

**GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:160

ANSWERED ON:25.04.2016

Khadi and Village Industries Commission

Choudhary Col. (Retd) Sona Ram; Lokhande Shri Sadashiv Kisan; Shetty Shri Gopal Chinayya; Singh Shri Lallu

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

- (a) the objectives and functions of the Khadi and Village Industries Commission (KVIC);
- (b) whether the Government proposes to enhance the targets for loan disbursement to unemployed youths through KVIC in the country;
- (c) if so, the details thereof along with the targets fixed and achieved for the loan disbursement by the KVIC and the number of persons benefited therefrom during each of the last three years, State/UT-wise; and
- (d) the other steps taken by the Government to promote khadi and village industries in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF
MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI GIRIRAJ SINGH)

(a): The main objectives of KVIC include:-

- (i) social objective of providing employment in rural areas;
- (ii) economic objective of producing saleable articles; and
- (iii) wider objective of creating self-reliance amongst people and building up a strong rural community spirit.

The functions of KVIC include:-

- (i) planning and organizing capacity building programmes.
- (ii) build up reserves for supply of raw material and to persons engaged or likely to be engaged in production of handspun yarn or khadi or village industries at such rates as the Commission may decide;
- (iii) to encourage and assist in the creation of common service facilities for all activities related to production and marketing of KVI products;
- (iv) to promote the sale and marketing of KVI products;
- (v) to encourage and promote research in the technology used in KVI sector including non-conventional energy;
- (vi) to provide financial for development and upgradation of designs, prototypes and other technical information including quality assurance.

(b): Yes Madam.

(c): For the year 2016-17, the targets have been enhanced as follows:

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Physical Target (Number of projects) 55200

Financial Target (Margin Money Subsidy) Rs.1100 crore

Employment to be generated 441600 persons

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State/UT-wise details of PMEGP scheme for the years 2012-13, 2013-14 and 2014-15 are provided in Annexure-I.

(d): Government is implementing the following programmes for promotion of Khadi and Village Industries:

Market Promotion Development Assistance (MPDA) scheme – MDA scheme of KVIC has been modified as MPDA scheme formulated as a unified scheme by merging different schemes/sub-schemes/components of different Heads implemented in the 11th Plan, namely, Market Development Assistance, Publicity, Marketing and Market Promotion. A new component of Infrastructure namely setting up of Marketing Complexes /Khadi Plazas has been added to expand the marketing net worth of Khadi & VI products.

Interest Subsidy Eligibility Certificate (ISEC) for Khadi & Polyvastra – Under the Scheme, credit at the concessional rate of interest is made available as per the requirement of the institutions. The institution is required to pay only 4%. Any interest charged by banks over 4% will be paid by Central Government through KVIC. All khadi institutions registered with the KVIC/State Khadi and Village Industries Boards (KVIBs) can avail of financing under the ISEC scheme.

Workshed Scheme for Khadi Artisans was introduced in 2008-09 to provide financial assistance for construction of workshed to khadi artisans belonging to BPL category through the khadi institutions with which the khadi artisans are associated. This empowers khadi spinners and weavers to chart out a sustainable path for growth, income generation and better work environment.

Strengthening infrastructure of weak Khadi institutions and assistance for marketing infrastructure: This scheme provides need-based support towards the Khadi sector for nursing the sick/problematic institutions elevated from "D" to "C" category as well as those

whose production, sales and employment have been declining while they have potential to attain normalacy and to support creation of marketing infrastructure in other identified outlets. Under this scheme, financial assistance is provided to existing weak Khadi institutions for strengthening of their infrastructure and for renovation of selected khadi sales outlets.