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STATEMENT OF THE PROBLEM

OBJECTIVES

HYPOTHESES

RESEARCH METHODOLOGY

RESULTS & DISCUSSION

FINDINGS

RECOMMENDATIONS/SUGGESTIONS

CONCLUSIONS

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PERFORMANCE OF KHADI AND VILLAGE INDUSTRIES COMMISSION (KVIC) IN INDIA

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ABSTRACT

Khadi and Village Industries Commission (KVIC) established under the Khadi and Village Industries Commission Act, 1956 (61 of 1956), is a statutory organization under the aegis of the M/o MSME, engaged in promoting and developing Khadi and village industries (KVI) for providing employment opportunities in the rural areas, thereby strengthening the rural economy. KVIC has been identified as one of the major organizations in the decentralized sector for generating sustainable non-farm employment opportunities in rural areas at a low per capita investment. It undertakes activities like skill improvement, transfer of technology, research & development, marketing etc., and helps in generating employment/self-employment opportunities in rural areas. In this paper it discussed with the Plan outlays to KVIC, Performance of KVI Sector in India, Small Major Schemes being implemented by KVIC includes, (i) Prime Minister's Employment Generation Programme (PMEGP), (ii) Work shed Scheme for Khadi Artisans, (iii) Khadi Reform and Development Programme (KRDP) (iv) Interest Subsidy Eligibility Certificate (ISEC) Scheme, (v) Market Development Assistance (MDA), (vi) Product Development, Design Intervention and Packaging (PRODIP), (vii) Rural Industries Service Centres (RISC) and Performance of the Central Sliver Plants (CSPs)

KEYWORDS

KVIC, MSME, village industries, Khadi industries.

INTRODUCTION

Khadi and Village Industries Commission (KVIC) established under the Khadi and Village Industries Commission Act, 1956 (61 of 1956), is a statutory organization under the aegis of the MSME, engaged in promoting and developing Khadi and Village Industries (KVI) for providing employment opportunities in the rural areas, thereby strengthening the rural economy. KVIC has been identified as one of the major organizations in the decentralized sector for generating sustainable non-farm employment opportunities in rural areas at a low per capita investment. It undertakes activities like skill improvement, transfer of technology, research & development, marketing etc., and helps in generating employment/self-employment opportunities in rural areas.

OBJECTIVES

The main objectives of KVIC include

- the social objective of providing employment in rural areas,
- the economic objective of producing saleable articles, and
- the wider objective of creating self-reliance amongst people and building up a strong rural community spirit.

FUNCTIONS

The functions of KVIC as prescribed under the KVIC Act, 1956 (61 of 1956) and Rules made there under are as follows.

- To plan and organize training to persons employed or desirous of seeking employment in KVI.
- To build up reserves of raw materials either directly or through specified agencies and supply them or arrange supply of raw materials to persons engaged or likely to be engaged in production of handspun yarn or KVI at such rates as the Commission may decide.
- To encourage and assist in the creation of common service facilities for the processing of raw materials or semi-finished goods and otherwise facilitate production and marketing of Khadi or products of village industries.
- To promote the sale and marketing of Khadi or products of village industries or handicrafts and for this purpose forge links with established marketing agencies wherever necessary and feasible.
- To encourage and promote research in the technology used in KVI, including the use of non-conventional energy and electric power with a view to increasing productivity, eliminating drudgery and otherwise enhancing their competitive capacity and to arrange for dissemination of salient results obtained from such research.
- To undertake directly or through other studies agencies, on the problems of KVI.
- To provide financial assistance either directly or through specified agencies to institutions or persons engaged in the development and operation of KVI and guide them through supply of designs, prototypes and other technical information, for the purpose of producing goods and services for which there is effective demand in the opinion of the Commission.

- To undertake directly or through specified agencies, experiments or pilot projects which in the opinion of the Commission, are necessary for the development of KVI
- To establish and maintain separate organizations for the purpose of carrying out any or all of the above matters.
- To promote and encourage cooperative efforts among the manufacturers of Khadi or persons engaged in village industries.
- To ensure genuineness and to set up standards of quality and ensure that products of KVI do conform to the said standards, including issue of certificates or letters of recognition to the concerned persons, and
- To carry out any other activity incidental to the above.

