

**GOVERNMENT OF INDIA
AGRO AND RURAL INDUSTRIES
LOK SABHA**

STARRED QUESTION NO:37
ANSWERED ON:25.07.2006
FUNCTIONING OF KVI
Khaire Shri Chandrakant Bhaurao

Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

- (a): whether the performance of khadi and village industry has been dismal in the market during the last two years despite receiving grant from the Government;
- (b): if so, the reasons therefor;
- (c): the total number of centres of khadi and village industries in each State, particularly in Maharashtra;
- (d): the details of their functioning during the last two years, State-wise; and
- (e): the measures taken to improve the performance of khadi and village industries?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a)to(e): A statement is placed on the Table of the Sabha. STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 37 TO BE ANSWERED ON 25.07.2006. (a): The growth in the production, sales and employment of the khadi and village industry (KVI) during the last two years has been as follows :

(Production and Sales: Rs. crore; Employment : lakh person)

YEAR	PRODUCTION		SALES		EMPLOYMENT			
	KHADI	VI	KHADI	VI	KHADI	VI		
(1)	(2)	(3)	(4)	(5)	(6)	(7)		
2004-05	461.54	10458.89	617.84	12487.35	8.63	68.14		
2005-06#	465.26	11949.14	656.47	14075.79	8.69	73.82		

Provisional

(b): Does not arise.

(c): State/Union Territory (UT)-wise number of registered khadi institutions (as on 31 March 2006) and of units set up under the Rural Employment Generation Programme (up to 31 March 2005) in the country, including Maharashtra, are given in Annexure I enclosed.

(d): State/UT-wise details of production and employment of khadi and village industry units during 2003-04 and 2004-05 are given in Annexure II enclosed. Uptodate details for 2005-06 are not yet available.

(e): Steps taken by Government to improve the performance of khadi and village industries include :

(i) Amendments to the Khadi and Village Industries Commission Act, 1956 to make the functioning of Khadi and Village Industries Commission (KVIC) more professional and generate additional employment in rural areas.

(ii) Introduction of the `Scheme of Fund for Regeneration of Traditional Industries (SFURTI)` in 75 clusters of khadi and village industries for enhancing their competitiveness alongwith employment generation.

(iii) Introduction of the Product Development, Design Intervention and Packaging (PRODIP) Scheme for improved design and packaging of khadi and village industry products.

(iv) Introduction of the Group Insurance Scheme (`Khadi Karigar Janashree Bima Yojana`) for the benefit of khadi workers/artisans.

(v) Ensuring availability of quality raw materials for khadi production through Central Sliver Plants of KVIC.