

**GOVERNMENT OF INDIA**

**OUTCOME BUDGET 2007-08**

**MINISTRY OF AGRO AND RURAL INDUSTRIES**

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## **EXECUTIVE SUMMARY**

The Ministry of Agro and Rural Industries is the nodal agency for the coordination and development of Khadi, Village and Coir Industries and implementation of the Rural Employment Generation Programme (REGP) and the Prime Minister's Rozgar Yojana (PMRY). The programmes and schemes of the Ministry are implemented through the two statutory bodies i.e., Khadi and Village Industries Commission (KVIC) and Coir Board. While the REGP is implemented by the KVIC in collaboration with the State Khadi and Village Industries Boards and banks, the PMRY is implemented by the State/Union Territory (UT) Governments/Administrations with participation of the banks. The Plan outlay allocated for 2007-08 approved by the Planning Commission for the Ministry is Rs. 1112.00 crore, as against Rs. 967.00 crore allocated in the B.E. 2006-07 representing an increase of Rs. 145 crore or 15% over the allocation in 2006-07.

### **(A) Khadi and Village Industries Commission (KVIC)**

(i) The plan outlay for existing and new schemes for 2007-08 in respect of KVIC has been kept at Rs. 711 crore as against B.E. 2006-07 of Rs. 592.93 crore.

The year 2006-07, witnessed a landmark in the annals of the KVIC. Major amendments were effected to the Khadi and Village Industries Commission Act in March, 2006. Consequent upon this amendment, the 13 Member Commission was re-constituted by Government of India on 19 July, 2006 by including experts from the fields of Education, Science and Technology, Marketing, Banking etc.

(ii) During 2005-06, khadi cloth worth Rs. 468.30 crore was produced, generating cumulative employment for 8.68 lakh persons. In the VI sector, the achievement during 2005-06 in respect of production and cumulative employment were Rs.11915.54 crore and 74.09 lakh persons respectively. During the year 2006-07 (upto December, 2006), the production and cumulative employment under khadi were Rs. 339.50 crore and 8.77 lakh persons against the target of Rs. 485.18 crore and 8.80 lakh persons, respectively. Under VI sector, the production and cumulative employment upto December, 2006 was Rs. 9985.50 crore and 76.45 lakh persons against the target of Rs. 14264.82 crore and 79.91 lakh persons respectively. Coming to 2007-08, the physical targets in respect of production and cumulative employment of khadi are Rs. 525 crore and 9.30 lakh persons respectively while under VI, the targets are Rs. 14550 crore and 86.95 lakh persons respectively. This represents a targeted increase of 8.20% in khadi production, 5.68% in khadi employment, 2% in VI production and 8.80% in VI employment as compared to 2006-07

(iii) Since the inception of REGP (1995-96), 2,36,355 projects have been financed and 33.74 lakh job opportunities have been created up to 31.03.2006. During the year 2006-07 (up to December, 2006), 10747 projects have been set up generating 2.36 lakh job opportunities against the target of 5.90 lakh. The outlay of Rs. 445 crore for 2007-08 under REGP is expected to generate additional employment opportunities for 7.04 lakh persons as against 5.90 lakh opportunities targeted for 2006-07.

(iv) For strengthening the KVI Sector, it is proposed to introduce four new schemes viz., (i) Scheme for enhancement of productivity and competitiveness of khadi industry and artisans (ii) Package for developing infrastructure of khadi institutions including nursing fund for weak institutions (iii) Restructuring of REGP and (iv) Workshed cum Housing Scheme for Khadi Weavers and Artisans.

(iv) Besides, a proposal for setting up Mahatma Gandhi Institute for Rural Industrialization (MGIRI), Wardha by revamping the Jamnalal Bajaj Central Research Institute (JBCRI) has been approved by the Cabinet Committee on Economic Affairs (CCEA) on 28 December 2006. As per the recommendation of the EFC, the Institute will be financed by the Ministry directly, as an autonomous body. An outlay of Rs. 16.33 crore (Rs. 3 crore for 2007-08) has been projected for XI plan.

**(B) Prime Minister's Rozgar Yojana (PMRY)**

(i) PMRY has provided employment to 38.13 lakh persons (approximately) over the last 13 years of its operation. The targets for the years 2004-05 and 2005-06 were enhanced from 2.20 lakh beneficiaries to 2.50 lakh beneficiaries for generating 3.75 lakh self-employment opportunities per annum. In the current financial year, the target for assisting 2.55 lakh beneficiaries generating 3.825 lakh additional employment has been fixed. Additional employment opportunities for **4.125** lakh persons are targeted to be generated during 2007-08.

(ii) During 2005-06, loans have been sanctioned to 3.11 lakh beneficiaries and disbursed to 2.56 lakh. During 2006-07 (upto November, 2006) loans have been sanctioned to 1,27,183 beneficiaries against the plan target of 2.55 lakh. 2.75 lakh beneficiaries are targeted to be disbursed loans in 2007-08. To carry out these activities, the outlay for 2007-08 has been kept at Rs. 320 crore. Significant improvements in the amount of subsidy, ceiling of the cost of projects, increased training costs and provision for pre-motivational training are expected to be formally operationalised i.e. 2007-08 to enhance the attraction and delivery of benefits of the scheme.

**(C) COIR BOARD**

(i) The coir industry is a labour-intensive and export-oriented industry, using the by-product – coconut husk. About 6.06 lakh persons are engaged in this industry. While the coir industry has deep roots in Kerala, it has now also spread to Tamil Nadu, Karnataka and Andhra Pradesh and is on the verge of doing so in some other coconut growing States like Gujarat, Orissa, Tripura and Goa.

(ii) The total outlay for the existing and new schemes of Coir Board for the year 2007-08 has been envisaged to the tune of Rs. 55.00 crore whereas B.E. 2006-07 was Rs. 23.00 crore.

(iii) The total turnover of coir and coir products for 2005-06 is Rs.2060 crore and it is expected that the turnover for the year 2006-07 would be Rs. 2100 crore approximately. During 2005-06, a total quantity of 1,36,026.97 MTs valued at Rs. 508.45 crore of coir products have been exported from the country as against the total quantity of 122926.79 MTs valued at Rs. 473.40 crore exported during 2004-05. The exports during 2005-06 have thus recorded a growth of 10.66 per cent in quantity and 7.40 per cent in value over those during 2004-05. The target for 2006-07 is to export coir and coir products worth Rs.560 crore, out of which exports of Rs. 421.18 crore have already been made upto December, 2006. The target for 2007-08 is to export coir and coir products worth Rs.680 crore representing an increase of 21.43% compared to 2006-07.

(iv) Due to poor response from the States, one of the schemes of Coir Board i.e. “Co-operativisation in the Coir Sector” is proposed to be weeded out. However, a new scheme namely “Rejuvenation of Coir Sector ad Modernization and Technology Upgradation of Coir

Industry” is proposed to be introduced during the year 2007-08 with the aim of introduction of better infrastructural facilities in coir sector and modernization of existing facilities.

**(D) Scheme of Fund for Regeneration of Traditional Industries (SFURTI)**

The Budgetary Provision under this head is for Regeneration of Traditional Industries like Coir, Khadi and Village Industries. The scheme envisages development of around 100 clusters (25 khadi, 50 village industries and 25 coir) during the next five years. The scheme Steering Committee (SSC) has already approved 104 clusters (29 Khadi, 50 VI and 25 Coir). 30 per cent of the 104 approved clusters will be targeted to become operational in 2007-08, for which, an outlay of Rs. 26 crore has been envisaged. The X Plan scheme titled “National Programme for Rural Industrialization” (NPRI) has been subsumed in SFURTI which has a holistic and more comprehensive approach towards cluster development in Khadi, VI and Coir Sector compared to NPRI.

**(E) Social and Gender Empowerment Processes**

(i) Under the REGP, 2,36,355 units have been set up generating 33.74 lakh additional employment opportunities since its inception till 31.03.2006. Of these, approximately 7.71 per cent of the projects have benefited persons from the Scheduled Caste, 5.45 per cent from Scheduled Tribe and 13.75 per cent from OBC, while 15.87 per cent women entrepreneurs have been able to secure gainful employment. Similarly, under the PMRY, loans have been disbursed to 25.42 lakh self-employment ventures since its inception till 31 March 2006, leading to estimated employment generation for 38.13 lakh persons. Of these, 15.68 per cent belong to the Scheduled Caste and Scheduled Tribe, 20.39 per cent to OBC and about 12.11 per cent are women. Though there is no specific reservation for women entrepreneurs, there has been substantial participation of women in these two programmes. During 2006-07, the participation of women in terms of number of projects set up was to the extent of 25.99 per cent (upto December, 2006) under REGP and 13.72 percent under PMRY (upto September, 2006).

(ii) During 2007-08, special funds have been earmarked for Special Component Plan/Tribal Sub Plan, women and minority components. It is expected that with these measures the participation of weaker sections in the above two programmes would be increased leading to their empowerment.

## **CHAPTER I**

## **INTRODUCTORY NOTE ON MINISTRY OF AGRO AND RURAL INDUSTRIES**

**1.1.1** The Ministry of Agro and Rural Industries (ARI) was set up in September 2001 with the objective of integrating policy formulation and coordinating implementation of programmes and schemes, in a focused manner, for the development of agro and rural (khadi, village and coir) industries based on local raw materials and skills and creating more off-farm employment opportunities in the rural as well as urban areas. The two country-wide employment generation programmes coordinated by the Ministry are the Rural Employment Generation Programme (REGP) and the Prime Minister's Rozgar Yojana (PMRY), the latter being implemented in both rural and urban areas.

**1.1.2** Several programmes and schemes are also implemented by the two statutory organization of the Ministry, viz., the Khadi and Village Industries Commission (KVIC) and the Coir Board. While REGP is implemented by the KVIC in collaboration with the State Khadi and Village Industries Boards and banks, PMRY is implemented by the State/Union Territory (UT) Governments/ Administrations with participation of the banks.