ORGANIZATIONAL SET-UP

KVIC is functioning under the administrative control of the MSME, Government of India. The Commission functions with its Head Office at Mumbai and six Zonal Offices located at New Delhi, Bhopal, Bengaluru, Kolkata, Mumbai and Guwahati and 36 State/Divisional Offices spread all over the country to facilitate speedy implementation of KVI programme. At the Central Office level, different Directorates have been constituted for coordinating the functions like training, marketing, funding, economic research, implementing of Prime Minister's Employment Generation Programme (PMEGP), etc.

KVIC undertakes training activities through its 41 departmental and non departmental training centres. Marketing is taken up through its 09 departmentally-run Khadi Gramodyog Bhavans located in urban areas and 7,050 institutional/retail sales outlets located at different parts of the country. KVIC also makes available quality raw material to Khadi institutions through its six Central Sliver Plants (CSPs).

KVI programmes are implemented through 33 State/Union Territories (UTs), Khadi and Village Industries Boards (KVIBs), 5,000 registered institutions, 30,129 cooperative societies and banks /financial institutions. The Khadi programme is implemented through institutions registered either with KVIC or State/UT KVIBs. In case of village industries, KVIC is implementing with effect from 2008-09 the Prime Minister's Employment Generation Programme (PMEGP) which is a highly attractive scheme for prospective entrepreneurs with higher subsidy levels than the erstwhile Rural Employment Generation Programme (REGP) and Prime Minister's Rozgar Yojana (PMRY). KVIC also implements cluster development activities in traditional industries of KVI under Scheme of Fund for Regeneration of Traditional Industries (SFURTI) as a Nodal Agency.

CLASSIFICATION OF INDUSTRIES

While the Khadi Programme comprises hand spun and hand woven cotton, woollen, muslin and silk varieties, the Village Industries (VI) Programmes have been classified into seven broad groups. These are.

- Mineral Based Industry,
- Forest Based Industry,
- Agro Based & Food Processing Industry,
- Polymer & Chemical Based Industry,
- Rural Engineering & Bio-Technology Industry,
- Hand Made Paper & Fibre Industry, and
- Service and Textiles Industry.

Industries connected with meat (slaughter) i.e., processing, canning and/ or serving items made the reform, production/manufacturing or sale of intoxicant items like beedi/pan/cigar/cigarette, etc., any hotel or Dhaba or sales outlet serving liquor, preparation/ producing tobacco as raw materials, tapping of toddy for sale and manufacturing of polythenecarry bags of thickness less than 20 microns

PLAN OUTLAYS TO KVIC

The Union Government through the MSME provides funds to KVIC for undertaking its various activities under Plan and Non-Plan heads. These funds are provided primarily by the way of grants and loans and KVIC in turn reallocates them to its implementing agencies, namely the State KVIBs, institutions registered under the Societies Registration Act, 1860 cooperative societies registered under the Cooperative Acts of the State Governments, implementing banks, District Industries Centres, etc. The Commission's administrative expenditure including pension payments is met out of Non-plan Government budgetary support.

The details of funds provided from budgetary sources (both under Plan and Non-Plan head) during 2006-07 to 2012-13 are given in the following Table-1

The table-1 reveals that the Budgetary allocation to KVIC in India under Plan and Non-Plan is Rs. 677.75 crore (Rs. 592.93 and Rs. 84.82 crore) and Funds released Rs. 673.73 crore (Rs. 589.82 and Rs. 83.91) in 2006-07, allocated funds Rs. 735.22 crore (Rs. 650.40 and Rs. 84.82 crore) and Funds released Rs. 705.79 crore (Rs. 622.99 and Rs. 82.80) in 2007-08, Rs. 1212.58 crore (Rs. 1104.95 and Rs. 107.63 crore) and Funds released Rs. 1212.56 crore (Rs. 1104.94 and Rs. 107.62 crore) in 2008-09, allocated funds Rs. 1111.61 crore (Rs. 919.20 and Rs. 192.41 crore) and Funds released Rs. 1028.38 crore (Rs. 836.00 and Rs. 192.38 crore) in 2009-10, allocated funds Rs. 1716.60 crore (Rs. 1543.96 and Rs. 172.64 crore) and Funds released Rs. 1624.10 crore (Rs. 1452.46 and Rs. 171.64) in 2010-11 and allocated funds Rs. 1679.44 crore (Rs. 1494.22 and Rs. 185.22 crore) and Funds released Rs. 1443.18 crore (Rs. 1258.46 and Rs. 184.72 crore) in 2011-12 it is accounted an overall linear growth rate of 33.74 per cent per annum.

