

Annual Report

**Ministry of Agro and
Rural Industries**

2006-2007

CONTENTS

	CHAPTER	PAGE NO.
1.	OVERVIEW	01-10
2.	NATIONAL COMMON MINIMUM PROGRAMME (NCMP)	11-15
3.	KHADI AND VILLAGE INDUSTRIES COMMISSION (KVIC)	16-40
4.	RURAL EMPLOYMENT GENERATION PROGRAMME (REGP)	41-48
5.	COIR SECTOR / COIR BOARD	49-67
6.	PRIME MINISTER'S ROZGAR YOJANA (PMRY)	68-80
7.	ARI ACTIVITIES IN THE NE REGION	81-88
8.	SUMMARY OF THE C & A G REPORT	89
9.	USE OF OFFICIAL LANGUAGE	90-92
10.	VIGILANCE ACTIVITIES	93-95
11.	CITIZEN'S CHARTER	96-100
12.	ANNEXURES	101-131

OVERVIEW

1.1 BACKGROUND

Most people living in the rural areas of the country draw their livelihood from agriculture and allied sectors. Accordingly, the strategy of the Government has been to improve the economic and social conditions of the underprivileged sections of the rural population with emphasis on agricultural production and also the non-farm sector to promote productive employment opportunities, by integrating traditional production infrastructure, skills and locally available raw material.

1.1.2 The rural non-farm sector in India has been growing in aggregate size and increasingly contributing to rural income generation. The growing pace of international trade and globalisation presents both opportunities and challenges for the Indian economy, including the small enterprises sector, which consists of small scale, agro & rural industries and service/business entities.

1.1.3 Recognising that long-term development of Indian economy depends critically on the effective exploitation of the productive potential of the rural non-farm sector and development of village industries, **the Ministry of Agro and Rural Industries (ARI) was set up in September, 2001.** This was done with the objectives of facilitating co-ordinated and focused policy formulation and effective implementation of programmes, projects, schemes, etc., for improving supply chain management, enhancing skills, upgrading technology,

Chapter

1

expanding markets and capacity building of the entrepreneurs/artisans and their groups/collectives.

1.2 ORGANISATION OF THE MINISTRY

The Ministry administers the khadi, village and coir industries through the Khadi and Village Industries Commission (KVIC) and the Coir Board respectively and coordinates implementation of two **credit-linked capital subsidy based** countrywide employment generation programmes, namely, the Rural Employment Generation Programme (REGP) through Khadi and Village Industries Commission (KVIC) and the Prime Minister's Rozgar Yojana (PMRY) in coordination with the State Governments, Reserve Bank of India (RBI) and other banks. The Ministry also launched a new cluster development scheme namely "Scheme of Fund of Regeneration Traditional Industries (SFURTI) which is implemented through KVIC and Coir Board.

1.3 KHADI AND VILLAGE INDUSTRIES COMMISSION

Annual Report
2006-07

1.3.1 The Khadi & Village Industries Commission (KVIC), established by an Act of Parliament is a statutory organisation engaged in promoting and developing khadi and village industries for providing employment opportunities in the rural areas, thereby strengthening the rural economy. The KVIC has been identified as one of the major organisations in the decentralised sector for generating sustainable rural non-farm employment opportunities at low per capita investment. It undertakes activities like skill improvement, transfer of technology, research & development, marketing, etc., in the process of generating employment/self-employment opportunities in the rural areas.

1.3.2 KVIC has taken a number of steps for effectively implementing its schemes/programmes. These include categorisation of khadi

institutions, improved raw material management by optimising production of slivers/roving in its Central Sliver Plants (CSPs), introduction of product development intervention scheme for quality and design improvement of khadi and village industry products and improved packaging, fostering backward-forward linkages for successful implementation of REGP, increased marketing promotion efforts, enlarging the training network, introducing better quality standards for village industries (VI) products, etc.

1.3.3 Besides, based on the recommendations of the Expert Committee constituted for revamping of KVIC, important amendments have been made in the Khadi and Village Industries Commission Act, 1956, to make khadi and village industry products competitive in the globalised economy while continuing to generate non-farm employment opportunities in the rural areas. The amendments in the Act include the enhancement of specified population limit for small towns, fixed capital investment per artisan, increasing the number of non-official expert members, constitution of zonal committees, conferring voting rights upon the ex-officio members, specific provisions for clear demarcation of functions and powers among the Commission, Chairperson, Chief Executive Officer and the Financial Adviser of the Commission, etc.

1.3.4 The khadi and village industries sector makes a significant contribution to the Indian economy. As per the data available, KVIC was able to sustain and help generate a total of 82.77 lakh employment opportunities up to 2005-06 compared to the preceding year's level of 76.78 lakh, registering a growth of 7.80 per cent. In village industries, employment increased significantly by 8.73 per cent while in khadi, the increase was marginal.

1.3.5 During 2005-06, khadi cloth worth Rs.468.30 crore was produced, generating employment for 8.68 lakh persons. In the

VI sector, the achievement during 2005-06 in respect of production and cumulative employment was Rs.11915.54 crore and 74.09 lakh persons respectively. The performance of the KVI during the X Plan is as under:

(Value - Rs. crore)
(Employment - lakh persons)

Year	Production			Employment		
	Khadi	VI	Total	Khadi	VI	Total
	Value Rs.	Value Rs.	Value Rs.			
2002-03	443.07	8126.30	8569.37	8.58	57.87	66.45
2003-04	451.93	9228.27	9680.20	8.61	62.57	71.18
2004-05	461.54	10458.89	10920.43	8.64	68.14	76.78
2005-06	468.30	11915.54	12383.84	8.68	74.09	82.77
2006-07*	485.18	14264.82	14750.00	8.80	79.99	88.59

*Targets

1.3.6 During 2006-07, the khadi sector recorded production of Rs. 339.50 crore and provided cumulative employment to 8.77 lakh persons, up to December 2006. Similarly, the VI sector recorded production of Rs. 9985.50 crore and cumulative employment reached the level of 76.45 lakh persons in 2006-07 (up to December 2006).

Annual Report
2006-07



Inauguration of the pavilion of Khadi at IITF, 2006 by Shri Mahabir Prasad, Honble Union Minister of SSI&ARI. On his left is Ms. Kumud Joshi, Chairperson, KVIC and on right Shri A.C. Jose, Chairman, Coir Board.

1.4 COIR SECTOR

1.4.1 The coir industry is a labour-intensive and export-oriented industry. It uses coir husk a by-product of coconut. The Coir Board, a statutory body established under the Coir Industry Act 1953, looks after the promotion, growth and development of the coir industry, including export promotion and expansion of the domestic market. The Coir Board implements a number of schemes, which include assistance for participation in exhibitions, training for skill development and assistance under Mahila Coir Yojana, training, financial assistance for modernisation of existing units, undertaking R&D activities, etc.

1.4.2 The estimated total turnover of coir and coir products in 2006-07 would be Rs. 2100 crore. More than 6.5 lakh persons are engaged in this industry with around 80 per cent being women. While the coir industry has deep roots in the State of Kerala, it is spreading to other coconut growing States like Tamil Nadu, Karnataka and Andhra Pradesh, Kerala, Orissa, Tripura, Goa, etc.

1.4.3 Details of production of coir and coir products during the last four years and current year of X Plan are as under:

(Quantity -MTs)

Item	2002-03	2003-04	2004-05	2005-06	2006-07*
Coir fibre	3,53,700	3,64,000	3,85,000	4,10,000	3,15,500
Coir Yarn	2,26,800	2,32,500	2,45,500	2,70,000	1,90,000
Coir Products	75,750	77,900	98,000	1,20,000	1,05,000
Coir Rope	50,000	50,000	50,000	50,000	40,000
Curled Coir	28,000	29,500	36,500	38,000	25,000
Rubberised Coir	50,250	51,000	60,000	62,000	47,000

*upto December 2006

1.4.4 During 2005-2006, a total quantity of 136026.97 MTs of coir product valued at Rs. 508.45 crore was exported, as against the total quantity of 122926.79 MTs valued at Rs.473.40 crore

exported during 2004-05. The exports during 2005-06 thus recorded a growth of 10.66 per cent in quantity and 7.40 per cent in value over those during 2004-05. **This is the highest ever export figure for the coir industry.** The target for 2006-07 is to export coir and coir products worth Rs. 560 crore. As per provisional estimates, a total quantity of 1,09,688 MTs of coir and coir products valued at Rs. 421.18 crore were exported during the current year (upto December 2006) as against 1,00,212 MTs valued at Rs. 380.28 crore exported during the same period of 2005-06. This represented an increase of 9.46 per cent in terms of quantity and 10.75 per cent in terms of value in 2006-07 compared to the corresponding period in 2005-06.

1.5 EMPLOYMENT GENERATION SCHEMES BEING IMPLEMENTED BY THE MINISTRY

1.5.1 The Ministry of Agro and Rural Industries (ARI) implements two nation-wise employment generation programmes, namely, Rural Employment Generation Programme (REGP) and Prime Minister's Rozgar Yojana (PMRY). Both these programmes are credit-linked capital subsidy schemes which are implemented through commercial banks. While the REGP is implemented by the KVIC, the PMRY is implemented by the State Governments through the District Industries Centres (DICs). Recognising the importance of village industries, the Planning Commission had earmarked a target for generating 41.5 lakh additional employment opportunities under the two programmes during the X Plan which has been further increased to 42.925 lakh.

1.5.2 Under the **Rural Employment Generation Programme (REGP)**, implemented by the KVIC, capital subsidy in the form of margin money is provided for setting up labour-intensive village industries in rural areas and small towns with population

up to 20,000. The objective of this programme is to provide productive employment to the people in these areas, thereby also help reduce migration from the rural to urban areas.

1.5.3 Under the REGP, 2,36,355 units have been set up and 33.74 lakh additional job opportunities created since its inception in 1995 up to March 2006. Of these, approximately 7.71 per cent of the projects have benefited persons from the scheduled castes, 5.45 per cent from the scheduled tribes and 13.75 per cent from the OBC. The percentage of women entrepreneurs securing gainful employment under the programme is about 15.87 per cent. During 2005-06, against the target of 5.50 lakh under the REGP, 5.68 lakh employment opportunities were generated, thus recording a 7.16 per cent growth as compared to the position during 2004-05 (achievement of 5.30 lakh against the target of generating 5.25 lakh job opportunities). During 2006-07 (up to 31 December 2006), 10747 projects have already been set up, generating 2.36 lakh additional employment opportunities, as compared to the target of creation of 5.90 lakh.

1.5.4 **Prime Minister's Rozgar Yojana (PMRY)** was started in 1993 with the objective of making available institutional finance to the educated unemployed youth for setting up self-employment ventures for all economically viable activities and creating new employment opportunities in both rural and urban areas of the country. A number of modifications have been made in this scheme since its beginning in 1993 to make it more effective. These include increase in the upper age limit from 35 to 45 years for SCs/STs, ex-servicemen, women and physically disabled persons, reducing the minimum educational qualifications, enhancing the annual family income ceiling and project size of industry and service projects, relaxation of residency criteria for married women applicants, enhancing subsidy for beneficiaries of the N.E. States, etc.

Annual Report
2006-07

1.5.5 Under the PMRY as per the information made available by RBI, loans have been disbursed to *25.51 lakh self-employment ventures since its inception till 31 March 2006, leading to estimated employment generation for 38.26 lakh persons. Of these, 15.67 per cent were from the SCs and STs, 20.38 per cent from the OBCs and about 12.11 per cent were women. As per the data made available by the RBI, there was significant improvement in the implementation of the yojana in 2005-06 as compared to 2004-05. Thus, while an estimated 3.72 lakh employment opportunities were generated during 2004-05, in the year 2005-06 an estimated 3.93 lakh such opportunities were generated. The final figure is likely to be higher. As per the latest information received from the RBI, during 2006-07 (up to October 2006), loans were sanctioned in 95531 cases against which loans have been disbursed in 51383 cases. The comparative position in 2005-06 (upto October 2005) was 76056 cases of loans sanctioned against which loans were disbursed in 45129 cases.

1.5.6 In order to increase the attractiveness of PMRY especially in view of competing schemes of similar nature under implementation by various States and suggestions received from various sources for improvement of the scheme, an Inter-Ministerial Group was constituted under the Chairmanship of Adviser(VSE), Planning Commission to review the design of the scheme and introduce best practices in its implementation. The Group submitted its report in June 2006. Based on the recommendation of the Group, some important components, viz, enhancement in the family income ceiling, project cost, subsidy, training cost reimbursement, pre motivational training, etc. have been included in the Promotional Package for Strengthening Micro and Small Enterprises.

* Information is based on the reports received from RBI and it takes a couple of months for the figure to be established finally.

The package has been approved 'in principle' by the Cabinet Committee on Economic Affairs (CCEA) and it is expected that the implementation of this part of the package would make the scheme more popular from 2007-08.

1.6 TENTH PLAN OUTLAY

1.6.1 The total X Plan outlay initially approved for the Ministry of Agro and Rural Industries is Rs. 2950 crore. During first four years of the X Plan, an expenditure of Rs. 2692.56 crore was incurred and an amount of Rs. 894.50 crore has been allocated for 2006-07 in the Revised Estimates. After considering the allocation for 2006-07, the total outlay for the X Plan would stand at Rs. 3587.06 crore. Thus, the Ministry has been allocated additional funds to the extent of Rs. 637.06 crore over and above the initial Plan allocation for X Plan. During 2006-07, against the Plan budget provision of Rs. 894.50 crore (RE) for the Ministry, an amount of Rs. 737.655 crore (82 per cent) was utilized as on 31.01.2007. Further, Plan outlay of Rs. 1112 crore has been approved by the Planning Commission in the Budget Estimates (BE), 2007-08.

Annual Report
2006-07

1.6.2 A summary of the outlays and actual utilization of Plan funds scheme-wise is given below:

(Rs. crore)

Sr. No.	Name of the Organisation/ Scheme	Initial allocation of Tenth Plan (2002-07)	2002-03 (actual Expenditure)	2003-04 (actual Expenditure)	2004-05 (actual Expenditure)	2005-06 (actual Expenditure)	2006-07 (RE)
1.	KVIC	2080.00	340.55	423.60	460.99	558.56	592.93
2.	Coir Board	115.00	13.77	14.52	16.80	35.43	23.00
3.	PMRY	755.00	168.10	168.01	218.19	272.54	252.60
4.	Others – Scheme of Fund for Regeneration of Traditional Industries (SFURTI)	-	-	-	-	1.50	25.97
Total		2950.00	522.42	606.13	695.98	868.03	894.50

1.7 SETTING UP OF MAHATMA GANDHI INSTITUTE FOR RURAL INDUSTRIALISATION (MGIRI), WARDHA

1.7.1 The proposal for setting up Mahatma Gandhi Institute for Rural Industrialisation (MGIRI) at Wardha, Maharashtra by revamping the Jamnalal Bajaj Central Research Institute (JBCRI) in association with IIT, Delhi with an outlay of Rs. 16.33 crore projected for XI Plan to create a national hub for R&D in science & technology and also identify and develop suitable interfaces with other R&D/S&T institutions and develop new modified technologies/processes /methods to increase productivity, etc., for benefit of rural entrepreneurs has been approved by the Cabinet Committee on Economic Affairs on 28 December 2006.

1.7.2 After setting up of MGIRI, it will function as a premier national level institute in the field of rural industrialisation under the Ministry of Agro and Rural Industries. It will provide advanced training to the trainers as well as to prospective entrepreneurs in a large number of training institutes of KVIC and State KVIBs and institutions registered with KVIC/KVIBs throughout the country. MGIRI, Wardha will also run advance courses in the field of rural industrialisation for the benefit of prospective entrepreneurs.

1.8 A National Exhibition, National Convention and National Award Function was organized by the Ministries of SSI and ARI during 04-07 October 2006 at New Delhi. National Awards to India's best artisans, institutions and entrepreneurs engaged in the small scale, khadi, village and coir industries were distributed. Annex I contains the details of award winner artisans, REGP entrepreneurs, village industries and khadi industries.

NATIONAL COMMON MINIMUM PROGRAMME (NCMP)

In the National Common Minimum Programme (NCMP), it has been declared that the UPA Government will revamp the functioning of the Khadi and Village Industries Commission (KVIC) and launch new programmes for the modernisation of coir, handlooms, powerlooms, garments, rubber, cashew, handicrafts, food processing, sericulture, wool development, leather, pottery and other cottage industries.

2.1 REVAMPING OF THE KHADI AND VILLAGE INDUSTRIES COMMISSION

- 2.1.1 As part of the exercise of the National Common Minimum Programme, the Government decided to revamp the Khadi and Village Industries Commission (KVIC). This was also necessitated because of the steep decline in employment in the khadi sector, nearly stagnant sales of khadi over the years, the need to take effective measures to introduce modern management practices in the KVIC and to make khadi and village industry products competitive in the globalised economy. Towards this objective, the Government dissolved the Commission on 14 October 2004 and constituted a ten-member Expert Committee on 01 December 2004 to review the existing structure, functioning and performance, etc., of the KVIC and recommend suitable measures for its revamping. The Expert Committee submitted its report on 06 April 2005.

Chapter

2

- 2.1.2 Among other things, the Expert Committee recommended amendments to the existing Khadi and Village Industries Commission Act, 1956, mainly with regard to change in the composition of the Commission, provision of a consultative mechanism at the zonal level, provision for reconstitution of the Commission after dissolution, redefinition of the powers of Commission, Chairman and Chief Executive Officer (CEO), KVIC, etc.
- 2.1.3 After carefully considering the recommendations of the Expert Committee, suitable amendments were made in the existing Khadi and Village Industries Commission Act, 1956 in March 2006 so that the statutory provisions governing the organizational structure and functions of the KVIC could be made more professional and in keeping the requirement of the present times. The **Commission was reconstituted** vide this Ministry's notification dated 19 July 2006.
- 2.1.4 The main amendments made in the Act included the enhancement of population limit for village industry, increase in fixed capital investment per artisan for village industries from Rs. 50,000 to Rs. 1 lakh (and Rs. 1.50 lakh for the industry located in hilly areas), increase the number of expert non-official members, provision for constitution of zonal committees, confer voting rights upon the ex-officio KVIC members, specific provisions for clear demarcation of functions and powers among the Commission, Chairperson and the Chief Executive Officer and the Financial Adviser of the Commission, etc.
- 2.1.5 Consequential amendments to the Khadi and Village Industries Commission Rules, 1957 have been notified in August 2006.
- 2.1.6 The above amendments are expected to help the KVIC become more professional and relevant in time to come and be better equipped in the discharge of its key role in facilitating generation

of sustainable and wide-spread employment in the rural areas of the country.

- 2.1.7 Further, as a follow up of Expert Committee Report, an Inter-Ministerial Committee consisting of representatives from Ministry of Finance, Ministry of Rural Development and the Planning Commission was constituted to consider the continuity of the existing scheme of providing rebate on retail sales or suggest alternatives to this scheme. The Committee submitted its report in March 2006. Based on the suggestions made by this Committee, four pilot schemes based on alternative modules of existing rebate scheme have been attempted to be introduced in few khadi institutions for implementation over a period of two years. These pilot schemes relate to (i) subsidy on Raw material, (ii) Market Development Assistance (MDA) at the rate of 20 per cent of the retail sales turn over of the institution (iii) Market Development Assistance (MDA) without any restriction on use of assistance and products on which the rebate is to be given and (iv) Market Development Assistance on a quick mid term production based on the High Power Committee (HPC) recommendations. Based on the findings of the above pilot schemes after their operation over two years or earlier, final decision on the continuation of the rebate scheme or replacing it with the most appropriate alternative to this scheme, shall be taken.

Annual Report
2006-07

2.2 SCHEME OF FUND FOR REGENERATION OF TRADITIONAL INDUSTRIES (SFURTI)

- 2.2.1 In pursuance of the NCMP declaration and the announcement of Finance Minister in his Budget speech of July 2004, a scheme titled the "Scheme of Fund for Regeneration of Traditional Industries" (SFURTI) has been notified in October 2005 for the integrated development of traditional clusters of khadi, coir and village industries, including leather and pottery. Under SFURTI,

it is proposed to develop around 100 clusters (25 clusters for khadi, 50 clusters for village industries and 25 clusters for coir industry) over a period of five years commencing 2005-06. The Scheme would cover an estimated 50,000 beneficiary families. This scheme is a Central Scheme and is being implemented by the Ministry of Agro & Rural Industries, without any State share through Khadi and Village Industries Commission and Coir Board who are the Nodal Agencies for implementation of the scheme. Scheme Steering Committee (SSC) of SFURTI has approved 104 clusters of khadi, village industries and coir. Details of these clusters are available in **Annex - II**.

2.2.2 The main objective of SFURTI is to establish a regenerated, holistic sustainable and replicable model of integrated cluster-based development of traditional industries. This will primarily mean:

- (i) more competitive traditional industries with more market-driven, productive, profitable and sustained employment for the participants;
- (ii) strengthened local socio-economic governance system of the industry clusters, with the active participation by the local stakeholders that can help them to continue and undertake development initiatives by themselves; and
- (iii) building up innovated and traditional skills, improved technologies, advanced processes, market intelligence and new models of public-private partnerships, so as to gradually replicate similar models of cluster-based regenerated traditional industries.

2.2.3 Reputed national level institutions with expertise in cluster development methodology have so far been approved as Technical Agencies (TAs) by the SSC to provide technical

support to the Nodal Agencies (NAs) and Implementing Agencies (IAs). Details of TAs approved under SFURTI are given at **Annex – III**.

- 2.2.4 Training to technical agencies, implementing agencies and nodal agencies has been completed in coordination with NISIET, Hyderabad, EDI, Ahmedabad, IIE, Guwahati and the cluster training and development experts of NIESBUD, Noida and MSME Foundation and UNIDO, New Delhi. The process of finalisation of agreements with cluster development agents (CDAs) is in an advanced stage. The clusters are expected to become functional from 2007-08. Funds amounting to Rs. 11.53 crore have been sanctioned by the Ministry to KVIC and Coir Board in 2006-07 (till 31 December 2006) against the budget provision of Rs. 25.97 crore.

Annual Report
2006-07

Chapter

3

KHADI AND VILLAGE INDUSTRIES COMMISSION (KVIC)

3.1 MAIN OBJECTIVES

3.1.1 The KVIC through its programmes and policies seeks to achieve the following objectives:

- 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 the people and building up a strong rural community spirit.