### **1.1.3 VISION AND ACTION PLAN OF THE MINISTRY**

The vision of the Ministry of ARI is to facilitate generation of sustainable and increasingly expanding employment opportunities in the traditional khadi, village and coir industries, accelerating their modernization and improving their competitiveness and market share. For this, the Ministry is engaged in developing and enabling policy framework and putting in place complementary support measures to help these industries realise this vision. The task before the Ministry therefore, includes steps to develop an appropriate policy environment within which the credit supply is improved, better infrastructural facilities are provided and targeted incentives are designed and extended to individuals and institutions in the sector for their technological up-gradation and modernization, improved access to the market, skill up gradation through training, etc. The action plan of the Ministry, inter alia, includes the following.

- To review and improve the design and process of implementation of existing schemes/programmes and launch new schemes/programmes for modernization, enhanced competitiveness and larger market access of khadi, village and coir industries for accelerating employment generation, particularly in khadi and coir industries.
- To review and improve the design and implementation parameters of the REGP and PMRY with a view to improving their viability for sustainable and accelerated generation of off-farm employment opportunities.
- To develop around 100 clusters (25 for khadi, 50 for village Industries and 25 for coir industries) under the Scheme of Fund for Regeneration of Traditional Industries (SFURTI).

## 1.2. ORGANISATIONAL SET-UP

The programmes and schemes of the Ministry of ARI are implemented through two statutory bodies, i.e., Khadi and Village Industries Commission and Coir Board and with the help of the States/UTs and banks.

### 1.2.1 KHADI AND VILLAGE INDUSTRIES COMMISSION

- The Khadi & Village Industries Commission (KVIC), established by an Act of Parliament, is a statutory organization engaged in promoting and developing khadi and village industries for providing employment opportunities in the rural areas, thereby strengthening the rural economy. KVIC has been identified as one of the major organizations in the decentralized sector for generating sustainable rural non-farm employment opportunities at low per capita investment. KVIC undertakes activities like skill improvement, transfer/up gradation of technology, rural industrialization, research & development, marketing, etc., in the process of generating employment/self-employment opportunities in the rural areas.
- The year 2006-07, witnessed a landmark in the annals of the KVIC. Major amendments were effected to the Khadi and Village Industries Commission Act in March, 2006. Consequent upon this amendment, the 13 Member Commission was re-constituted by Government of India vide notification dated 19 July, 2006 by including experts from the fields of education, S&T, Marketing, Banking etc.
- During the X Plan, KVIC has taken a number of steps for more effectively implementing its schemes/programmes. These include continuation of categorization of institutions, improved raw material management by optimizing production of slivers/rovings in the Central Sliver Plants (CSPs), introduction of design development intervention, introduction of higher degree of decentralization, empowerment and accountability in KVIC, 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, cluster development schemes, etc.
- With these initiatives, KVIC was able to generate 82.77 lakh job opportunities up to 2005-06 compared to the preceding year's level of 76.78 lakh jobs, registering a growth of 7.80 per cent. In village industries (VI), employment increased significantly by 8.73 per cent while in khadi, the increase was 0.46 per cent.
- During 2005-06, khadi cloth worth Rs. 468.30 crore was produced, generating cumulative 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 in the KVI sector during the last four years and current year are as under:

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

Year	Production			Employment (Cumulative)		
	Khadi	VI	Total	Khadi	VI	Total
	Value	Value	Value			

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 (upto Dec., 06)	339.50	9985.50	10325.00	8.77 (targeted)	76.45	85.22

- For the current financial year, i.e., 2006-07, the targets for production and employment in the khadi sector are Rs. 485.18 crore and 8.80 lakh persons respectively. In the VI sector, the targets for 2006-07 in respect of production and employment are Rs. 14,264.82 crore and 79.91 lakh persons respectively. Similarly, for the year 2007-08 the physical targets in respect of production and employment of Khadi and VI are as follows:-

HEAD	2007 – 08 (Estimate)
	Value (Rs. crore)
<b>PRODUCTION</b>	
Khadi	525.00
VI	14550.00
<b>TOTAL</b>	<b>15075.00</b>
<b>EMPLOYMENT* (lakh persons)</b>	
Khadi	9.30
VI	86.95
<b>TOTAL</b>	<b>96.25</b>

\*This represents cumulative employment upto December 2006, which includes 0.50 lakh and 7.04 lakh employment opportunities under khadi and VI, respectively for 2007-08.

- 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 banks 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 khadi institutions. The difference between the actual lending rate of banks and 4 per cent is paid by the Central Government through KVIC to the lending bank.
- All 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 polyvastra sector. However, all VI units existing on 31.03.1995 have been allowed to avail of this facility for the amount of bank finance availed as on that date or actual, whichever is less.



- The credit flow to the institutions under ISEC during 2005-06 was Rs. 233.23 crore. Against this, an amount of Rs. 22.38 crore was released to the banks as interest subsidy. During the year 2006-07, KVIC has issued ISEC certificates worth Rs. 392.63 crore and the availment is expected to be around Rs. 260 crore. Keeping in view the target fixed for 2007-08, a flow of about Rs. 325 crore is anticipated from the banks under this scheme.
- For the development of village industries, KVIC has launched the “Khadi” and "Sarvodaya" brands for its products. Toilet soaps, honey, agarbattis and pickles are covered under this brand. This step would create a brand name for these products, through a marketing network. For organic food products, the new brand name of "Desi Aahar" has been introduced by KVIC. R&D projects have been taken up to develop a new range of herbal products, essential oils, muslin khadi, etc. KVIC is setting up display-cum-sales outlets at various national and international airports to promote KVI products in western countries.
- 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<sup>th</sup> August 2003. Under this scheme, insurance cover for natural death (Rs.20,000/-), accidental death (Rs.50,000/-) and part permanent disability due to accident (Rs.25,000/-) is being provided. While KVIC contributes Rs.25 per artisan covered, the khadi institutions contribute Rs.50 and the artisans pay Rs.25 whereas an amount of Rs.100 per artisan is met through Government’s Social Security Fund, towards the premium for the insurance cover provided. 2.25 lakh khadi artisans have been covered under this scheme till December, 2006, as against a target of 3.90 lakh artisans fixed for X Plan.

#### 1.2.1 (b) **RURAL EMPLOYMENT GENERATION PROGRAMME (REGP)**

- Under the Rural Employment Generation Programme (REGP) being implemented by the KVIC, 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 upto 20,000. The objective of this programme is to provide employment to the people in rural areas and small towns, thereby reducing the migration from the rural to urban areas.
- Under this programme, an entrepreneur can establish a village industry (VI) by availing of margin money assistance from the KVIC and loans from any public sector scheduled commercial bank (and some other banks), for projects with a maximum cost of Rs. 25 lakh. 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
2.	SC/ST/Women/Ex-servicemen/NE Region/Hill Areas	Up to Rs. 10 lakh	30 per cent of project cost
3.	General	Above Rs. 10 lakh and up to Rs. 25 lakh	Rs. 2.5 lakh + 10 per cent of balance project cost.
4.	SC/ST/Women/Ex-servicemen/NE	Above Rs. 10 lakh and up to Rs. 25 lakh	Rs. 3 lakh + 10 per cent of balance project cost.

	Region/Hill Areas		
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Note: SC/ST – Scheduled Caste/Scheduled Tribe; NE – North Eastern

\*Hill Areas include State of Jammu and Kashmir, Uttranchal and Himachal Pradesh

- Since the inception of REGP (1995-96), 2,36,355 projects have been financed and 33.74 lakh job opportunities have been created up to 31 March 2006. During the year 2006-07 (up to December, 2006), 10747 projects have been set up generating 2.36 lakh job opportunities against the target of 5.90 lakh. Government had initially set a target for creating 20 lakh additional jobs and setting up of 1,37,878 projects during the X Plan with a plan investment of Rs.1177 crore. However, keeping in view the popularity and success of the Programme, the target has been revised to 25 lakh jobs for the X Plan.
- Based on the expected performance in 2006-07, the outlay to the extent of Rs. 445 crore for 2007-08 under REGP is expected to generate additional employment opportunities for 7.04 lakh persons as against 5.90 lakh opportunities targeted for 2006-07. It will be endeavored to ensure that the proportion of employment of SC/ST in the target will not be less than their proportion in the population of the respective States.

### 1.2.2 PRIME MINISTER'S ROZGAR YOJANA (PMRY)

- 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 job opportunities. The Prime Minister's Rozgar Yojana has provided employment to 38.13 lakh persons (approximately) over the last 13 years of its operation.
- The National Common Minimum Programme (NCMP) of the UPA Government envisages creation of additional employment opportunities in the rural non-farm sector. Accordingly, the targets for the years 2004-05 and 2005-06 under the Yojana were enhanced from 2.20 lakh beneficiaries to 2.50 lakh beneficiaries for generating 3.75 lakh self-employment opportunities per annum. In the current financial year, the target for assisting 2.55 lakh beneficiaries generating 3.825 lakh additional employment has been fixed. The outlay of Rs. **320** crore for 2007-08 under PMRY is expected to generate additional employment opportunities for **4.125** lakh persons, on the same terms of the Scheme.
- During 2005-06, loans have been sanctioned to 3.11 lakh beneficiaries and disbursed to 2.56 lakh. During 2006-07 (upto November, 2006) loans have been sanctioned to 1,27,183 beneficiaries against the plan target of 2.55 lakh. 2.75 lakh beneficiaries are targeted to be disbursed loans in 2007-08.
- Various implementing agencies of PMRY and States/UTs had been suggesting for making the scheme more effective and also for better implementation of the Scheme. It was felt that a more detailed structural review of the scheme, careful selection of potential beneficiaries, viable project activities, expediting the processing of sanction and disbursement of projects and undertaking a certain amount of “hand-holding” would go a long way forward in improving the overall performance of the scheme.

- A Committee under the Chairmanship of Adviser (VSE), Planning Commission was set up to suggest better practices for implementing PMRY. A promotional package has been approved by the Cabinet for giving boost to the PMRY scheme which incorporates liberalised parameters of eligibility and financial assistance recommended by the above mentioned Committee, which is targeted to be implemented from 2007-08. This will make PMRY more effective and attractive.