TABLE 1: BUDGETARY ALLOCATION TO KVIC IN INDIA (Rs. In Crore)

Year	Allocation (RE)		Funds Released	
	Plan	Non-Plan	Plan*	Non-Plan
2006-07	592.93	84.82	589.82	83.91
2007-08	650.40	84.82	622.99	82.80
2008-09	1104.95	107.63	1104.94	107.62
2009-10	919.20	192.41	836.00	192.38
2010-11	1543.96	172.64	1452.46	171.64
2011-12	1494.22	185.22	1258.46	184.72
2012-13# (BE)	1607.11	195.58	1008.05@	117.00@
LGR	33.74	28.64	12.63	14.13

Source: Annual Reports 2012-13

* including SFURTI

Notes

1. @as on 31 December 2012

2. Growth rate calculated for 6 years only (excluding 2012-13)

The performance of KVI sector in respect of production, sales and employment during 2006-07 to 2012-13 is shown in Table 2

The table 2 reveals that the KVI sector has registered a growth rate of around 9.96 % in 2011-12 over the performance of previous year. The total KVI production during 2012-13 (up to 31, December, 2012) is estimated at Rs. 18,017.61 crore (Khadi Rs. 569.30 crore and V.I. Rs. 17,448.31 crore) as against Rs. 21,852.04 crore (Khadi Rs. 716.98 crore and V.I. Rs. 21,135.06 crore) in 2011-12. Similarly, estimated sales of KVI products up to 31, December, 2012 also increased to Rs. 21,111.51 crore (Khadi Rs. 790.78 crore and V.I. Rs. 20,320.73 crore) in 2012-13 as against Rs. 26,797.13 crore (Khadi Rs. 967.87 crore and V.I. of Rs. 25,829.26 crore) of the previous year (up to 31, December, 2011).

The total cumulative employment in the KVI sector is estimated to have also increased to 121.73 lakh persons (10.69 lakh in Khadi and 111.04 lakh in V.I.) by 31, December, 2012 as against 119.10 lakh persons (10.45 lakh in Khadi and 108.65 lakh in V.I.) of corresponding period of previous year.

TABLE 2: YEAR- WISE PERFORMANCE OF KVI SECTOR IN INDIA

Year	Production (Rs. in crore)		Sales (Rs. in crore)		Cumulative employment (lakh in persons)	
	Khadi	V.I	Khadi	V.I	Khadi	V.I
2006-07	491.52	13527.19	663.19	18888.21	8.84	80.08
2007-08	543.39	16134.32	724.39	20819.09	9.16	90.11
2008-09	585.25	16753.62	799.60	21948.59	9.50	94.41
2009-10	628.98	17508.00	867.01	23254.53	9.81	98.72
2010-11	673.01	19198.85	917.26	24875.73	10.15	103.65
2011-12	716.98	21135.06	967.87	25829.26	10.45	108.65
2012-13*	569.30	17448.31	790.78	20320.73	10.69	111.04
LGR	9.07	10.14	9.35	7.29	3.66	6.69

Source: Annual Reports 2012-13

Notes

1. *up to 31 December 2012
2. Growth rate calculated 6 years only (excluding 2012-13)

SMALL MAJOR SCHEMES BEING IMPLEMENTED BY KVIC

1. PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME (PMEGP)

The Ministry was implementing two credit linked employment generation schemes namely, Prime Minister's Rozgar Yojana (PMRY) and Rural Employment Generation Programme (REGP) since October, 1993 and April, 1995 respectively. By the end of March, 2008, the Ministry was able to generate an estimated 46.62 lakh and 49.45 lakh additional employment opportunities under PMRY and REGP respectively. Keeping in view the varying parameters and entitlements, targeting almost the schemes same set of beneficiaries in rural areas, better recovery rates under REGP as compared to PMRY and the existence of employment generation schemes being implemented by a number of States with more attractive benefits/ assistance/ interventions like Bangla Swanirbhar Karma Sansthan Prakalpa (West Bengal); Shri Vajpayee Bankable Yojana (Gujarat); Chief Minister's Rozgar Yojana (Uttar Pradesh), etc., it was decided to discontinue PMRY and REGP from 2008-09 and introduce a new credit linked subsidy scheme titled Prime Minister's Employment Generation Programme (PMEGP) through merger of the erstwhile schemes of PMRY and REGP. PMEGP has been a significant initiative with a higher level of subsidy than that available under PMRY and REGP. This Scheme is being implemented through KVIC as the national level nodal agency.