3.2 FUNCTIONS

3.3.1 The functions of KVIC as prescribed under the KVIC Act, 1956 (No. 61 of 1956) and Rules made thereunder are as follows:

- (i) to plan and organise training of persons employed or desirous of seeking employed employment in khadi and village industries;
- (ii) to build up reserves of raw materials and implements and supply them to persons engaged or likely to be engaged in production of handspun yarn or khadi or village industries at such rates as the Commission may decide;

- (iii) to encourage and assist in the creation of common service facilities for the processing of raw materials or semi-finished goods and for otherwise facilitating production and marketing of khadi or products of village industries;
- (iv) to promote the sale of marketing of khadi or products of village industries or handicrafts and for this purpose forge links with established marketing agencies wherever necessary and feasible;
- (v) to encourage and promote research in the technology used in khadi and village industries, 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;
- (vi) to undertake directly or through other agencies studies of the problems of khadi or village industries;
- (vii) to provide financial assistance to institutions or persons engaged in the development and operation of khadi or village industries 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;
- (viii) to undertake experiments or pilot projects which in the opinion of the Commission are necessary for the development of khadi and village industries;
- (ix) 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;

- (x) to ensure genuineness and to set up standards of quality and ensure that products of khadi and village industries do conform to the said standards, including issue of certificates or letters of recognition to the concerned persons; and
- (xi) to carry out any other matter incidental to the above.

3.3 ORGANISATIONAL SET UP

- 3.3.1 The Central Office of the KVIC is at Mumbai with one Zonal Office at Guwahati and 29 State Offices. Functional directorates have been constituted to coordinate the functions like training, marketing, accounts, khadi, economic research, Rural Employment Generation Programme (REGP), etc.
- 3.3.2 KVIC also undertakes training activities through its 43 departmental and non-departmental training centers (NDTCs). Marketing is taken up through its 12 departmentally run Khadi

Annual Report
2006-07



Dr. Chandrapal, Union Secretary, Ministry of SSI and Ministry A&RI is seen addressing KVIC Officers and Staff when he visited Head Office, KVIC on 15th of January 2007

Gramodyog Bhawans and 7050 institutional sales outlets located in different part of the country. Six Central Sliver Plants provide quality raw material to khadi institutions.

3.4 IMPLEMENTING AGENCIES

3.4.1 Khadi and Village Industries (KVI) programmes are implemented through 5549 registered institutions, cooperative societies, 33 State/Union Territories (UTs) Khadi and Village Industries Boards (KVIBs) and 27 public sector banks, regional rural banks and a few selected cooperative banks.

3.4.2 The Khadi programme is implemented through institutions registered either with the KVIC or the State KVIBs.

3.4.3 In the case of village industries, the KVIC implements the Rural Employment Generation Programme (REGP).

3.5 GROUPING OF INDUSTRIES

3.5.1 While the khadi programme comprises hand spun and hand woven cotton, woollen, muslin and silk varieties, the village industries programmes have been classified into seven broad groups. These are:

- (i) Mineral Based Industry;
- (ii) Forest Based Industry;
- (iii) Agro and Rural Industry;
- (iv) Polymer and Chemical Based Industry;
- (v) Rural Engineering and Bio Technology;
- (vi) Hand Made Paper & Fibre Industry;
- (vii) Service Industry.

- 3.5.2 Industries connected with meat (slaughter) i.e. processing, canning and/or serving items made therefrom, 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, manufacturing of polythene carry bags of less than 20 microns thickness and manufacturing of carry bags or containers made of recycled plastics for storing, carrying, dispensing or packaging of food-stuff etc. are not assisted under KVI programme as these are either not eco-friendly or against the ideology and ethos of Mahatma Gandhi.

3.6 BUDGETARY SUPPORT TO KVIC

- 3.6.1 The Government of India through the Ministry of Agro and Rural Industries provides funds to KVIC for undertaking its various activities under Plan and Non-Plan heads.
- 3.6.2 These funds are provided primarily by way of grants and loans and in turn KVIC re-allocates them to implementing agencies, namely the State KVIBs, institutions registered under the Societies Registration Act. 1860 and cooperative societies registered under the Cooperative Acts of the State Governments implementing banks, etc. The Commission's administrative expenditure including pension payment, is met out of Non-plan Government budgetary support.
- 3.6.3 The details of funds provided from Budgetary Source (both under Plan and Non-plan) during the X Plan are as under:

(Rs. crore)

YEAR	BUDGET ALLOCATION (RE)		FUND RELEASED	
	Plan	Non- Plan	Plan	Non- Plan
2002-2003	394.67	84.87	340.55	83.36
2003-2004	444.75	83.75	423.60	63.70
2004-2005	462.00	84.91	460.99	83.90
2005-2006	560.82	84.82	558.56	84.76
2006-2007	592.93	84.82	463.59	55.26

* Released as on 31 December 2006



Annual Report
2006-07

Shri Santosh Bagrodia, Chairman of Department Related Parliamentary Standing Committee on Industry is seen addressing representatives of Small Industries Service Institute, Reserve Bank of India, Bank of India, Bank of Baroda, NABARD, SIDBI & Khadi institutions in Mumbai

3.7 PHYSICAL PERFORMANCE OF THE KVI SECTOR

3.7.1 The KVI sector recorded an improved performance during 2005-06 in comparison to the previous year. The total KVI production stood at Rs. 12383.84 crore (khadi - Rs. 468.30 crore and VI – Rs. 11915.54 crore) in 2005-2006 as against Rs. 10920.43 crore (khadi – Rs. 461.54 crore and VI – Rs.10458.89 crore) in 2004-2005, reflecting an increase of 13.40 per cent. Similarly, sales of KVI products increased to Rs. 15276.02 crore (khadi –

Rs.628.69 crore and VI Rs. 14647.33 crore) as compared to Rs. 13105.19 crore (khadi – Rs. 617.84 and VI – Rs. 12487.35 crore), registering a growth of 16.56 per cent during 2005-06.

3.7.2 The total cumulative employment in the KVI sector is estimated to have increased to 82.77 lakh (8.68 lakh in khadi and 74.09 lakh in VI) in 2005-2006 as against the previous year's level of 76.78 lakh (8.64 lakh in khadi and 68.14 lakh in VI), registering a growth of 7.80 per cent.

3.7.3 The total KVI production during 2006-07 (up to December 2006) is estimated at Rs. 10,325 crore (Rs. 339.50 crore in khadi and Rs.9985.50 in VI) as compared to Rs. 7639 crore (Rs. 322.13 crore in khadi and Rs. 7315.80 in VI) in 2005-06 (up to December 2005), registering an overall growth of 35.16 per cent. Sales increased to Rs. 12347.70 crore (Rs. 438.60 crore in khadi and Rs.11909.10 crore in VI) in 2006-07 (up to December 2006) as compared with Rs. 9040.37 crore (Rs. 415.04 crore in khadi and Rs. 8625.33 crore in VI) during the corresponding period of 2005-06, reflecting a growth of 36.60 per cent.

Annual Report
2006-07

3.7.4 Total employment in KVI sector is estimated to have increased to 85.22 lakh (8.77 lakh in khadi and 76.45 lakh in VI) in 2006-2007 (up to December 2006) as compared to 79.71 lakh persons during the corresponding period of 2005-06, registering a growth of 6.91 per cent.

3.8 MAJOR SCHEMES BEING IMPLEMENTED BY KVIC

3.8.1 RURAL EMPLOYMENT GENERATION PROGRAMME

The Rural Employment Generation Programme (REGP), is implemented by KVIC to generate increased employment

opportunities in rural areas, thereby helping in reduction of the migration of people from rural to urban areas. Under REGP, capital subsidy in the form of margin money is provided for setting up labour-intensive projects in rural areas as well as in small towns with population up to 20,000. Details of the performance of REGP are given in Chapter IV.

3.8.2 INTEREST SUBSIDY ELIGIBILITY CERTIFICATION (ISEC) SCHEME

The Interest Subsidy Eligibility Certificate (ISEC) Scheme is the major source of funding for the khadi programme. It was introduced in May 1977 to mobilise funds from banking institutions to fill the gap in the actual fund requirement and its availability from budgetary sources.

Under the ISEC Scheme, credit at the concessional rate of interest of 4 per cent per annum for capital expenditure as well as working capital is given as per the requirement of the institutions. The difference between the actual lending rate and 4 per cent is paid by the Central Government through KVIC to the lending bank and funds for this purpose are provided under the khadi grant head to KVIC.

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, but with the introduction of REGP for village industries (VI), the ISEC scheme now supports only the khadi and the polyvastra sector. However, all VI units existing on 31 March 1995, have been allowed to avail of this facility for the amount of bank finance availed as on that date or actuals, whichever is less and funds for this purpose are provided under the VI grant head.

Annual Report
2006-07

The Institutions were able to improve their credit situation during the year under report. The extent of credit flow to the institutions under the scheme during 2002-03 to 2005-06 was Rs. 329.73 crore, Rs. 362.70 crore, Rs. 278.74 crore and Rs. 233.23 crore and subsidy provided by the Government through KVIC were Rs. 21.99, Rs. 18.77 crore, Rs. 26.09 crore and Rs. 22.38 crore respectively. Interest Subsidy Eligibility Certificates worth Rs. 392.63 crore have been issued up to December 2006 to meet part of the working capital requirement of the institutions during 2006-07, against which loans actually availed by the institutions was around Rs. 260 crore compared to Rs. 356.94 crore sanctioned and Rs. 174.92 crore availed by the institutions as on 31 December 2005.

3.8.3 REBATE SCHEME

Rebate on sales of khadi and khadi products is made available by the Government so as to make the price of khadi competitive with other textiles. Normal rebate (10 per cent) all over the year and an additional special rebate (10 per cent) for 108 days is given to the customers from funds made available through budgetary support of the Ministry of ARI under the Khadi Grant Head.

Rebate is allowed only on the sales made by institutions/centres run by the Khadi and Village Industries Commission, the Khadi and Village Industries Boards and also at the sales centers run by the registered institutions who are engaged in the production of khadi and polyvastra.

Under the Rebate Scheme, the KVIC during the years 2002-03 to 2005-06 released Rs. 111.84 crore, Rs. 81.99 crore, Rs. 81.18 crore and Rs. 80.08 crore respectively. In the year 2006-07, Rs. 93.54 crore has already been released towards rebate till 31 December 2006.

Further, on the basis of the recommendations of the Expert Committee an Inter-Ministerial Committee consisting of representatives from Ministry of Finance, Ministry of Rural Development and the Planning Commission was constituted to consider the continuity of the rebate scheme or suggest alternative to this scheme. The Committee submitted its report in March 2006. Based on the report of this Committee, four pilot projects have been implemented in a few selected khadi institutions over a period of two years. Final decision on the continuation of the rebate scheme or alternate to this scheme shall be taken based on the outcome of these pilot projects. Details of the provisions of these pilot schemes are given at **Annex - IV**.

3.8.4 PRODUCT DEVELOPMENT, DESIGN INTERVENTION AND PACKAGING (PRODIP)

The Product Development, Design Intervention and Packaging (PRODIP) scheme was launched in November 2002 with a view to improving the quality of khadi products and also to diversify into new products. The scheme envisages improvement in product quality, introducing new designs and better packaging of products.

The scheme has gained acceptance as would be evident from the progress achieved so far. During 2003-04 to 2005-06, 121 projects, 69 projects and 72 projects respectively were sanctioned



Beautiful pottery item manufactured under KVI sector.

Annual Report
2006-07

under PRODIP and so far 198 projects have been established as on 31.03.2006. During 2006-07, a target of 202 projects [120 in khadi and 82 in VI] has been set under PRODIP against which 96 projects have been sanctioned of which 52 projects were set up under khadi and 44 projects under VI till 31 December 2006.

3.8.5 RURAL INDUSTRIES SERVICE CENTERS (RISC)

The KVIC is implementing the Rural Industries Service Centers (RISC) Scheme from 2004-05 onwards to provide infrastructural support and services to units to upgrade their production capacity, skill upgradation and market promotion. RISC inter alia provides for:

- testing facilities by establishing laboratory to ensure quality of the products.
- improved machinery/equipment to be utilised as common utility facilities by the nearby units/artisans to enhance production capacity or value addition of the product
- attractive and appropriate packaging facilities and machineries to the local units/artisans for better marketing of their products.
- training facilities to upgrade artisans' skills in order to increase their earnings.
- new design or new product, diversified product in consultation with experts/agencies for a value addition of rural manufacturing units.

This scheme is implemented through KVIC/KVIBs, National level/ State level Khadi and VI Federations, Khadi and VI Institutions affiliated to KVIC and KVIBs and NGOs who have

already worked in the implementation of programmes relating to rural industries.

Under this scheme, financial assistance for establishing projects up to Rs.5 lakh is provided to KVI units. Each RISC programme up to Rs.5 lakh should provide benefit to 25 individuals.

Under the RISC programme, 41 projects and 62 projects were sanctioned in 2004-05 and 2005-06, respectively. In 2006-07, 55 projects have been sanctioned upto 31 December 2006. So far, 71 projects started functioning. Production increased by 3 to 10 per cent in those institutions which availed the facility for projects.

3.8.6 JANASHREE BIMA YOJANA

To provide insurance cover to Khadi artisans, a scheme of group insurance in the name of Janashree Bima Yojana (JBY) was launched w.e.f. 15 August 2003. Under this scheme, about 3.90 lakh artisans are to be covered during X Plan.

This scheme has been formulated by KVIC in association with the Life Insurance Corporation of India (LIC) with annual premium of Rs. 200/- per beneficiary which would be shared as follows:

“Rs. 100/- by Central Government Social Security Fund, Rs. 50/- by Khadi Institution and Rs. 25/- each by khadi artisan and KVIC.”

The compensation will be as under:

Natural death	:	Rs. 20,000/-
Accidental death	:	Rs. 50,000/-
Full permanent disability due to accident	:	Rs. 50,000/-
Part permanent disability due to accident	:	Rs. 25,000/-

The LIC has reduced the premium to Rs. 100/- with effect from the policy year 2005-06. As on December 2006, 2.25 lakh khadi artisans have been covered under this scheme.

As an 'add-on' benefit without any additional premium, school going children of insured artisans studying in Class Nine to Twelve are also eligible to get a scholarship of Rs. 100/- per month, up to two children.



Attractive Silk Khadi produced under KVI sector

3.9 QUALITY CONTROL IN KHADI

- 3.9.1 In order to increase the appeal of Khadi while maintaining its handcrafted quality, KVIC has an arrangement with the National Institute of Design (NID), Ahmedabad, 'Dastakar', Andhra Pradesh, IIT Delhi, and Textiles Committee, Mumbai. The IIT, Delhi has developed stiff and soft processing techniques as distinct characteristics for Khadi. The process was implemented as a pilot project at Kshetriya Shree Gandhi Ashram, Barabanki in Uttar Pradesh. Building on the success of the project, replication of such facilities as common facility centers in other parts of the country is also being done by KVIC.
- 3.9.2 The Memorandum of Understanding (MoU) signed between KVIC and the Textiles Committee, a statutory body under

Ministry of Textiles has been continued in 2006-07. Under the MoU, facilities of 13 laboratories of the Committee situated across the country are being used for testing khadi and polyvastra. Under the arrangement, the quality of khadi would receive a fillip thus further increasing its marketability. A number of khadi institutions took benefit of this arrangement. The number of cloth samples tested on cost sharing basis (75 per cent of testing charges borne by the KVIC and 25 per cent by the khadi institutions) are as under:

Year	Number of cloth samples tested
2004-05	2519
2005-06	1587
2006-07*	475

*upto December 2006

3.10 EXHIBITIONS

Apart from promoting sales through a network of Khadi Gramodyog Bhavans, effort has also been made to organise a number of exhibitions, conducted in different parts of the country as a cost effective publicity and market promotion instrument. In 2005-06, special efforts were made and 199 exhibitions were organised in various parts of the country.



A view of Khadi Fashion Show during IITF, 2006

Annual Report
2006-07

During 2006-07, KVIC has already organised 39 exhibitions (up to December 2006) in various parts of the country. The pace would pick up in the months of January to March 2007.

3.11 GOVERNMENT SUPPLY

3.11.1 The KVIC has been executing supply of its products under the 'Rate Contract' of Director General of Supplies and Disposal (DGS &D) to various Government Departments/Agencies.

3.11.2 Based on DGS&D rate contract, 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, etc., to Indian Railways. In 2005-06, supplies worth Rs. 22.03 crore were made through DGS&D to the Government offices. During 2006-07 (up to December 2006), supply worth Rs. 13.22 crore has already been made.

3.11.3 During 2006-07 (up to December 2006), KVIC has received orders of khadi/polyvastra bed-sheets worth Rs. 4.73 crore from the Indian Railways. Against this, bed sheets worth Rs. 1.58 crore have already been supplied. The pace actually picks up in the last quarter of the year.

Annual Report
2006-07

3.12 RESEARCH AND DEVELOPMENT

3.12.1 The KVIC undertakes research and development activities through in-house research and also by sponsoring projects to other R&D organisations. The main objectives of the S&T programme are:

- (i) Increase in productivity,
- (ii) Increase in wages,
- (iii) Improvement in quality

- (iv) Efficient use of local skills and local raw materials, and
- (v) Reduction of human drudgery



Improved version of traditional Charkha

3.12.2 EXISTING INFRASTRUCTURE

Annual Report
2006-07

The following institutions exist in KVI Sector for undertaking R&D activities:

Jamnalal Bajaj Central Research Institute (JBCRI) now renamed as Mahatma Gandhi Institute for Rural Industrialization (MGIRI), Wardha, Central Bee Research and Training Institute (CBRTI), Pune, Dr. Ambekar Institute of Rural Technology and Management (AIRTM), Nashik, Kumarappa National Handmade Paper Institute (KNHPI), Sangner, Jaipur, Central Village Pottery Institute (CVPI), Khanapur, Karnataka, and Khadi Gramodyog Prayog Samiti (KGPS), Ahmedabad.

3.12.3 REVAMPING OF JBCRI, WARDHA

An agreement was signed between KVIC and IIT Delhi, to revamp JBCRI, Wardha (now known as Mahatma Gandhi Institute for Rural Industrialization (MGIRI)). Its vision envisaged is "To upgrade and accelerate the process of rural industrialization of our country so that we can move towards the Gandhian vision of sustainable village economy, and the products of the KVI sector can have its pride of place amongst the large industrial sector and become popular in the country and abroad". The revamping of the MGIRI is being carried out by IIT, Delhi. The Cabinet Committee on Economic Affairs (CCEA) has already approved the proposal in December 2006. The National Institution will start functioning in a full fledged manner in 2007-08.

3.12.4 MOU WITH TECHNICAL INTERFACE INSTITUTES

Annual Report
2006-07

3.12.4.1 The KVIC has built up a large network of rural cottage industrial units producing a wide range of goods and articles catering to the rural and partly urban markets. Some units have achieved high standards for export as well but majority of them lack support in maintaining standard quality for want of technical back-up to upgrade the quality of their products. Keeping this in view, KVIC has set up Technical Back up Units which will provide S&T inputs to the entrepreneurs engaged in KVI activities.

3.12.4.2 The KVIC has also undertaken certain activities in various outsourcing interfaces at Engineering and Technological institutes of repute to meet perceived needs to make the products more marketable either

through design interventions or quality assurance system. These are:

- (i) Vishweshwarayya National Institute of Technology (VNIT), Nagpur
- (ii) Birla Institute of Technology (BIT), Ranchi
- (iii) North Eastern Region Institute of Science and Technology (NERIST)
- (iv) College of Technology and Engineering (CTAE) Udaipur.
- (v) Indian Institute of Science (IISc), Bangalore
- (vi) Indian Institute of Technology (IIT) Roorkee
- (vii) National Institute of Technology (NIT) Rourkela
- (viii) Indian Institute of Technolgoy
- (ix) Indian Institute of Technology (IIT), Kanpur
- (x) Indian Institute of Technology (IIT), Mumbai
- (xi) Indian Institute of Technology (IIT), Guwahati.
- (xii) National Institute of Tehnology (NIT), Calicut

Annual Report
2006-07

3.12.5 RURAL INDUSTRIES CONSULTANCY SERVICE (RICS)

- 3.12.5.1 The KVIC launched a Rural Industries Consultancy Service (RICS) in order to help the potential entrepreneurs for providing guidance for technical and managerial support to the prospective entrepreneurs which includes preparation of projects, liaison with banks/other agencies/organisation/local authorities in respect of the project, assistance and support to implement the

project, procurement of raw materials, machinery, installation, quality control for acceptability and reliability, packaging and design for better marketing, marketing support for sustainability of the unit, etc.

3.12.5.2 As on 31 March 2006, 49 such RICS have been opened in various parts of the country.

3.13 OTHER INITIATIVES

3.13.1 CATEGORISATION OF INSTITUTIONS

To streamline the payment of rebate, 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 performances in production, sales, marketing, etc. As on 31 December 2006, the break up 1919 categorised khadi institutions is as under:

S.No.	Type	A+	A	B	C	D	Total
1.	Affiliated to KVIC	107	289	323	308	217	1244
2.	Affiliated to State Boards	28	162	186	246	53	675
	Grand Total	135	451	509	554	270	1919

Annual Report
2006-07

3.13.2 PARTICIPATION IN INTERNATIONAL EXHIBITION

To promote khadi and village industry products in the international market, KVIC participated in 5 international exhibitions in 2005-06 alongwith khadi and village industry institutions/entrepreneurs at (i) India Initiative 2005, Poland, (ii) AF-L Artigiano in Fiera 10th International Crafts Selling Exhibition, Milan, Italy (iii) Spring Fair, Birmingham, UK, (iv) MUBA 2006, Basel, Switzerland and (v) Lyon International Fair, Lyon, France. KVIC proposes to participate in at least 8 international exhibitions in the current financial year 2006-07

out of which KVIC already participated in 02 international exhibition held at Milan, Italy and Frankfort, Germany upto December 2006.

3.13.3 REGISTRATION OF NEW KHADI INSTITUTIONS BELONGING TO SC/ST

There was a ban on registration and establishment of new khadi institutions by the KVIC. With a view to uplifting weaker sections of the society, this ban has been removed and KVIC started registration of the institutions belonging to SC/ST category. Detailed schemes and modalities of operation are in an advanced stage of finalisation.



