

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

UNSTARRED QUESTION NO:749
ANSWERED ON:04.08.2011
KHADI AND VILLAGE INDUSTRIES
Ganeshamurthi Shri A.

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

- (a) the number of Khadi and Village industrial units functioning at present in the country, State-wise;
- (b) the steps taken by the Government to develop the Khadi and Village industrial units; and
- (c) the funds allocated for the purpose during each of the last three years and current year, State-wise?

Answer

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI VIRBHADRA SINGH)

(a) The Government through an Act of Parliament had established in 1956 a statutory Body named "Khadi and Village Industries Commission (KVIC)" for the development of khadi and village industries.

According to KVIC, at present, there are 2065 khadi institutions functioning in the country and assistance has been provided for setting up of around 4.33 lakh units under the erstwhile Rural Employment Generation Programme (REGP) and the present Prime Minister's Employment Generation Programme (PMEGP) upto July 2011. The state-wise number of such units is provided in Annexure-I.

(b) Since the establishment of KVIC, Government of India has been making various interventions from time to time through KVIC for the development of the khadi and village industries sector including the following:

- (i) Enhanced budget allocation over the years for the khadi and village industries sector.
- (ii) Replacing the erstwhile Rebate scheme with more flexible, growth stimulating and artisans oriented scheme of Market Development Assistance from 2010-11.
- (iii) Taking up development of 79 clusters in khadi and village industries sector for their regeneration.
- (iv) Introduction of three new schemes in the sector namely 'Enhancing productivity and competitiveness of khadi industry and artisans', 'workshed scheme for khadi artisan' and 'Scheme for strengthening infrastructure of existing weak khadi institutions and Assistance for marketing infrastructure'.
- (v) To build up entrepreneurship in the sector, a credit linked subsidy programme named Prime Minister's Employment Generation Programme has been launched in 2008-09 under which margin money assistance is provided to first generation entrepreneurship to set up new units.
- (vi) Introduction of a comprehensive Khadi Reform and Development Programme in 2009-10 with an assistance of US \$ 150 million from Asian Development Bank to benefit 300 khadi institutions.

(c) The year-wise funds released by Ministry of Micro, Small and Medium Enterprises to KVIC and Mahatma Gandhi Institute for Rural Industrialisation (MGIRI) during last three years is shown below, which indicates that the government is increasingly putting more emphasis on the development of the KVI Sector :-

Year Funds (in Rs. crore) released to KVIC/MGIRI

	KVIC	MGIRI	Total
2008-09	1104.94	3.00	1107.94
2009-10	824.06	3.00	827.06
2010-11	1444.16	5.85	1458.31
2011-12	1581.00	10.00	1591.00
(Target)			

The state-wise allocation of Margin Money subsidy under PMEGP for last three years the current year is indicated in Annex-II.