### 1.2.3 COIR BOARD

- The coir industry is a labour-intensive and export-oriented industry, using the by-product – coconut husk. The Coir Board is looking after the promotion, growth and development of the coir industry, export promotion and expansion of the domestic market by providing marketing inputs, etc.
- The Coir Board is implementing a number of schemes for the coir sector, which include assistance for participation in exhibitions, coir industry awards, Mahila Coir Yojana, training, group insurance scheme for artisans, financial assistance for modernisation, etc. About 6.06 lakh persons are engaged in this industry. While the coir industry has deep roots in Kerala, it has now spread to Tamil Nadu, Karnataka and Andhra Pradesh and is on the verge of doing so in some other coconut growing States like Gujarat, Orissa, Tripura and Goa.
- The total turnover of coir and coir products is Rs.2060 crore for 2005-06 and it is expected that the turnover for the year 2006-07 would be Rs. 2100 crore approximately.
- Details of production of coir and coir products during the last four years are as under:

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

- During 2005-06, a total quantity of 1,36,026.97 MTs valued at Rs. 508.45 crore have been exported from the country as against the total quantity of 122926.79 MTs valued at Rs. 473.40 crore exported during 2004-05. The exports during 2005-06 have thus recorded a growth of 10.66 per cent in quantity and 7.40 per cent in value over those during 2004-05. The target for 2006-07 is to export coir and coir products worth Rs.560 crore, out of which exports of Rs. 421.18 crore have already been made upto December, 2006. The target for 2007-08 is to export coir and coir products worth Rs.680 crore.

- The total outlay for the existing and new schemes of Coir Board for the year 2007-08 has been envisaged to the tune of Rs. 55.00 crore. Targets to be achieved have been specified in the Outcome budget 2007-08 **(Chapter II, Annex I)**.

### **1.3 PLAN OUTLAY (BUDGET ALLOCATION) FOR 2007-08**

**1.3.1** The Rural Employment Generation Programme (REGP) has contributed significantly to the creation of enterprises and generation of employment opportunities in the rural areas of the country.

**1.3.2** The Prime Minister Rozgar Yojana (PMRY) being implemented by the Ministry of ARI has also played an important role in providing self-employment to the educated youth.

**1.3.3** As part of the NCMP commitment to revamp the KVIC and launch new schemes/programmes, it is hoped that the final outlay for the khadi and village industries will meet the higher need of funds to support the new/modified programmes expected to be taken up in 2007-08.

**1.3.4** India is the largest producer and supplier of coir and coir products to the world. The export of coir and coir products is growing. More than half a million people are involved in this sector which is mostly unorganised. It is expected that this sector will also receive continued and enhanced support in the Budget, 2007-08.

**1.3.5** In order to continue these activities, the Plan outlay presently allocated for 2007-08 to the Ministry is Rs. 1112.00 crore, as against Rs. 967.00 crore in the BE 2006-07 representing an increase of Rs. 145 crore or 15% over the allocation in 2006-07.

**CHAPTER-II**

(Rs. crore)

S.No.	Name of Scheme/ Programme	Objective	Outlay (2007-08) (Rs. in Crore)			Quantifiable Deliverables / Physical Outcome	Projected Outcomes	Processes/ Timelines	Remarks / Risk Factor
			4(i)	4(ii)	4(iii)				
1.	2.	3.	4.			5	6	7	8
			Non Plan Budget	Plan Budget (inclusive NER Provision)	Complementary Extra-Budgetary Resources				
<b>I</b>	<b>Prime Minister's Rozgar Yojana</b>	To provide institutional finance to the educated, but unemployed youth without collateral guarantee to set up business/industrial ventures to create self-employment.	-	<b>320.00</b>	-	To assist 2.75 lakh unemployed educated youth for setting up of their self-employment ventures.	Generating additional employment opportunities for 4.125 lakh persons.	Implemented by State Governments and banks	Modifications in the eligibility criteria, amount of subsidy, training cost enhancement in cost of projects etc. are contemplated to be introduced in 2007-08
<b>2.01</b>	<b>KVIC: A) Khadi Industries</b>	For promotion & development of khadi financial assistance for revitalization of KVI institutions,	55.45	<b>Rs.112.00 crore</b>	--	Production: Rs 525.00 Crore Sales :Rs.745.00 crore	The target is to achieve about 8-9 percent growth in employment,	Assistance to Khadi artisans is routed through the nodal NGOs	The outcome assumes that the new Schemes for Productivity Enhan-

		welfare of khadi artisans.				Empl.(cumm.) : 9.30 lakh persons (includes 0.50 lakh employment for 2007-08)	alongwith reasonable enhancement in khadi production.	(Khadi institutions)	cement, Production Infrastructure and Workshed Housing Scheme are approved early
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SL. No.	Name of Scheme/ Programme	Objective	Outlay (2007-08) (Rs. In Crore)			Quantifiable Deliverables / Physical Outcome	Projected Outcomes	Processes/ Timelines	Remarks / Risk Factor
1	2	3	4			5	6	7	8
			4(i)	4(ii)	4(iii)				
			Non Plan Budget	Plan Budget (inclusive NER Provision)	Complementary Extra-Budgetary Resources				
i	a) Rebate on sale of khadi  b) MDA	To provide rebate for khadi	0.01	Rs. 71.25 crore  Rs. 10.00 crore	--	The sale trend is 6, 12, 48 and 34 % respectively between I and IV quarters.	Help to enhance the sale of khadi thereby increase the earnings of Khadi artisans	Funds provided to Khadi institutions as per the rebate policy announced by the Government of India from time to time.	Attempt will be made to popularize MDA as an alternative to existing rebate on sales of Khadi / Polyvastra.
ii	Interest Subsidy on khadi	Interest subsidy on bank loans	--	Rs25.00 crore	--	To be released to banks through state offices in advance.	Increase the availability of institutional finance to Khadi institutions, and to increase the production and sale of khadi	Funds provided to banks based on interest on loans provided to Khadi institutions by Banks.	
iii	PRODIP A- (Khadi)	Dev. Of production design and packing material	---	Rs. 2.00 crore	---	150 Projects	Increase the shelf life of Khadi products and enhance its appearance to	Based on the project appraisal.	



							impress the customers.		
iv	Manufacturing of Ready to use garments (Mission project)	To enhance the manufacture of value added khadi products	---	Rs. 0.60 crore	---	3 Projects	Increase the value addition to khadi cloth.	Based on the projects approved by KVIC.	
v	Janashree Bima Yojana, Maternity Benefit etc.	To meet the share of premium to be paid by KVIC.	---	Rs. 0.65 crore	---	3.90 lakh artisans, spinners & weavers are to be covered.	Being a major Social Welfare Scheme it will have far reaching impact on Khadi programmes.	Based on the demand by the institutions	

SL. No.	Name of Scheme/ Programme	Objective	Outlay (2007-08) (Rs. In Crore)			Quantifiable Deliverables / Physical Outcome	Projected Outcomes	Processes/ Timelines	Remarks / Risk Factor
1	2	3	4			5	6	7	8
			4(i)	4(ii)	4(iii)				
			Non Plan Budget	Plan Budget (inclusive NER Provision)	Complementary Extra-Budgetary Resources				
vi	Misc. grant for other purpose such as workshop, seminar, conference, expenditure for Central & Zonal Certification Committee, AWF, etc.	To meet the contingency expenditure	---	Rs. 0.50 crore	---	Need based provision	This will enable KVIC to assist artisans/weavers/khadi institutions/individual entrepreneurs in rural areas, etc.	Based on programmes approved from time to time.	
vii	Admn. Exp.		55.44			Support and service to Khadi Programmes			
	<b>Sub Total (Khadi Grant)</b>			<b>Rs. 110.00 crore</b>					

viii	<b>S&amp;T(khadi)</b>	Science & Technology application for improvement of khadi products	---	<b>Rs.2.00 crore</b>	---	39 Projects	Reduce the drudgery in work, improve the quality of Khadi products, introduction of new products / process etc.	Funds released to the implementing agencies based on project appraisal.	
TOTAL (Khadi)		55.45	<b>55.45</b>	<b>112.00</b>	---				

SL. No.	Name of Scheme/ Programme	Objective	Outlay (2007-08) (Rs. In Crore)			Quantifiable Deliverables / Physical Outcome	Projected Outcomes	Processes/ Timelines	Remarks / Risk Factor
1	2	3	4			5	6	7	8
			4(i)	4(ii)	4(iii)				
			Non Plan Budget	Plan Budget (inclusive NER Provision)	Complementary Extra-Budgetary Resources				
2.02	<b>B) Village Industries</b>	Promoting village industries through interest subsidy, rebate, common facility centers, technological modernization, trg. etc.	1.00	<b>Rs.58.00 crore</b>		Prod.: Rs.14550.00 crore Sale : Rs. 17887.00 crore  Empl. (cumm.) 86.95 lakh persons (includes 7.04 lakh employment under REGP for 2007-08)	About 8-9 percent increase in the employment and 13-14 percent increase in production. by expanding the coverage of employment in rural areas.	-	
i.	<b>Rural Industries Service Centres</b>	Setting up of Common Facility Centres (CFCs)	---	<b>Rs. 6.00 crore</b>		75 projects(Upto Rs.5 lac) 10 project (Upto Rs.25 lac)	Strengthen the rural infrastructure for KVI products which are normally beyond the reach of individual entrepreneurs / units.	Based on the approval of projects by KVIC.	

ii	<b>PRODIP (V.I.)</b>	Development of production design and packaging material	---	<b>Rs. 1.70 crore</b>		85 projects	Convert potential buyers into effective buyers.	Based on the projects approved by KVIC	
iii	<b>V.I. Grant for other activities like rebate on polyvastra, exhibitions etc.</b>	Promotion of village industries products	---	<b>Rs.13.80 crore</b>		Increase in sale of V.I. products, polyvastra, etc.	Improved sale of village industry products	Rebate subject to demand and sale of polyvastra and approval of KVIC.	
iv	<b>HRD</b>	Skill development, training, EDP	---	<b>Rs 7.00 crore</b>		53700 persons will be trained	Improvement in the skills of artisans and their familiarization with better production technology, reduction in wastage during the production process etc.	For the establishment, maintenance and providing stipend to trainees from N.E. region etc.	