Participant during the Trade Fair

3.13.4 KHADI ARTISANS WELFARE TRUST FUND (KAWTF)

The KAWTF is conceptually meant to run on the lines of a provident fund. Membership is mandatory for all khadi and

polyvastra producing institutions affiliated to KVIC and State KVIBs. Institutions categorized as A+, A, B and C are eligible to join the trust. 21 States have been covered under these trusts mobilizing the contributions of artisans and the institutions to the tune of Rs. 26.27 lakh. Cumulatively the credit to the trusts added up to Rs. 2568.90 lakh up to 31.3.2006. KVIC has provided Rs. 12.96 lakh as on 31 March 2006 as grant to the 'Trust' to meet part of the administrative expenditure.

3.13.5 NATIONAL FLAG PRODUCTION CENTRE

Khadi is the pride and joy of our nation and can be easily understood from the fact that the Bureau of Indian Standards (BIS) gave it the first place by way of national flag specification. As per BIS, khadi is the only fabric that is used for production of India's national flag. One national flag production project has been started in consultation with 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 first phase of the project was commissioned during 2004-05. BIS completed necessary formalities for giving the project clearance on specifications. The project would be fully commissioned by the end of 2006-07 and it is expected to produce around 5000 National flags per day in different sizes.

Annual Report
2006-07

3.13.6 MISSION PROJECT FOR PRODUCTION OF "READY TO USE KHADI".

The KVIC has initiated a "Ready to Use Mission" during 2005-06 for khadi products. Under the scheme, a major khadi institution works as a lead institution where all modern facilities for production of garments including covering, designing, finishing, packaging, etc., are installed. Other institutions (at

least 9) working in the nearby areas are associated in a concentric manner with the activities of the lead institution. As a result, all of them will be able to upgrade their product quality by sharing their experiences and common facilities installed at the lead institution. National Institute of Fashion Technology is the technical consultant for the projects being set up under the scheme. KVIC has identified 5 mission projects for production of “Ready to use Khadi” in the country. 2 projects at Murshidabad (West Bengal) and Padiyur (Tamil Nadu) at a cost of Rs. 57.50 lakh each have already been started in 2005-06. NIFT Calcutta & Chennai have been enlisted to provide hand-holding support in the areas of design inputs, training, etc.

3.13.7 CENTRAL SLIVER PLANTS (CSPs)

3.13.7.1 As a step towards improving the quality of raw material and in order to enable the khadi institution to access these sources of quality raw material, KVIC continued to operate its 6 CSPs at Kuttur, Chitradurga, Sehore, Raibareilly, Etah and Hajipur. During the year 2005-06, the khadi institutions purchased slivers/rovings from these plants to the extent of 22.82 lakh kgs valued at Rs.2062.54 crore.

3.13.7.2 During the year 2006-07 (up to 31 December 2006), 17.56 lakh kgs of sliver amounting to Rs. 15.16 crore was produced in 6 Central Sliver Plants and 20.09 lakh kgs of sliver worth Rs.17.34 crore supplied to khadi institutions as against 18.80 lakh kg amounting to Rs.16.57 crore produced and 17.40 lakh kgs of sliver worth Rs. 15.07 crore supplied in 2005-06, upto December 2005.

Annual Report
2006-07

3.13.8 SETTING UP OF RAW MATERIAL GODOWNS

In order to facilitate continuous offtake of slivers/rovings by khadi institutions faced with resource crunch, the KVIC continued operation of local godowns during 2006-07. Following 9 local raw material godowns provided the above service as on 31 December 2006:

- (i) Dausa – Rajasthan.
- (ii) Nanded – Maharashtra.
- (iii) Surendranagar – Gujarat.
- (iv) Bijour - Uttar Pradesh.
- (v) Wavilala - Andhra Pradesh.
- (vi) Metapalli, Karimnagar - Andhra Pradesh.
- (vii) Sangaralingapuram - Tamil Nadu.
- (viii) Murshidabad - West Bengal.
- (ix) Oruttukala - Kerala

Annual Report
2006-07

3.13.9 PEOPLE EDUCATION PROGRAMME (PEP)

As a part of its publicity programme aimed at informing the people through direct interaction between the KVIC on the one hand and people on the other, the KVIC during the year (upto December 2006) held 32 PEP events at the field level. Besides dissemination of the policies and schemes of the KVIC on rural industrialization, essay competition, debate and seminars drew a good deal of participation from academic institutions, students, Panchayati Raj Institutions, NGOs, etc. on issues of topical interest concerning Khadi and Village Industries. The KVIC provides financial assistance for the purpose through budgetary allocation.

3.13.10 MoU WITH ITC LTD.

An MoU signed between KVIC and ITC Ltd. (Agarbatti Division) envisages marketing of “MANGALDEEP” Agarbatti manufactured by khadi and village industry units in 2005-06 and this has been extended to 2006-07. The MoU envisages that (i) one of the manufacturing units functions as the nodal agency for quality assurance, perfuming and packaging of the product in accordance with ITC’s specifications and (ii) ITC buys the entire produce of agarbatties from these KVI units and markets them through its own outlets and other outlets in KVI sector. This MoU has benefited the KVI units concerned through assured offtake of the product, additional marketing channels becoming available to the KVI units, promotion of the product as a distinct brand, expansion of production base resulting in employment generation on a sustainable basis in the rural areas.

3.13.11 CREDIT GUARANTEE TRUST FUND FOR SMALL INDUSTRIES (CGTSI)

Credit Guarantee Trust Fund for Small Industries (CGTSI) approved extension of the credit guarantee of loans advanced by banks under the KVIC/REGP schemes under its Credit Guarantee Fund Scheme. KVIC has been asked to vigorously publicise this scheme in association with CGTSI and participating banks.

Annual Report
2006-07

3.13.12 SYSTEM FOR PROGRAMME ANALYSIS AND REPORTING FOR KVIC (SPARK)

The SPARK (System for Programme Analysis and Reporting for KVIC) software developed by KVIC for data collection and documentation of programmes is being implemented. This is facilitating better analysis of programmes being implemented

by KVIC for making them more effective with reference to the target groups.

3.14.13 SCHEME FOR ENHANCEMENT OF PRODUCTIVITY AND COMPETITIVENESS OF KHADI INDUSTRY AND ARTISANS

With a view to making the khadi industry more competitive with more market-driven, profitable, production, capacity building sustained employment at increased level of wages to khadi artisans by replacement of obsolete and old machinery and equipment and repairs to/renovation of existing/operational machinery and equipment, increase value to the existing khadi production by converting from fabric to readymade garments; and to provide appropriate incentives to shift from the existing rebate framework to market driven approach, a proposal to introduce the Scheme for Enhancement of Productivity and Competitiveness of khadi industry and artisans is under consideration of the Ministry. It is proposed to provide financial assistance to 200 of the 'A+' and 'A' category khadi institutions in a Public Private Partnership mode. EFC note along with Detailed Project Report has already been circulated to the Planning Commission, Department of Expenditure and other concerned Departments.

RURAL EMPLOYMENT GENERATION PROGRAMME (REGP)

4.1 INTRODUCTION

The KVIC launched the Rural Employment Generation Programme (REGP) on 01 April 1995.

4.2 MAIN OBJECTIVES

The main objectives of REGP are as under:

- To generate employment in rural areas.
- To develop entrepreneurial skills and aptitude among rural unemployed youth.
- To achieve the goal of rural industrialization.
- To facilitate participation of banks in the village industries sector so as to ensure higher credit flow to these industries.

4.3 SALIENT FEATURES OF REGP

- The programme is applicable to all village industry projects set up in rural areas.
- The eligible beneficiaries under the programme are (i) individuals (rural artisans/entrepreneurs), ii) institutions, cooperative societies, trusts & Self Help Groups (SHGs) for projects costing upto Rs. 25 lakh.

Chapter

4

- Partnership firms private/public limited companies, joint ventures, joint borrowers, co-obligators of HUF are not eligible.
- The permissible margin money assistance is as detailed in the Table below:

Margin Money Assistance under REGP

S. No.	Category of beneficiary	Project cost	Margin money assistance
1.	General	Up to Rs. 10 lakh	25 per cent of project cost
		Above Rs. 10 lakh and up to Rs. 25 lakh	Rs. 2.5 lakh plus 10 per cent of balance project cost.
2.	SC/ST/OBC/Women/PH/ Ex-servicemen/NE Region /Hill areas	Up to Rs. 10 lakh	30 per cent of project cost
		Above Rs. 10 lakh and up to Rs. 25 lakh	Rs. 3 lakh plus 10 per cent of balance project cost.

Annual Report
2006-07

Note : SC/ST – Scheduled Caste/Scheduled Tribe; PH – Physically Handicapped; NE – North Eastern

- The borrower is required to invest his own contribution of 10 per cent of the project cost. In case of SC/ST and borrowers from other weaker sections, the beneficiary's contribution is 5 per cent of the project cost.
- Banks will sanction loan of 90 per cent of the project cost in the case of general category borrowers and 95 per cent of the project cost to the weaker section beneficiaries/institutions. After the sanction of the credit facility by the Bank branch, eligible amount of margin money will be kept in term deposit of two years in the account of the borrower at the leading bank branch, which

will be credited to the borrower's loan account after a period of two years from the date of first disbursement of loan.

4.4 DEFINITION OF “RURAL AREA” AND “VILLAGE INDUSTRIES”

4.4.1 The term 'rural area' as per amended KVIC, Act 1956 has been defined as under:

“Rural Area means the area comprised in any village, and includes the area comprised in any town, the population of which does not exceed twenty thousand or such other figure as the Central Government may specify from time to time.”

4.4.2 Similarly, the term “village industries” has been redefined in amended KVIC, Act, 1956 as “any industry located in a rural area which produces any goods or renders any service with or without the use of power and in which the fixed capital investment per head of artisan or worker does not exceed Rs. one lakh (Rs. one lakh and fifty thousand in case of village industry located in a hilly area) or such other sum as may, by notification in the Official Gazette, be specified from time to time by the Central Government”.

4.4.3 All activities which do not appear in the negative list circulated by KVIC are eligible for financing under the scheme.

4.5 IMPLEMENTATION

KVIC is implementing REGP through:

- All Public Sector Banks,
- All Regional Rural Banks,

- Co-operative Banks approved by State/U.T Governments, KVIBs, Private Commercial Banks approved by the State KVIBs; and
- Other Financing Institutions of State & Central Government as approved by KVIC.

4.6 SPONSORSHIP

Sponsoring of Project by any agency is not mandatory. However, KVIC's State/Regional Offices and State KVI Boards/District Industries Centre (DIC) may sponsor the project, if approached.

4.7 ENTREPRENEURSHIP DEVELOPMENT PROGRAMME (EDP)

Once the project is sanctioned by the financing branch of the Bank, before releasing the second installment of loan, beneficiary is to be imparted a 3-day EDP training arranged by the State/Regional Director.

4.8 STATUS AND PROGRESS OF REGP

4.8.1 Since the commencement of REGP, 2,36,355 projects have been financed and 33.74 lakh job opportunities have been created up to 31.03.2006. Keeping in view REGP's potential, the Government revised the target of creating 20 lakh additional jobs to 25 lakh additional jobs during the X Plan.

4.8.2 During 2005-06, against the target of generating 5.50 lakh additional job opportunities under REGP, 5.68 lakh job opportunities have been generated, thus recording a 7.16 per cent growth in employment generation as compared to that during 2004-05 (5.31 lakh against the target of generating 5.25 lakh job opportunities). The target for 2006-07 is to generate 5.90 lakh additional employment opportunities.

4.8.3 During 2006-07 (up to December 2006), 10747 projects have already been set up, generating 2.36 lakh additional employment opportunities as against the target of creation of 5.90 lakh job opportunities. A large number of projects are at 'sanction' stage and it is expected that the target set under the programme would be achieved going by the trends of 2005-06 as well as the results of assessment made by KVIC of the progress.

4.8.4 The details of achievement during the X Plan are as under:

Year	Target for employment generation (lakh opportunities)	Employment generated during year (lakh opportunities)	Number of projects set up	Margin money released (Rs. crore)
2002-03	4.00	3.61	21024	193.72
2003-04	5.00	4.71	24747	268.75
2004-05	5.25	5.31	23453	292.40
2005-06	5.50	5.68	26650	320.96
2006-07* *up to 31 Dec., 2006	5.90	2.36	10747	240.43

Annual Report
2006-07

4.8.5 CATEGORY-WISE DISTRIBUTION OF PROJECTS AMONG BENEFICIARIES

Of 2,36,355 units that have been set up since inception of REGP and upto 31.03.2006, approximately 7.71 per cent of the projects have benefited persons from the Scheduled Castes, 5.45 per cent from Scheduled Tribes and 13.75 per cent from OBCs, while 15.87 per cent have helped women entrepreneurs secure gainful employment. Following is the share of distribution of the projects sanctioned in 2006-07, upto December 2006:

Sr. No.	Category	No. Projects	Percentage
1.	Scheduled Castes	824	7.67
2.	Scheduled Tribes	1403	13.05
3.	OBC	2953	27.48
4.	Minority Community	1083	10.07
5.	Ex-Servicemen / physically handicapped	78	0.72
6.	General	4406	40.99
	Total	10747	
	Women	2794	25.99

4.8.6 STATE-WISE PERFORMANCE OF REGP

State-wise performance in respect of projects sanctioned, margin money utilised and employment generated during X Plan (up to December 2006) is given in **Annex – V to VII**, respectively.

4.8.7 BACKWARD AND FORWARD LINKAGES

The KVIC provided financial assistance to its State Offices as well as the State Khadi and Village Industries Boards for establishing backward and forward linkages of the entrepreneurs/ institutions under REGP. These linkages include EDP Trainings, exhibitions of products manufactured by REGP entrepreneurs, district/state level workshops and awareness camps, identification of success stories and their dissemination, etc. An amount of Rs. 629.34 lakh have been released towards backward-forward linkages which was utilised towards organising 03 workshops, 141 awareness camps and 30 exhibitions. 6009 persons have undergone EDP training during 2006-07 (up to December 2006).

4.9 OTHER INITIATIVES

4.9.1 For better implementation of the REGP, the KVIC has taken the following initiatives:

- (i) decentralisation of the implementation of the scheme by releasing margin money through State Offices and State KVI Boards;
- (ii) financing of units based on coir as raw material;
- (iii) financing of auto-rickshaws in Andaman and Nicobar Islands, house boat, shikara and tourist boat in Jammu and Kashmir under rural transport, keeping in view the special requirement of the UT/State:
- (iv) for providing information/guidance to the new entrepreneurs, REGP 'help counters' were opened in all the field offices of the KVIC and the State KVI Boards;
- (v) 10 per cent of the total budget under REGP allocated exclusively for the States of North Eastern Region;
- (vi) 40 per cent of the total target has been identified for the Agro & Food Based Industries in each State/Division/UT;
- (vii) 30 per cent of the total target as been fixed for allocation to women entrepreneurs;
- (viii) self-help groups (SHGs) also to be provided assistance under REGP Scheme;
- (ix) State Level Task Force Committees constituted for better monitoring and implementation of REGP;
- (x) Rural Industries Consultancy Service Cells (RICS) opened in 49 places for guiding and preparing projects for first generation entrepreneurs;
- (xi) 178 Training Centers identified for providing EDP training to REGP employment throughout the country;
- (xii) for placing margin money in advance with nodal branches of banks at state level, 214 nodal branches of public sector banks identified

by state/divisional offices and 132 nodal branches of public sector banks identified by State/UT KVI Boards in the country;

- (xiii) funds provided to State/Divisional Offices for conducting awareness camps, workshops, and exhibitions, etc. as support services under backward - forward linkages. 50 per cent of the same allocated to State/UT KVI Boards;
- (xiv) 25 per cent of the stalls in each exhibition of REGP to be allotted for disadvantaged section beneficiaries including women beneficiaries;
- (xv) to mitigate the problems of the rural entrepreneurs, who are otherwise required to furnish collateral security for projects under REGP, coverage under Credit Guarantee Trust Fund for small industries (CGTSI) provided;
- (xvi) An MoU has been signed between KVIC and Army Wives Welfare Association (AWWA) in June 2006 for extending REGP to the war widows, ex-servicemen, etc., in the AWWA fold and to encourage convergence of marketing activities of AWWA and KVIC through their respective outlets;
- (xvii) Another MoU has been signed between KVIC and Nehru Yuvak Kendra Sangthan (NYKS) in July 2006 which carries out self-development programme for Rural Youth through clubs to conduct awareness camps and entrepreneurs' workshops for REGP amongst the Rural Youth with focus on SC/ST/minority and women beneficiaries;
- (xviii) An MoU has also been signed by KVIC with Department of Women and Child Development, Ministry of HRD, New Delhi for convergence in the area of credit linkages, marketing tie-up, etc., through SHGs for bettering the cause of SHGs and rural employment.

Coir Sector / Coir Board

5.1 COIR INDUSTRY

- 5.1.1 India is the largest coir producer in the world accounting for more than 80 per cent of the total world production of coir fibre. The coir sector in India is very diverse and involves households, co-operatives, NGOs, manufacturers and exporters.
- 5.1.2 The coir industry employs more than 6.5 lakh persons of whom a majority are from rural areas belonging to the economically weaker sections of society. Nearly 80% of the coir workers in the fibre extraction and spinning sectors are women.
- 5.1.3 The development of coir industry has all along been in areas where there is a concentration of coconut trees and availability of coconut husk. Historically, the coir industry started and flourished in Kerala which has a long coast line, lakes, lagoons and backwaters providing natural conditions required for retting. However, with the expansion of coconut cultivation, coir industry has picked up in the States of Tamil Nadu, Karnataka, Andhra Pradesh, Orissa, West Bengal, Assam, Tripura, Pondicherry and the Union Territories of Lakshadweep and Andaman & Nicobar Islands through the efforts of Coir Board. The production and processing methods in coir industry still continue to be mainly traditional. For instance spinning is mainly carried out on traditional ratts which require walking, forward and backward.

Chapter

5

5.1.4 Details of production of coir and coir products during the X Plan are as under:

(Quantity in Metric Tonnes)

Item	2002-03	2003-04	2004-05	2005-06	2006-07*
Coir fibre	3,53,700	3,64,000	3,85,000	4,10,000	3,15,500
Coir Yarn	2,26,800	2,32,500	2,45,500	2,70,000	1,90,000
Coir Products	75,750	77,900	98,000	1,20,000	1,05,000
Coir Rope	50,000	50,000	50,000	50,000	40,000
Curled Coir	28,000	29,500	36,500	38,000	25,000
Rubberised Coir *up to December 2006	50,250	51,000	60,000	62,000	47,000

5.1.5 Similarly, the details of consumption of coir and coir products during the 10th Plan period are as under:

(Quantity in Metric Tonnes)

Item	2002-03	2003-04	2004-05	2005-06	2006-07*
Coir Fibre	89,200	38,400	3,65,750	4,05,000	2,65,000
Coir Yarn	1,25,300	1,96,959	2,22,500	2,35,000	1,82,500
Coir Products	26,500	19,469	22,500	38,000	40,000
Coir Rope	49,700	49,692	49,500	49,500	44,000
Curled Coir	27,500	29,424	35,700	37,000	22,500
Rubberised Coir *as on 31 December 2006	49,700	50,538	54,000	60,000	38,000

Annual Report
2006-07

5.2 COIR BOARD

4.2.1 The Coir Board is a statutory body established under the Coir Industry Act, 1953 for promoting the overall development of the coir industry and upliftment of the living conditions of the workers engaged in this traditional industry.

5.2.2 The Coir Board consists of a full-time Chairman and 39 members, as provided in section 4 of the Coir Industry Act, 1953 who represent all sections interested in the welfare of the coir industry.

5.2.3 The functions of the Coir Board for the development of coir industry include undertaking scientific, technological and economic research and development activities; collection of statistics relating to exports and internal consumption of coir and coir products; development of new products and designs; publicity for promotion of exports and internal sales; marketing of coir and coir products in India and abroad; preventing unfair competition among producers and exporters; assisting in the establishment of units for the manufacture of products; promoting co-operative organisations among producers of husk, coir fibre, coir yarn and manufacturers of coir products; ensuring remunerative returns to producers and manufacturers, etc.

5.3 THRUST AREAS FOR DEVELOPMENT OF COIR INDUSTRY

The thrust areas for development of coir sector in the country are as follows:

- (i) Modernisation of production infrastructure by means of appropriate technology without displacement of labour.
- (ii) Expansion of domestic market through publicity and propaganda.
- (iii) Promotion of export of coir and new products by undertaking market promotion abroad.
- (iv) Promotion of research and development activities like process improvement, product development and diversification and elimination of drudgery and pollution abatement.
- (v) Development of manpower through training.
- (vi) Extension of Research and Development findings through field demonstration.

Annual Report
2006-07



Union Minister of State (Commerce & Industry) Shri Jairam Ramesh delivering the lecture during the conference organised to assess the potential of coir sector

- (vii) Development of coir industry in all the coir producing States in association with the State Governments.

5.4 ACTIVITIES OF THE COIR BOARD

The details of activities being carried out by the Coir Board for the overall development of coir sector are as under:

5.4.1 RESEARCH & DEVELOPMENT

Central Coir Research Institute, Kalavoor, Alleppey, and Central Institute of Coir Technology, Bangalore, undertake research activities for the different aspects of coir industry beginning from the method of extraction of fibre to the processing and manufacture of end products. Identification of new user areas for potential utilisation of coir, coir waste, coir pith and improvements in processing for better quality are the areas of special attention. Coir Testing Laboratories have been set up at Pollachi, Tamil Nadu and Bhubaneswar, Orissa to cater to

the testing requirements of the trade. The activities under the R&D programmes of the Coir Board during the year 2006-2007 are as under:

5.4.2 MODERNISATION OF EXTRACTION AND PROCESSING OF COIR FIBRE

- (i) Pilot Scale Laboratory: The facilities of the Pilot Scale Laboratory set up in CCRI was extended to the coir entrepreneurs. In this laboratory, 220 KG of COIRRET and 2790 KG of PITHPLUS were produced.
- (ii) Research Activities: Experimental studies on the treatment of phenolytic strain of bacteria *Mycoplana bullatta* and lygnolytic strains, *Phenerochaete chrysosporium* and *Coriolus versicolor* were applied on coir fibre for biobleaching and biosoftening. The activity of lignolytic enzymes viz. lignin peroxides and manganese peroxide were studied during different stages of composting coir pith. Lyophilisation of 'COIRRET' was carried out and the powdered version subjected to treatment on coir fibre. Studies on the subject are being continued for standardization of dosage for brown/green husk fibre. Installation of the Scanning Electron Microscope, Gas Chromatograph Spectrophotometer HPLC, UV-VIS Spectrophotometer, C,H,N,S(O) Analyser, Atomic Absorption Spectrophotometer and Lyophiliser were completed and trial operation of the equipment conducted in the coir pith testing laboratory. Analysis for coir pith testing is being carried out on the new equipment. This would lead to economic utilisation of brown fibre produced in the non-traditional coconut growing states of India.
- (iii) Training: Six training sessions to disseminate details on the Research & Development activities in CCRI viz; Corret/Pithplus/ Lignosulphonates/COCOLAWN were conducted for the benefit of EDP candidates from different districts of Assam.

