

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

UNSTARRED QUESTION NO:1360

ANSWERED ON:07.12.2015

KVIC Units

De(Nag) Dr. (Smt.) Ratna;Kumar Shri P.;Sanjar Shri Alok

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

- (a) the main aims and objectives of the Khadi and Village Industries Commission (KVIC) along with the number of KVIC units set up by the Government during each of the last three years and the current year, State/UT-wise;
- (b) whether the Government proposes to set more KVIC units in the country including West Bengal;
- (c) if so, the details thereof along with the funds allocated for the purpose, State/ UT-wise; and
- (d) 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): Khadi and Village Industries Commission(KVIC) aims at providing employment, producing saleable articles and creating self-reliance amongst the poor and building up of a strong rural community spirit. KVIC extends financial support through various schemes for creation of employment opportunities in rural as well as urban areas of all the States / Union Territories including backward areas of the country in the form of institutions for khadi and enterprises under village industries.

The Government is implementing a major credit linked subsidy programme namely, Prime Minister's Employment Generation Programme(PMEGP) for establishment of micro enterprises in the non-farm sector. The State-wise details of micro units set up under PMEGP during the last three years and the current year are given in Annexure-I.

(b)&(c): Under PMEGP, the State / UT wise target for establishment of new units and the Margin Money earmarked for the year 2015-16 is given in Annexure-II.

(d): Khadi and Village Industry Commission (KVIC) is implementing Khadi programme by extending support to KVI institutions through centrally sponsored schemes to promote Khadi and Village Industries. These are:

i) Market Promotion and Development Assistance (MPDA) scheme with the component of Modified MDA, Publicity and Market Promotion & Infrastructure including establishment of Marketing Complexes/Khadi Plazas has been approved for continuation in the XIth Plan.

ii) Khadi institutions are provided assistance towards renovation/modernization of their outlets under Assistance for Marketing Infrastructure.

iii) Under market support and promotion, Trade Fairs, Exhibitions both domestic/ international, etc. are organized.

iv) Under unified Interest Subsidy Eligibility Certificate (ISEC) Scheme Khadi and Polyvastra producing institutions can avail working capital from Nationalised Banks by paying interest @ 4% per annum. The difference between the actual lending rate of interest and 4% paid by the institution is subsidized by Government of India, through this schematic support.

v) Scheme of Fund for Regeneration of Traditional Industries (SFURTI) is implemented to make the traditional industries clusters more productive and competitive facilitating their sustainable development.

vi) Khadi Reform and Development Programme (KRDP) aims at realizing fully the significant growth potential of KVI Sector in terms of employment generation and to enhance earnings of artisans and also to ensure positioning of Khadi in consonance with current market needs.

vii) Support is also extended to weak Khadi Institutions under Strengthening Infrastructure of Weak Khadi Institutions to attain normalcy.

viii) KVIC has set up interfaces with leading technological institutes to conduct research work under S&T programme of KVIC for development of tools, implements and processes involved in production.