SL. No.	Name of Scheme/ Programme	Objective	Outlay (2007-08) (Rs. In Crore)			Quantifiable Deliverables / Physical Outcome	Projected Outcomes	Processes/ Timelines	Remarks / Risk Factor
1	2	3	4			5	6	7	8
			4(i)	4(ii)	4(iii)				
			Non Plan Budget	Plan Budget (inclusive NER Provision)	Complementary Extra-Budgetary Resources				
v	Publicity	Publicity of KVI products	---	Rs.8.00 crore		---	Create awareness among the public about the KVI products both in India and abroad.	By providing publicity through electronic and print media, particularly on special occasions like Gandhi Jayanti etc.	
vi	Marketing	Promotion of marketing of KVI products through exhibitions, brand building and showroom renovations	---	Rs.15.00 crore		139 events, Brand promotion , exploiting the deemed EPC status etc.,	Overall increase in the sales of Khadi and V.I. products	Identifying potential areas, organising events / exhibitions both in India and abroad.	
vii	Information Technology	To speed up the analysis	---	Rs.4.50 crore		----	Bringing e-governance in KVI	Providing funds for purchasing / installing	

		of data and its flow at various levels. To make the system more efficient and people friendly.					sector, creating transparency in data collection, dissemination of information etc.,	efficient IT system, imparting training to staff and other stakeholders as per the need identified.	
viii	S&T (V.I.)	S&T application for improvement of village industry products	1.00	Rs. 2.00 crore		100 projects	Reduce the monotony in work, improve the quality of V.I. products, introduction of new products / process etc.	Funds released to the implementing agencies based on project appraisal.	
	<b>Total V.I.</b>		<b>1.00</b>	<b>Rs. 58.00 crore</b>					

SL. No.	Name of Scheme/ Programme	Objective	Outlay (2007-08) (Rs. In Crore)			Quantifiable Deliverables / Physical Outcome	Projected Outcomes	Processes/ Timelines	Remarks / Risk Factor
1	2	3	4			5	6	7	8
			4(i)	4(ii)	4(iii)				
			Non Plan Budget	Plan Budget (inclusive NER Provision)	Complementary Extra-Budgetary Resources				
			Non Plan Budget	Plan Budget (inclusive NER Provision)	Complementary Extra-Budgetary Resources				
3.	v) Mahatma Gandhi Institute for Rural Industrialisation (MGIRI), Wardha.			3.00	-	-	-	-	Though MGIRI as a national institute has been approved by CCEA, the staff component required for operationalising the institution is under consideration of M/o Finance. The projected outcomes/processed time lines can be indicated after the institution is fully operationalised.
4	iv) Workshed cum Housing Scheme for Khadi Weavers			5.00		This is a new scheme and a token provision has been kept.			The target / Outcomes will be possible to be indicated after final approval of the scheme



5	i) Scheme for enhancing productivity & competitiveness of Khadi Industries and artisans			5.00		This is a new scheme and a token provision has been kept.			The target / Outcomes will be possible to be indicated after final approval of the scheme
6	ii) Package for developing infrastructure for Khadi Institutions and including nursing fund for weak institutions			5.00		This is a new scheme and a token provision has been kept.			The target / Outcomes will be possible to be indicated after final approval of the scheme

S. No.	Name of Scheme/ Programme	Objective	Outlay (2007-08) (Rs. in crore)			Quantifiable Deliverables / Physical Outcome	Projected Outcomes	Processes/ Timelines	Remarks/Risk Factor
			4(i)	4(ii)	4(iii)				
1	2	3	4			5	6	7	8
			Non Plan Budget	Plan Budget (inclusive NER Provision)	Complementary Extra-Budgetary Resources				
	<b>C) INTEREST SUBSIDY (Book adjustment )</b>								
9.0 1	Khadi	To provide subsidy on interest on loans provided in the past	22.00	19.00	--	--	Reduce the interest liability on Khadi and V.I. implementing institutions.	Book adjustment only.	Subsidy is in lieu of interest accrued on Government loans given in the past to KVIC for promotion of khadi and village industries for onward lending to khadi and village industry institutions.
9.0 2	V.I.	To provide subsidy on interest on loans provided to the K V.I.C in the past	5.36	5.00	---	---	- do -	- do -	
	<b>Sub total C</b>		<b>27.36</b>	<b>24.00</b>					

<b>10.01</b>	<b>D) REGP</b>	Employment generation by setting up of village industries in rural areas through margin money assistance by Government and loans by banks.	--	Rs.445.00		Projects : 37000 Nos. Additional : 7.04 lakh persons employment opportunities	Enhance sustainable employment opportunities in rural areas, encourage entrepreneurship among the rural people.	KVIC releases to banks based on the projects approved by them. Also released for various backward-forwarded linkages.	Physical Outcome (No. of additional employment opportunities) has been worked out on the basis of performance in 2006-07 but this may have to be revised during 2007-08 in view of enhancement in the ceiling of investment in machinery etc. from Rs. 50,000 to Rs. 1.00 lakh in the definition of Village Industry (V.I.) in the amended KVIC Act.
<b>SUB TOTAL-D</b>				<b>Rs.445.00</b>					

S. No.	Name of Scheme/ Programme	Objective	Outlay (2007-08) (Rs. in crore)			Quantifiable Deliverables / Physical Outcome	Projected Outcomes	Processes/ Timelines	Remarks /Risk Factor
			4(i)	4(ii)	4(iii)				
1	2	3	4			5	6	7	8
			4(i)	4(ii)	4(iii)				
			Non Plan Budget	Plan Budget (inclusive NER Provision)	Complementary Extra-Budgetary Resources				
10.0 2	Restructuring of REGP			50.00		This is a new scheme and a token provision has been kept.			The target / Outcomes will be possible to be indicated after final approval of the scheme
12	Loans to Khadi and Village Industries Commission								Loans to employees of KVIC

12.0 1	Khadi Industries	To provide loans to khadi institutions in N.E. States. Loans for granting loans and advances	1.01	3.00		---	For NER and others weak khadi institutions.	Benefit to North Eastern Region and also other khadi institutions, to provide gainful employment to the spinners and weavers.	
12.0 2	Village Industries	To provide loans to khadi institutions in N.E. States.	0	1.00		For NER & nursing funds, wage & means etc.	Revive the weak V.I. institutions to streamline the performance particularly in N.E. region	Need based disbursement.	
	<b>TOTAL (KVIC)</b>		<b>84.82</b>	<b>711.00</b>					

SL. No.	Name of Scheme/ Programme	Objective	Outlay (2007-08) (Rs. In Crore)			Quantifiable Deliverables / Physical Outcome	Projected Outcomes	Processes/ Timelines	Remarks / Risk Factor
			4(i)	4(ii)	4(iii)				
1	2	3	4			5	6	7	8
			Non Plan Budget	Plan Budget (inclusive NER Provision)	Complementary Extra-Budgetary Resources				
11	National Programme for Rural Industrialisation		0	0					
13	Scheme of Fund for Regeneration of Traditional Industries (SFURTI)		---	Rs. 26.00 crore	--	30% of the approved 104 clusters would be targeted to become operational by March, 2008	Rejuvenation of the traditional industries thereby helping them to survive in the competitive market, through capacity building, enhanced wage levels of artisans and common facility centres, improves marketing efforts etc,	Based on the clusters approved by Scheme Steering Committee.	
			Non Plan Budget	Plan Budget (inclusive NER)	Complementary Extra-Budgetary Resources				

				Provision)					
<b>7</b>	<b>COIR BOARD</b>								
	<b>Plan Schemes of Coir Board</b>	Development of coir industry in the country and Promotion of domestic as well as export markets of coir and coir products	<b>2.51</b>	<b>30.00</b>		(a) Production (Fibre in MT) 4,70,000 M.T (b) Export (in Rs. Crore) 680.00 (c) Employment Generation (in lakh) 6.60			

SL. No.	Name of Scheme/ Programme	Objective	Outlay (2007-08) (Rs. In Crore)			Quantifiable Deliverables / Physical Outcome	Projected Outcomes	Processes/ Timelines	Remarks / Risk Factor
1	2	3	4			5	6	7	8
			4(i)	4(ii)	4(iii)				
			Non Plan Budget	Plan Budget (inclusive NER Provision)	Complementary Extra-Budgetary Resources				
	<b>i) Science &amp; Technology</b>			<b>7.00</b>		Demand based			
	a) Modernisation of production processes	Modernization of spinning and processing of coir fibre		1.50		(a)Conversion of green husk fibre into retted fibre: 30 MT (b)Conversion of coir pith into C-POM: 3000 MT (c)Human Resource Devpt. and Consultancy: 300 (e) Training: 100 (f) Conversion of coir fibre into needled felt: 5000 m2	Provision of technological amenities required by the industry.	Individual project, technology transfer etc	
	b) Development of machinery	Development of coir machinery and		1.00		Technical Consultancy will be provided in 24 cases and one new	Development of machinery required by the industry.	Development under taken by the Coir Board.	



	and equipment	equipment				machine will be developed.			
	c) Product Dev. & Diversification	Product development and diversification		1.50		200 new products would be developed.	Development of new products and applications	Development under taken by the Coir Board.	