- (iv) Testing: As per the request received from different coir entrepreneurs, analysis of coir pith samples was carried out in the laboratories of Coir Board for Nitrogen, Phosphorous, Potassium (NPK), PH, Salinity, Organic Carbon, Lignin and phytosanitary certification for the presence of E. Coil and Salmonella in the laboratory.
- (v) Vanillin Project : A project for extracting vanillin from coir pith was undertaken with varying percentage of yield. The nitrobenzene oxidation products were subjected to steam distillation followed by extraction of benzene. The benzene extract was evaporated in steam to yield vanillin and similar products. The presence of vanillin was detected by its odour. The extract was then injected into the gas-chromatograph (GC) which yielded quantitative information about the presence of different oxidation products. The analysis of the oxidation products using High Performance Chromatograph (HPLC) indicated the presence of vanillin as the major product along with trace amounts of impurities. Thus, Vanillin would be possible to be extracted from coir pith under laboratory conditions. Further experiment is being carried out to have the best yield.
- (vi) Regeling Handels Potgronden (RHP) Laboratory: Equipment like Nitrogen estimation system, Socs-plus solvent extraction systems, Electronic Balances, Atomic Absorption Spectrophotometer, UV spectrophotometer, Freeze Dryer, Moisture analyzer, Scanning electron Microscope GC-MS and HPLC have been installed in the RHP Laboratory.

5.4.3 DEVELOPMENT OF COIR MACHINERY

- (i) A mild steel handloom "Anugraha" for weaving coir mattings and geotextiles was developed and fabricated by CCRI at a cost of Rs.5000. In this loom, the frames are moved up and down by a mechanism which is operated by a wire-rope and

cable. The loom can thus be operated even by women workers who are normally not engaged in the weaving operation on conventional handloom due to the drudgery involved. The output of the loom is 10 metres per hour for geotextiles. Coir Board has commercialised the technology.

Further, a versatile loom for weaving all types of coir mats, mattings and carpets “ANUPAM” for weaving coir products has been also designed and fabricated at CCRI. Pneumatic power was used as the prime mover for the loom. CAD Centre was utilized for preparation of designs and drawings of “Anupam” and “Anugraha looms. Traditional motorised ratts were attached with a small willowing machine which is operated by a quarter HP single phase motor that can be shared with the ratt also.

- (ii) A fully automatic spinning machine and slivering machine was developed in collaboration with PSG College of Technology Coimbatore. Further field trial is being undertaken for commercialisation of this product.

Annual Report
2006-07

5.4.4 PRODUCT DEVELOPMENT AND DIVERSIFICATION

- (i) The development of blended yarn of coir fibre and sisal fibre (80:20) and manufacturing of novel products with blended yarn and weaving mats on power loom, jacquard and semi mechanised loom with new patterns continued to be a thrust area for R&D activities of Coir Board as part of product development and diversification effort. Altogether 121 numbers of different blends of coir products were developed with this blended yarn. Further, implementation of the coir geotextiles project with IIM(K), Kozhkode has been completed and the process documented. Site assessment for application of coir geotextiles in three districts in Tamil Nadu has been conducted.

- (ii) For manufacturing coir structural composites, i.e., door frame a design of compression moulding machine was started at Central Institute of Coir Technology, Bangalore. The new technology aims at using the waste coir fibres and to make the coir structural composites. The waste coir fibres will be separated from the coir pith and will be impregnated in the special mixer machine designed and then hot cured under pressure and temperature.

5.4.5 TESTING AND SERVICE FACILITY

- (i) Technical staff have been deputed in the field for popularisation of research products such as application of vegetable oil in water emulsion to unsoaked green husk fibre, PITHPLUS, COIRRET, etc. and also for the utilisation of Coir Bhoovastra (geo-textile) for soil erosion control.
- (ii) During the period under report, CCRI has undertaken testing of different types of coir products as per the requirements of Bureau of Indian Standards (BIS) and exporters and tested the samples as per the standards formulated by BIS and ASTM. A total number of 123 samples of coir and coir products were tested in the Physical Testing Laboratory & ASTM laboratory of CCRI & CICT.

Annual Report
2006-07

5.5 DOMESTIC MARKET PROMOTION

- 5.5.1 Promotion of the sales of coir products in India and elsewhere is one of the important functions of the Coir Board. The Domestic Market Promotion includes efforts for enhanced sale of coir products through Board's showrooms and sales outlets, and also popularising coir and coir products by way of publicity, organising exhibitions in different parts of the country, through audio and visual media, sales campaign, press advertisement and through pamphlets, hoardings etc. The Coir Board has participated in 31 exhibitions during 2005-06 (up to November 2006) for

popularization of coir and coir products in the domestic market in which 5 exhibitions were conducted in North Eastern Region (NER). The Coir Board Pavilion at India International Trade Fair, 2006, has been awarded Gold Medal as the best participant.



Shri Mahabir Prasad, Hon'ble Union Minister for SSI & ARI, keenly watching the weaving of coir matting on 'Anupam Loom' newly developed by Central Coir Research Institute, Kalavoor

Annual Report
2006-07

5.5.2 To promote the sale of coir and coir products manufactured by the Co-operatives and Public Sector Enterprises, a Market Development Assistance (MDA) Scheme was launched in 2000-2001. During 2006-2007, an amount of Rs. 265 lakh has been allocated by the Coir Board for disbursement of MDA to the State Governments, showrooms and Hindustan Coir. As on 30 November 2006, an amount of Rs. 76.78 lakh has been released under the scheme and the balance will be released to the State Governments in the last quarter of the year.

4.5.3 The Coir Board has 31 Showrooms and Sales Depots as marketing outlets. The sales through the Board's Showrooms during the year (up to December 2006) has been of the order of Rs 486.21 lakh. The total sales of coir and coir products

through Coir Board's showrooms and sales depots during X Plan are as under:

(Rs. Lakh)

2002-03	2003-2004	2004-05	2005-06	2006-07 (upto Dec. 06)
692.45	727.29	762.55	754.86	486.21



Annual Report
2006-07

Shri Pranab Mukherjee, then Defence Minister giving away National Award to coir sector entrepreneur

5.6 EXPORT MARKET PROMOTION

5.6.1 India retained the position as the largest producer and supplier of coir and coir products. The share of India in the global production of coir is 80 per cent (in terms of fibre). Although Srilanka has a monopoly in the supply of coir fibre to the world market, India continues to be the major supplier of coir yarn and coir products with a share of 70 per cent and 75 per cent respectively in the total global trade in these items.

5.6.2 The export of coir and coir products worth Rs. 508.45 crore has recorded a growth of 6.2 per cent in value terms during 2005-06 as compared to 2004-05. **This is the highest ever export for the coir industry.** The details of exports of coir and coir products made during the X Plan are as under:

Year	Quantity (Metric Tonnes)	Value (Rs. crore)
2002-2003	84183	352.71
2003-2004	102253	407.50
2004-2005	122927	473.40
2005-2006	130627	508.45
2006-07 (up to Dec.,06)	109688	421.18

5.6.3 During the year 2006-2007 (up to December 06), the Coir Board participated in the following fairs and exhibitions for promotion of exports of coir and coir products:

- (i) SAITEX 2006, Johannesburg (10 - 13 October 2006)
- (ii) Mega Show Part 2 (Asian Gifts, Premium and Household Products show), Wanchai, Hong Kong (28 - 30 October 2006).
- (iii) International Horti Fair, Amsterdam, Netherlands (31 October to 03 November, 2006).

Annual Report
2006-07

In all the above exhibitions, visitors and buyers evinced keen interest on the range of products exhibited. The exporters participating in these events were able to get confirmed orders.

Besides, for popularization of coir and coir product and to promote their export in international market, Coir Board has taken many steps during the year. These include, organizing specialized exhibitions at New Delhi, catalogue shows at Mumbai, Vienna (Austria), Durban (South Africa), Johannesburg

(South Africa), Almaty (Kazakhstan), Hanoi(Vietnam), Bishkek (Kyrgyzstan) and Djibouti (Ethiopia), etc.

5.7 DEVELOPMENT OF PRODUCTION INFRASTRUCTURE

- 5.7.1 The Brown Fibre Sector of the coir industry in India has progressed rapidly during the past 3 decades.
- 5.7.2 Under this scheme, Coir Board is extending financial assistance of 25 per cent of the cost of equipment and infrastructural facilities subject to ceiling of Rs. 1.5 lakh for setting up coir units and Rs. 50,000 for modernisation of existing coir units and for installation of generator sets of upto 11 KVA capacity to run fibre/curled coir units.
- 5.7.3 Financial assistance given to the units under this scheme during the X Plan is as under:

Annual Report
2006-07

Year	Amount (Rs. lakh)	Number of Units
2002-2003	28.71	25
2003-2004	73.16	58
2004-2005	69.94	48
2005-2006	144.57	77
2006-07*	42.60	60

*As on 31 December 2006

5.8 CO-OPERATIVISATION

Cooperativisation is the only Centrally Sponsored Scheme in the Ministry of Agro and Rural Industries. In view of the low level of response from the various State Governments towards this scheme, it has been decided to phase out the scheme by the end of the X Plan.

5.9 TRAINING, EXTENSION, QUALITY IMPROVEMENT, MAHILA COIR YOJANA AND WELFARE MEASURES

5.9.1 TRAINING

The Coir Board continued to impart training in processing of coir to artisans and workers engaged in the coir industry through its training centre located at Kalavoor, Alleppey. The following training programmes were conducted:-

- (i) Advanced Training Course
- (ii) Artisans Training Course
- (iii) Training in Motorised Ratt Spinning
- (iv) Training in Motorised Traditional Ratt Spinning
- (v) Training in Pith Composting
- (vi) Short term training in spinning and dyeing, weaving frame mats, loom, mats and matting
- (vii) Trainers training and orientation training programme

The Board is also conducting training activities in different field training centres to suit the convenience of coir workers at far off places who cannot attend the training activities at NCT&DC, Kalavoor. The Field Training Centres are run with the help of NGOs/Co-operative Societies engaged in coir activities. These training activities are given in spinning motorised ratt and motorised traditional ratt. The number of persons trained during the X Plan are as under:

Annual Report
2006-07

Year	Number of persons trained
2002-2003	3063
2003-2004	6956
2004-2005	13318
2005-2006	38346
2006-2007 (up to Dec. 2006)	6904

5.9.2 QUALITY

The Coir Board has been organising Quality Improvement Programmes (QIPs) every year to motivate entrepreneurs to take up coir production and to create quality consciousness among the coir workers in various processing activities viz., spinning, dyeing and on improving the quality of yarn and coir products. During the year 2006-2007, 35 QIPs/EDPs have been conducted.

5.9.3 MAHILA COIR YOJANA

The Mahila Coir Yojana is the first women oriented self employment scheme in the coir industry which provides self employment opportunities to the rural women artisans in regions producing coir fibre. Conversion of coir fibre into yarn on motorised ratt in rural households provide scope for large scale employment, improvement in productivity and quality, better working conditions and higher income to the workers. The scheme envisages distribution of motorised ratts for spinning coir yarn to women artisans after giving training. Not more than one artisan per household is eligible to receive assistance under the scheme. Women spinners are trained for two months in spinning coir yarn on motorised ratt at the Board's training centres. A stipend of Rs.500/- is paid to the trainees. A trainee who passes the test conducted at the end of the training is also eligible for subsidy for purchasing a motorised ratt. The

beneficiary under the scheme gets a subsidy of 75 per cent of the cost of the motorized ratta subject to a maximum of Rs.7,500/- and 75 per cent of the cost or Rs 2,965/- whichever is less, for motorised traditional rattas. Details of distribution of rattas and the assistance sanctioned during the X Plan are as under:

Year	No. of rattas distributed	Assistance sanctioned (Rs. lakh)
2002-2003	1303	38.79
2003-2004	1556	64.25
2004-2005	3212	112.79
2005-2006	4220	122.00
2006-2007 (up to Dec. 2006)	2625	93.07

5.10 BUDGETARY SUPPORT TO THE COIR BOARD

5.10.1 For implementing the various schemes/programmes, the Government has provided the following budgetary support to the Coir Board during the X Plan:

(Rs. crore)

Name of the Scheme	2002-03	2003-04	2004-05	2005-06	2006-07 (up to Dec.06)
Plan – (Science & Technology) Plan-(General)	4.25	4.25	5.00	5.50	4.125
Training, Extension & Quality Improvement including Mahila Coir Yojana and Welfare Measures	0.95	0.95	2.25	12.00	2.18
Domestic Market Promotion	2.70	3.70	5.41	8.00	3.36
Export Promotion	1.50	1.25	1.00	2.00	1.50
Trade Information Service, Information Technology and Strengthening of H.Q	2.15	1.80	1.20	3.00	2.25
Development of Production Infrastructure	1.40	1.20	1.30	3.50	2.63
Economic Market Research	-	0.10	0.11	0.50	0.38
Plan - Cooperativisation	0.05	0.83	—	—	—
Plan - Development of NE Region (adjusted from DMP)	0.77	0.44	0.53	0.93	—
Total	13.77	14.52	16.80	35.43	16.425

Annual Report
2006-07

5.11 HINDUSTAN COIR

As per Government's decision to mechanise one third of coir matting sector, the Hindustan Coir, a powerloom coir matting manufacturing factory under Coir Board was established in 1968 as a Pilot Project. The total production of Hindustan Coir matting during X Plan is as under:

(Quantity = Sq. Mtrs.)
(Value = Rupees in Lakhs)

	2002-03	2003-04	2004-05	2005-06	2006-07 (up to Dec.06)
Quantity	1,54,270.06	1,96,269.00	2,12,536.14	1,55,748.38	1,25,830.60
Value	144.06	183.00	245.26	234	188.75

Proposal for revamping Hindustan Coir is under consideration of Coir Board alongwith the modernization of 31 sales outlets/ showrooms.

5.12 CLUSTER AREA DEVELOPMENT

Annual Report
2006-07

The Coir Board under the recently concluded UNDP Sponsored Project promoted consortia of small scale coir manufacturers and small and medium exporters for manufacture of products in a cost effective manner by sourcing the raw material in bulk and also marketing the products through the consortium by reducing the marketing expenditure. Based on the success of the consortium movement, UNIDO has selected Alleppey as a cluster for development and initiated activities for promotion of consortium. Already 60 consortia have been formed in the coir cluster with the technical support of Coir Board.



Hon'ble Union Minister of SSI & ARI Shri Mahabir Prasad inaugurating the Workshop on 11th Five Year Plan - Schemes and Programmes of coir sector

5.13 NEW INITIATIVES

5.13.1 ENTREPRENEURSHIP DEVELOPMENT PROGRAMMES (EDPs)

It is reckoned that at present only about 40 per cent of the total production of coconut husk is being utilized in the coir industry. For generating employment avenues in the coir sector, the utilisation of husk has to be increased considerably for which more new units are required to be set up. In order to motivate and to identify prospective entrepreneur for setting up new coir units and managing the unit, the Coir Board has decided to organise EDPs by engaging professionally competent and reputed organisations.

5.13.2 COIR WORKERS GROUP PERSONAL ACCIDENT INSURANCE SCHEME

The Insurance scheme for coir workers was introduced by Coir Board w.e.f.01.12.1998 and is being renewed year after year.

Annual Report
2006-07

The Insurance scheme was renewed w.e.f. 01.12.2006 with the Oriental Insurance Company, Ernakulam. Insurance premium for Rs.8,53,208/- for a period of one year w.e.f. December 2006 was paid to the Insurance Company.

5.13.2.1 The compensation payable under this scheme is as under:

(i)	Accidental Death	: Rs.50,000.00
(ii)	Permanent Total Disability	
	(a) Loss of two limbs/two eyes	: Rs.50,000.00
	(b) Loss of one limb and one eye	: Rs.50,000.00
(iii)	Permanent Partial Disability	
	Loss of one limb/one eye	: Rs.25,000.00
		Provision for finger cut Depending upon the finger and limited to applicable percentages of capital sum insured of Rs.50,000/- as per Personal Accident Policy conditions.

Annual Report
2006-07

5.13.2.2 During the financial year 2006-07 (up to November 2006), twelve insurance claims were settled and an amount of Rs. 3,75,000/- has been paid towards compensation.

5.13.3 PRODUCTION ENHANCEMENT LINKED COIR WORKERS WELFARE SCHEME

The Production Enhancement Linked Coir Workers Welfare Scheme introduced in 2005-06 has the following objectives to:

- (a) Mitigate the hardship of workers and ameliorate their living and working conditions.

- (b) Enhance productivity and employment generation through the production oriented welfare scheme.
- (c) Improve the working and living conditions of the coir workers so as to attract the younger generation to the coir industry thereby creating new employment opportunities.

5.13.3.1 The scheme has been implemented on an experimental basis during 2005-06 at a total cost of Rs.130 lakh in five coir producing States of Kerala, Karnataka, Orissa, Tamil Nadu and Andhra Pradesh. An amount of Rs. 1,29,95,842/- has been released for implementation of the programmes in 16 coir clusters in the above five coir producing States.

5.14 ALAPPUZHA COIR CLUSTER DEVELOPMENT PROJECT

The Alappuzha Coir Cluster Development Project was launched by the Minister (SSI&ARI) on 08 October 2005 at Central Coir Research Institute, Kalavoor, Alleppey for creating the planned infrastructure facilities under the project. This project with an outlay of Rs. 56.80 crore has been sanctioned by the Department of Industrial Policy and Promotion (DIPP) for cluster-based development of coir industry in Kerala, with central grant of Rs. 42.60 crore (75 per cent of project cost), under the Industrial Infrastructure Upgradation Scheme of the DIPP which is monitoring this scheme separately.

Annual Report
2006-07

Chapter

6

PRIME MINISTER'S ROZGAR YOJANA

6.1 INTRODUCTION

6.1.1 The Prime Minister's Rozgar Yojana (PMRY) was launched on 02 October 1993 to assist educated unemployed youth in setting up self-employment ventures. Initially, the PMRY was implemented only in the urban areas of the country. Since 1994-95, it has been implemented in both urban and rural areas. The Yojana has been continued in the X Five Year Plan with an initial target of setting up 11 lakh units, generating 16.5 lakh employment opportunities.

6.1.2 The National Common Minimum Programme (NCMP) of the Government envisages creation of additional employment opportunities in the rural non-farm sector. Accordingly, the targets for the years 2004-05, 2005-06 and 2006-07 under the Yojana have been enhanced from 2.20 lakh beneficiaries to 2.50 lakh, 2.50 lakh and 2.55 lakh beneficiaries respectively for generating 11.325 lakh self-employment opportunities during the last three years of X Plan. This would take the total targeted number of units to be set up as 11.95 lakh which would correspond to generation of 17.925 lakh additional employment opportunities across the X Plan.

6.2 IMPLEMENTATION OF THE SCHEME

6.2.1 Under PMRY, an educated unemployed person living in any part of the country and eligible under the scheme, has to apply

for assistance to the General Manager, DIC in the district to which he belongs. In cases where the applicant belongs to the cities of Kolkata, Chennai, Mumbai and Delhi, the application has to be filed directly with the office of the Director of Industries in the cities of Kolkata, Chennai and Mumbai and in the office of Deputy Commissioner of the respective zones in Delhi.

6.2.2 The Task Force Committees set up at district level or the Task Force Constituted at sub-divisional level/block level are entrusted with the work of scrutinising the applications and interviewing the candidates. The names of approved candidates by Task Force Committee are sponsored to the bank branches for sanction of loans.

6.2.3 In addition to sponsoring of applications by Task Forces, bank branches themselves may also receive applications directly from the eligible persons under the scheme. However, such applications should be sent to sponsoring agencies with their observations on the viability and bankability of the projects. Sponsoring agencies would formally sponsor such applications back to the bank branches for sanction of loan.

Annual Report
2006-07

6.3 ELIGIBILITY NORMS UNDER THE SCHEME

6.3.1 Age:

- 18 to 35 years for all educated unemployed in the country except for North Eastern States, Uttaranchal, Himachal Pradesh and Jammu & Kashmir.
- 18 to 40 years for all educated unemployed in North Eastern States, Himachal Pradesh, Uttaranchal and J&K.
- 18 to 45 years for Scheduled Caste/Scheduled Tribes, Ex-servicemen, Physically Handicapped and Women.

- 6.3.2 **Educational Qualifications:** VIII standard passed. Preference will be given to those trained in any trade in Government recognised/approved institutions for at least six months.
- 6.3.3 **Family Income:** The income of the beneficiary and the spouse along with the income of the parents of the beneficiary should not exceed Rs. 40,000 per annum.
- 6.3.4 **Residency:** Beneficiary should be a permanent resident of the area for at least 3 years (relaxed for married men in Meghalaya and for married women in rest of the country). For married men in Meghalaya and for married women in rest of the country, the residency criteria applies to the spouse or in-laws.
- 6.3.5 **Creditworthiness:** The beneficiary should not be a defaulter to any Nationalised Bank/Financial Institution/Cooperative Bank. Further, a person already assisted under other subsidy linked Government schemes would not be eligible under the Scheme.
- 6.3.6 **Reservation:** Preference should be given to the weaker sections including women. The Scheme envisages 22.5 per cent reservation for SC/STs and 27 per cent for other Backward Classes (OBCs). In case SC/ST/OBC candidates are not available, State/Union Territories (UT) Government will be competent to consider other categories of candidates under PMRY.

6.4 FINANCIAL TERMS UNDER PMRY

6.4.1 Project Cost:

- Rs. 1.00 lakh for business sector.
- Rs. 2.00 lakh for other activities.
- Loan to be of a composite nature.

- If two or more eligible persons join together in a partnership, projects costing up to Rs. 10.00 lakh can be covered. However, assistance shall be limited to individual admissibility.
- Self Help Groups (SHG) can be considered for assistance under the Scheme.