2. WORK SHED SCHEME FOR KHADI ARTISANS

In order to facilitate and empower Khadi spinners and weavers to chart out a sustainable path for growth, income generation and better work environment and to enable them to carry out their spinning and weaving work effectively 'Work shed Scheme for Khadi Artisans' was introduced in 2008-09. Under this Scheme, financial assistance for construction of work sheds is provided to Khadi artisans belonging to BPL category through the Khadi institutions with which the Khadi artisans are associated. The revised quantum of assistance is as under:

Component Area per unit	Amount of Assistance	Area per unit	Amount of Assistance
Individual Work shed	20 Square meters (approximately)	Rs. 45,000/- or 75% of the cost of the work shed, whichever is less.	
Group Work sheds (for a group of minimum 5 and maximum 15 Khadi artisans)	15 Square meters per beneficiary (approximately)	Rs. 30,000/- per beneficiary of the group or 75% of the total cost of the project, whichever is less.	

Under this Scheme, more than 38,000 Work sheds are targeted to be constructed at a total cost of Rs. 127 crore (approx.), involving financial assistance of Rs. 95 crore as grant to KVIC from the Government's budgetary sources. Assistance to 4444 artisans has been provided during 2011-12. Against the target of providing assistance to 4444 artisans during 2012-13, assistance to 3557 artisans could be provided up to 31 December, 2012. Keeping in view the past experience, it is expected that the target would be achieved by the end of the year. Scheme for Enhancing Productivity & Competitiveness of Khadi Industry and Artisans:

The Scheme aims at making Khadi industry more competitive with more market-driven production and sustained employment for Khadi artisans and related service providers through replacement of obsolete and old machinery and equipment and repair /renovation of existing/operational machinery/ equipment. The Ministry has introduced the 'Scheme for Enhancing Productivity and Competitiveness of Khadi Industries and Artisans' through KVIC with effect from July 2008. The Scheme would provide financial assistance to 200 of the 'A+' and 'A' category Khadi institutions of which 50 institutions would be those which are managed by beneficiaries belonging to Scheduled Castes (SCs)/ Scheduled Tribes (STs), at a total cost of Rs. 84.00 crore involving financial assistance of Rs. 71.14 crore as grant to KVIC from the Government's budgetary sources between 2008-09 to 2011-12. A total of 59 Khadi institutions were selected for assistance during 2011-12. The target for assisting 43 Khadi institutions in 2012-13 has been fixed. Strengthening Infrastructure of existing weak Khadi institutions and assistance for marketing infrastructure in order to facilitate the need-based support towards the Khadi sector for nursing the sick/problematic institutions elevated from "D" to "C" category as well as those whose production, sales and employment have been declining while they have potential to attain normalcy and to support creation of marketing infrastructure in other identified outlets, the scheme of Strengthening of infrastructure of existing weak Khadi institutions and assistance for marketing Infrastructure has been formulated. Under this scheme, financial assistance has been provided to 58 existing weak Khadi institutions for strengthening of their infrastructure and for renovation of selected 30 Khadi sales outlets which includes. The maximum amount of assistance for strengthening of weak Khadi institutions under this scheme is Rs. 9.90 lakh (capital expenditure Rs. 3.50 lakh, working capital Rs. 6.15 lakh and Rs. 0.25 lakh towards conducting detailed study report). For renovation of sales outlets, the ceiling of financial assistance is Rs. 25 lakh for Departmental Sales outlets of KVIC, Rs. 21.25 lakh for Departmental Sales outlets of State KVIBs, Rs. 18.75 lakh for institutional outlets located in metro cities and Rs. 15 lakh for institutional outlets located in non-metro cities. It is expected that after implementation of this scheme, there will be a higher level of production, sales and employment along with the increased level of earnings in Khadi sector. The target for assisting 45 institutions in 2012- 13 has been fixed.