SL. No.	Name of Scheme/ Programme	Objective	Outlay (2007-08) (Rs. In Crore)			Quantifiable Deliverables / Physical Outcome	Projected Outcomes	Processes/ Timelines	Remarks / Risk Factor
			4(i)	4(ii)	4(iii)				
1	2	3	4			5	6	7	8
			Non Plan Budget	Plan Budget (inclusive NER Provision)	Complementary Extra-Budgetary Resources				
	d) Development of environment friendly technologies	Elimination of pollution caused by retting and wet processes and popularization of application of coir products for preservation of environment.		1.50		Popularisation of the technology of conversion of green husk fibre into soft fibre without soaking: 1 MT	Preservation of environment.	Done by research institutes of the Board	
	e) Technology transfer, Incubation, Testing and Service Facilities	Extension and popularization of new technologies developed.		1.50		Testing of coir pith, materials etc: 150, 5 new design cards and 1 shade matching would be provided to exporters, training would be provided to 7 persons, Dyeing and bleaching of	Popularisation of new technologies at field level	Done by research institutes of the Board	

						coir: 400 M.T, 10 field demonstration for coirpith composting would be conducted, demonstration of application of coir geo-textiles. In pavement of road: In controlling soil erosion:			
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SL. No.	Name of Scheme/ Programme	Objective	Outlay (2007-08) (Rs. In Crore)			Quantifiable Deliverables / Physical Outcome	Projected Outcomes	Processes/ Timelines	Remarks / Risk Factor
1	2	3	4			5	6	7	8
			4(i)	4(ii)	4(iii)				
			Non Plan Budget	Plan Budget (inclusive NER Provision)	Complementary Extra-Budgetary Resources				
	<b>Sub Total (S&amp;T)</b>		<b>2.51</b>	<b>7.00</b>					
	<b>ii) Skill Upgradation &amp; Quality Improvement</b>	Manufacture of products with best quality.		<b>1.50</b>		Training would be provided to 5000 persons Workshops to be conducted - 12 Entrepreneur Development Programme/Quality Improvement Programme to be conducted – 40	Upgradation and maintenance of quality of coir products	Training to be imparted by the Board.	
	<b>III) Mahila Coir Yojana</b>	Provision of training/modernised ratts, Anugraha loom with financial subsidy.		<b>3.00</b>		No. of Ratt to be distributed - 5225 No. of Anugraha loom to be distributed – 210 No. of persons to be Trained - 10000	Empowerment of women and quality improvement		
	<b>iii) Development of</b>	Modernisation of coir units.		<b>4.00</b>		Fin. Assistance-150 units Seminars– 15.	Setting up of new modern production units.	Implemented by Board. Depends upon	

	<b>Production</b>							demand	
	<b>Infrastructure</b>								

SL. No.	Name of Scheme/ Programme	Objective	Outlay (2007-08) (Rs. In Crore)		Quantifiable Deliverables / Physical Outcome	Projected Outcomes	Processes/ Timelines	Remarks / Risk Factor
1	2	3	4		5	6	7	8
			4(i)	4(ii)	4(iii)			
			Non Plan Budget	Plan Budget (inclusive NER Provision)	Complementary Extra-Budgetary Resources			
			Non Plan Budget	Plan Budget (inclusive NER Provision)	Complementary Extra-Budgetary Resources			
	<b>iv) Domestic Market Promotion</b>	Popularisation of coir products in the domestic market.		<b>6.00</b>		Domestic Exhibitions to be organized – 60.	Increase in demand for coir products from domestic market	
	<b>v) Export Market Promotion</b>	Retention of traditional overseas market and exploration of new markets abroad.		<b>2.20</b>		EMP programmes to be conducted – 100	Increase in demand for coir products from external market	
	<b>vi) Trade and Industry related Functional Support Services</b>	Better services to the industry and trade through automation and other modern		<b>3.70</b>		Market Study – 3 Industrial Survey – 3 Computerisation : According to need	Increased efficiency in the support services of the Board	

		technologies				HRD Training : 75			
	<b>vii) Welfare Measures</b>	Improvement of living and working conditions of the laborers in the industry.		<b>2.60</b>		27 projects to be set up under Production Enhancement Linked Coir Workers Welfare Scheme	Increase in the productivity and well being of the coir workers		
	<b>New Scheme</b>								

SL. No.	Name of Scheme/ Programme	Objective	Outlay (2007-08) (Rs. In Crore)		Quantifiable Deliverables / Physical Outcome	Projected Outcomes	Processes/ Timelines	Remarks / Risk Factor
1	2	3	4		5	6	7	8
			4(i)	4(ii)	4(iii)			
			Non Plan Budget	Plan Budget (inclusive NER Provision)	Complementary Extra-Budgetary Resources			
8	<b>Rejuvenation, Modernization and Technology Upgradation of the Coir Sector.</b>	Modernization and up gradation of the production and processing machinery and enhancing the utilization of husk and earnings of workers and other stake holders of the coir industry.		<b>25.00</b>		4088 units to be set up and 1 cluster to be developed.	Modernization of the coir industry by adoption of modern technology in production and processing of Coir and to increase the productivity by enhancing the earnings of workers and income of Small Scale producers engaged in coir industry.	Exact Physical Outcome will be possible to be indicated after approval of this new scheme.
	<b>Loan to Coir Board</b>	Loans and Advances	<b>0.30</b>	<b>0</b>				
	<b>Total (Coir Board)</b>		<b>2.81</b>	<b>55.00</b>				
	<b>Grand Total</b>		<b>87.63</b>	<b>1112.00</b>				
	<b>Provision for projects/scheme for the benefit of North Eastern Region</b>							



	<b>&amp; Sikkim</b>								
14.03	<b>Interest Subsidies - Khadi</b>			<b>1.90</b>		-do-			-do-
14.04	<b>Village Industries</b>			<b>4.00</b>		-do-			-do-

Sl. No	Name of Scheme / Programme	Objective/Outcome	Outlay (2007 – 08)			Quantifiable Deliverables Physical outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk factors
			4(i)	4(ii)	4(iii)				
1	2	3	4			5	6	7	8
			Non Plan Budget	Plan Budget (exclusively NER Provision)	Complementary Extra-Budgetary Resources				
14.05	Village Industries (S&T)			0.20		-do-			-do-
14.06	Interest Subsidies – V.I.			0.50		-do-			-do-
14.07	Mahatma Gandhi Institute for Rural Industrialisation			0					
14.08	Workshed cum Housing Scheme for Khadi Weavers. (New Scheme)			0.50		-do-			
14.09	Scheme for enhancing productivity & competitiveness of Khadi Industries and artisans (New Scheme)			0.50		Projects for benefit of NER would be taken up after operationalization of this scheme			
14.10	Package for developing infrastructure			0.50		-do-			

	for Khadi Institutions and including nursing fund for weak institutions (New Scheme)								
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Sl. No	Name of Scheme / Programme	Objective/Outcome	Outlay (2007 – 08)			Quantifiable Deliverables Physical outputs	Projecte d Outcomes	Processes/ Timelines	Remarks/ Risk factors
			4(i)	4(ii)	4(iii)				
1	2	3	4			5	6	7	8
			Non Plan Budget	Plan Budget (exclusive ly NER Provision)	Complementary Extra-Budgetary Resources				
14.1 1	Coir Board			1.30		-do-			-do-
14.1 2	Coir Board (S&T)			0					
14.1 3	Rejuvenation , Modernisation and Technology upgradation of Coir Industry (New Scheme)			2.50		-do-			-do-
14.1 4	Rural Employment Generation Programme			44.50		-do-			-do-
14.1 5	Restructuring of REGP . (New Scheme)			5.00		Projects for benefit of NER would be taken up after operationalizati			

						on of this new scheme			
14.1 6	Scheme of Funds for Regeneration of Traditional Industries.			2.60		The scheme is for the benefit of NER & Sikkim			Explanation is given in the functional head.
14.1 7	Prime Minister's Rozgar Yojana			32.00		The scheme is for the benefit of NER & Sikkim			-do-

Sl. No	Name of Scheme / Programme	Objective/Outcome	Outlay (2007 – 08)			Quantifiable Deliverables Physical outputs	Projecte d Outcomes	Proces ses/ Timeli nes	Remarks/ Risk factors
			4	4	4				
1	2	3	4(i)	4(ii)	4(iii)	5	6	7	8
			Non Plan Budget	Plan Budget (exclusive ly NER Provision)	Compleme ntary Extra-Budgetary Resources				
14.18	<b>Khadi Loan</b>	<b>To provide loans to khadi institutions in N.E. States.</b>	---	<b>3.00</b>	---	---	For NER and others weak khadi institutions.	Benefit to North Eastern Region and also other khadi institutions, to provide gainful employment to the spinners and weavers.	
14.19	<b>V.I. Loan</b>	<b>To provide loans to khadi</b>	---	<b>1.00</b>		For NER & nursing funds,	Revive the weak	Need based	

		<b>institutions in N.E. States.</b>				wage & means etc.	V.I. institutions to streamline the performance particularly in N.E. region	disbursement.	
	<b>TOTAL</b>			<b>111.20</b>					

## CHAPTER III

### MAJOR INITIATIVES

The Ministry of ARI has taken several initiatives for strengthening the KVI sector. These include the following.

#### **3.1 Revamping of KVIC**

3.1.1 The year 2006-07, witnessed a landmark in the annals of the Khadi and Village Industries Commission. Major amendments were effected to the Khadi and Village Industries Commission Act in March, 2006. Consequent upon such amendments, the 13 Member Commission was re-constituted by nominating experts from the fields of Education, S&T, Marketing, Banking etc. The full-fledged Commission was reconstituted vide notification dated 19<sup>th</sup> July 2006 by the Government of India.

3.1.2 The full-fledged Commission after taking over charge of Khadi and Village Industries activities reviewed the programmes/schemes. It is expected that during 2007-08, the KVI sector will witness an overall growth of around 2-3% in terms of production and 8-9% in terms of employment. The recent decision of the Ministry of Commerce, Govt. of India to accord deemed export promotion council (EPC) status to KVIC is expected to provide a fillip to the export promotional efforts of KVI products during 2007-08.

#### **3.2 New Schemes**

3.2.1 It is proposed to introduce the following new schemes for the KVI Sector:

- (i) Scheme for enhancement of productivity and competitiveness of khadi industry and artisans:-This aims to provide financial assistance to 200 of the 'A plus' and 'A' category khadi institutions in a Public Private partnership mode to realize increased value addition to khadi products, readymade garments, muslin khadi, setting up common facility centres, need based dyeing and printing facilities besides ensuring better wages to artisans along with their skill upgradation. Only a token provision is made which will be augmented after obtaining final approval to the scheme.
- (ii) Package for developing infrastructure of khadi institutions including nursing fund for weak institutions – This scheme envisages replacement of looms and charkhas for increasing production of khadi and to expand employment base at higher level of wages. The scheme also attempts to renovate sales outlets for enhancing sales. Detailed proposal is under preparation with full justification and details of outcomes and action plan to identify the new spinners and weavers, providing training and maintaining the standards of quality of khadi production. The employment would be targeted in such a manner that the proportion of employment of SC/ST artisans will be in proportion to their population in the State concerned.
- (iii) Restructuring of REGP – This scheme is going to be a comprehensive proposal which seeks to (a) enable beneficiaries under PMRY to graduate to higher value projects that is possible under REGP, (b) allow khadi production and sale under REGP so as to provide



an alternative to the efforts of traditional khadi institutions and without relying upon the existing scheme of rebate on sale as a sustainable business model for entrepreneurs, and (c) establish a SPV/ joint venture through Exim Bank of India and KVIC for export of khadi and VI products.

