

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 3319
TO BE ANSWERED ON 12.03.2026

ROZGAR YUKT GAON SCHEME IN KHADI SECTOR

3319. SMT. MANJU SHARMA:

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

- (a) whether the Government has approved the Rozgar Yukt Gaon (RYG) scheme to initiate an enterprise-based business model in the Khadi sector and if so, the details thereof;
- (b) the villages covered and the amount of funds spent under the said scheme, State-wise; and
- (c) the steps being taken by the Government for the development of village-based industries?

ANSWER

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

(a) & (b): Rozgar Yukt Gaon (RYG) scheme, a component of the Khadi Vikas Yojana (KVY), was approved with the aim of introducing an enterprise-led model in 50 villages and an amount of Rs. 41.00 crore was earmarked in 2019–20. Despite all efforts made by the Khadi and Village Industries Commission (KVIC), the RGY scheme could not proceed due to implementation issues at field level and Covid-19 pandemic situation during that period. Consequently, the scheme lacked feasibility and was discontinued with effect from FY 2021–22.

(c): The Government has taken following steps for the development of village-based industries:

- (i) Khadi and Village Industries Commission (KVIC), a statutory body under the Ministry is implementing Gramodyog Vikas Yojana (GVY) for the development of Village industries, in which training is being imparted to rural and traditional artisans and provides tools/equipment's and hand holding support under various verticals of village industries like Mineral Based Industry (MBI), Agro Based and Food Processing Industry (ABFPI),

Wellness and Cosmetic Industry (WCI), Handmade Paper, Leather and Plastic Industry (HPLPI), Rural Engineering and New Technology Industry (RENTI) and Service Industry.

- (ii) Ministry of MSME, through KVIC, is implementing the Prime Minister's Employment Generation Programme (PMEGP) as a central sector scheme aimed at assisting prospective entrepreneurs in setting up new micro enterprises primarily in rural areas for generation of sustainable employment opportunities in the non-farm sector. Under PMEGP, around 80% of the total units supported are from rural areas, primarily in the village industries activities such as beekeeping, cottage match industry, fireworks and agarbatties, cottage pottery and soap making, cottage leather industry, Ghani oil processing, manufacture of cane-gur and khandsari, processing, packaging and marketing of cereals, pulses, spices and condiments; manufacture of manure from cow dung and other waste products, lime-based industries, fruit and vegetable processing, bamboo and cane work, blacksmithy, carpentry, manufacture of aluminium household utensils, manufacture of katha and gum, poly-vastra works, processing of maize and ragi, and manufacture of rubber goods.

- (iii) Coir Board, a statutory body under the Ministry is implementing Coir Vikas Yojana aimed at promoting sustainable development, growth and support for coir artisans and the coir industry across the country. Under the scheme, steps being taken for the development of village-based coir industries including development of new technologies, machines and value-added products and their dissemination to coir entrepreneurs, units and artisans; imparting training and certificate/diploma courses for skill upgradation.
