

# **SALIENT FEATURES OF SCHEME FOR ENHANCING PRODUCTIVITY AND COMPETITIVENESS OF KHADI INDUSTRY AND ARTISANS**

## **1.0 Introduction**

- 1.1 Khadi is a traditional khadi industry and its sustainability is largely dependent on provision of appropriate technological implements which play a vital role in achieving better productivity and quality besides reducing drudgery so that the artisans' productivity is enhanced and competitiveness of the activity is maintained
- 1.2 The scheme envisages a comprehensive support to around 200 Khadi Institutions in order to make khadi industry more productive as well as competitive and also strengthen its potential for creation of qualitative employment.

## **2.0 Prime Objectives**

- 2.1 The primary objectives of this scheme are to:
  - make khadi industry more competitive with more market-driven, profitable, production and sustained employment for khadi artisans and related service providers by replacement of obsolete and old machinery and equipment and repairs to/renovation of existing/operational machinery and equipment;
  - extend an evenly balanced and need-based support in all areas of Khadi activities viz. production, distribution, promotion and capacity building;
  - provide appropriate incentives to shift to market driven approach.
  - the scheme would cover activities upto cloth stage and may not venture into readymade garments.

## **3.0 Target beneficiaries**

- 3.1 The targeted beneficiaries of the scheme would be spinners, weavers, pre-weaving artisans, washer men, dyers and printers, workers (karyakartas) of the khadi institutions, manufacturers of tools and equipment, common service providers engaged in khadi industry associated with selected khadi institutions from among the 200 Khadi institutions affiliated to KVIC / State or UT KVI Boards covering all categories of institutions as detailed below:

<b>Category</b>	<b>A &amp; A+</b>	<b>B</b>	<b>C</b>	<b>SC/STs</b>	<b>NER</b>
No. of institutions to be covered	45	45	45	45	20

#### **4.0 Support Measures**

- 4.1 Introduction of new technology and reduction in drudgery in pre as well as post weaving processes;
- 4.2 Introduction of need-based dyeing and printing facilities;
- 4.3 Production of market-oriented khadi products upto cloth stage, with higher productivity and cost competitiveness; and
- 4.4. Market promotion as well as capacity building at various levels and aspects in the functioning of Khadi institution and also engagement of expert manpower for proper implementation of the scheme.

#### **5.0 Scheme Coverage**

- 5.1 While selecting the institution for implementation of the scheme, it will be ensured that the scheme spreads all over the country reasonably evenly. However, Khadi institutions in the less developed States and backward States will get assistance on preference.
- 5.2 In the same manner, Khadi institutions while selecting artisan beneficiaries will target their coverage in such a manner that the socially backward and weaker sections of the society are adequately represented. The representations at least will be SC – 15%, ST – 8.2%, Minorities – 15% and Women – 30%. Detailed records in this regard will be maintained in each assisted institution and reports furnished regularly to KVIC.

Based on the estimated cost mentioned above, the year-wise financial outlay is given below:

#### **Year-wise financial outlay:**

<b>Year</b>	<b>Funds required (Rs. crore)</b>		
	<b>GOI</b>	<b>Khadi institutions</b>	<b>Total</b>
<b>2008-09</b>	<b>10.67</b>	<b>1.93</b>	<b>12.60</b>
<b>2009-10</b>	<b>14.23</b>	<b>2.57</b>	<b>16.80</b>
<b>2010-11</b>	<b>21.34</b>	<b>3.86</b>	<b>25.20</b>
<b>2011-12</b>	<b>24.90</b>	<b>4.50</b>	<b>29.40</b>
<b>Total</b>	<b>71.14</b>	<b>12.86</b>	<b>84.00</b>

- 6.0** The expected increases in production and sales of khadi and khadi products and in employment are projected as under:

**(a) Production**

Details	Base year 2007-08	2008- 09	2009- 10	2010-11	2011-12
<b>Khadi cloth (million sq. mtrs.)</b>					
Enhancement of Productivity and SFURTI etc.	32.35	37.20	43.68	53.37	64.70
<b>Khadi cloth (Rs. in crore)</b>					
Enhancement of Productivity and SFURTI etc.	226.48	260.48	305.75	373.69	452.96

b) **Sales**

(Rs.. in crores)

Base year 2007-08	2008-09	2009-10	2010-11	2011-12
248.10	285.32	334.94	409.36	496.29

c) **Employment**

(lakh persons)

Base year 2007-08	2008-09	2009-10	2010-11	2011-12
3.99	4.01	4.04	4.09	4.14

**7.0 Distribution of Charkhas**

- 7.1 The equipment – charkhas, looms procured and supplied to spinners/weavers shall be installed in their homes or in a common work shed, as relevant or applicable in each case. The ownership of Charkhas and Looms would be given to artisans and institutions would continue to extend all support to the artisans. The distribution of charkhas would be made through a tripartite Agreement (MOU) to be entered amongst the KVIC, the khadi institution and the Artisans so as to ensure proper the utilization of the implements in the implementation of Khadi programme. The institutions have to offer all backward forward-linkages such as supply of raw material, production of finished goods against payment of proper wages and arrangements for maintenance, overhauling, etc.

## **8.0 Monitoring of Scheme**

- 8.1 Implementation of the scheme would be directly monitored / supervised by a Nodal Officer assigned by KVIC. He will submit monthly reports in respect of production, sales and employment in prescribed formats.
- 8.2 There shall be a “State Level Standing Committee” consisting of the State Director of KVIC; CEO, State KVIB; representative of the Lead Bank of the State; Chairman, State Level Khadi Federation and a local expert in textile and allied profession.
- 8.3 The Scheme will be administered at the Central Office level of KVIC by a Steering Committee headed by CEO, KVIC. Joint Secretary, MoMSME and Financial Advisor, KVIC will be the Members of the Committee. Dy. CEO (Khadi), KVIC will act as its Convener.
- 8.4 Scheme will be sanctioned by the Steering Committee and release of funds will be made with the concurrence of Financial Advisor, KVIC and Chief Executive Officer, KVIC.
- 8.5 The first installment of 50% of the project cost will be released after compliance of necessary conditions. The balance 50% will be released only after submission of utilization certificate rendered by a professional Chartered Accountant along with a physical verification report of work by an official of KVIC not below the rank of Assistant Director, KVIC.

## **9.0 Linkages with Existing Schemes**

- 9.1 Since the Scheme for Enhancing Productivity and competitiveness of Khaki industries and artisans is an extension of the concept of SFURTI scheme, the institutions which are already implementing or identified for implementation of SFURTI scheme shall **not** be selected for providing assistance under this scheme.
- 9.2. The institution implementing this scheme will not be considered eligible for assistance under the other schemes of KVIC like PRODIP etc.