- (iv) Workshed cum Housing Scheme for Khadi Weavers and Artisans – This is a scheme exactly identical to the one under implementation in the Ministry of Textiles. As the Ministry of Textiles did not consider extension of their scheme to khadi sector despite attempts by KVIC and the Ministry, it is proposed as a separate scheme. An EFC note is under preparation specifying the targets and action plan with monitorable outcomes and hence a token provision has been proposed. The SC/ST artisans/weavers/workers will be covered under the scheme in proportion to their population in the State concerned.

**3.2.2. Setting up of Mahatma Gandhi Institute for Rural Industrialization (MGIRI), Wardha** - An outlay of Rs 16.33 crore (Rs. 3.00 crore for 2007-08) is projected for XI Plan based on the proposal for setting up Mahatma Gandhi Institute for Rural Industrialisation (MGIRI), Wardha by revamping the Jamnalal Bajaj Central Research Institute (JBCRI) which has been approved by the Cabinet Committee on Economic Affairs (CCEA) on 28 December 2006. This is a National Institute for coordinating all R&D work relating to rural industries and khadi for strengthening rural industrialization and enhancing the opportunities for meaningful and productive employment in rural areas. As per the recommendation of the EFC, the Institute will be financed by the Ministry directly, as an autonomous body. Hence the outlay will need to be shown as distinct from KVIC.

### **3.3. Coir Board (New Scheme)**

- (i) **Rejuvenation, modernization and technology upgradation for coir industry- New Scheme of Coir Board** - The Scheme has two components. **First** is the rejuvenation and modernization part. Increasing the utilization of husk, better conversion rate of husk into coir products and providing additional employment to at least 50,000 new workers are some of the targets.
- (ii) The **second part** is to promote 5 mega clusters, one each in Kerala, Tamil Nadu, Andhra Pradesh, Karnataka and Orissa at an investment of Rs 10 crore each year for all the five clusters.

**3.4. Some modifications are also proposed in the existing schemes of KVIC and Coir Board as follows:**

#### **KVIC**

- (i) **HRD:** Under the Human Resource Development Scheme, in addition to the normal programming for imparting training to the potential entrepreneurs/artisans it is

proposed to make provision for up-gradation of training centres and re-designing of existing training courses.

- (ii) Marketing: An MOU has been signed by Ministry of Women and Child Development and KVIC to enable the former Ministry to act as a Nodal Agency and play an active role in popularising REGP scheme amongst its Self Help Groups (SHGs), conduct entrepreneur development workshops and run Rural Industries Consultancy Services (RICS) for project formulation for SHGs. KVIC also has an MOU with Army Wives Welfare Association (AWWA) to play the role of Nodal Agency for REGP and also to provide marketing support through its sales outlets from Army cantonments for products manufactured by the units taken up by Ex-servicemen and War Widows. During 2007-08, it is proposed to organize 129 domestic exhibitions, which includes Khadi Utsav, Khadi Darshan, Khadi Mela, Khadi Bazar etc. In addition to this, it is proposed that KVIC would take part in 10 international trade fairs/exhibitions. Besides, under the India International Trade Fair (IITF) during 2007-08 KVIC will be taking part in 'product specific exhibitions', within the country. KVIC has been bestowed deemed Export Promotion Council status in December, 2006 which will give fillip to export promotion. The entire approach towards conducting and participating in domestic as well as international fairs is being reformulated.
- (iii) Publicity: Considering the enhanced programme proposed during the ensuing years, the KVIC will give due priority to its publicity and propaganda measures, more particularly giving product publicity through print and electronic media, in order to reach to the last person in the rural area. During the year, it is proposed to bring out booklets / pamphlets / folders / posters etc, in order to give wide circulation to the activities undertaken by KVIC. People Education Programme (PEP) will also get focus during 2007-08. Advertisement will be made through the print and electronic media on special occasions to highlight and create awareness among the public about KVIC activities. Outdoor publicity in the form of Hoardings, Banners, Posters in local languages will also be arranged especially in the context of the Golden Jubilee Celebration of KVIC in 2007-08.
- (iv) Information Technology (IT): KVIC will be giving added attention, to the need for improving the use of information technology. The proposed activities include WAN connectivity, e-governance and video conferencing, IT support to implementing agencies etc.

### **COIR BOARD**

- (i) Mahila Coir Yojana:- This is sought to be modified by providing a forward linkage by bringing 'Anugraha' and 'Anupam' looms under its purview and also provide training in weaving to women artisans.
- (ii) Development of Production Infrastructure:- It is proposed to bring the spinning households and small scale manufacturing sector under the scheme making them eligible for availing financial assistance for construction of loom shed, ratt shed, repairing handlooms and retrofitting existing ratts.

- (iii) Export Market Promotion:- A new intervention viz; Design Clinic is proposed to be introduced under Export Market Promotion in addition to the existing Export Market Development Assistance Schemes (EMDA). A Hi-tech Digital Centre at Kochi would be established. The design centre will serve as a powerhouse of resource as well as design library where collection of various new modern design patterns will be stored and made available to the needy exporters for spot choice.
- (iv) Welfare Measures:- It is proposed to provide medical care and assistance for education of children of Coir workers and additional welfare measures in addition to the existing insurance cover provided to the Coir workers in respect of accidents at work site. Production Enhancement Linked Welfare Scheme introduced on experimental basis in 2005-06 is proposed to be continued.

### **3.5 PMRY**

To give boost to the implementation of PMRY Scheme, the Ministry of SSI & ARI had proposed a Promotional Package for Micro and Small Enterprises (MSE) as an extension of the National Common Minimum Programme (NCMP) which declared that all necessary steps will be taken to revive industrial growth. The principal elements of the package for MSE promotion among other issues includes a proposal for strengthening PMRY and giving impetus to self employment to educated unemployed youth through establishment of micro enterprises. The areas in which the PMRY is proposed to be strengthened are.

- (i) Enhancement of family income ceiling from Rs. 40,000 per annum to Rs. 1.00 lakh per annum.
- (ii) Increase in project cost for business sector from Rs. 1 lakh to Rs. 2 lakh and for industry sector from Rs. 2 lakh to Rs. 5 lakh
- (iii) Enhancement of ceiling of subsidy from Rs. 7,500 to Rs. 12,500 per beneficiary.
- (iv) Enhancement of subsidy ceiling for Self Help Groups
- (v) Enhancement of training cost, per beneficiary, for industry sector from Rs. 1,000 to Rs. 2,500 and for service and business sector from Rs. 500 to Rs. 1500.
- (vi) Reimbursement to States/UTs @ of Rs. 200 per applicant for pre- motivational campaigns.

The revised guidelines are under finalization and are expected to be implemented w.e.f. 2007-08. It is expected that with the introduction of revised guidelines, PMRY would become more attractive and beneficiaries would be able to set up more viable units.

### **3.6 Decentralisation, Transparency and Simplification**

Ministry of Agro and Rural Industries has identified thrust areas in respect of various Schemes / Programmes being implemented by the Khadi and Village Industries Commission (KVIC), Coir Board and PMRY. A number of measures have been taken in the areas of decentralisation, better transparency, simplification of procedures and ensuring accountability. Some of the steps include delegation of more administrative/financial powers to field offices for speedier implementation of schemes like Product Development Design Intervention and Packaging (PRODIP) Scheme, Rural Employment Generation Programme (REGP), accreditation of training centres, selection of trainees, organisation of exhibitions, settlement of rebate claims,

undertaking research activities, simplification of procedures of auditing institutions, translation of the schemes and application forms in local languages, development of software for online tracking of applications under REGP, computerisation of status of receipt and disbursement of rebate claims, display of all KVIC's schemes on the official website, setting up of a touch screen Kiosk for information on all matters pertaining to registration as exporter, status of their applications for financial assistance, etc.

### **3.7 Social and Gender Empowerment Processes**

The Ministry of Agro and Rural Industries is implementing two national employment generation programmes, namely, Rural Employment Generation Programme (REGP) and Prime Minister's Rozgar Yojana (PMRY). Both these programmes are for employment generation in the unorganised non-farm sector.

Under the REGP 2,36,355 units have been set up and 33.74 lakh additional employment opportunities have been created since its inception till 31.03.2006. Of these, 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. During 2006-07, against the target of generating 5.90 lakh additional employment opportunities under REGP, 2.36 lakh employment opportunities (40 per cent) have been generated upto December, 2006.

Similarly, under the PMRY, loans have been disbursed to 25.42 lakh self-employment ventures since its inception till 31 March 2006, leading to estimated employment generation for 38.13 lakh persons. Of these, 15.68 per cent belong to the Scheduled Castes and Scheduled Tribes, 20.39 per cent to OBCs and about 12.11 per cent are women.

Though there is no specific reservation for women entrepreneurs, there has been substantial participation of women in these two programmes. KVIC has also issued instructions to its field offices to encourage more and more women entrepreneurs under REGP so that their percentage is enhanced to 30 per cent of the total projects sanctioned under REGP. During 2006-07, the participation of women in REGP is 25.99 per cent (upto December, 2006) and that under PMRY is 13.72 per cent (upto September, 2006) in terms of number of projects set up.

## CHAPTER IV

### **PAST PERFORMANCE {2005-06 & 2006-07 (up to December 2006)}**

#### **4.1 KVIC (2005-06)**

- The achievement under khadi production during 2005-06 was Rs.468.30 crore as against the target of production of Rs. 471 crore which works out to 99% achievement during the year. Similarly, during the year 2005-06, 8.68 lakhs persons were provided employment under Khadi against the target of 8.70 lakh persons, and thus the achievement is 99.77%.
- Under REGP, funds to the tune of Rs. 376.86 crore were released for implementing the scheme. Employment opportunities to 5.68 lakh persons against the target of 5.50 lakh persons were provided during the year 2005-06. Thus the achievement has exceeded the target fixed for the year.

