' (PMEGP), under which entrepreneurs can establish 'micro enterprises' as defined in the "Micro, Small and Medium Enterprises Development Act, 2006", in the rural as well as urban areas throughout the country and the entrepreneurs in NER are required to bring in lower beneficiary contribution and avail higher margin money assistance under special category as shown in the table below:

Categories of beneficiaries under PMEGP Beneficiary's Contribution

(of project cost) Rate of Subsidy

(of project cost)

Area (location of project/unit) Urban Rural

General Category 10% 15% 25%

Special Category (including SC / ST / OBC / Minorities/Women, Ex-servicemen, Physically handicapped, NER, Hill and Border areas etc.) 05% 25% 35%