

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**RAJYA SABHA**  
**UNSTARRED QUESTION NO.1078**  
**TO BE ANSWERED ON 09.02.2026**

**SUPPORT FOR MSME IN KARNATAKA**

1078. DR. DHARMASTHALA VEERENDRA HEGGADE:

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

- (a) the details of initiatives taken by Government to promote traditional crafts and local industries in Udupi and other districts of Karnataka, such as handlooms, handicrafts and agro-processing industries which are crucial to the region's economy;
- (b) the funds allocated to support Handloom Clusters in Ilkal, Javagal, Kumta, Sidhlaghatta and Mysore under the Cluster Development Programme and other schemes for the growth of local MSMEs in Karnataka; and
- (c) whether the Central Government is working with State Government agencies to provide training, design support and market linkages for local handicraft products from Karnataka to make them more competitive and if so, the details thereof?

**ANSWER**

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES  
(SUSHRI SHOBHA KARANDLAJE)

(a) and (b): Khadi and Village Industries Commission (KVIC) promotes rural artisans, micro entrepreneurs/ industries such as handlooms, handicrafts and agro-processing industries through implementation of various Khadi and Village Industries (KVI) Schemes like Khadi Gramodyog Vikas Yojana (KGVY), Prime Minister's Employment Generation Programme (PMEGP), Scheme of Fund for Regeneration of Traditional Industries (SFURTI) etc. across the country including in the Udupi and other districts of Karnataka.

- Khadi and Gramodyog Vikas Yojana (KGVY) is a Central Sector Scheme implemented by Khadi and Village Industries Commission (KVIC) for the development of Khadi and Village Industries Sector. It consists Khadi Vikas Yojana (KVY) and Gramodyog Vikas Yojana (GVY). Under Gramodyog Vikas Yojana (GVY) training and toolkits is provided for various Village Industries activities including AgriAlied/processing activities like Bee Keeping, Gud Khandsari, Edible Oil extraction etc.
- Prime Minister's Employment Generation Programme (PMEGP) is a central sector scheme generating employment opportunities primarily in rural areas by assisting prospective entrepreneurs in setting up new micro enterprises in the non-farm sectors including traditional crafts, local industries, agro-processing industries etc. across the country including state of Karnataka.

- Scheme of Fund for Regeneration of Traditional Industries (SFURTI) is a cluster development programme designed to protect and preserve the arts and crafts of rural traditional artisans in a cluster based manner. Under SFURTI Scheme KVIC promotes traditional crafts and local industries including handlooms and handicrafts, by supporting cluster-based development of traditional industries. In Karnataka, Shivmoga Natural Dyed Handloom Cluster under the SFRUTI scheme is functional and is proposed to benefit 459 artisans, with an approved outlay of Rs 198.38 Lakh by the Government of India. The SFURTI Scheme was in continuation till 30.09.2022.
- Small Cluster Development Programme (SCDP), a component of National Handloom Development Programme (NHDP) provides need based financial assistance on receipt of complete proposals from States/UTs Government for implementation of various interventions like product and design development, up-graded loom and accessories, growth solar lighting system, marketing support, workshed etc. for overall development and of handloom sectors across the country including Karnataka State. During the FY 2021-22 to 2025-26 (upto 31.01.2026), financial assistance of Rs.211.89 lakh has been provided for 2 SCDPs i.e. Kallur, Tumkur District and Gajendragad, Gadag District covering 1136 beneficiaries in the State of Karnataka.

(c): To promote Khadi & Village Industries activities in the State/UT and encourage unemployed youth to take up KVI activities, the State KVIBs play an important role in the implementation of KVI schemes/programmes.

- State KVIBs implement the KVI programme in the States in close association with the Public Sector Banks, Regional Rural Banks and Co-operative Banks, local NGOs, and Government Organizations. They also seek policy support from State Governments, wherever required.
- Under SFURTI Scheme, Clusters are being supported for design development, product diversification and improved packaging through linkages with specialised design and technical institutes and through onboarding on e-commerce platforms by the concerned Nodal Agencies, in coordination with State agencies. In addition, artisans are being provided training and capacity-building support, and market access is facilitated through participation in exhibitions, buyer-seller meets and institutional tie-ups, with the objective of enhancing product competitiveness and improving incomes of local artisans.
- The Office of DC (Handicrafts) implements schemes through State Govt. Agencies, State Corporation, NGO-etc. to provide training, design support and market linkages of handicraft products across the country including implementing agencies from Karnataka. 7 number of programmes under NHDP scheme has been implemented by the State Govt. agencies/Corporation from Karnataka during FY 2025-26.

- **For Training :** The Khadi and Village Industries Commission (KVIC) provides Skill Development Training Programmes in Khadi and Village Industries trades through its departmental and non-departmental Training Centres located across the country, including Karnataka.
- **For Design Support:** Centre of Excellence for Khadi (CoE) has been established by entering into a MoU with NIFT, New Delhi for providing design intervention, product development and increasing marketability of Khadi products. CoEK developed Khadi design collections in the multiple categories. CoEK extending interior design technical support for modernizing Departmental Sales Outlets of KVIC across country including Karnataka.
- **Market linkages for Khadi and Village:** KVIC provides Financial Assistance to various Khadi Board's and Khadi Institutions for renovating Khadi Bhandars across the country, including the state of Karnataka, to strengthen market linkage for the Khadi products.
- KVIC participates annually in the India International Trade Fair (IITF), New Delhi and also organizes the month-long Khadi Fest in Mumbai every October with participation from KVI units under State Boards. October is celebrated nationwide as "Khadi - Mahotsav Month," featuring awareness, sales, and promotional events from Gandhi Jayanti onwards in collaboration with Khadi Institutions, with active participation of KVIB units to strengthen marketing linkages. Additionally, KVIC operates the e-commerce portal [www.khadiindia.gov.in](http://www.khadiindia.gov.in), offering nationwide access to authentic Khadi and Village Industries products, including those from Karnataka.

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