

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

UNSTARRED QUESTION NO:3944  
ANSWERED ON:06.08.2014  
KHADI GRAMODYOG  
Lokhande Shri Sadashiv Kisan

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

- (a) the steps taken by the Union Government to promote Khadi Gramodyog during each of the last three years;
- (b) whether the Union Government has allocated any fund to the State Governments specially the Government of Maharashtra for this purpose during the said period;
- (c) if so, the details thereof and the number of persons working in this industry, State and year-wise;
- (d) whether the Union Government proposes to provide any assistance to the persons working in this industry; and
- (e) if so, the details thereof?

**Answer**

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI KALRAJ MISHRA)

(a): Khadi and Village Industries Commission (KVIC) has been implementing a number of schemes for the holistic development of khadi and village industries(KVI) sector in the country, which include:

- (i) Market Development Assistance (MDA) under which assistance is provided @ 20% of value of production khadi and polyvastra to be shared among artisans, producing institutions and selling institutions in the ratio 25:30:45.
- (ii) Scheme of Fund for Regeneration of Traditional Industries (SFURTI) under which assistance for replacement of obsolete equipments, setting up common facilities centres, product development, market promotion and other support are provided in clusters.
- (iii) Scheme for Enhancing Productivity & Competitiveness of Khadi Industry and Artisans under which assistance for replacement of charka, product development, design intervention and packaging etc. is provided.
- (iv) Interest Subsidy Eligibility Certification (ISEC) scheme for providing bank loans for khadi and polyvastra at subsidized rates of interest.
- (v) Strengthening Infrastructure of existing Weak Khadi Institutions and Assistance for Marketing Infrastructure' envisaging renovation of khadi sales outlets and providing assistance for strengthening infrastructure of existing weak selected institutions
- (vi) Khadi Reform and Development Programme (KRDP) to revitalize the khadi sector with enhanced sustainability of khadi, increased incomes and employment for spinners and weavers, increased artisans' welfare and achieve synergy with village industries.

In addition, Government in the Ministry of MSME has also been implementing a credit-linked subsidy programme named Prime Minister's Employment Generation Programme (PMEGP) through Banks with KVIC since 2008-09 for generating self-employment in the Country by setting up micro- enterprises in the non-farm sector.

(b)&(c): Government in the Ministry of MSME provides funds for the development of KVI activities in the States/UTs through KVIC, State KVI Boards and District Industries Centres. The funds are not directly allocated to State Governments.

State-wise(including Maharashtra) details of funds disbursed under KVI sector during the last three years is given at Annexure I. State-wise number of persons working in Khadi and Village industries (including Maharashtra) during the last three years is given at Annexure II.

(d)&(e): Government in the Ministry of MSME has taken various steps to provide assistance to the persons working in Khadi and Village industries sector, which include(i) Khadi Institutions enlisted with the KVIC/ KVIBs of States / Union Territories are required to create Artisan Welfare Fund Trusts (AWFTs) with a view to extending security and other help to artisans(ii) Under Market Development Assistance (MDA) Scheme, financial assistance is provided to khadi and polyvastra producing institutions @ 20% of the value of production of khadi and polyvastra to be shared among artisans, producing institutions and selling institutions in the ratio 25:30:45 (iii) Workshed Scheme for Khadi Artisans under which assistance is provided for construction of worksheds for better work

environment(iv) KVIC, in association with Life Insurance Corporation of India (LIC), implements a group insurance scheme named Khadi Karigar Janshree Bima Yojana to provide insurance cover to khadi artisans against normal and accidental death and disability.