6.4.2 **Subsidy & Margin Money:** Subsidy is provided @ 15 per cent of the project cost subject to a ceiling of Rs. 7,500 per beneficiary. In the North Eastern (NE) States, subsidy is provided @ 15 per cent of the project cost, subject to a ceiling of Rs. 15,000 per beneficiary. Banks will be allowed to take margin money from the entrepreneur varying between 5 per cent and 16.25 per cent of the project cost so as to make the total of the subsidy and the margin money equal to 20 per cent of the project cost.

6.4.3 **Collateral:** No collateral for units in industry sector with project cost upto Rs.2 lakh (the loan ceiling under the PMRY) is required. For partnership project under industry sector, the exemption limit for obtaining of collateral security will be Rs.5 lakh per borrowal account. For units in service and business sectors no collateral for project upto Rs.1.00 lakh is required. Exemption from collateral in case of partnership project will also be limited to an amount of Rs.1.00 lakh per person participating in the project.

6.4.4 **Rate of interest & Repayment schedule:** Normal bank rate of interest shall be charged. Repayment Schedule may range between 3 to 7 years after an initial moratorium as may be prescribed.

(Note: As per the Reserve Bank of India guidelines, rate of interest on loans up to Rs.2.00 lakh should not exceed the Prime Lending Rate (PLR) of the banks).

6.4.5 Training of beneficiaries: - The beneficiaries sanctioned loan under the Scheme have to undergo Entrepreneurial Development Programme (EDP) training of 15-20 working days for projects under the Industry Sector and of 7-10 working days for projects under Service and Business Sectors. The ceiling on training expenditure for project under the Industry Sector is Rs. 1,000 per case inclusive of stipend of Rs.300 per beneficiary and Rs.500 per case inclusive of stipend of Rs.150 per beneficiary for service and business sectors to be made available to the States/UTs.



Annual Report
2006-07

Shoe unit setup with financial assistance under PMRY scheme at Dholpur after receiving training under the scheme

State/UT Governments have been asked to involve reputed NGOs, ITIs, Polytechnic colleges in the training of PMRY beneficiaries. Banks are to be given preference for providing training. State/UT Governments may also consider possibilities of organising special training courses exclusively for SC/STs and women entrepreneurs.

6.4.6 Contingency funds for scheme Administration: Contingency funds @ Rs.250/- per case sanctioned are released to States/ UTs based on the cases sanctioned under PMRY from 1996-97 onwards (enhanced from an earlier rate of Rs.100 per beneficiary). The funds are meant for utilisation for meeting expenditure in administering and supervising PMRY at the DIC level, which includes inter alia publicity, organization of workshops, motivational and familiarization programmes for eligible youth.

In order to provide greater flexibility in utilisation of contingency funds under PMRY to the States/UTs, the expenditure norms have been modified and the ambit of expenditure admissible widened.

6.5 NUMBER OF PERSONS TRAINED UNDER PMRY DURING 10TH PLAN PERIOD

Year	No. of beneficiaries trained
2002-03	235558
2003-04	247087
2004-05	280376
2005-06	274514
2006-07*	59788
Total	1097323

*up to November 2006

Annual Report
2006-07

6.6 PROJECT PROFILES

Projects profiles already prepared for guidance of entrepreneurs in selecting the project and Training & Trainers manual developed by the Ministry through Rural Development and Self Employment Training Institute (RUDSETI), Karnataka.

6.7 ASSISTANCE FROM STATES/UTS

State/UT Governments may provide necessary infrastructure support like provision of industrial sites, shops and water on preferential basis to these entrepreneurs. Provisions of sites and sheds at concessional rate to service ventures in urban areas will be essential for their success. Priority in electric connections and other general tax concessions/incentives may also be provided.



*Unit of Textile made up near Kanchipuram (Tamil Nadu)
assisted under the PMRY scheme*

Annual Report
2006-07

6.8 MONITORING & GUIDANCE FOR PMRY

- 6.8.1 The District, being a well-established geographical unit for many State/Central promotional programmes, is the basic unit for implementation of the Prime Minister's Rozgar Yojana. In all the districts, District Industries Centre (DIC) is the implementing agency except in the metropolitan cities of Kolkata, Mumbai and Chennai where the Directorate of Industries themselves are implementing the scheme. In the case of Mumbai, the SISI also receives the applications, In Delhi, the applications are

received in the office of the Deputy Commissioner of the respective zones. The field agencies in consultation with the banks of the respective areas are responsible for the formulation of self-employment plans, their implementation and monitoring under the overall guidance of the District PMRY Committee. They are required to formulate location specific plans of action, based on realistic demand assessment for various activities.

6.8.2 Monitoring and Guidance at district level: The Prime Minister's Rozgar Yojana is being monitored and guided at district level by the District PMRY Committee under the Chairmanship of District Collector/Dy. Commissioner. The Committee is required to meet once in a month and send monthly progress report in the prescribed proforma to the Directorate of Industries of the State/UT concerned.

6.8.3 Monitoring and Guidance at State/UT level: Monitoring and guidance for the Prime Minister's Rozgar Yojana at State/UT level is undertaken by the State/UT PMRY Committee under the Chairmanship of the Chief Secretary.

6.8.4 Monitoring and Guidance at Government of India level: Prime Minister's Rozgar Yojana is monitored at Central Government Level by the High Powered Committee on PMRY under the Chairmanship of Secretary (SSI & ARI). The latest review meeting was held on 16 September 2005 which has been followed in 2006-07 by reviews in States starting from Uttar Pradesh.

Annual Report
2006-07

6.9 CUMULATIVE STATUS OF PROGRESS UNDER PMRY DURING X PLAN

The details of applications sanctioned for financial assistance and disbursed and credit flow under PMRY during X Plan are as under:

(As reported by RBI)

Year	Target (No.)	Applications Received (No.)	Cases Sanctioned		Cases Disbursed	
			No.	Amount (Rs. crore)	No.	Amount (Rs. crore)
1	2	3	4	5	6	7
2002-2003	220000	414001	228031	1497	190521	1198
2003-2004	220000	436679	264012	1679	219444	1368
2004-2005	250000	491324	298003	1923	248264	1543
2005-2006	250000	494375	312008	2007	262281	1619
2006-2007 (up to Nov. 06)	255000	270470	127183	888	74054	490
Total	1195000	2106849	1229237	7994	994564	6218

6.10 EMPLOYMENT GENERATION UNDER PMRY

The estimated employment generation in terms of employment opportunities under PMRY during the X Plan period is as under:

(Employment in number)

Year	Estimated Empl. Generated
2002-2003	2,85,782
2003-2004	3,29,166
2004-2005	3,72,396
2005-2006	3,93,422
2006-2007*	1,11,081
Total	14,91,847

* up to November 2006.

Annual Report
2006-07



Unit of Karahi at Navashahar (Punjab) setup with the assistance under the PMRY scheme for self-employment

6.11 BUDGETARY ALLOCATION AND EXPENDITURE UNDER PMRY

The Central Government assists the entrepreneurs through capital subsidy and provides funds to States for entrepreneurial development, contingencies, etc. The details of budget allocations and expenditure incurred under the Scheme during X Plan are as under:

(Amount Rs. crore)

Year	Budget Allocation	Funds Released		
		Subsidy	Entrepreneurial Development Programme	Total
2002-03	169.00	152.55	15.55	168.10
2003-04	169.00	147.63	20.20	167.83
2004-05	218.90	190.48	27.69	218.17
2005-06	273.46	251.36	21.11	272.47
2006-07*	252.60	193.69	11.17	204.86

*Up to December 2006

6.12 EVALUATION STUDIES OF PMRY

6.12.1 Two rounds of evaluation (first round conducted in 1996-97 for the programme years 1993-94 and 1994-95 and second round conducted in 2000-01 for the programme years 1995-96 to 1997-98) of the PMRY have been conducted by the Institute of Applied Manpower Research (IAMR), New Delhi. The third round of the evaluation has been carried out in for 1998-99 to 2001-02 through the IAMR in 2005-06.

5.12.2 A comparative position of some of the important findings of these three rounds of evaluation indicates:

- The share of SC/STs as well as OBCs has steadily improved. The proportion of SC/STs improved from about 12 per cent in the first round to 13 per cent in the second and 21 per cent in the third. Similarly, the share of OBCs increased from 21 per cent to 26 per cent. However, the

share of women has not shown much improvement (11 per cent in the first round, 14 per cent in the second and 13 per cent in the third round).

- The average amount of loan disbursed has been increasing. It was Rs. 57000 in the second round and Rs. 64000 in the third round.
- The employment generation was higher in the first round at 2.5 per unit. In the second and third round it is found to be around 1.95 per functioning unit.
- The proportion of rural beneficiaries has come down from 49.9 per cent in the second round to 39.1 per cent in the third round.
- Assets have been created in 89.7 per cent of the cases disbursed.
- About 36.4 per cent of beneficiaries were repaying the loan installment on time.
- The average rate of recovery of loans was 29 per cent in the second round. It improved somewhat to 38 per cent in the third round.

Annual Report
2006-07

A unit assisted under the PMRY scheme- in Jalpaiguri District, West Bengal-a successful rural entrepreneur-manufacturing PVC pipes fittings and other plastic accessories



6.13 INITIATIVES TAKEN FOR STRENGTHENING PMRY

- 6.13.1 Based on the recommendations of the Group (June 2006) constituted under the Chairmanship of Adviser(VSE), Planning Commission to review the design and introduce best practices in its implementation, some important components, viz, enhancement in the family income ceiling, project cost, subsidy, training cost reimbursement, etc. **included in the promotional package for Micro and Small Enterprises** for strengthening of PMRY have been approved 'in principle' by the Cabinet Committee of Economic Affairs (CCEA). Action is on hand to implement of this part of the package in 2007-08 which is expected to make the scheme more attractive and useful for the target group.
- 6.13.2 The quarterly schedule for sponsoring and sanctioning of applications and disbursement earlier provided that while the sanctioning of the cases would be completed in hundred per cent cases by the end of the financial year, the hundred per cent disbursement in all such sanctioned cases would be completed by the end of the first quarter of succeeding year. This period for loan disbursement used to be further extended up to second or third quarter. In the quarterly schedule fixed for the year 2005-06, it has been directed that applications to the extent of 125 per cent of the target would be sponsored by the end of the third quarter (100 per cent by the end of the second quarter), loans would be sanctioned in 90 per cent of the sponsored cases by the end of the third quarter (100 per cent by the end of 4th quarter). The quarterly schedule further prescribes that loans would be disbursed in 75 per cent cases by the end of the third quarter and the loan disbursement in the entire target of 100 per cent cases would be achieved by the end of 4th quarter. The RBI has also issued instructions to all implementing banks reiterating the above decision of the Government.

This new pattern of quarterly schedule of sponsoring, sanctioning and disbursement of cases would not only ensure that the applications are not bunched in any quarter, but would also ensure that the entire target is achieved in the financial year itself. The same pattern has been followed in 2006-07.

6.14 NATIONAL PROGRAMME FOR RURAL INDUSTRIALISATION (NPRI)

- 6.14.1 The National Programme for Rural Industrialisation (NPRI) Scheme has a provision for extending financial assistance up to Rs.5 lakh for interventions in the rural clusters since 1999-2000. The Ministry reviewed the National Programme for Rural Industrialisation Programme (NPRI) and subsumed this under the Scheme of Fund for Regeneration of Traditional Industries (SFURTI), which provides a much more comprehensive approach to cluster development.

NORTH-EASTERN REGION

7.1 The North Eastern (NE) Region consists of the States of Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Tripura and Sikkim. The Ministry of Agro and Rural Industries (ARI) implements a number of developmental schemes in the NE Region through Khadi and Village Industries Commission (KVIC) and Coir Board. The various schemes under implementation in the North Eastern Region include Prime Minister's Rozgar Yojana (PMRY), Rural Employment Generation Programme (REGP), Scheme of Fund of Regeneration of Traditional Industries (SFURTI), schemes relating to khadi activities and schemes relating to promotion of coir and coir products.

7.2 KVI PROGRAMMES IN NORTH EASTERN STATES

7.2.1 In order to have better implementation and monitoring of Khadi and Village Industries (KVI) programmes in the NE Region, Khadi and Village Industries Commission (KVIC) has established a Zonal Office at Guwahati and other field offices in all the NE States.

7.2.2 KVI programmes are being implemented in these areas through State KVI Boards, registered institutions, cooperative societies and entrepreneurs.

7.2.3 The village industries which are usually being set up in this hilly and backward areas are pottery, beekeeping, processing of cereals and pulses, fibre, fruit & vegetable processing

Chapter

7

industries, soap, activities like carpentry and blacksmithy and also khadi and polyvastra.

7.2.4 The programmes of KVIC for rural industrialisation are expected to further increase the earnings of artisans, weavers, spinners and individual entrepreneurs alongwith output of high quality KVI goods from this region. This will also help to reduce drudgery in the labour intensive activities, ensure optimum utilisation of locally available raw materials and the up-gradation of skill of artisans.

7.2.5 For the development of NE Region, the Ministry has earmarked separate budget allocation for KVI programmes. The funds released to KVIC under Plan for the NE Region during 2005-2006 was Rs. 55.16 crore and in 2006-07 Rs. 43.82 crore have already been released (up to December 2006). For the period 2007-08, a budget provision of Rs. 111.20 crore has been made.

7.2.6 Over the years there have been considerable increase in production and employment in the KVI sector in the NE Region. The achievements made in terms of production and employment in the KVI sector during X Plan (upto December 2006) are as under:

7.2.7 To cater to the needs of skill development in NE Region, Multi-Disciplinary Training Centres (MDTC) at Doimukh, (Arunachal Pradesh), Kohima (Nagaland) and Aizwal (Mizoram) are being run by a KVIC assisted institution. In addition, another training center is being run by a registered institution at Rembark in Mizoram and Khadi Gramodyog Vidyalaya, Nalbari, Assam. Further, the Assam State KVI Board and Mizoram KVI Board are also operating training centres in their respective areas of operation. The beneficiaries from NE Region are provided second class Railway fare for attending training programmes and also daily allowance during the training period. A total of

(Production value: Rs. lakh)
(Employment: lakh persons)

S. No.	States	2002-2003		2003-2004		2004-2005		2005-06		2006-07*	
		Prod.	Emp.	Prod.	Emp.	Prod.	Emp.	Prod.	Emp.	Prod.	Emp.
1	Arunachal Pradesh	317.88	0.01	524.67	0.01	794.55	0.03	1201.71	0.05	1001	0.06
2	Assam	6074.74	1.22	8368.55	1.39	9576.05	1.65	21729.26	2.15	18100	2.31
3	Manipur	5997.52	0.62	6197.16	0.62	6520.07	0.64	6700.69	0.64	5582	0.64
4	Meghalaya	3100.46	0.25	3709.57	0.27	4495.16	0.31	5526.94	0.33	4604	0.33
5	Mizoram	3769.44	0.23	3936.02	0.24	4648.13	0.29	9012.98	0.48	7508	0.61
6	Nagaland	4583.94	0.30	4962.48	0.32	5715.15	0.35	6999.18	0.41	5824	0.43
7	Tripura	2235.29	0.28	3145.11	0.33	3350.47	0.37	4450.85	0.39	3707	0.39
8	Sikkim	373.51	0.06	767.26	0.08	972.47	0.11	1577.91	0.17	1314	0.18
	Total	26452.78	2.97	31610.82	3.26	36072.05	3.75	57199.52	4.62	47640	4.95

*upto December 2006

3618 persons were trained during the year 2005-06 while 2515 persons have been trained in 2006-07 (up to December 2006) in this Region including Sikkim.

7.2.8 A number of exclusive sales outlets are functioning for promotion of KVI products in NE Region. The State-wise numbers of such sales outlets are as under:

S.No	States	No. of sales outlets
1	Arunachal Pradesh	09
2	Assam	96
3	Manipur	09
4	Meghalaya	04
5	Mizoram	02
6	Nagaland	07
7	Tripura	02
8.	Sikkim	07
	Total	136

Annual Report
2006-07

7.3 RURAL EMPLOYMENT GENERATION PROGRAMME (REGP) IN NORTH EASTERN REGION (NER)

7.3.1 Under REGP, concessional facilities are extended to the weaker sections and to the entrepreneurs of the NER. Accordingly, 30

per cent margin money as against 25 per cent in the case of beneficiaries from general category general is provided to the entrepreneurs from this region. For setting up of projects in NE Region, own contribution from entrepreneur is only 5 per cent of the project cost as against 10 per cent in other areas.

7.3.2 Special attention has been given for implementation of REGP in NE States by providing additional funds for conducting workshops and awareness camps. 30 exhibitions for display and sale of products manufactured by REGP entrepreneurs were organised in the North East Zone during the year (up to December 2006).

7.4.3 During the first four years of the X Plan, 9440 projects have been set up generating 1,82,166 additional of employment opportunities. During the year 2006-07 (up to December 2006), the number of projects set up in the NE Region alongwith amount of Margin Money (MM) utilised and employment generated are as under:

Annual Report
2006-07

S.No.	States	Number of Projects	MM utilized (Rs. lakh)	Employment generated (No. of opportunities)
1	Arunachal Pradesh	70	118.30	664
2	Assam	1088	1051.28	18742
3	Manipur	11	10.01	73
4	Meghalaya	38	53.01	366
5	Mizoram	686	859.14	13964
6	Nagaland	179	122.87	2155
7	Tripura	11	9.72	172
8	Sikkim	36	38.10	683
	Total	2119	2262.43	36819

7.5 NEW INITIATIVES

7.5.1 To improve the technology used in the KVI sector as also the quality of products, the KVIC has entered into a tie-up arrangement with IIT Guwahati as part of its nation-wide programme for having S&T interfaces with reputed National level technical institutes. Following areas have been identified for taking up R&D Programmes in collaboration with IIT, Guwahati:

- Non-conventional Energy (Biogas Digester, Gasifier and Vermi Compost).
- Design and development in cane & bamboo.
- Packaging design for KVI products.
- Testing of KVI products.

7.5.2 The Indian Institute of Entrepreneurship (IIE), Guwahati has been recognized as the Nodal Agency for North Eastern Region with the objective to implement and monitor REGP projects being set up in North East Zone and imparting training to the REGP beneficiaries.

7.5.3 To and fro transportation charges have been provided to institutions and REGP entrepreneurs of North Eastern Region who are participating in the exhibitions, melas, etc, conducted in places other than North Eastern Region.

7.5.4 10 per cent space is reserved in all Departmental Khadi Gramodyog Bhawans for the products of the institutions in North Eastern Region for marketing the KVI products.

7.6 COIR BOARD IN THE NORTH EASTERN REGION

The Board is adopting a multifarious approach for the development of coir industry in North Eastern States for enhancing awareness of coir and coir products. As a result demand of coir and coir product is growing. All the infrastructural facilities are offered by the Board to new entrepreneurs to set up coir industrial units. Traditional as well as innovative products such as coir geo-textiles and coir-ply, which have special importance in the topography of the North-East, are also being introduced. Some of the important programmes being carried out in this region are as follows:

- a) Conduct of Entrepreneurship Development Programmes (EDP) for NGOs with special emphasis on marketing of coir products.
- b) Entrepreneurship Awareness Programme.
- c) New Enterprise creation Training Programme cum exposure tour.
- d) Seminars on application of coir geo-textiles
- e) Participation in fairs and exhibitions in NE States.
- f) Publicity programmes through electronic and print media.
- g) Demonstration of new products like disaster management houses, wood-substitutes etc. relevant to NE region.
- h) Research and Development Projects in collaboration with local institutions.
- i) Advertisement Campaign and Seminar on opportunities offered by coir industry.
- j) Free distribution of Coir Matting to Schools in the North-East.

Most of the programmes of the Board in the North east were well appreciated by the local population as well as the State Governments. The Board has been implementing its programmes in the North East by procuring the expertise of prestigious institutions like Indian Institute of Entrepreneurship (IIE), Guwahati, Regional Research Laboratory, Jorhat, the Times Group, etc. During the year, 2006-07, a total amount of Rs.47 lakh has been spent by Coir Board in NER till December 2006 against an allocation of Rs.100 lakh on various programmes and activities to popularize coir and coir products.

7.7 PRIME MINISTER'S ROZGAR YOJANA (PMRY)

7.7.1 As a part of the package for the North East States, certain parameters of the PMRY were relaxed in April 1998. These parameters include enhancement in family income ceiling from Rs. 24,000 per annum to Rs. 40,000 per annum, relaxation in upper age limit from 18-35 years to 18-40 years and expansion of PMRY to cover areas of Horticulture, Piggery, Fishing and Forestry so as to cover all economically viable activities. Subsequently, parameters of the scheme were modified for the entire country with special relaxation for the North Eastern States as under:

Annual Report
2006-07

7.8 SPECIAL RELAXATION FOR NORTH EASTERN STATES

7.8.1 **Eligible Age Limit** : The eligible age limit for North Eastern States is 18-40 years as compared to 18-35 years for rest of the country.

7.8.2 **Subsidy** : The subsidy is provided @ 15 per cent of the project cost subject to a ceiling of Rs. 15,000 per beneficiary (as compared to Rs. 7,500 per beneficiary in rest of the country).

7.8.3 Margin Money Contribution : The margin money contribution from the beneficiary varies from 5 per cent to 12.5 per cent of the project cost so as to make the total of subsidy and margin money contribution equal to 20 percent of the project cost in the North Eastern States (as compared to 5 per cent to 16.25 per cent in rest of the country).

7.9 PROGRESS OF THE SCHEME

The State-wise targets and the progress of the scheme in the North Eastern States during X Plan (upto November 2006) as reported by Reserve Bank of India (RBI) are at **Annex - VIII**.

7.10 CONTINGENCY FUNDS

The funds for contingency are released to the State/UTs @ Rs. 250/- per beneficiary who has been sanctioned loan. During 2002-03 to 2006-07, as on December 2006, an amount of Rs. 5.66 crore has been released to North Eastern States including Sikkim for training and contingency etc. State-wise details of funds released to North Eastern States including Sikkim from 2002-03, 2003-04, 2004-05, 2005-06 and 2006-07 (as on December 2006), are at **Annex - IX**.

