

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO.5041
TO BE ANSWERED ON 26.03.2018

TAPPING OF RURAL TALENT BY KVIC

5041. SHRI ALOK SANJAR:

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

- (a) whether the target set by Khadi and Village Industries Commission for tapping of rural talent and resources has been attained;
- (b) if so, the details thereof;
- (c) whether the Government proposes to start schemes to encourage the unemployed youth of rural areas and buy the products manufactured by them on priority; and
- (d) if so, the details thereof?

ANSWER

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

(a)to(d): The objective of Khadi and Village Industries Commission (KVIC) is to generate employment opportunities in the country through implementation of Khadi and Village Industries (KVI) programmes. A large number of KVI institutions, entrepreneurs of the rural India have been benefitted through KVI Schemes and have become self-reliant by setting up of micro KVI units which not only generate employment opportunities for themselves but also to other unemployed youth of the country.

KVI institutions and entrepreneurs can sell their products through 8058 (approximately) sales outlets run by Khadi Institutions spread all over the country. The products can also be sold through 7 Departmental Sales Outlets (DSOs) of KVIC located at Mumbai, Kolkata, Ernakulum, Bhopal, Goa, Patna and Delhi.

KVIC has taken the following steps to encourage the unemployed youth of rural areas and promote marketing of products manufactured by them:

- i) Market Promotion Development Assistance (MPDA) – A unified scheme by merging Market Development Assistance, Publicity, Marketing and Market Promotion. A new component for Infrastructure namely setting up of Marketing Complexes /Khadi Plazas has been added to expand the marketing network of Khadi & VI products. Under the Modified MDA (MMDA) financial assistance at 30% of the Prime Cost, is distributed amongst Producing Institutions (40%), Selling Institutions (20%) and Artisans (40%).

Assistance would be provided under the MPDA Scheme to the eligible KVI Institutions for participation in International Exhibitions/Trade Fairs held in foreign countries in order to showcase KVI products to foreign countries, access international buyers and sellers and forge business alliances, etc.

The eligible items for such participation and the scale of assistance would be as under:

| S. No. | Eligible items | Scale of assistance |
|--------|----------------|--|
| i) | Space Rent | For KVIs – 100% of the space rent subject to a maximum of Rs.1.00 lakh or actual rent paid, whichever is lower (for one representative from each participating enterprise) |
| ii) | Air Fare | For KVIs – 100% of the Economy Class air fare subject to a maximum of Rs.1.50 lakh or actual fare paid, whichever is lower (for one representative from each participating enterprise) |

- ii) Participation in domestic international exhibitions at State and National levels wherein KVIs are allowed to participate and market their products. Assistance is also provided to Exporters participating in International Trade Fairs held in India like India International Trade Fair (IITF) New Delhi where stall rentals are subsidized for the exporting institutions. KVIC also supports KVI institutions/units in the marketing of their products through organizing National, Zonal, State and District level exhibitions.
- iii) KVIC has taken the initiative to open premier “Khadi Showrooms” known as “Khadi Lounge” to make available premier Khadi products including designer products. Such type of Lounges has already been opened in Jaipur, Mumbai, New Delhi and Bhopal.

- iv) KVIC has entered into contract with popular retail chain stores for setting up of “Khadi Korner” in the retail chains based on the concept of ‘Shop in Shop’. KVIC has entered into an agreement with M/s. GLOBUS, Mumbai, Apna Bazar and Cotton Bazar to set up such stores. KVIC has also entered into agreement with private sector players like Raymond’s, M/s. Aditya Birla Group, etc. for marketing of Khadi in their retail showrooms.
- v) To ensure the genuineness of Khadi, “Khadi Mark” has been notified by Government of India. The Khadi Mark not only guarantees the genuineness of Khadi products but also promote Khadi as a brand that connotes social, cultural, and environmental values.
- vi) KVIC has been catering to the need of Government Departments and bulk buyers such as, Defence, Health & Family Welfare Department, Post and Telegraph Department, P.M. Office, ONGC, Paramilitary Forces and other Ministries of Central & State Government under Rate Contract (RC) agreement with Directorate General of Supplies & Disposals (DGS&D) as well as supply of Non Rate Contract (Non-RC) items like Polyvastra bed sheets and pillow covers to Railways, etc.

Under Prime Minister’s Employment Generation Programme (PMEGP), 52912 number of entrepreneurs have set up their enterprises and 407840 number of employment opportunities have been generated and Margin Money subsidy of Rs. 1280.94 crore has been disbursed to these entrepreneurs during 2016-17.

During 2016-17, KVIC has generated employment opportunities to 136.40 lakh persons through KVI Schemes. The KVI Units, entrepreneurs promoted by KVIC have effected production of Rs. 42631.09 crore and sales to the tune of Rs. 52138.21 crore.

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