#### **KVIC (2006-07)**

- For the financial year 2006-07 under Khadi, Rs.138.30 crore grant has been allocated, in addition to Rs.0.49 crore loans for khadi institutions in the N.E. Region. The physical target set for 2006-07 under khadi is Rs. 485.18 crore production and 8.79 lakh employment. By the end of 3<sup>rd</sup> quarter i.e. upto December, 2006, the achievement under khadi production was Rs. 339.50 crore (about 70%). As far as REGP is concerned, for the current year, it has been proposed to establish 31,760 projects by generating 5.90 lakh additional employment opportunities. Against this target, so far (upto December, 2006) 10747 projects (34% achievement) have been set up and 2.36 lakh persons (40% achievement) in terms of employment generation have been reported. The comparative position under REGP as on 31 December, 2005 and 31 December, 2006 is as under:

Period as on	Targets for entire year		Achievement		Amount of Margin Money (Rs. in crore)	
	No. of Projects	Employment Opportunities (lakh persons)	No. of projects set up	No. of Employment Opportunities (lakh)	Available for the entire year	Utilized
31.12.2005	28923	5.50	12227	2.66	412.00	150.90
31.12.2006	31760	5.90	10747	2.36	372.63	240.43

KVIC is taking special steps to increase the pace of achievement in 2006-07.

- The progress made under this programme during X Plan is as under:

Sr. No.	Year	Margin money Disbursed (Rs. crore)	Number of projects financed during the year	Target of employment (lakh person)	Employment generated (lakh persons)
1.	2002-03	193.72	21024	4.00	3.61
2.	2003-04	265.75	24747	5.00	4.71
3.	2004-05	292.40	23453	5.25	5.31
4.	2005-06	320.96	26650	5.50	5.68
5.	2006-07*	240.43	10747	5.90	2.36

\* **upto December, 2006**

#### **4.2 Coir Board**

During 2005-06, 410000 MT coir fibre was produced by Coir Board against the target of 4,15,000 MT and the achievement is about 99%. During the year 2006-07, 3,15,500 MT Coir Fibre has been produced upto December, 2006 against the target of 450000 MT and the achievement is 70%.

Under Coir Export, the achievement during 2005-06 was 102% as the export of Rs. 508.45 crore against the target of Rs. 500 crore was made. During the year 2006-07, coir export to the extent of Rs. 421.18 (75.21%) crore against the target of Rs. 560 crore has been made upto December, 2006.

Under Mahila Coir Yojana, during the year 2005-06, 4220 Ratts were distributed against the target of 3500 and the achievement was 120%. During 2006-07, 2625 ratts against the target of 4000 Nos. of ratts have been distributed upto December, 2006 and the achievement is 66%, so far.

#### **4.3 PMRY**

The targets for the years 2004-05 and 2005-06 under the Yojana were enhanced from 2.20 lakh beneficiaries to 2.50 lakh beneficiaries for generating 3.75 lakh self-employment opportunities per annum each, against which loans have been sanctioned to 3.11 lakh beneficiaries and disbursed to 2.56 lakh beneficiaries during 2005-06. During 2006-07 (upto November, 2006) loans have been sanctioned to 1,27,183 beneficiaries (49.87%) against the plan target of 2.55 lakh.

**4.4** A statement indicating physical performance of various schemes of the Ministry of ARI during the X Plan is placed at Annex – I.

**Annexure-I**

**Statement indicating physical performance of various schemes of Ministry of ARI**

Name of the Scheme	2002-03		2003-04		2004-05		2005-06		2006-07	
	Target	Ach.	Target	Ach.	Target	Ach.	Target	Ach.	Target	Ach. with %age (upto December, 06)
<b>KVIC</b>										
REGP Employment (lakh numbers) Projects	4.00	3.61	5.00	4.71	5.25	5.31	5.50	5.68 (103%)	5.90	2.36 (40%) As against previous's years (31.12.05) 2.66
Rebate Released (Rs. crore )	-	118.84	-	81.99	-	81.19	81.29	80.08 (99%)	88.94	93.54 (105%)
Interest subsidy released under ISEC (Rs. crore)	-	21.99	-	18.77	-	26.09	22.37	22.34 (100%)	24.92	25.12 (101%)
Production of Khadi (Rs. crore)	420.85	443.07	474.52	451.93	470.00	461.54	471	468.30 (99%)	485.18	339.50 (P) (70%) As against previous's years (31.12.05) 322.13
Production of VI (Rs. crore)	7622.50	8126.30	9377.10	9228.27	10,600	10458.89	12193	11915.54 (98%)	14264.82	9985.50 (P) (70%) As against previous's years (31.12.05) 7315.80
Exhibitions (number)	221	103	241	161	221	229	270	208 (77%)	100	39 (39%)

Cumulative coverage of khadi artisans under JBY (persons in lakh)			3.00	1.16	3.00	1.77	3.00	2.14 (71%)	3.00	2.25 (71%)
PRODIP (number of projects)			200	121	199	69	146 (Kh) 49 (V.I.)	67.71 (42%) 49 (100%)	120 (Kh) 82 (V.I.)	52 (43%) 44 (54%)
RISC (number of projects)					85* 23**	41*	75* 7**	62 (82%)	90* 8**	48 7 (56%)
Training (Nos.)							52037	47994 (92%)	46035	29367 (64%)
S&T (No. of projects)							37- Kh 80-V.I	25 (68%) 91 (113%)	39- Kh 88-V.I	37 (95%) 66 (75%)
<b>Coir Board</b>										
Coir Fibre(MT)	390000	353700	410000	364000	400000	385000	415000	410000 (99%)	450000	3,15,500 (70%)
Coir Export (Rs.crore)	400.00	352.71	400.00	407.50	450.00	473.40	500.00	508.45 (102%)	560.00	421.18 (75%)
Cumulative employment in Coir sector (lakh persons )	5.65	5.78	5.98	5.86	6.06	6.06	6.20	6.22 (100%)	6.40	6.36 (99%)



Name of the scheme	2002-03		2003-04		2004-05		2005-06		2006-07	
	Target	Ach.	Target	Ach.	Target		Target	Ach.	Target	Ach.
Shilpa Coir Societies (No. of Societies distributed)	2000	1303	2000	1556	2500	3212	3500	4220 (120%)	4000	2600 (65%)
Training (No. of persons)	4000	3063	7000	6956	10000	13318	15000	38346 (256%)	15000	69000 (460%)
Development production infrastructure (No. of units)	50	25	50	58	50	48	100	74 (74%)	150	150 (100%)
<b>PMRY</b>										
PMRY (lakh persons)	<b>3.30</b>	<b>2.865</b>	<b>3.30</b>	<b>3.27</b>	3.75	3.67#	2.5 lakh (beneficiaries) 3.75 lakh (Empl)	2.56 lakh (beneficiaries) 3.84 lakh (Empl.)	2.55 lakh (beneficiaries) 3.825 (Empl)	0.74# (beneficiaries) 1.11 (Empl)

<b>FURTI</b> <b>(No. of</b> <b>clusters)</b>							25-Khadi 50-V.I. 25-Coir	Formulation of guidelines, modalities etc. for implantation of scheme finanalise	25-Khadi 50-V.I. 25-Coir	29-Khadi 50-V.I. 25-Coir approved b Scheme Steering Committee (SSC)  i) Identification of Implementin Agencies (I.A) a Technical Agencies (T.A.) completed.  ii) TA's approved by SSC  iii) Training of IA/TA an Official of Nodal Agencies (N.A.) completed  iv) signing o agreement between NA and TA and NA and IA completed.
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\*(RISC) Rural Industry Service centre- Rs. 5 lakh project

\*\* (RISC) Rural Industry Service centre- Rs. 5-25 lakh project

# Expected achievement (P) = Provisional

**CHAPTER-V**

**FINANCIAL REVIEW**

**(I) Details of the financial review covering overall trends in expenditure from 2003-04 to 2005-06, Budget Estimates 2006-07, Revised Estimates 2006-07, BE2007-08 and expenditure upto Dec., 2006 are indicated below:-**

			Actual upto		BE 07-08											
		Major Head	Actual upto Dec., 06		BE 07-08											
			Plan	N-Plan	Plan	N-Plan										
			Plan	N-Plan	Plan	N-Plan										
		Revenue	605.57	63.51	695.43	85.51	868.04	86.26	966.50	86.32	894.00	86.32	575.44	42.83	1108.00	86.32
		Capital	0.50	0.10	0.00	0.10	0.00	1.16	0.50	1.31	0.50	1.31	0.00	0.15	4.00	1.31
		Total	606.07	63.61	695.43	85.61	868.04	87.42	967.00	87.63	894.50	87.63	575.44	42.98	1112.00	87.63
1	Prime Minister's Rozgar Yojana	2851	167.77	0.00	218.13	0.00	272.48	0.00	292.48	0.00	227.30	0.00	113.26	0.00	288.00	0.00
	<b>Khadi &amp; Village Industries</b>															
2	Khadi and Village Industries Commission															
2.01	Khadi Industries	2851	90.35	55.39	90.49	55.53	108.25	56.39	125.85	55.45	125.85	55.45	133.96	41.58	100.80	55.45
2.02	Other Village industries	2851	27.00	0.00	20.00	0.00	49.45	0.00	50.40	1.00	50.40	1.00	37.80	0.00	53.80	1.00
	<b>Total (K&amp;V Industries)</b>	<b>2851</b>	<b>117.35</b>	<b>55.39</b>	<b>110.49</b>	<b>55.53</b>	<b>157.70</b>	<b>56.39</b>	<b>176.25</b>	<b>56.45</b>	<b>176.25</b>	<b>56.45</b>	<b>171.76</b>	<b>41.58</b>	<b>154.60</b>	<b>56.45</b>
3	Mahatma Gandhi Institute for Rural Industrialisation	2851	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.00	0.00
4	Workshed cum housing Scheme for Khadi weavers	2851	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.50	0.00
5	Scheme for enhancing productivity & competitiveness of Khadi Industries and	2851	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.50	0.00