SUMMARY OF THE C & AG REPORT

Rush of Expenditure during the month of March in 2004-05:

- 8.1 No paragraph appeared in C&AG's Audit Reports 2006 relating to Ministry of Agro and Rural Industries other than a mention alongwith similar comments of other Ministries in omnibus paragraph relating to rush of expenditure of Rs.1.16 crore from the amount of BE 2004-05 of Rs.1.61 crore under the head "6851 – Loans for Village and Small Industries" in Appendix VI-D relating to paragraph 6.10 of the Report No.1 of 2006 - Accounts of Union Government 2004-05.
- 8.2 The major portion i.e. Rs.1.13 crore of the total expenditure of Rs.1.16 crore released in the fourth quarter of 2004-05 relates to KVIC and the funds under Khadi Loan and VI Loan sub heads are released for the benefit of the institutions in the North Eastern States while HBA Loan is released to KVIC employees.
- 8.3 The reason for 72 per cent of expenditure under the loan being incurred in March 2005 as compared to total expenditure in the year is due to slow pace of expenditure resulting in retention balances during the first three quarters of 2004-05. Incidentally, total expenditure in respect of the Ministry (Plan and Non Plan) to the tune of Rs.782.60 crore was incurred during the year 2004-05. The expenditure of Rs.1.16 crore represents only marginal expenditure (0.148%) of the total expenditure. The ratio of expenditure would be controlled and conscious efforts have now been made to avoid rush of expenditure in the last quarter. KVIC and Coir Board have been cautioned and informed that the demand for release of funds would need to be restricted to 33 per cent of the plan budget in the last quarter of a year.

Chapter

8

Chapter

9

USE OF OFFICIAL LANGUAGE

9.1 Hindi is the Official Language of the Union of India and the Government policy is aimed at progressive use of Hindi in official work. Effective steps were taken during the year in the Ministry Agro and Rural Industries to ensure the compliance of the Official Language Policy of the Government, implement the annual programme and comply with the orders of the President on recommendations of the Committee of Parliament on Official Language. Consequently, there has been a constant progress in the use of Official Language in official work in all these offices.

9.2 COMPLIANCE TO SECTION 3 (3) OF THE OFFICIAL LANGUAGE ACT, 1963

All documents such as Resolutions, general orders, rules, licences falling under Section 3(3) of the Official Language Act and all papers laid on the Table of the Houses of Parliament were issued bilingually i.e. in Hindi and English. Some papers like general orders meant for departmental use were issued in Hindi only.

9.3 Replies to Hindi Letters

All letters received in Hindi were replied in Hindi only.

9.4 Correspondence in Hindi

Letters to State Governments, Union Territories and their offices and offices of the Central Government located in region 'A' and

'B' were issued in Hindi to the maximum extent possible. Similarly, efforts were also made to send letters in Hindi to Central Government offices located in region 'C' as per targets laid down in the Annual Programme. About 98 per cent correspondence were made in Hindi in region 'A', 95 per cent in region 'B' and 89 per cent in region 'C' up to the quarter ending December 2006.

9.5 Sections Specified for working in Hindi

Sections, notified for doing hundred per cent work in Hindi, are working satisfactorily.

9.6 MONITORING AND INSPECTIONS

In order to ensure compliance of the Official Language Policy, monitoring is done through quarterly progress reports in the meetings of the Official Language Implementation Committee etc. During the year, four Sections of the Ministry have been inspected with a view to ensuring use of Hindi and compliance of the Official Language Policy.

Annual Report
2006-07

9.7 HINDI TRAINING

All concerned officials of the Ministry have already been trained in Hindi typing and Hindi stenography. Ministry is already notified under the Official Language Rule 10(4) for the purpose.

9.8 MECHANICAL AIDS

As per provisions of Official Language Act bilingual mechanical facilities have been provided on mechanical equipment in the Ministry. Computers and terminals have also been installed as per requirement and facility to work in Hindi is also available on them.

9.9 COMMITTEES

- 9.9.1 To review the use of Hindi in the Ministry and to give advise to accelerate the use of Hindi, a Hindi Advisory Committee exists in the Ministry. The meeting of the said Committee was held on 15 September 2006. Follow up action on the decisions taken in this meeting to ensure improve the use of Hindi in official work have been made.
- 9.9.2 Departmental Official Language Implementation Committee under the chairmanship of Joint Secretary (In-charge-Hindi) in the Ministry of Small Scale Industries and Agro and Rural Industries has already been constituted. Quarterly meetings of these committees were held and decisions were taken regarding the use of Hindi in official work to ensure compliance of these decisions and follow up action.

9.10 HINDI MONTH

- 9.10.1 Hindi month was celebrated from 14 September 2006 to 13 October 2006 in the Ministry. To encourage and motivate the employees for doing maximum official work in Hindi, various competitions in Hindi were organised during this period. On the occasion of Hindi Month, the message the Cabinet Secretary was circulated to the officers / employees in the Ministry and also to the officer-in-charge in the Attached and Subordinate offices under the Ministry for information and compliance. During this period, competitions in Hindi typing, General Hindi, Hindi Dictation, General Hindi Knowledge, etc., were held and a large number of officers and employees participated in it with great enthusiasm.

VIGILANCE ACTIVITIES

10.1 The vigilance unit of the Ministry is headed by a Chief Vigilance Officer(CVO) of the rank of Joint Secretary appointed on the advice of the Central Vigilance Commission(CVC), who functions as the nodal officer in the vigilance set up of the Ministry. The secretariat assistance to the CVO in the Ministry of ARI is given by the Vigilance Desk of the Department of Industrial Policy & Promotion (DIPP) as the Ministry of ARI being a small Ministry does not have its own independent vigilance unit. The vigilance unit is, inter-alia, responsible for the following in respect of Ministry of Agro and Rural Industries (ARI) :

- identification of sensitive areas prone to malpractices/temptation and taking preventive measure to ensure integrity/efficiency in Government functioning;
- taking suitable action to achieve the targets fixed by the Department of Personnel & Training(DoPT) on anti-corruption measures;
- scrutiny of complaints and initiation of appropriate investigation measures;
- inspections and follow-up action on the same;
- furnishing the comments of the Ministry to the CVC on the investigation reports of the Central Bureau of Investigation(CBI);
- taking appropriate action in respect of departmental proceedings on the advice of the CVC;
- obtaining second stage advice of the CVC wherever necessary; and

Chapter

10

- obtaining the advice of the Union Public Service Commission(UPSC) in regard to the nature and quantum of penalty to be imposed wherever necessary.
- The files relating to the establishment/vigilance matters pertaining to the Ministry of ARI, Khadi and Village Industries Commission, Coir Board and Prime Minister's Rozgar Yojana (PMRY) are processed through Joint Secretary, Ministry of ARI.

10.2 COIR BOARD

- 10.2.1 The Coir Board, Cochin is a statutory body under Ministry of ARI. The Vigilance work in Coir Board, Cochin is looked after by a part-time Chief Vigilance Officer appointed with the concurrence of CVC.

10.3 KHADI AND VILLAGE INDUSTRIES COMMISSION, MUMBAI

- 10.3.1 The KVIC, Mumbai is a statutory organisation under the M/o ARI. The vigilance unit in KVIC is headed by a full-time Chief Vigilance Officer (CVO) appointed on the advice and concurrence of CVC.

10.4 PREVENTIVE VIGILANCE

- 10.4.1 Preventive vigilance continues to receive priority attention with emphasis on identification of areas sensitive/ prone to malpractices and temptation. The guidelines/instructions issued by the DoPT and CVC from time to time in this regard are followed. Action taken inter-alia includes the following:-
- i) Regular and surprise inspections are being carried out by the Departmental Security Officer of the Deptt. of IP&P as a whole

- ii) Strengthening of vigilance machinery by way of appointment of CVOs in the offices and organisation under the Ministry who look after the vigilance activities in the office/organization concerned. .
- iii) A strict watch is being kept on liaison men and on other persons. The departmental security instructions are reiterated from time to time for streamlining entry into the building.
- iv) As regards the identification of areas which are corruption prone in the Ministry of ARI, it may be stated that the Ministry does not issue licences /registrations.
- v) The cases of such of the officers who have attained the age of 50 years or have put in 30 years of service are reviewed under FR 56 (j) in order to assess their suitability to continue in service thereafter. The exercise is currently being done by the establishment division of the DIPP.
- vi) Steps to put an end to the practice of professional liaison men operating in the Ministry have been initiated and a fresh list of such unwanted liaison –men has been prepared. The entry system has been tightened and the enquiry-slip-system has been revitalised.
- vii) In order to make officers conscious of the provisions of Conduct Rules, concerned Rules/Instructions are reiterated from time to time to them.

Chapter 11

Citizens' Charter

11.1 This Charter is a declaration of the Ministry, incorporating policies, missions, commitments to the Micro and Small Enterprises and for the people of India in general.

11.2 MINISTRY OF AGRO AND RURAL INDUSTRIES

The Ministry of Agro and Rural Industries is responsible for designing and formulation of policy, for promoting the growth of village and cottage industries, tiny and micro enterprises in the country. The actual implementation of the policy is done by the Ministry through the Khadi and Village Industries Commission (KVIC) and the Coir Board. The Prime Minister's Rozgar Yojana (PMRY) of this Ministry is implemented through the District Industries Centres (DICs) of the States/Union Territories (UTs) and banks, in the rural areas as well as urban areas. The organizations of the Ministry have their own Citizen's Charter.

11.3 OUR MISSION

Our Mission is to support the village and cottage Industries, tiny and micro enterprises in both urban and rural areas and implementation of Prime Minister's Rozgar Yojana (PMRY) through an advocacy role with the various organisations of Government, by way of being provider of services to support ARI growth and by the management of programmes through Government and non-Government organisations for the benefit of village and cottage industries. Our objective is to promote, aid and foster growth of village and cottage

Industries, tiny and micro enterprises by providing them institutional support in the areas of marketing, export, technology upgradation, training and common facilities services. We aim at providing prompt service to citizens through our field agencies like KVIC/SIDO (Partly) so that the growth of these sectors is enhanced, quality of production is improved and more employment opportunities are generated.

11.4 OUR VALUES

We are committed to efficient and prompt service with transparency and courtesy in dealing with citizens.

11.5 OUR COMMITMENT

The Ministry will be dutiful, disciplined and will respect the right of entrepreneurs and associations. The Ministry will maintain and uphold the confidentiality of the personal and business information disclosed to it by citizens. To continuously review the provisions and enforcement of laws and regulations in consultation with associations and other groups which help the units.

Annual Report
2006-07

11.6 STANDARD FOR GENERAL PROCEDURE

The correspondence letters received by the Ministry will be acknowledged in 15 days.

11.7 RESPONSIBILITIES OF OUR CITIZENS

The Ministry expects continuous feed back from citizens on the quality of the services provided to them and on areas in which they expect improvements.

11.8 ASSESSING OUR PERFORMANCE

The Ministry will share its performance with citizens through the media. The Ministry will hold independent surveys on citizen's perceptions and assessment of our performance.

11.9 GUIDANCE AND HELP

The information and Facilitation Counter of the Ministry located on the Ground Floor, Gate No.4, Nirman Bhavan, New Delhi provides information on the services and activities of the Ministry and related organizations in the area of tiny, agro and rural industries and their growth. One can visit the counter or make phone calls to it on 011-23062219.

11.10 COMPLAINTS

In case of any complaint, one may telephone or send a letter or fax or visit our office. However, before lodging such complaint, one may, first of all, use the Information and Facilitation Counter of the Ministry. In case, one is not satisfied, they may take up the matter with the Grievance officer in this Ministry. The address and phone number of the Information and Facilitation Counter and the Grievance cell are:

- I) Information and Facilitation Counter
Gate No.4, Ground Floor,
Nirman Bhavan, New Delhi-110 011.
Tel.No.23062219

- II) Grievance Cell
Dy. Secretary, Ministry of ARI
Room No. 275-D, Udyog Bhavan,
New Delhi –110011
Tel. No.: 23062745

11.11 RIGHT TO INFORMATION (RTI) ACT

In order to promote transparency and accountability in the working of every public authority and to empower the citizens to secure access to information under the control of each public authority, the Government of India has brought out "The Right to Information Act, 2005". In accordance with the provisions of section 4(1) (b) of this Act, the Ministry of Agro and Rural Industries, Government of India has brought out a handbook for information and guidance of the stakeholders and the general public and hosted the same on the website of the Ministry i.e. www.ari.nic.in. In terms of section 5(2) of the Right to Information Act, 2005, Shri S.K. Arora, Dy. Secretary in the Ministry has been designated as Central Public Information Officer (CPIO) for all matters concerning the Ministry. The address and phone number of the CPIO is as under:

Shri S.K. Arora,
Dy. Secretary, Ministry of ARI
Room No. 321, Udyog Bhavan,
New Delhi –110011
Tel. No.: 23062736

Two organisations, namely, the Khadi and Village Industries Commission and the Coir Board, which come under the administrative control of this Ministry, have also designated their CPIOs in respect to their organizations and the field offices under them. The details of CPIOs designated by the KVIC and the Coir Board is available on their websites www.kvic.org.in and www.coir-india.com. The addresses and phone numbers of the CPIOs designated for the head offices of the KVIC and the Coir Board are as under:

- (i) Shri P.R. Brahmane,
Director,
KVIC, Central Office,
3, Irla Road, Vile Parle (West),
Mumbai - 400056.
Tel.: 022-26235728

Annual Report
2006-07

- (ii) Shri P. Ajid Kumar,
Joint Director,
Coir Board,
Coir House, M.G. Road,
Kochi - 682016.
Tel: 0484-2362751

Annual Report
2006-07

Details of Awardees Awarded in the National Convention and National Award Function

Sr.No.	Name of Artisans/workers in khadi sector
1.	Shri Abdul Hamid Shah, Munawarabad, Srinagar, Kashmir
2.	Smt. Chhaya Mondal, Dist. Malda (W.B.)
3.	Shri Palab Kumar Posti, Dist. Murshidabad (W.B.)
4.	Shri G. Palanisami, Virudhu Nagar (Tamilnadu)
5.	Shri Sita Ram Garg, Chappar (Rajasthan)
6.	Smt. Sabhapati Devi, Chapra, Dist. Saran (Bihar)
7.	Smt. Madugula Suryam, Dist. Srikakulam (AP)
8.	Kum. Selvi Chinnaiyan Alagu, Gandhigram, (Tamilnadu)
9.	Shri Nagin Narayan Salaria, Gandhi Ashram, Ahmedabad (Gujarat)
Name of artisans/workers in village industries sector	
10.	Smt. Ambu Gowri Bai, Sandur, Dist. Bellary (Karnataka)
11.	Shri Innayat Ali, Chinahat, Dist. Lucknow (U.P.)
12.	Shri Gangaram Kushwaha, Dist. Jalaun (U.P.)
13.	Smt. T. Fathima, Dist. Coimbatore (Tamilnadu)
Name of Khadi Institutions	
14.	Chandrakanta Lalit Mohan Resham Khadi Samiti, Dist. Murshidabad (West Bengal)
15.	Karnataka Khadi Gramodyog Samukta Sangh (Fed.), Benger, Hubli (Karnataka)
16.	Dakhin Marup Samagar Vikas Parishad, Dist: Kamrup (Assam)
17.	Gram Seva Mandal, Gopuri. Dist: Wardha (Maharashtra)
18.	Adarsh Gramodyog Samiti, Tri-Nagar, Delhi.
19.	Gram Seva Sansthan, Dist. Fatehpur (U.P.)
20.	Kerala Khadi and Village Industries Association, Dist. Trissur (Kerala)
21.	Central Sliver Plant, Dist: Chitradurga (Karnataka)
Name of Village Industries Institutions	
22.	Shiva Gramodyog Sansthan, Dist: Kanpur (U.P.)
23.	Amba Samudram Sarvodaya Sangh, Dist Veeravanallur (Tamilnadu)
24.	Manav Gramodyog Mandal, Dist. Kanpur (U.P.)
25.	Gramodaya Sangh, Dist. Chandrapur (Maharashtra)

Name of REGP Entrepreneurs	
26.	Smt. Vibha Jindal, Ambala Cantonment (Haryana)
27.	Mrs. Amina Begum, Dist.North 24 Parganas (West Bengal)
28.	Shri Karunakaran Babu, P.O.Kollam (Kerala)
29.	Shri R.Palaneeswar, Dist:Virudhunagar (Tamilnadu)
30.	Shri Kushal Anand Agarwal, Dist.Khurda (Orissa)
31.	Mrs. Neeta Burman, Dist: Indore (Madhya Pradesh)
32.	Mr. James Anthony Syiemiong, Theodore, Shillong (Meghalaya)
33.	Shri Uttam Kumar Paul, Dist.North 24 Parganas (West Bengal)
34.	Shri Vivek Magar Sangal, Dist Amravati (Maharashtra)
36.	Shri Malaya Kuma Samalya,Dist:Jajpur (Orissa)
Name of the workers in coir sector	
37.	Shri K.M. Shaji, M/s. D.C. Mills (P) Ltd., Alleppey
38.	Sh. P.J. Xavier, M/s. Kerala Balers (P) Ltd., Alleppey
39.	Smt. C. Renuka, M/s. Palm Fibres (India) Pvt. Ltd., Alleppey.
40.	Shri Kandha Swamy, M/s. Alleppey Company Ltd., Alleppey
41.	Shri T. Aniyam, M/s. William Goodacre & Sons, Alleppey
42.	Shri N. Mohanan, M/s. Koncherry Weavers Pvt. Ltd., Alleppey
43.	Shri V.T. Shibu Joseph, M/s. Kerafibertex International (P) Ltd., Kochi
44.	Shri V.M. Shine, M/s. Fibreworld, Alleppey
45.	Shri F. Charles, M/s. Shivanthi Joe Coirs, Tuticorin, Tamil Nadu
46.	Shri R. Mahendra Kumar, M/s. Travancore Coco Tuft Pvt. Ltd., Mayithara, Shertallai.

Annex - II

State wise details of clusters selected to be developed under SFURTI

SI No.	Name of the State	Name & location of the cluster	Name of the activity	Name of the I.A.
KHADI CLUSTER				
Jammu and Kashmir				
1	Srinagar	Bandipora Woollen Khadi Cluster	Wool khadi production (Tweeds, Chaddar, Shawls, Hosiery, Namda, Pashmina)	Kashmir Khadi Sangh, Srinagar
2	Pulwama	Bandipora Wollen Khadi Cluster	Wool khadi production (Chaddar, Shawls, Dresses Namda, Hosiery and Tweeds)	Bhartiya Khadi Ashram
Himachal Pradesh				
3	Kullu	Tenurpur Woollen Khadi Cluster	Wool khadi production (Tweeds, Chaddar, Shawls)	Himachal Khadi Mandal, Kullu
Haryana				
4	Kurukshetra	Kurukshetra Cotton Khadi Cluster	Cotton khadi (Towel, Dari, Bed dari)	Khadi Gramodyog Mandal, Kurukshetra
Punjab				
5	Amritsar	Amritsar Woollen Khadi Cluster	Production of merino wool and desi wool (Shirting, Coating, Tweed, Hosiery, Readymade Garments, Blankets, Namda)	Kshetriya Shri Gandhi Ashram, Amritsar Rajasthan
6	Bassi	Bassi Khadi Cluster	Cotton Khadi and Polyvastra (Shirting, Coating, Bedsheets, Dari)	Khadi Gramodyog Saghan Vikas Samiti, Bassi
7	Bikaner	Bikaner Khadi Cluster	Cotton khadi (Dari, Shirting, Coating, Bedsheets, Towels, Dusters)	Khadi Mandir, Bikaner
Uttaranchal				
8	Haldwani	Haldwani Khadi Cluster	Cotton, silk, wool and Polyvastra (Shirting, Coating, Sarees, Bedsheets, Daris, Blankets, etc.)	Kshetriya Shri Gandhi Ashram, Haldwani

Madhya Pradesh				
9	Tikamgarh	Tikamgarh Khadi Cluster	Woollen, Silk, Polyvastra and Cotton (Daris, Poly Khadi, Bedsheets, Towels, Dusters, Silk Sarees)	Khadi Ashram, Tikamgarh
Gujarat				
10	Rajkot	Cotton Khadi Cluster	Cotton khadi production (Daris, Poly khadi, Bedsheets, Towels, Dusters, Silk Patola Sarees)	Saurashtra Rachanatmak Samiti, Rajkot
Maharashtra				
11	Nanded	Swami Ramanand Tirth Khadi Cluster	Khadi and Polyvastra (Daris, Poly khadi, Bedsheets, Towels, Dusters)	Marathwada Khadi Samiti, Nanded
Karnataka				
12	Hubli	Belur Khadi Cluster	Cotton Khadi Polyvastra and muslin production.(Cotton khadi, silk khadi, National Flag, muslin shirting, poly silk shirting DT and bunting)	Karnataka Khadi Gramodyog Sangh, Hubli
13	Dharwad	Hebbally Cotton Khadi Cluster	Cotton Khadi and Polyvastra (Lungies, Towels, Bedsheets, Dress Materials, DT* khadi for National Flag, ST** khadi).	Dharwad Taluka Hebbally Kshetriya Seva Sangh
Andhra Pradesh				
14	Srikakulam	Srikakulam Cotton Khadi Cluster	Cotton khadi	Gram Swarajya Sangha, Srikakulam
15	Metpalli	Sircilla Khadi Cluster	Cotton khadi and silk (Cotton khadi, silk khadi, DT, ST Muslin, Shirtings, Buntings).	Metpalli Khadi Gramodyog Pratisthan, Metpalli
Tamil Nadu				
16	Tirunelveli	Sankarankovil Khadi Cluster	Cotton and silk khadi (Dhoties, Handkarchiefs, Bedsheets, Sarees, Checked Lungies, Readymade items)	Sankarankovil Sarvodaya Sangh, Sankarankovil
17	Coimbatore	Sulur Khadi Cluster	Cotton Khadi and Polyvastra (Shirting, Dhoties, Towels, Silk Sarees, Bedsheets, Pillow Covers and Chaddars).	Tamil Nadu Khadi & V.I. Board, Chennai
Pondichery				
18	Pondicherry Dist.	Pondicherry Khadi Cluster	Cotton and Silk (Cotton Khadi, Silk Khadi, Shirtings, Sarees, Towels, Dhoties and Lungies)	Pondicherry Sarvodaya Sangh & Pondicherry Khadi & V.I. Board.