3. KHADI REFORM AND DEVELOPMENT PROGRAMME (KRDP)

Department of Economic Affairs, Ministry of Finance has tied up financial aid from Asian Development Bank (ADB) amounting to US\$150 million over a period of three years for implementing a comprehensive Khadi Reform Programme worked out in consultation with ADB and KVIC. Under this Reform Package, it is proposed to revitalize the Khadi sector with enhanced sustainability of Khadi, increased incomes and employment to artisans, increased artisans' welfare and to enable KVIC to stand on its own with gradually decreasing dependence on Government Grants. Initially, the programme will be implemented in 300 Khadi institutions keeping in mind the needs of regional balance, geographical spread and inclusion of backward areas.

4. INTEREST SUBSIDY ELIGIBILITY CERTIFICATE (ISEC) SCHEME

The Interest Subsidy Eligibility Certificate (ISEC) Scheme is an important mechanism of funding Khadi programme undertaken by Khadi institutions. It was introduced in May 1977 to mobilize funds from banking institutions for filling the gap between the actual fund requirements and availability of funds from budgetary sources. Under the ISEC Scheme, credit at a concessional rate of interest of 4 % per annum for working capital, is made available as per the requirement of the institutions. The difference between the actual lending rate and 4 % is paid by the Central Government through KVIC to the lending banks

and funds for this purpose are provided under the Khadi grant head to KVIC. The Institutions registered with the KVIC/State Khadi and Village Industries Boards (KVIBs) can avail of financing under the ISEC Scheme. Initially, the entire KVI sector was covered under the Scheme. However, with the introduction of REGP for village industries (VI) in 1995 and PMEGP in 2008, the Scheme now supports only the Khadi and the Polyvastra sector. The extent of credit flow to the institutions under the Scheme during 2006-07 to 2012-13 is depicted in the Table 3.

TABLE 3: YEAR WISE CREDIT FLOW UNDER ISEC SCHEME

Year	Credit Flow to Khadi and Polyvastra Institutions	Subsidy Provided by KVIC
2006-07	233.62	10.62
2007-08	226.12	17.61
2008-09	244.85	27.54
2009-10	279.02	25.00
2010-11	275.52	29.09
2011-12	305.03	35.56
2012-13*	305.03	10.46
LGR	6.59	42.13

Source: Annual Reports 2012-13

Notes

1. *up to 31 December 2012
2. Growth rate calculated 6 years only (excluding 2012-13)

5. MARKET DEVELOPMENT ASSISTANCE (MDA)

For promoting sale of Khadi and polyvastra, Government of India through the KVIC used to provide subsidy in the form of rebate on sale which used to be passed to the consumers. But it was observed that artisans, who are the backbone of Khadi activities, were not extended any benefit from this and Khadi outlets also were not able to attract buyers due to inadequate quality design, unattractive look of the outlets and inadequate marketing support, etc. To rectify these deficiencies, the Government after extensive consultation with Khadi institutions and other stakeholders and also with the approval of Cabinet Committee on Economic Affairs (CCEA) has introduced a flexible, growth stimulating and artisan centric 'Market Development Assistance (MDA) Scheme for Khadi and Polyvastra' in place of the Rebate Scheme with effect from 01.04.2010 for implementation during two terminal years of XI Plan, i.e., 2010-11 and 2011-12 with estimated cost of Rs. 345.05 crore (Rs. 159.65 crore for 2010-11 & Rs. 185.40 crore for 2011-12). The main feature of this Scheme is that financial assistance (i.e., MDA) will be provided @ 20% of value of production of Khadi and polyvastra (cotton Khadi, silk khadi, wollen Khadi and Polyvastra) achieved by the producing institution. It is mandatory on the part of the Khadi Institution to pass on 25% of MDA to artisans/weavers as bonus/incentive, in addition to wages in their Post Office/Bank Account. The remaining 75% can be utilized by the producing and selling institutions for various marketing and production related activities as per norms. The MDA would be claimed by the institutions quarterly on the basis of their production in the preceding quarter. An amount of Rs. 119.53 crore has been disbursed by KVIC towards MDA (Khadi) in 2011-12. Rs. 26.39 crore has been disbursed by KVIC towards MDA (Khadi) in 2012-13 (up to 31 December 2012).