	Artisans															
6	Package for developing Infrastructure for khadi institutions including nursing funds for weak Institutions	2851	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.50	0.00

		Major	Actual 03-04		Actual 04-05		Actual 05-06		BE 06-07		RE 2006-07		upto Dec., 06		BE 07-08	
		Head	Plan	N-Plan	Plan	N-Plan	Plan	N-Plan	Plan	N-Plan	Plan	N-Plan	Plan	N-Plan	Plan	N-Plan
7	7. Coir Industries	2851	13.69	2.76	16.79	2.62	35.43	2.51	21.90	2.51	21.90	2.51	10.95	1.25	28.70	2.51
		3601	0.83	0.00	0.00	0.00	0.00	0.00	0.10	0.00	0.10	0.00	0.00	0.00	0.00	0.00
		6851	0.00	0.10	0.00	0.10	0.00	0.15	0.00	0.30	0.00	0.30	0.00	0.15	0.00	0.30
8	Rejuvenation, Modernisation and Technology Upgradation of Coir Industry	2851	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	0.00	0.00	0.00	0.00	0.00	0.00	22.50	0.00
	<b>Coir Industries -Total</b>		<b>14.52</b>	<b>2.86</b>	<b>16.79</b>	<b>2.72</b>	<b>35.43</b>	<b>2.66</b>	<b>22.00</b>	<b>2.81</b>	<b>22.00</b>	<b>2.81</b>	<b>10.95</b>	<b>1.40</b>	<b>51.20</b>	<b>2.81</b>
9	9. Interest Subsidies															
9.01	Khadi and Village Industries Commission (Khadi Industries)	2851	19.00	3.00	19.00	22.00	19.00	22.00	17.10	22.00	17.10	22.00	0.00	0.00	17.10	22.00
9.02	Khadi and Village Industries Commission (Other Village Industries)	2851	5.00	2.36	5.00	5.36	5.00	5.36	4.50	5.36	4.50	5.36	0.00	0.00	4.50	5.36
	<b>Interest Subsidies -Total</b>		<b>24.00</b>	<b>5.36</b>	<b>24.00</b>	<b>27.36</b>	<b>24.00</b>	<b>27.36</b>	<b>21.60</b>	<b>27.36</b>	<b>21.60</b>	<b>27.36</b>	<b>0.00</b>	<b>0.00</b>	<b>21.60</b>	<b>27.36</b>
10.0	<b>Rural Employment Generation Programme</b>	<b>2851</b>	<b>281.75</b>	<b>0.00</b>	<b>326.00</b>	<b>0.00</b>	<b>376.86</b>	<b>0.00</b>	<b>334.48</b>	<b>0.00</b>	<b>334.48</b>	<b>0.00</b>	<b>279.47</b>	<b>0.00</b>	<b>400.50</b>	<b>0.00</b>
10.0	<b>Restructuring of Rural Employment Generation Programme</b>	<b>2851</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>45.00</b>	<b>0.00</b>
11.0	<b>National Programme for Rural Industrialisation</b>	<b>2851</b>	<b>0.18</b>	<b>0.00</b>	<b>0.02</b>	<b>0.00</b>	<b>0.07</b>	<b>0.00</b>	<b>0.12</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
12.0	<b>Loans to Khadi and Village Industries Commission</b>	<b>6851</b>	<b>0.50</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1.01</b>	<b>0.00</b>	<b>1.01</b>	<b>0.00</b>	<b>1.01</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1.01</b>
13.0	<b>Scheme of Funds for Regeneration of</b>	<b>2851</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1.50</b>	<b>0.00</b>	<b>23.37</b>	<b>0.00</b>	<b>23.37</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>23.40</b>	<b>0.00</b>

<b>Traditional Industries</b>															
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		Major	Actual 03-04		Actual 04-05		Actual 05-06		BE 06-07		RE 2006-07		upto Dec., 06		BE 07-08	
		Head	Plan	N-Plan	Plan	N-Plan	Plan	N-Plan	Plan	N-Plan	Plan	N-Plan	Plan	N-Plan	Plan	N-Plan
14	Provision for projects/ North Eastern Region	schemes for the benefit of and Sikkim														
14.0	Khadi Industries	2552	0.00	0.00	0.00	0.00	0.00	0.00	13.80	0.00	13.80	0.00	0.00	0.00	11.00	0.00
14.0	Khadi Industries (S& T)	2552	0.00	0.00	0.00	0.00	0.00	0.00	0.15	0.00	0.15	0.00	0.00	0.00	0.20	0.00
14.0	Interest Subsidies -Khadi	2552	0.00	0.00	0.00	0.00	0.00	0.00	1.90	0.00	1.90	0.00	0.00	0.00	1.90	0.00
14.0	Village Industries	2552	0.00	0.00	0.00	0.00	0.00	0.00	5.20	0.00	5.20	0.00	0.00	0.00	4.00	0.00
14.0	Village Industries (S&T)	2552	0.00	0.00	0.00	0.00	0.00	0.00	0.40	0.00	0.40	0.00	0.00	0.00	0.20	0.00
14.0	Interest Subsidies -VI	2552	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.00	0.50	0.00	0.00	0.00	0.50	0.00
14.0	Mahatma Gandhi Institute for Rural Industrialisation	2552	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14.0	Workshed cum housing Scheme for Khadi weavers	2552	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.00
14.0	Scheme for enhancing productivity & competitiveness of Khadi Industries and Artisans	2552	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.00
14.1	Package for developing Infrastructure for khadi institutions including nursing funds for weak Institutions	2552	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.00

14.1 1	Coir Board	2552	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00	1.00	0.00	0.00	0.00	1.30	0.00
14.1 2	Coir Board (S&T)	2552	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14.1 3	Rejuvenation ,Modernisation and Technology Upgradation of Coir Industry	2552	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.50	0.00
14.1 4	Rural Employment Generation Programme	2552	0.00	0.00	0.00	0.00	0.00	0.00	38.15	0.00	38.15	0.00	0.00	0.00	44.50	0.00



		Major Head	Actual 03-04		Actual 04-05		Actual 05-06		BE 06-07		RE 2006-07		upto Dec., 06		BE 07-08	
			Plan	N-Plan	Plan	N-Plan	Plan	N-Plan	Plan	N-Plan	Plan	N-Plan	Plan	N-Plan	Plan	N-Plan
14.1	Restructuring of Rural Employment Generation Programme	2552	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.00	0.00
14.1	Scheme of fund for Regeneration of Traditional Industries	2552	0.00	0.00	0.00	0.00	0.00	0.00	2.60	0.00	2.60	0.00	0.00	0.00	2.60	0.00
14.1	Prime Minister's Rozgar Yojana	2552	0.00	0.00	0.00	0.00	0.00	0.00	32.50	0.00	25.30	0.00	0.00	0.00	32.00	0.00
	<b>Total</b>	<b>2552</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>96.20</b>	<b>0.00</b>	<b>89.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>107.20</b>	<b>0.00</b>
14.1	Khadi Loan	4552	0.00	0.00	0.00	0.00	0.00	0.00	0.49	0.00	0.49	0.00	0.00	0.00	0.00	0.00
		6552	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.00	0.00
14.1	Village Industries Loan	4552	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00
		6552	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	1.00	0.00
	<b>Grand Total</b>		<b>606.07</b>	<b>63.61</b>	<b>695.43</b>	<b>85.61</b>	<b>868.04</b>	<b>87.42</b>	<b>967.00</b>	<b>87.63</b>	<b>894.50</b>	<b>87.63</b>	<b>575.44</b>	<b>42.98</b>	<b>1112.00</b>	<b>87.63</b>
<b>Outstanding Utilisation Certificate There is no outstanding UC pending for the grants released upto 31.3.2006</b>																
	<b>Unspent Balance:</b>	<b>The Head-wise unspent balance lying with the two statutory organisation under the Ministry, namely, KVIC and Coir Board as on 31.12.2006</b>														
	<b>(A) KVIC</b>															
	<b>Scheme</b>			<b>Balance as on 31.12.2006</b>												
				Plan	Non-Plan											
1	Khadi Loan			10.7	0											
2	Khadi Grant			25.3	0											
3	V. I. Loan			25.4	0											
4	V. I. Grant			16.8	0											

5	REGP			61.8	0											
6	SFURTI			7.98	0											
7	S&T Grant (Khadi)			0.85	0											
8	S&T Grant (V.I.)			1.76	0											
9	H. B. L.			1.77	0											
	<b>(B) Coir Board</b>	<b>Nil</b>														

## CHAPTER VI

### **6. REVIEW OF PERFORMANCE OF STATUTORY BODIES**

- 6.1. The Programmes and Schemes of Ministry of Agro and Rural Industries being implemented through KVIC and Coir Board are monitored regularly at the KVIC and Coir Board level in coordination with the State Governments/Union Territories, banks other stake holders.
- 6.2. At the Ministry level, Secretary (SSI & ARI) reviews the performance of the schemes in monthly review meetings.
- 6.3. Monthly progress of the schemes/programmes is also reported by Secretary to Cabinet Secretariat and PMO.
- 6.4. It is proposed to continue all the existing schemes being implemented by KVIC/Coir Board except Cooperativisation of Coir Industries and National Programme for Rural Industrialization (NPRI) during XI Plan. The former scheme is proposed to be weeded out because of poor response and NPRI is subsumed under SFURTI, the latter being a more holistic and comprehensive scheme.
- 6.5. As regards evaluation of existing schemes, PMRY has been subjected to independent evaluation in about four rounds through the Institute of Applied Manpower Research (IAMR) and has also been critically examined by an inter Ministerial Group chaired by the Adviser (VSE) of the Planning Commission (June 2006) and no further evaluation is immediately called for. The refinements suggested by State Governments have been considered by this Group in their recommendations. Based on these recommendations action has been initiated to amend the guidelines of PMRY, separately after an in principle approval to the PMRY component in the Promotional Package for Micro and Small Enterprises granted by the CCEA.
- 6.6. REGP is being entrusted by KVIC for an independent evaluation. SFURTI has just commenced and is not ripe for evaluation this year. All other Plan schemes that are continuing from IX Plan or even earlier have been entrusted or are in the process of being entrusted for independent evaluation by KVIC and Coir Board.