Kerala				
19	Ernakulam	Thalappilly Cotton Khadi Cluster Towels)	Cotton and muslin (Cotton Dhoties, Bedsheets, Shirts, Lungies, Coatings and Kerala Khadi & VI Association, Cochin	
20	Thiruvananthapuram	Thiruvananthapuram Khadi Cluster	Cotton, muslin and polyvastra Dhoties, Bedsheets, Shirts, Coatings, Kupaddam and Towels)	Kerala Khadi & VI Board, Thiruvananthapuram
Bihar				
21	Gaya	Nawadah Khadi Cluster	Cotton khadi (Cotton Dhoties, Chaddars, Gamchas, Thans)	Gram Nirman Mandal, Gaya
22	Ranchi	Palamu Khadi Cluster	Khadi, Polyvastra and Wool (Woollen Blankets, Ashani, Kambal Patti, Cotton Khadi)	Jharkhand Chotanagpur Khadi Gramodyog Sansthan, Tiril
West Bengal				
23	Murshidabad and Birbhum	Behrampur (Jangipur) Cotton Khadi Cluster	Cotton and Silk Khadi (Silk Khadi Fabric, Cotton Khadi, Muslin Yarn, Silk Yarn, Cotton and Muslin products)	Bharat Khadi Sewak Sangh, Murshidabad
24	Malda	Malda Khadi Cluster	Silk (Silk Sarees, Shirtings, Garad, Silk Tie, Spun varieties)	Diamond Silk Khadi Society, Sujapur, Malda
Assam				
25	Nalbari	Mukalmua Silk Khadi Cluster	Production of Eri Silk, Muga Silk and pat Silk products	Barkhetri Unnayan Samity
Nagaland				
26	Dimapur	Dimapur Khadi Cluster	Endi Silk, Muga Silk, Endi Shirting, Endi Chaddars, Endi shawls	Nagaland Khadi & VI Sangh
Uttar Pradesh				
27	Gorakhpur	Gorakhpur Cotton Khadi Cluster	Production of khadi garments	Kshetriya Shree Gandhi Ashram Gorakhpur
28	Sultanpur	Tikarafi Woollen & Cotton Khadi Cluster	Wool (Woollen Blankets, Shawls etc.)	Kshetriya Shri Ganhdi Ashram, Sultanpur, UPKVIB
29	Saharanpur	Saharanpur, Cotton Khadi Cluster	Cotton and Polyvastra (Dari, Shirts, Coating, Bed Sheets, Towels, etc.)	Kshetriya Shri Gandhi Ashram Saharanpur

Sl. No.	Location of the cluster	Name of the activity	Name of the I.A.
II. VILLAGE INDUSTRY CLUSTER			
ANDHRA PRADESH			
1	East Godavari	Putharekulu (Paper Sweet) Manufacturing	APITCO Ltd.
2	Anantapur	Agarbatti	Shree Neelakanteswari Khadi Silk Gramodyog Sanstha
3	Chittoor	Wood Carving	KALASRUTI
ASSAM			
4	Barpeta	Cane & Bamboo Crafts	Anchalik Gram Unayan Parishad
BIHAR			
5	Muzaffarpur	Bee Keeping cluster	Tirhut Dugdh Utpadak Sahakari Sangh Ltd.
GOA			
6	North Goa	Fruit and Vegetable Processing	Nirmal Vishwa
HARYANA			
7	Yamuna Nagar	Handmade Paper	Khadi Ashram, Ram Nagar, Karnal, Haryana
HIMACHAL PRADESH			
8	Una	Plant Fiber	Society for Advancement of Village Economy (SAVE)
JAMMU & KASHMIR			
9	Baramulla	Namda, Gabba, Embroidery/ Crewal /Carding/Dying & Finishing	Hurmukh Khadi Gram Udyog Sansthan, Srinagar
MAHARASHTRA			
10	Sindhudurg	Food Processing	Konkan Nisarga Manch, Sindhudurg
ORISSA			
11	Ganjam	Agarbatti	APITCO Ltd.
RAJASTHAN			
12	Dausa	Stone Craft	Details to be obtained from State Government.
TAMILNADU			
13	Thanjavur	Brass Metal	Thanjavur West Sarvodaya Sangh
14	Dindigul	Siddha & Ayurveda	Medicines Lakshmi Seva Sangam, Gandhigram
UTTARANCHAL			
15	Chamoli	Bee Keeping	Dasoli Gram Swarjya Mandal, Gopeshwar, Chamoli

UTTAR PRADESH			
16	Lucknow	Pottery	Khadi Gramodyog Sewa Sansthan, Chinhat, Lucknow
17	Kanpur Dehat	Leather Goods	Tarun Gramodaya Vikas Samiti, Kanpur
TRIPURA			
18	Tripura West	Bamboo Products	Tripura Bamboo and cane Development Center (TRIBAC)
WEST BENGAL			
19	Jalpaiguri	Bamboo Products	Khagrabari Rural Energy Development Association (KREDA)
UTTAR PRADESH			
20.	Pratapgarh Amla Processing (Project APSARA), Pratapgarh	Jam, Pickle, Chawanprash, Amla	Center of Technology & Entrepreneurship Development, Sultanpur
21.	Kannauj Agarbathi Cluster, Lucknow	Perfume, Agarbathi, Dhoopbati	Chakor Gramodyog Sewa Sansthan
22.	Moradabad, Uttar Pradesh	Horns and bone products	Rudhayan Gram Vikas Ashram
CHHATTISGARH			
23.	Ektal Bell Metal Cluster (Dhokra Casting), Raigarh	Dhokra Casting, Bell Metal Ware by process of Hot Wax casting	Chhattisgarh Center for Entrepreneurship Development, Chhattisgarh
WEST BENGAL			
24.	North 24 Paragannas Bee Keeping Cluster	Honey production	West Bengal Bee Keeper's Association
ANDHRA PRADESH			
25.	Dolphin Terracotta Tiles Cluster, Vizianagaram	Red Clay Tiles	Dolphin Roofing Tiles Co-operative Society Ltd., Vizianagaram Distt.
KARNATAKA			
26.	Chamarajnagar Sisal Fibre Cluster, Chamarajnagar	Table mats, Footmats, Runners, Penstand Fibre extract from leaves from plant	IDPMS, Bangalore
27.	Mysore Wood Work, Mysore	Wooden Toys, Table ware & decorative items	Karnataka Handicrafts Artisans Welfare Association, Mysore
TAMIL NADU			
28.	Kanyakumari Pottery Cluster	Curi Pot, Round Pot, Garden Pot	Centre for Social Development Nagercoil, Tamil Nadu
MAHARASHTRA			
29.	Gadchiroli Pottery Cluster	Traditional Pottery	Gramodaya Sangh, Bhadravati

KERALA			
30.	Kalpetta Bamboo craft Cluster, Wayanad	Different Bamboo products like Lamp Shed, (Bamboo Sticks, Basket, Candle Stand, Hair clip)	Uravu Indigenous Science & Technology Study Center, Wayanad
31.	Bee Keeping Industry	Processing of Honey & Honey Processing, Kozhikode	Kozhikode Sarvodaya Sangh, Kerala
PUNJAB			
32.	Phulkari Cluster, Patiala	Suits, Phulkari Folder, Phulkari Jacket, Hand Fans	The Patiala Handicraft W. Co Ind Society Ltd.
33.	Wooden handicrafts	Decorative items, Multiple use boxes, cluster, Hoshiarpur Jewellery boxes	The Rural Environmental Enterprises Development Society, Hoshiarpur.
MADHYA PRADESH			
34.	Balaghat Bamboo crafts Cluster, Balaghat	Bamboo Furniture, Accessories like lamp, flower-wase etc.,	Madhya Pradesh State Minor Forest (Tr. & Dev.) Co-operative Federation Ltd., Bhopal
35.	Lac Cluster Hoshangabad	Stick lac, Processed lac, Seed lac	Jilla Vanopaj Sangh, Hoshangabad
ORISSA			
36.	Umri Leather Cluster, Koraput	Raw Skin (Ox, Buff, Bone, Horn)	Dr. Ambedkar Leather Industrial Co. Op. Soc. Ltd.
BIHAR			
37.	Mehsi-River Shell Button Cluster, East Champaran	Button, Chips, Jewellery items & decorative items	Gopal Gani Zilla Khadi Gramodog Sangh
GUJARAT			
38.	Neera Cluster, Valsad	Production of Neera	Gujarat Neera & Talpadarth Gramodyog Sangh, Valsad
RAJASTHAN			
39.	Bikaner	Textile Crafts Cluster	Hastshilp, (A society for Handicrafts)
HARYANA			
40.	Bhiwani, Haryana	Wooden Beads Cluster	Gramin Sewa Mandal, Daya, Hissar
ASSAM			
41.	Lakhimani Cane & Bamboo Cluster, Dhubri	Bamboo Products	Gauripur Vivekananda Club
42.	Nalbari Cane & Bamboo Khadi Cluster	Bamboo Products	Barnarddi Grama Unnayan Samiti, Nalbari
ARUNACHAL PRADESH			
43.	Ziro Traditional Dress Making Cluster	Traditional Dress making	Arun Kutir Udyog Cooperative Society, Lower Subansiri

44.	Cane & Bamboo Clusters, Aizwal	Cane & Bamboo Products	Hnam Chhantu Pawl, Aizwal
MEGHALAYA			
45.	Development of Traditional Bamboo & Handicrafts, Jaintia Hills	Bamboo Products, Dry Flower manufacturing	Women's Group & Handicraft Multipurpose Co-Operative Ltd, Mawkyndeng, Meghalaya
MANIPUR			
46.	Carpentry Cluster, Thoubal Dist	Carpentry products like Dining Tables, Chairs, Looms, Cots, Dressing Table & Tools	Volunteers for Rural Health & Action (VORHA), Manipur

Note: In addition 4 clusters have also been approved, in principle from the States of Tripura, Sikkim, Nagaland and Jharkhand.

Sl. No.	Name of the State	Nature of activity, name of cluster & location	Name of I.A.
III. COIR CLUSTERS			
1	Kerala	Fibre extraction and spinning Chirayinkeezhu Coir Cluster, Thiruvananthapuram District	Coir Project Office, Chirayinkeezhu
2		Fibre extraction and spinning Beypore Coir cluster, Kozhikode District	Coir Project Office, Kozhikode
3		Fibre extraction and spinning Mangad Coir Cluster, Kollam District	Coir Project Office, Kollam
4		Fibre extraction and spinning Vembanadu Coir Cluster, Kottayam District	Coir Project Office, Kottayam
5	Tamil Nadu	Fibre extraction and spinning, Salem Coir Cluster, Salem District	District Industries Centre, Salem
6		Fibre extraction, Spinning and product manufacturining Singampuneri Coir Cluster, Sivagangai District	District Industries Centre, Sivagangai
7		Fibre extraction and spinning Periyakulam Coir Cluster, Theni	District Industries Centre, Theni
8		Fibre extraction, spinning and product manufacturing Pattukottai Coir Cluster, Thanjavur District	District Industries Centre, Thanjavur
9		Fibre extraction, spinning and product manufacturing Cuddalore Coir Cluster, Cuddalore District	District Industries Centre, Cuddalore
10		Fibre extraction, spinning and curled coir, Vellore Coir Cluster, Vellore District	District Industries Centre, Vellore
11	Karnataka	Fibre extraction, spinning, pith manure and product manufacturing Hassan Coir Cluster, Hassan District	Karnataka State Coir Co-operative Federation Ltd., Bangalore
12		Fibre extraction, spinning and product manufacturing Channapattanam Coir Cluster, Bangalore Rural District	Karnataka State Coir Development Corporation Ltd., Bangalore

13		Fibre extraction, spinning and product manufacturing Gubbi Coir Cluster, Tumkur District	Karnataka State Coir Co-operative Federation, Bangalore
14		Fibre extraction, spinning, pith manure and product manufacturing Arsikere Coir Cluster, Hassan District	Karnataka State Coir Co-operative Federation, Bangalore
15	Andhra Pradesh	Fibre extraction, spinning and product manufacturing Coir Cluster, East Godawari District	APITCO Ltd., Hyderabad
16		Fibre extraction, spinning and rope making Srikakulam Coir Cluster, Srikakulam District	APITCO Ltd., Hyderabad
17	Orissa	Fibre extraction, spinning and product manufacturing Alanahat Coir Cluster, Jagatsinghpur District	Orissa Co-operative Coir Corporation Ltd.
18		** Fibre extraction: Rope, Yarn, Mats, Broom and Toys making Sakhigopal Coir Cluster, Puri District	The Orissa Cooperative Coir Corporation Ltd.
19	Goa	Spinning and product manufacturing Morgim Coir Cluster, North Goa District	State Directorate of Craftsman Training
20	Lakshadweep	Fibre extraction, spinning and product manufacturing Androth Coir Cluster, UT of Lakshadweep	Director of Industries, UT of Lakshadweep, Kavaratti
21	Pondicherry	Fibre extraction, spinning and product manufacturing Pondicherry Coir Cluster, Pondicherry District	Pondicherry Pudumai Handicrafts Artisans Co-operative society Ltd.
22.	Assam	Collection of Husk, Fibre Extraction, Spinning, Dying & Crushed Coir, Manas Coir Cluster Development Society	Barnarddi Gram Unnayan Samiti, Guwahati
23.	West Bengal	Coir Yarn, Door Mats, Coir Mattress & Rough Fibre, Dhanchetbria Coir Cluster, South 24 Paraganas	M/s Bartala Human Welfare Education Society, South 24 Paraganas
24.	Gujarat	Coir Mats, Rope, Coir Garden Articles, etc, Mahuva Coir Cluster	Shri Guruji Educational and Charitable Trust, Bhavnagar, Gujarat
25.	Andaman & Nicobar	Coir Fibre, Coir Matting Coco Logs, Coir PVC, etc. Rangat-Middle Andaman Coir Cluster	A&N Integrated Development Corporation

Name of the Technical Agencies Selected Under SFURTI

Sl. No.	Name of Technical Agencies	Location
1.	Cluster Pulse	Ahmedabad
2.	MITCON Consultancy Service Ltd.	Pune
3.	NABARD Consultancy Services	Mumbai
4.	ITCOT Consultancy and Services Ltd.	Chennai
5.	TERI (The Energy and Resource Institute)	New Delhi
6.	North Eastern Industries Consultants Ltd.	Tripura
7.	West Bengal Consultancy Organisation Ltd. (WEBCON)	Kolkata
8.	Indian School of Livelihood Promotion (ISLP), Indore.	Indore
9.	Xavier Institute of Social Services	Ranchi
10.	Xavier Institute of Management Bhubaneswar	Bhubaneswar.
11.	Indian Institute of Forest Management (IIFM)	Bhopal
12.	Institute of Rural Management (IRM)	Anand
13.	Entrepreneurship Development Institute of India (EDII)	Ahmedabad
14.	National Institute of Entrepreneurship Small Business Development (NIESBUD)	Noida
15.	National Institute for Small Industries Extension Training (NISJET)	Hyderabad
16.	Indian Institute of Entrepreneurship (IIE)	Guwahati

Modalities of Pilot Schemes as Alternatives to Sales Rebate Scheme in Respect of Khadi & Polyvastra.

Pilot Scheme – 1: Subsidy on Raw – Material

1. Khadi institutions to run pilot scheme:-
 - a) Gandhigram Khadi & V.I. Public Charitable Trust, Madurai (Tamilnadu)
 - b) Gram Nirman Mandal, Gaya (Bihar)
 - c) Jan Seva Ashram, Varanasi (UP)
 - d) Khadi Gramodyog Sangh Samanvaya, Rajkot (Gujarat)
 - e) Sarvoday Ashram, Etah (UP)

1. Duration of the pilot Scheme: 2006-07 to 2008-09

2. Mid-term review:
 - a) October 2006
 - b) April 2007
3. Objectives of the pilot scheme:
 - a) Subsidy directed at artisans.
 - b) Incentive for artisans to grow into entrepreneurs rather than mere wage earners.
 - c) Expansion of production, sales & employment potential

4. Scope of the pilot scheme:

Spinners and weavers already registered with the khadi institution (s) and also those new spinners and weavers that may be added.

5. Basis of Subsidy:
 - a) Procurement of roving from Central Sliver Plants of the KVIC and supply of the roving to the spinners – reckoning period: April 2006 to March 2007 and April 2007 to March 2008.

- b) Procurement of roving from own in-house processing facility & supply of roving to the spinners – reckoning period: April 2006 to March 2007 and April 2007 to March 2008.
- c) Subsidy rate related to selling prices of rovings ex-CSP as determined on the principle of raw material cost + actual conversion cost + 3% service charge. However if the production cost of roving in the in-house facility of the institution is lower than the production cost in the CSP, the amount of subsidy on raw material would be restricted to the average cost between the two sources, provided the supply of raw material to the spinners is also made by the institution at the same average cost.

Typical costing of 10 metres khadi of 40 – 45 count

Sr. No	Cost components	Rebate Module	40% subsidy on Raw-material Cost Module
1	Cost of Rovings	127.00	76.00
1.	Spinning wages (60 hanks X 1.20)	72.00	72.00
2.	Value of yarn	199.00	148.00
3.	Weaving Wage	66.00	66.00
4.	Artisan Welfare Fund @12% of 2 & 4	17.00	17.00
5.	Incentive Wage @ 10% of 2& 4	14.00	14.00
6.	Cost of Grey Khadi (3 to 6)	296.00	245.00
7.	Cost of bleaching @ 8%	24.00	20.00
8.	Misc. Cost @ 8%	24.00	20.00
9.	Prime Cost (7+8+9)	344.00	285.00
10.	Trading Margin @ 3%	10.00	9.00
11.	Publicity @ 0.5% of 10	2.00	2.00
12.	Insurance @ 1% of 10	4.00	3.00
13.	Interest @ 5.5% of 10	19.00	16.00
14.	Cost of Production	379.00	315.00
15.	Establishment Margin @ 20%	76.00	63.00
16.	Selling Price	455.00	378.00
17.	Rebate @ 18% average	82.00	—
18.	Net Selling Price	373.00	378.00
		or Rs.37/- per metre	or Rs.38/- per metre

- d) The rate of subsidy relating to costing of khadi shall be restricted in such a way that selling prices between rebate regime & raw material subsidy regime are more or less equal.

6. Claim/Payment Procedure:

- a) Central Sliver Plant (CSP) to be the nodal agency for administration of subsidy in respect of both 6 (a) & 6(b) above
- b) CSP will supply roving to the institution(s) on the basis of quarterly indents to be placed by the institutions 15 days in advance of the commencement of the quarter.
- c) CSP will supply roving to the institution(s) at subsidised price @ 40% of the cost of roving & claim the difference between prevailing selling price minus subsidised price from KVIC. (Directorate of KRM) on quarterly basis.
- d) KVIC (Directorate of KRM) will process the claim & make remittances to the CSP in accordance with procedure to be established by him.

8. Head of Expenditure: Khadi Grant Allocation.

Pilot Scheme –2: MDA as approved by the Ministry

1. Khadi Institutions to run pilot scheme:-
 - (i) Khadi Gramodyog Bhawan, Goa
 - (ii) Vinoba Seva Samiti, Jaipur (Rajasthan)
 - (iii) Natraj Khadi Shilpa Samiti, Burdwan (West Bengal)
 - (iv) Khadi Gramodyog Samiti, Koikuntla Kumool (Andhra Pradesh)
 - (v) Sushila Gramodyog Sansthan, Gaziabad (Uttar Pradesh)

2. Duration of the pilot scheme: 2006-07 to 2008-09

3. Mid-term review: -
 - a) October 2006
 - b) April 2007

4. Objectives of the pilot scheme: -
 - (a) Adoption of total marketing approach so that Khadi sells on its merit in a wider market.
 - (b) Reduction of dependence on rebate as the only factor enabling sales.
 - (c) Production orientation towards marketability in a competitive environment
 - (d) Freedom from the rigidities of cost-chart

GUIDELINES FOR IMPLEMENTING MDA

(a) Introduction

Government of India vide its Resolution dated 5th October, 2000 constituted a Committee under the Chairmanship of Shri. K.C. Pant, Deputy Chairman, Planning Commission to suggest suitable measures for strengthening the Khadi and Village Industries Sector. The recommendations of the Committee, which were announced in May 2001, inter-alia proposed that Market Development Assistance @ 20% of the retail sales turn over be introduced. The MDA regime will be introduced uniformly in above selected khadi institutions w.e.f. 01-04-2006.

(b) Rate of M.D.A.

As per the recommendations of the Pant Committee, MDA @ 20% of retail sales turn over as on 31-03-2005 and a 20% on incremental sales will be introduced uniformly w.e.f. 01-04-2006. The Central Certification Committee would also take a fresh look at Khadi Costing so as to cover the interest of artisans, consumers and Khadi institutions. However, if the MDA dispensation is not found to be successful, in that case re-introduction of rebate regime in subsequent years may be considered.

(c) Definition of retail sales.

Retail sales refer to such sales of Khadi as are made to individual customers or bulk customers who do not engage in reselling the product further. Such of the retail sales turnover of Khadi and Polyvastra as it is made in bulk to Government Organizations, Companies, Schools and Colleges, institutions other than Khadi Institutions will be treated as retail sales for the purpose of MDA provided that the sales proceeds are collected by way of Demand Draft and or Account Payee Cheques. The provisions or receiving payments against sales made in bulk to Government Organizations, Companies, Schools, Colleges, etc. by means of Demand draft or Account Payee Cheques is prescribed in order to guard against transaction on paper between the Khadi institutions on the one hand and the bulk purchasers of Khadi on the other.

Further under MDA scheme, seasonal rebate/discount will not be permitted on sales of any khadi fabric with sales price of Rs.300/- or more per meter, ready to Use Khadi items costing Rs.1500/- or more and durries and carpets where the sale price of the product is Rs.300/- per sq. meter or more. These ceilings will be revised every three years.

Such of the Khadi and polyvastra sales as are made by way of exports either directly by Khadi institutions or through other channels will not be eligible for MDA grant. Exports are, in a way, in the category of wholesales and do not fall within the meaning of retail sales to customers. As in the case of rebate regime, in the case of MDA also, such sales are to be kept out of the purview of MDA, as there is an existing incentive scheme for direct export sales of khadi and Village Industries goods.

(d) Purposes for utilization of MDA Grant.

The MDA grant shall be used for the following specified purposes:

- a) Providing seasonal discount to spur sales and/or to liquidate old stocks,
- b) Purchase/hire of premises for locating sales outlets and modernization of outlets including air conditioning wherever necessary.

- c) Advertisement & Publicity campaign,
- d) Introduction of new designs under tie up with freelance designers and NIFT, NID, and such other reputed institutions.
- e) Consultancy for market promotion, training, research and development.
- f) Computerization of production and sales account, inventory management including development of bar code system for each product.

Provided that not more than 50% of such total MDA grant shall be used for providing seasonal discount to spur sales and/or to liquidate old stocks.