6. PRODUCT DEVELOPMENT, DESIGN INTERVENTION AND PACKAGING (PRODIP)

The Product Development, Design Intervention and Packaging (PRODIP) Scheme was launched in November 2002 as a small intervention with a view to selectively improving the quality of Khadi products and also to diversify into new products. It also seeks to improve the marketability of Khadi by enlisting the support of professional designers approved by the National Institute of Design (NID). Under this Scheme, financial assistance is provided to the institutions or entrepreneurs affiliated to the KVIC or State KVIBs up to Rs. 2 lakh per project per year or 75 per cent of the project cost whichever is less. In the case of individual entrepreneurs, the quantum of assistance is up to Rs. 1 lakh or 75 per cent of the project cost, whichever is less. The internal studies conducted by KVIC have indicated that production and sales have increased approximately by 13 per cent and 21 per cent, respectively, in the case of the projects taken up under PRODIP.

The Progress of KVI under PRODIP is assisted the 162 projects in 2006-07, 208 in 2007-08, 256 in 2008-09, 169 in 2009-10, 175 in 2010-11 and 122 in 2011-12 it is accounted a negative growth rate of 6.81 percent per annum.

7. RURAL INDUSTRIES SERVICE CENTRES (RISC)

KVIC has also taken up another small intervention called "Rural Industries Service Centers (RISC)" Scheme from 2004-05 onwards for providing infrastructural support and services to the selected units with a view to upgrading their production capacity; skill upgradation and market promotion. RISC, inter alia, provides testing facilities by establishing laboratories for ensuring quality of products, improved machinery/equipment to be utilized as common facilities by nearby units/artisans for enhancing production capacity or value addition of the product, attractive and appropriate packaging facilities and machinery to the local units/artisans for better marketing of their products, training facilities for upgrading artisans' skills in order to increase their earnings and new designs and diversified products in consultation with experts/agencies for value addition of rural manufacturing units. This Scheme is being implemented through KVIC/KVIBs; National level/ State level Khadi and VI Federations; Khadi and VI Institutions affiliated to KVIC and KVIBs and NGOs which have already worked for the implementation of the programmes relating to rural industries. Under this scheme, financial assistance for establishing smaller projects costing up to Rs. 5 lakh each is provided to KVI units, while in bigger projects such assistance is up to Rs. 25 lakh. Each project cost up to Rs. 5 lakh is expected to provide benefit to at least 25 individuals.

The Progress of KVI under Rural Industries Service Centres (RISC) is assisted the 72 projects in 2006-07, 76 in 2007-08, 54 in 2008-09, 169 in 2009-10, 175 in 2010-11 and 122 in 2011-12 and it is accounted a growth rate of 26.26 per cent per annum.

In order to streamline the payment of MDA, release of interest subsidy, supply of raw materials, etc., Khadi institutions are categorized as A+, A, B, C and D on the basis of their performance in production, sales, marketing, etc. As on March 31, 2012, the details of 2299 categorized Khadi institutions are given in the Table 4.

TABLE 4: CATEGORIZATION OF KHADI INSTITUTIONS

S. No	Type	A+	A	B	C	D	Total
1	Affiliated to KVIC	107	288	322	469	260	1448
2	Affiliated to State Boards	31	177	224	340	81	853
Grand Total		138	465	546	809	341	2299

Source: Annual Reports 2012-13

GOVERNMENT SUPPLIES

KVIC has been supplying its products under the 'Rate Contract' of Director General of Supplies and Disposal (DGS&D) to various Government Departments/Agencies. Based upon DGS&D Rate Contract, the items like Dasuti Khadi, Dungari cloth, dusters, long cloth, bunting cloth and sheeting cloth, etc., are being supplied to Government Agencies and bed rolls, curtains, pillow covers, "Kulhars" (Earthen cup), etc., are being made available to the Indian Railways. The Performance of KVI in terms of supply with a value of the government accounted of Rs. 29.10 crore in 2006-07, Rs. 33.99 in 2007-08, Rs. 31.82 in 2008-09, Rs. 21.36 in 2009-10, Rs. 30.28 in 2010-11 and Rs. 29.94 in 2011-12 it is accounted a negative growth rate of 1.71 per cent per annum.

REGISTRATION OF NEW KHADI INSTITUTIONS

KVIC has directly enlisted/registered institutions with a view to enhance production. 72 such new Khadi institutions were registered with KVIC and KVIBs in 2012-13 (up to 31 December 2012).

