

Announcement for Financial Year 2014-15 regarding setting up of a committee to examine the financial architecture for the MSME Sector, the Department of Financial Services (DFS), Ministry of Finance, Government of India has set up a Committee under the Chairmanship of Shri K. V. Kamath, Chairman, ICICI Bank on 26.09.2014. The Committee consists of 15 members including Shri K.V. Kamath (Chairman, ICICI Bank) as Chairperson of the Committee and Joint Secretary (Institutional Finance), DFS as Member Secretary. The first meeting of the above committee was held on 5.11.2014.

#### **Strengthening of Khadi and Village Industries Commission**

548. SHRI MOHD. ALI KHAN: Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether Government is strengthening the Khadi and Village Industries (KVI) Commission to make it more productive, people oriented with results;
- (b) if so, the details thereof during the last three years State-wise and results yielded so far along with the funds sanctioned and spent for the period; and
- (c) if not, by when such steps will be taken in future in consultation with each State?

THE MINISTER OF STATE IN THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI GIRIRAJ SINGH): (a) and (b) The following are some of the major steps taken by the Government to strengthen the Khadi and Village Industries Commission (KVIC) to make it more productive, people oriented with results.

- (i) Introduction of Market Development Assistance (MDA) Scheme on production of khadi with effect from 1.04.2010 to incentivize production and marketing of khadi and Polyvastra besides earmarking 25% of the assistance to provide for financial incentives to artisans.
- (ii) Making available concessional credit (@ 4% interest to khadi institutions under the Interest Subsidy Eligibility Certificate (ISEC) Scheme;
- (iii) Providing financial support to institutions under the Scheme for Enhancing Productivity and Competitiveness of khadi industry and Artisans;
- (iv) Providing better work environment to khadi spinners and weavers under the Workshed Scheme for Khadi Artisans;

- (v) Developing clusters of khadi and village industries under Scheme of Fund for Regeneration of Traditional Industries (SFURTI) with improved equipment, business development services, training, capacity building and exposure visits, design and marketing support and common facility centres.
- (vi) Apart from the above, KVIC with assistance of US\$ 150 million from Asian Development Bank (ADB) is also implementing a comprehensive reform package for the khadi sector namely Khadi Reform and Development Programme, which includes capacity building of 300 khadi institutions and incentivizing production.
- (vii) Government in the Ministry of MSME has also been implementing a credit-linked subsidy programme named Prime Minister's Employment Generation Programme (PMEGP) since 2008-09 with Khadi and Village Industries Commission (KVIC) as nodal agency at the national level for generating employment in the country by setting up of micro-enterprises in the non-farm sector. Under PMEGP, general category beneficiaries can avail of margin money subsidy of 25% of the project cost in rural areas and 15% in urban areas. For beneficiaries belonging to special categories such as Scheduled Castes, Scheduled Tribes, OBCs, minorities, women, ex-servicemen, physically handicapped, beneficiaries belonging to North Eastern Region, hill and border areas, etc., the margin money subsidy is 35% in rural areas and 25% in urban area. The maximum cost of project is ₹ 25 lakh in the manufacturing sector and ₹ 10 lakh in the service sector.

State-wise funds disbursed by KVIC under various schemes of khadi and village industries and corresponding employment generated during the last three years is given in Statement (*See below*).

(c) All major schemes of the Ministry including PMEGP and SFURTI are implemented with active involvement of States through KVIC, DICs and State Khadi Boards. Regular consultation with the State Industry Ministers and Secretaries is held and the progress is also closely monitored through meetings.

**Statement**

*State-wise funds disbursed by KVIC and employment generated*

Sl. No.	State/UT	2011-12		2012-13		2013-14	
		Total Fund disbursed by KVIC# (₹ in lakh)	Employment Generated (in lakh persons)	Total Fund disbursed by KVIC# (₹ in lakh)	Employment Generated (in lakh persons)	Total Fund disbursed by KVIC # (₹ in lakh)	Employment Generated (in lakh persons)
1	2	3	4	5	6	7	8
1.	Jammu and Kashmir	3641.12	2.68	4470.44	2.81	4060.35	2.95
2.	Himachal Pradesh	1519.99	2.31	1738.08	2.42	2,037.79	2.53
3.	Punjab	2420.86	3.72	2018.20	3.89	3,640.85	4.05
4.	UT Chandigarh	0	0.21	135.38	0.22	0	0.23
5.	Haryana	3939.92	3.47	3064.66	3.63	3438.38	3.80
6.	Uttarakhand	2128.69	1.38	2440.49	1.44	2917.68	1.50
7.	Delhi	813.69	0.34	1219.95	0.35	878.01	0.36
8.	Rajasthan	5837.84	9.42	7598.37	9.86	4717.56	10.31
9.	Uttar Pradesh	29942.81	18.32	18727.61	19.14	20358.48	19.94
10.	Bihar	8213.95	4.15	7979.79	4.32	8574.46	4.48
11.	Sikkim	69.65	0.26	226.77	0.26	55.56	0.26
12.	Arunachal Pradesh	415.05	0.13	371.34	0.14	1046.21	0.15
13.	Nagaland	765.70	0.62	1163.47	0.65	2033.68	0.68
14.	Manipur	674.45	0.77	1150.39	0.81	1798.45	0.85
15.	Mizoram	540.66	0.95	774.02	1.00	1249.89	1.05
16.	Tripura	3089.25	0.71	2980.46	0.75	1154.44	0.79

Written Answers to

[27 November, 2014]

Unstarred Questions 201

1	2	3	4	5	6	7	8
17.	Meghalaya	958.94	0.48	1286.24	0.50	875.00	0.52
18.	Assam	4926.75	4.13	7433.18	4.34	4363.86	4.54
19.	West Bengal	9876.81	9.41	8523.16	9.87	9580.45	10.33
20.	Jharkhand	4272.24	0.59	3753.16	0.63	4910.82	0.65
21.	Odisha	4738.36	3.53	8292.18	3.70	3859.09	3.88
22.	Chhattisgarh	4029.17	1.39	4760.83	1.46	3033.04	1.52
23.	Madhya Pradesh	6112.13	4.12	10180.20	4.32	9628.50	4.53
24.	Gujarat*	8365.61	2.51	6561.34	2.62	4201.01	2.74
25.	Maharashtra**	6224.35	8.23	8489.97	8.64	5309.57	9.05
26.	Andhra Pradesh	6865.99	8.38	7646.75	8.80	3877.38	9.22
27.	Telangana	0	0	0	0	0	0
28.	Karnataka	6551.62	5.23	7418.95	5.48	7229.25	5.73
29.	Goa	238.27	0.19	414.73	0.20	33.85	0.20
30.	Lakshadweep	0	0.01	3.12	0.01	0	0.01
31.	Kerala	4547.41	4.86	3845.43	5.10	3689.14	5.34
32.	Tamil Nadu	11934.57	16.26	7807.59	17.05	9115.50	17.83
33.	Puducherry	0	0.10	17.52	0.10	0	0.10
34.	Andaman and Nicobar Islands	0	0.24	149.75	0.25	0	0.26
TOTAL		143655.85	119.10	142643.52	124.76	127,668.25	130.38

# including un-utilized balance funds of previous year.

\* including Daman &amp; Diu.

\*\* including Dadra &amp; Nagar Haveli.