- (e) **State Level Mechanism for utilization of MDA Grant.**
Even though the MDA Scheme provides for flexibility in utilizing MDA grant for the purposes specified in Para 4 above, in order to ensure that adequate attention is paid to all the needs of Khadi Development Programme, the State Level mechanism will decide the manner in which the grant is utilized by the institutions so that the segments of expenditure are taken care of. The State Level mechanism will be the usual State Level Budget Team of KVIC which at the time of discussing the annual budget of the institutions will also indicate in consultation with the individual institutions the proportion of expenditure on the six heads. Such a determination will form part of the record note of budget discussions as agreed to by the individual institutions, which shall later – be adopted by the Managing Committee of the institutions by way of a resolution.
- (f) **Calculation of MDA**
The MDA grant will be allowed on reimbursement basis on the retail sales turn over achieved by the Khadi institutions’ during the preceding six months of the concerned financial year. MDA grant, which the institution can avail on half yearly claim basis will be calculated on the basis of retail sales turn over achieved by them during the preceding six months.
- (g) **Half- Yearly Claim**
In view of the practical difficulties, half yearly claims shall be made by the institutions and accordingly half yearly settlement of claims shall be made by the Commission on reimbursement basis as per the following schedule.

Period	Date of MDA claim from khadi institutions
April to September	31 st October
October to March	31 st March

(h) Documentation for MDA claim

The MDA shall be disbursed to the eligible institutions on their submission of detailed applications as per the format prescribed by the Khadi and Village Industries Commission for claiming of MDA and any other documents, as may be prescribed by the Commission.

7. Audit

The existing system of spot audit will not apply in respect of the MDA Grant. However, each half yearly claim that the institution will lodge with the KVIC shall be accompanied by an Utilization Certificate of the institution's Chartered Accountant. However, the KVIC will, on such a basis as it may choose from time to time, carry out spot audit of the Khadi institutions as a measure of necessary checks and balances against any irregularity either in claiming MDA grant or in utilizing it or both. The KVIC would reserve its right for test check and in any case of gross misutilisation, it may order complete audit of accounts of the Khadi institutions/Khadi & Village Industries Boards".

Pilot Scheme –3: Liberalised MDA scheme

1. Khadi Institutions to run pilot scheme:-
 - (i) Seva Niketan, Etah (U.P.)
 - (ii) Adarsh Gramodyog Samiti, Delhi
 - (iii) Kshetriya Shri Gandhi Ashram, Lucknow (U.P.)
 - (iv) Bombay Khadi & V.I.Association, Mumbai
 - (v) Khadi Gramodyog Bhavan, New Delhi

2. Duration of the pilot scheme: 2006-07 to 2008-09

3. Mid-term review: -
 - a) October 2006
 - c) April 2007

4. Objectives of the pilot scheme: -
 - (a) Adoption of total marketing approach so that Khadi sells on its merit in a wider market.
 - (b) Reduction of dependence on rebate as the only factor enabling sales.
 - (c) Production orientation towards marketability in a competitive environment
 - (d) Freedom from the rigidities of cost-chart

GUIDELINES FOR IMPLEMENTING MDA

1. Introduction

Government of India vide its Resolution dated 5th October, 2000 constituted a Committee under the Chairmanship of Shri. K.C. Pant, Deputy Chairman, Planning Commission to suggest suitable measures for strengthening the Khadi and Village Industries Sector. The recommendations of the Committee, which were announced in May 2001, inter-alia proposed that Market Development Assistance @ 20% of the retail sales turn over be introduced. The MDA regime will be introduced uniformly for all the khadi institutions w.e.f. 01-04-2004

2. Rate of M.D.A.

MDA @ 20% of retail sales turn over as on 31-03-2005 and a 20% on incremental sales will be introduced uniformly w.e.f. 01-04-2006. No cost chart would be applicable for the institution opting for this scheme. However, Central Certification Committee would devise new methods to ensure the quality/genuineness of khadi products and the interest of khadi spinners, weavers, workers and other artisans working with the institution. The MDA dispensation will be uniformly applicable in the case of all khadi institutions certified by KVIC and categorized as 'A', 'B' & 'C'. However, if the MDA dispensation is not found to be successful, in that case re-introduction of rebate regime in subsequent years may be considered.

3. Definition of retail sales.

Retail sales refer to such sales of Khadi as are made to individual customers or bulk customers who do not engage in reselling the product further. Such of the retail sales turnover of Khadi and Polyvastra as it is made in bulk to Government Organizations, Companies, Schools and Colleges, institutions other than Khadi Institutions will be treated as retail sales for the purpose of MDA provided that the sales proceeds are collected by way of Demand Draft and or Account Payee Cheques. The provisions or receiving payments against sales made in bulk to Government Organizations, Companies, Schools, Colleges, etc. by means of Demand draft or Account Payee Cheques is prescribed in order to guard against transaction on paper between the Khadi institutions on the one hand and the bulk purchasers of Khadi on the other.

Further under MDA scheme, seasonal rebate/discount will not be permitted on sales of any khadi fabric with sales price of Rs.300/- or more per meter, ready to Use Khadi items costing Rs.1500/- or more and durries and carpets where the sale price of the product is Rs.300/- per sq. meter or more. These ceilings will be revised every three years.

Such of the khadi and polyvastra sales as are made by way of exports either directly by khadi institutions or through other channels will not be eligible for MDA grant. Exports are, in a way, in the category of wholesales and do not fall within the meaning of retail sales to customers. As in the case of rebate regime, in the case of MDA also, such sales are to be kept out of the purview of MDA, as there is an existing incentive scheme for direct export sales of khadi and village industry goods.

4. Purposes for utilization of MDA Grant.

The MDA grant shall be used for any of one or more than one of the following specified purposes:

- (a) Providing seasonal discount to spur sales and/or to liquidate old stocks,
- (b) Purchase/hire of premises for locating sales outlets and modernization of outlets including air conditioning wherever necessary.
- (c) Advertisement & Publicity campaign,
- (d) Introduction of new designs under tie up with freelance designers and NIFT, NID, and such other reputed institutions.
- (e) Consultancy for market promotion, training, research and development.
- (f) Computerization of production and sales account, inventory management including development of bar code system for each product.

5. State Level Mechanism for utilization of MDA Grant.

Even though the MDA Scheme provides for flexibility in utilizing MDA grant for the purposes specified in Para 4 above, in order to ensure that adequate attention is paid to all the needs of Khadi Development Programme, the State Level mechanism will decide the manner in which the grant is utilized by the institutions so that the segments of expenditure are taken care of. The State Level mechanism will be the usual State Level Budget Team of KVIC which at the time of discussing the annual budget of the institutions will also indicate in consultation with the individual institutions the proportion of expenditure on the six heads. Such a determination will form part of the record note of budget discussions as agreed to by the individual institutions, which shall later – be adopted by the Managing Committee of the institutions by way of a resolution.

6. Calculation of MDA

The MDA grant will be allowed on reimbursement basis on the retail sales turn over achieved by the Khadi institutions' during the preceding six months of the concerned financial year. MDA grant, which the institution can avail on half yearly claim basis will be calculated on the basis of retail sales turn over achieved by them during the preceding six months.

7. Half- Yearly Claim

In view of the practical difficulties, half yearly claims shall be made by the institutions and accordingly half yearly settlement of claims shall be made by the Commission on reimbursement basis as per the following schedule.

Period	Date of MDA claim from khadi institutions
April to September	31 st October
October to March	31 st March

8. Documentation for MDA claim

The MDA shall be disbursed to the eligible institutions on their submission of detailed applications as per the format prescribed by the Khadi and Village Industries Commission for claiming of MDA and any other documents, as may be prescribed by the Commission.

9. Audit

The existing system of spot audit will not apply in respect of the MDA Grant. However, each half yearly claim that the institution will lodge with the KVIC shall be accompanied by an Utilization Certificate of the institution's Chartered Accountant. However, the KVIC will, on such a basis as it may choose from time to time, carry out spot audit of the Khadi institutions as a measure of necessary checks and balances against any irregularity either in claiming MDA grant or in utilizing it or both. The KVIC would reserve its right for test check and in any case of gross misutilisation, it may order complete audit of accounts of the Khadi institutions/Khadi & Village Industries Boards".

Pilot Project – IV Market Development Assistance (MDA – HPC – on Production)

1. Khadi institutions to run pilot scheme
 - (i) Karnataka Khadi Gramodyog Samyukta Sangh, Bengeri, Hubli
 - (ii) Wavilal Khadi Gramodyog Pratishthan (A.P.)
 - (iii) Chandrakant Lalitmohan Resham Khadi Samiti, Murshidabad (West Bengal)
 - (iv) Kshetriya Shri Gandhi Ashram, Amritsar(Punjab)
 - (v) Kshetriya Khadi Gramodyog Samiti, Dausa(Rajasthan)

2. Duration of the pilot scheme : 2006-07 to 2007-08

3. Mid-term review
 - a) October 2006
 - b) April 2007

4. Objectives of the pilot scheme
 - (a) to encourage predominantly khadi producing institutions to create a matching sales network.
 - (b) To enter export market since these institutions produce better quality of Khadi.
 - (c) To encourage expansion of sales network based on internal resource generation.
 - (d) To graduate the Khadi institution to a level of business unit built upon cash flow.

5. Scope of the pilot scheme
 - a) Providing seasonal rebate.
 - b) Purchase / hire of premises for locating sales depot
 - c) Advertisement and publicity campaign
 - d) Introduction of new designs under tie-up with freelance designers and National Institute of Fashion Technology (NIFT), National Institute of Design (NID) etc.
 - e) Consultancy for marketing.

6. Modalities for implementation of the scheme:

(i) Introduction:

The High Power Committee Report 1994 observed that “If the quality of output is poor, even if the government raises the quantum of rebate to 50 per cent, the goods may not be sold”. The committee highlighted the concomitant problems of Khadi institutions in accumulation of stocks and lack of sales Uniformly all throughout the year leading to serious bottlenecks in working capital management. The Committee recommended M.D.A. linked to production level and advocated flexibility in its use directed at production of marketable Khadi.

(i) Rate of M.D.A.

M.D.A. @ 20% of production value (Cotton Khadi, Silk Khadi, Woollen Khadi & Polyvastra) achieved by the institution in the financial year 2006-07 will be introduced w.e.f. 01.04.2006. The production value for the purpose will be reckoned with reference to cost chart parameters. However if the cost chart parameters related to wages of the spinners & weavers are paid at higher rates by the institution, the corresponding production value will form the basis of M.D.A. grant.

(ii) Definition of Production:

Composite activity consisting of raw material, handspinning by registered spinners, weaving on handlooms by registered weavers, value addition by way of simple or higher processing and establishment cost as per cost chart or actual expenditure whichever is higher will constitute production. Purchases of Khadi from other Khadi institutions for retail sales will not be counted as production for the purpose of M.D.A.-III.

(iii) Purposes for utilization of M.D.A. grant:

Improvement in Khadi quality & quantity, creation of marketing avenues, reduction in rebate-based sales, comparatively reasonable wages for spinners & weavers would generally require the attention of the Khadi institution. However, the scheme has been kept flexible to provide for areas or needs of the Khadi programme in such a way that production increases, sales increase, employment expands & the institution graduates to an independent business outfit.

(v) Mechanism for utilization of M.D.A grant:

The Managing Committee of the institution will be the body competent to decide on resource allocation, to monitor utilization & to evaluate the performance preferably by a third party independent professional/consultant/chartered accountant.

(vi) Disbursement of MDA:

M.D.A. grant will be disbursed to the Khadi institution on the basis of production value achieved during the preceding quarter of the financial year 2006-07. Claim by the institution at the end of each quarter will form the basis of settlement of the claim. The institution will furnish claims in such form as may be prescribed by the KVIC.

(vii) Quarterly claim:

Considering the situation where great emphasis is put on outcome, flow of funds & utilization thereof on quarterly basis, disbursement of M.D.A.-III grant will be made as per the following schedule:

Period	Date by which MDA claim to be submitted by the Institution	Date by which the MDA claim to be settled by the KVIC
Q 1	15 July	31 July
Q 2	15 October	31 October
Q 3	15 January	31 January
Q 4	15 April	30 April

(viii) Documentation for MDA claim:

The MDA shall be disbursed to the eligible institutions on their submission of detailed applications as per the format prescribed by the Khadi and Village Industries Commission for claiming of MDA and any other documents, as may be prescribed by the Commission.

(ix) Audit

The existing system of spot audit will not apply in respect of the MDA Grant. However, each quarterly claim that the institution will lodge with the KVIC shall be accompanied by an Utilization Certificate of the institution's Chartered Accountant. The KVIC will, on such a basis as it may choose from time to time, carry out spot audit of the Khadi institutions as a measure of necessary checks and balances against any irregularity either in claiming MDA grant or in utilizing it or both. The KVIC would reserve its right for test check and in any case of gross misutilisation, it may order complete audit of accounts of the Khadi institutions/Khadi & Village Industries Boards.

ANNEX – V

STATE-WISE UNITS SET UP UNDER REGP DURING X PLAN

Sr. No.	States / Union Territories	2002-03	2003-04	2004-05	2005-06	2006-07 (Upto Dec.06)
1	CHANDIGARH	01	8	8	3	10
2	DELHI	09	7	9	15	11
3	HARYANA	677	923	1140	1058	411
4	HIMACHAL PRADESH	423	414	469	650	395
5	JAMMU & KASHMIR	105	775	922	1402	606
6	PUNJAB	1358	882	864	440	259
7	RAJASTHAN	3036	2496	1537	2133	798
8	ANDAMAN & NICOBAR	196	58	6	598	127
9	BIHAR	229	88	254	692	359
10	JHARKHAND	298	323	240	217	107
11	ORISSA	668	1031	991	650	196
12	WEST BENGAL	2459	3348	2584	2078	740
13	ARUNACHAL PRADESH	30	32	43	76	70
14	ASSAM	559	1223	1658	2229	906
15	MANIPUR	79	36	102	65	7
16	MEGHALAYA	153	210	146	206	38
17	MIZORAM	143	33	162	365	586
18	NAGALAND	64	61	151	316	179
19	TRIPURA	141	244	233	306	1
20	SIKKIM	16	113	139	106	36
21	ANDHRA PRADESH	1818	1097	1988	2278	824
22	KARNATAKA	1411	1422	934	1314	691
23	KERALA	789	2046	914	1217	517
24	LAKSHADWEEP	0	9	0	26	0
25	PONDICHERRY	03	47	7	56	3
26	TAMIL NADU	764	1568	925	1036	522
27	DADRA & NAGAR HAVELI	05	2	0	0	0
28	GOA	244	126	138	136	51
29	GUJARAT	126	290	376	516	186
30	MAHARASHTRA	2249	857	1773	3120	352
31	CHATTISHGARH	216	697	656	551	278
32	MADHYA PRADESH	703	1041	1361	736	355
33	UTTARANCHAL	375	1106	513	527	349
34	UTTAR PRADESH	1677	2134	2210	1532	768
	GRAND TOTAL	21024	24747	23453	26650	10738

Statewise Margin Money Utilisation During X Plan (Rs Lakh)

Sr. No.	States / Union Territories	2002-03	2003-04	2004-05	2005-06	2006-07 upto 31-12-06
1	Andhra Pradesh	1775.01	1675.40	3394.19	3627.58	1458.38
2	Arunachal Pradesh	45.36	52.77	66.03	126.54	118.30
3	Assam	375.68	806.83	1277.42	2719.99	870.91
4	Bihar	108.13	186.03	281.69	570.54	257.95
5	Goa	198.06	82.98	88.90	103.68	135.00
6	Gujarat	102.23	130.34	530.55	883.08	375.03
7	Haryana	884.91	1938.96	2142.25	1782.18	847.72
8	J & K	179.00	363.45	584.55	833.56	375.83
9	Him.Pradesh	643.78	757.11	657.72	889.90	601.17
10	Karnataka	1560.05	1692.17	1063.83	1697.66	806.86
11	Kerala	1196.03	2753.15	1027.95	1603.41	895.50
12	Madhya Pradesh	605.97	1355.07	2125.71	1114.33	628.91
13	Maharashtra	1541.92	873.25	1439.17	1596.48	510.33
14	Manipur	110.53	41.19	73.66	43.85	6.41
15	Meghalaya	135.94	121.79	196.03	234.14	53.01
16	Mizoram	224.40	61.10	257.48	995.54	769.50
17	Nagaland	50.15	117.20	204.46	286.22	122.87
18	Orissa	156.78	784.11	863.05	837.22	285.86
19	Punjab	1744.62	819.03	1834.63	837.21	511.25
20	Rajasthan	2189.08	2890.28	2064.33	2679.91	1088.38
21	Tamilnadu	604.08	1362.17	1147.28	1217.13	702.90
22	Tripura	106.23	224.02	214.14	289.95	0.90
23	Uttar Pradesh	2293.52	3415.18	3596.64	2495.99	1415.22
24	West Bengal	1202.17	1593.51	1999.62	2100.06	761.38
25	Sikkim	6.70	127.67	165.78	139.54	38.10
26	A & N. Island	78.24	28.44	4.16	218.87	22.15
27	Chandigarh	0.40	10.24	21.45	3.63	11.34
28	D & N. Haveli	9.49	4.13	0.00	0.00	0.00
29	Delhi	16.16	12.31	8.09	16.66	9.80
30	Lakshdweep	0.00	7.42	0.00	16.39	0.00
31	Pondicherry	0.29	11.38	9.05	12.66	4.20
32	Chattisgarh	427.33	1098.00	1000.91	1152.87	542.76
33	Jharkhand	421.01	198.08	320.60	351.12	154.20
34	Uttaranchal	378.01	979.70	578.63	617.86	378.11
	Total	19371.26	26574.46	29239.95	32095.75	14809.73

ANNEX – VII

Statewise Employment Generated During X Plan

Sr. No.	States / Union Territories	2002-03	2003-04	2004-05	2005-06	2006-07 (upto Dec.,06)
1	CHANDIGARH	07	162	188	36	172
2	DELHI	293	231	144	112	73
3	HARYANA	15964	33201	35691	26541	14099
4	HIMACHAL PRADESH	11644	13485	12256	12276	8227
5	JAMMU & KASHMIR	3129	6845	9406	18284	7117
6	PUNJAB	31461	13600	30665	16654	7561
7	RAJASTHAN	43040	51337	38287	59596	21735
8	ANDAMAN & NICOBAR	1392	504	93	4495	223
9	BIHAR	1965	3818	5049	11445	3885
10	JHARKHAND	9398	3968	6855	3756	3571
11	ORISSA	2816	13431	15241	9670	4944
12	WEST BENGAL	22531	27350	36581	36853	13240
13	ARUNACHAL PRADESH	806	864	1219	1857	664
14	ASSAM	7003	15548	25768	49595	15675
15	MANIPUR	2196	682	1313	416	49
16	MEGHALAYA	2515	2171	3789	1962	366
17	MIZORAM	3970	1174	5180	18255	12590
18	NAGALAND	981	2332	3851	5549	2155
19	TRIPURA	2021	4316	3227	5616	6
20	SIKKIM	120	2140	3994	1750	683
21	ANDHRA PRADESH	34500	31996	66463	66050	25255
22	KARNATAKA	29648	29958	19478	27129	7460
23	KERALA	21394	50291	16434	30586	17192
24	LAKSHADWEEP	0	127	0	292	0
25	PONDICHERRY	05	219	146	187	72
26	TAMIL NADU	11017	24028	19159	20055	12419
27	DADRA & NAGAR HAVELI	0	61	0	0	0
28	GOA	3556	1715	1670	801	2054
29	GUJARAT	1717	2236	8581	17947	8924
30	MAHARASHTRA	28182	15498	25040	30928	5535
31	CHATTISHGARH	7254	19815	18347	17348	5332
32	MADHYA PRADESH	10947	23683	40539	15365	5215
33	UTTARANCHAL	6881	16825	10471	10948	6359
34	UTTAR PRADESH	42652	57847	64900	45322	23527
	TOTAL	361005	471458	530025	567676	236379

**Achievement In North Eastern States In Respect Of Pmry
During 2003-04, 2004-05, 2005-06 And 2006-07 (Up To November 2006)**

S.No.	States	Target	Cases sanctioned	Cases disbursed	Target	Cases sanctioned	Cases disbursed	Target	Cases sanctioned	Cases disbursed	Target	Cases sanctioned	Cases disbursed	Target	Cases sanctioned	Cases disbursed
		2002-03			2003-04			2004-05			2005-06*			2006-07		
1	Assam	6900	5299	4149	6600	7501	5844	7500	10262	8256	2387	7212	5626	7643	1555	1347
2	Manipur	1300	670	549	1200	595	520	1500	440	387	1418	394	357	1475	165	40
3	Meghalaya	300	331	256	350	453	403	400	598	568	361	607	562	370	108	102
4	Nagaland	250	109	107	300	68	53	400	897	109	363	2262	2225	373	67	67
5	Tripura	700	1466	1085	800	2494	2043	1000	2126	1747	1193	2339	2032	1238	1442	495
6	Arunachal Pradesh	150	336	294	200	685	668	200	443	440	173	441	423	178	34	06
7	Mizoram	250	328	155	200	788	775	200	144	142	188	485	472	195	30	30
8	Sikkim	50	29	26	100	31	30	100	37	32	66	31	31	67	18	12
	Total	9900	8568	6621	9750	12615	10336	11300	14947	11681	11149	13771	11728	11539	3419	2099

Source: RBI

*Provisional

Note: Employment Generation is estimated at the rate of 1.5 person per case disbursed

ANNEX - IX

**Statement of funds released to North-Eastern States under PMRY
for training and Contingency during 2003-04, 2004-05, 2005-06,
2006-07 (up to December 2006)**

(Rs. in thousand)

Sl. No.	State/UT	2002-03	2003-04	2004-05	2005-06	2006-07 (up to Dec. 06)
1	2	3	4	5	6	7
1	Assam	11072.700	5897.150	10071.050	7780.250	0.000
2	Arunachal Pradesh	380.850	346.800	539.448	453.538	0.000
3	Manipur	0.00	557.00	454.800	122.940	402.290
4	Meghalaya	185.500	709.621	829.150	822.000	35.443
5	Mizoram	470.600	360.500	324.300	822.000	0.000
6	Nagaland	683.780	100.050	1712.250	2203.250	19.550
7	Tripura	1734.950	1822.950	2124.400	2269.700	1039.500
8	Sikkim	10.000	47.700	24.600	88.850	37.146
	Total	14538.380	9841.771	16079.998	14562.528	1533.929