KHADI ARTISANS WELFARE TRUST FUND (KAWTF)

KAWTF is conceptually meant to be run on the lines of a Provident Fund. Membership of KAWTF is mandatory for all Khadi and Polyvastra producing institutions affiliated to KVIC and State KVIBs. All the Institutions categorized as A+, A, B and C are eligible to join the Trust Fund. This Fund has been functioning in 21 States and the concerned State Government manages it. A total of 1797 Khadi institutions have become its members as on March 31, 2012, accounting for remittance to the tune of Rs. 23.06 crore and refund of Rs. 11.09 crore.

NATIONAL FLAG PRODUCTION CENTRE

Khadi is the pride and joy of our nation and this can be easily understood from the fact that the Bureau of Indian Standards (BIS) gave it the first place by way of national flag specifications. As per BIS, Khadi is the only fabric that is to be used for production of India's National Flag. Accordingly, one National Flag Production Unit has been started in consultation with the South Indian Textile Research Association (SITRA) at Karnataka Khadi Gramodyog Samyukta Sangh, an NGO of KVIC at Bengeri, Hubli (Karnataka) at an estimated cost of Rs. 51.10 lakh. The National Flag Production Unit was awarded BIS certification on February 17, 2006. The Unit has also installed the dyeing, processing and finishing equipment envisaged in the second phase of the programme of National Flag Production Centre. The Unit has the capacity to produce around 5000 National Flags of different sizes per day.

KHADI 'READY-TO-USE MISSION

KVIC has initiated a "Ready-to-Use" Mission during 2005-06 for Khadi products. Under this project, a major Khadi institution works as a lead institution where facilities for production of garments including covering, designing, finishing, packaging, etc., are installed. Other institutions working in nearby areas are associated in a concentric manner with the activities of the lead institution. As a result, all of them are able to upgrade their product quality by sharing their experiences and common facilities installed by the lead institution. The National Institute of Fashion Technology (NIFT), Kolkata and Chennai have been engaged as Service Providers for conceptualization and development of project, identification of location, installation of machinery, training, commissioning of project and post installation support. Two projects one each at Murshidabad (West Bengal) and Padiyur (Tamil Nadu) have been established under this Mission. The NIFT, Kolkata and Chennai have been enlisted by KVIC to also provide hand-holding support in the areas of design inputs and training.

CENTRAL SLIVER PLANTS

In order to ensure that Khadi institutions maintain regular spinning work for artisans and to improve the quality of raw material in Khadi sector, KVIC continued to operate its six Central Sliver Plants (CSPs) at Kuttur, Chitradurga, Sehore, Raibareilly, Etah and Hajipur during the year. The performance of these sliver plants in terms of production and supply to the Khadi institutions are given in the Table 5.

TABLE 5: YEAR-WISE PERFORMANCE OF THE CENTRAL SLIVER PLANTS (CSPs) (Quantity: lakh kg, Value: Rs. crore)

Year	Production		Supply	
	Quantity	Value	Quantity	Value
2006-07	24.46	21.32	25.94	22.36
2007-08	29.86	26.91	32.73	27.18
2008-09	33.96	33.26	30.13	29.53
2009-10	35.27	35.70	35.46	35.82
2010-11	32.98	42.88	34.17	41.14
2011-12	29.63	48.81	24.98	42.76
2012-13*	14.42	22.20	18.96	29.60
LGR	4.27	25.17	0.53	19.19

Source: Annual Reports 2012-13

Notea

1. *up to 31 December 2012
2. Growth rate calculated 6 years only (excluding 2012-13)

CONCLUSION

It is concluded that the paper mainly focuses on the broad targets for development and performance of Khadi and Village industries sector during the 12th Plan period are to be achieve at least 11% growth in Khadi sector and 13% growth in Village Industries. The strategy for achieving targets are to develop product-wise clusters of Khadi & Village Industries products and develop their domestic as well as export market, introduce innovations in design, technology, creation of entrepreneurship and growth in manufacturing in rural non-farm sector to prevent migration by enhanced allocation for PMEGP. Other focal areas are building up competitiveness in traditional industries in Khadi and VI sectors by enhanced allocation for the cluster development scheme of SFURTI, upgradation of the Khadi Institutions, introduction of Public, Private and Partnership in marketing operations etc.

REFERENCE

1. Annual Reports 2012-2013 of Khadi and Village Industries Commission (KVIC)

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