

Khadi and Gramodyog Vikas Yojana

The Cabinet Committee on Economic Affairs approved to continue the existing schemes of MPDA, Khadi Grant, ISEC and Village Industry Grant, all subsumed under 'Khadi and Gramodyog Vikas Yojana' at the total cost of Rs. 2800 crore for the period 2017-18 to 2019-20.

Rozgar Yukt Gaon

It approved to bring in a new component of 'Rozgar Yukt Gaon' to introduce enterprise-based operation in the Khadi sector and to create employment opportunities for thousands of new artisans.

Rozgar Yukta Gaon (RYG) aims at introducing an 'Enterprise-led Business Model' in place of 'Subsidy-led model' through partnership among 3 stakeholders- KRDP-assisted Khadi Institution, Artisans and Business Partner.

It will be rolled out in 50 Villages by providing 10,000 Charkhas, 2000 looms & 100 warping units to Khadi artisans, and would create direct employment for 250 Artisans per village.

The total Capital Investment per village shall be Rs.72 Lakh as subsidy, and Rs.1.64 Crore in terms of Working Capital from the Business Partner.

About Khadi and Gramodyog Vikas Yojana

Under the Village Industry verticals, special focus shall be on

- Agro-based and food processing (Honey, Palmgur etc.),
- Handmade Paper and Leather,
- Pottery and Wellness and Cosmetics sectors

Through Product Innovation, Design Development & Product Diversification.

For this initiative, advanced skill development programmes shall be conducted through existing **Centres of Excellence** such as CGCRI, CFTRI, IIFPT, CBRTI, KNHPI, IPRITI etc.

Another intervention is to set up 4 Design Houses across the country to capture regional variations, to provide access to Khadi Institutions, to evolve modern designs, ethnic wear etc. with an investment of Rs.5 crore each.

The other key component is to **make the 'Production Assistance'** competitive and incentive based. The incentive structure focuses on improving productivity, turnover and quality assurances, and would be extended on the basis of an objective scorecard.

While the Khadi Institutions would automatically be given the financial assistance of 30%, in order to become eligible for the additional incentive of 30%, these institutions must strive for efficiency, optimal utilization of resources, reduction of waste, effective managerial practices etc.

As a part of rationalization exercise, **8 different schemes of Khadi & Village Industries are now merged under 2 umbrella heads i.e. 'Khadi Vikas Yojana' and 'Gramodyog Vikas Yojana':**

- (i) Khadi Vikas Yojana [Market Promotion & Development Assistance (MPDA), Interest Subsidy Eligibility Certificate (ISEC), Workshed, Strengthening Weak Infra, Aam Aadmi Bima Yojana, Khadi Grant and Khadi & VI S&T]
- (ii) Gramodyog Vikas Yojana [Village Industries Grant].