

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTIONNO. 4320
TO BE ANSWERED ON 18.07.2019

SCHEME TO ACHIEVE AIMS AND OBJECTIVES OF KVIC

4320. SHRI PANKAJ CHAUDHARY:

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

- (a) whether the Government proposes to formulate a concrete scheme to achieve aims and objectives of the Khadi and Village Industries Commission (KVIC) and if so, the details thereof;
- (b) the details regarding the Market Development Assistance being implemented for the KVIC along with the salient features thereof;
- (c) whether it is a fact that clothes and other products of Khadi are very costly;
- (d) if so, the reasons therefor and the corrective measures likely to be taken by the Government in this regard; and
- (e) whether the Government proposes to review the activities of KVIC with a view to make it more result-oriented and if so, the details thereof?

ANSWER

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI NITIN GADKARI)

(a): No, Sir. The main objective of Khadi and Village Industries Commission (KVIC) is to promote Khadi and generate employment opportunities in the rural areas of the country. During 2018-19, 146.99 lakh persons have been engaged in the Khadi and Village Industries in the country. Thus, the KVIC is achieving its objectives of promotion of Khadi and creation of employment successfully through the implementation of the following programmes and schemes:

1) Prime Minister's Employment Generation Programme (PMEGP) is a credit linked subsidy scheme, for setting up of new micro-enterprises and to generate employment opportunities in rural as well as urban areas of the country through KVIC, State Khadi & Village Industries Board (KVIBs) and District Industries Centres (DICs). General category beneficiaries can avail of margin money subsidy of 25% of the project cost in rural areas and 15% in urban areas. For beneficiaries belonging to special categories such as SC/ST/Women/PH/Minorities/Ex-Servicemen/NER, the margin money subsidy is 35% in rural areas and 25% in urban areas. The maximum cost of projects is Rs.25 lakh in the manufacturing sector and Rs.10 lakh in the service sector.

2) Khadi Programme: For the development and promotion of Khadi Programme, KVIC implements following Schemes with the support of 34 State/UT Khadi and Village Industries Boards (KVIBs) and 2632 Khadi Institutions:

- i) Market Promotion and Development Assistance (MPDA).
- ii) Interest Subsidy Eligibility Certificate (ISEC)
- iii) Aam Admi BimaYojana (erstwhile Jana Shree BimaYojana)
- iv) Artisans Welfare Fund Trust (AWFT)
- v) Workshed Scheme for Khadi Artisans
- vi) Strengthening of Infrastructure of Existing Weak Khadi Institutions and Assistance for Marketing Infrastructure.

3) Village Industries Programme is broadly classified under seven groups for the purpose of implementation of its programmes, which are as under:

- i) Agro Based and Food Processing Industry (ABFPI)
- ii) Forest Based Industry (FBI)
- iii) Hand Made Paper and Fibre Industry (HMPFI)
- iv) Mineral Based Industry (MBI)
- v) Polymer and Chemical Based Industry (PCBI)
- vi) Rural Engineering and Bio-Technology Industry (REBT)
- vii) Service & Textile Industry

4) Khadi Reform and Development Programme (KRDP) aims to revitalize the khadi sector with enhanced sustainability of khadi, increased incomes and employment for spinners and weavers, increased artisans' welfare and to achieve synergy with village industries. 'Khadi Reform Package' envisages reform support in the following areas: (i) Artisan Earnings and Empowerment, (ii) Direct Reform Assistance to 400 Khadi Institutions & (iii) Implementation of a well-knit MIS.

5) Scheme of Fund for Regeneration of Traditional Industries (SFURTI) has been under implementation since 2005-06 for making Traditional Industries more productive and competitive by organizing the Traditional Industries and artisans into clusters. The Scheme envisages providing need-based assistance for replacement of production equipment, setting up of common facility centres (CFC), product development, quality improvement, improved marketing, training and capacity building etc. The scheme was modified as revamped SFURTI scheme during 2016-17.

6) Capacity Building (CB): KVIC conducts training programmes through 40 departmental and non-departmental training centres. These training centres impart need-based training under various disciplines viz. Soap and Detergent making, Food Items, Bakery Products, Ready Made Garments, Beekeeping, Agaratti making, candle making, motor winding etc.

7) Science & Technology: Research and Development (R&D) is a vital input for stepping up productivity by bringing improvement in equipment and manufacturing techniques of the craftsman. KVIC continued to increase the productivity and earnings of artisans and make the production process more artisan-friendly by reducing drudgery in their work. Various advance technologies have been developed under Research & Development schemes of KVIC, which bring a significant difference in the quality, productivity and packaging of the products manufactured by the rural industries sector.

In addition to above, KVIC is also implementing following programmes for promotion and development of traditional industries viz. Beekeeping (Honey Mission) and Pottery Development Programme (Kumhar Sashaktikaran Programme):

i) Bee-Keeping (Honey Mission): KVIC launched Honey (Bee) Mission in July, 2017 for promoting Beekeeping and generating employment in the beekeeping potential States of the country.

ii) Pottery Programme (Kumhar Sashaktikaran): Under this programme KVIC identify the areas where clusters of traditional pottery workers are available and provide them training and electric pottery wheels and other tools like blunger, Pug Mill, etc.

iii) Mission Solar Charkha: Ministry of MSME has launched the Mission Solar Charkha for implementation of 50 Solar Charkha Clusters across the country with a budget of Rs. 550 crore for the year 2018-19 and 2019-20. The scheme is envisaged to generate direct employment to nearly one lakh persons. Solar Charkha Units have been classified as Village Industries.

During the last two years, KVIC has generated additional employment opportunities of 10.58 lakh persons under Khadi and Village Industries in the country which is as follows:

(Employment in lakh persons)		
Year	Cumulative Employment	New Employment
2017-18	140.36	3.96
2018-19 (provisional)	146.98	6.62

The production and sale of Khadi products during the last two years and the current year is as follows:

(Rs. in crore)			
Particular	2017-18	2018-19 (Provisional)	2019-20 (as on 31.5.2019)
Production of Khadi	1626.66	1963.30	269.95
Sales of Khadi	2510.21	3215.13	390.63

(b): Market Promotion Development Assistance (MPDA) is formulated as a unified scheme by merging Market Development Assistance (MDA), 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 & Village Industries (KVI) products. Under the Modified MDA (MMDA) financial assistance at 30% of the Prime Cost is distributed amongst Producing Institutions (20%), Selling Institutions (10%), Artisans (40%), the remaining amount (30%) is to be given to best performing Khadi Institutions selected through a transparent scorecard. Aims of MPDA are as follows:

- Rationalization of financial assistance and gradual withdrawal of subsidy.
- Market segmentation of KVI products for effective pricing.
- Strengthening of marketing network and opportunities in domestic and international market to Khadi and V.I. Units by organizing and participating in exhibitions.
- Provide publicity of schemes, quality products of KVI sector & creation of demand pool.
- Incentives to be given to khadi karigars, other artisans and Karyakartas.
- Infrastructure development by setting up of Khadi Plaza.

(c): No Sir.

"Khadi" is a traditional fabric made out of handspun and hand-woven yarn in India from cotton, woolen and silk or from a mixture of any two or all of such yarn and is different from mill cloth. The Village Industries products including handicrafts are being produced by the entrepreneurs are mostly with the local raw-material resources and these products are unique in nature.

Khadi Institutions having 'Khadi Mark' are authorized to produce Khadi. If we compare 'Khadi Mark' garments with other Local Brand garments, it is cheaper than branded mill made garments. Khadi Institutions promoted by the KVIC have core competence in manufacturing of high count unique muslin and silk Khadi, and because of their unique quality these products may be costlier than some mill made garments.

(d): Does not arise.

(e): Yes Sir, Ministry of MSME periodically reviews the progress of Khadi & Village Industries Schemes at District level, State level and National level.