



Khadi and Gramodyog Vikas Yojana (KGVY)

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INTRODUCTION

Ministry of Micro, Small and Medium Enterprise (MSME) has merged existing Khadi Village Industries (KVI) schemes under an umbrella scheme of “Khadi and Gramodyog Vikas Yojna” (KGVY). This scheme is continue to five years during the period 2021-22 to 2025-26 co-terminus with 15th Finance Commission cycle. KGVY is a central sector scheme and there is no state component involved in this scheme.

The KGVY has three major components:

1. **Khadi Vikas Yojana (KVY):** The scheme is for promotion and development of Khadi sector i.e. cotton, woolen, silk and the existing schemes like Modified Market Development Assistance (MMDA), Interest Subsidy Eligibility Certificate (ISEC), Khadi Reforms Development Programme (KRDP), Workshed Scheme for Khadi Artisans, Strengthening infrastructure of existing weak Khadi Institutions and Assistance for Marketing Infrastructure, Khadi (S&T) and Centre of Excellence (CoE) for Khadi.
2. **Gramodyog Vikas Yojana (GVY):** The scheme is for promotion and development of village industries through common facilities, technological modernization, training etc. & other support and services for promotion of village Industries. GVY has the following components/ verticals from the activities under Village Industries:
 - a. Wellness & Cosmetics Industry (WCI)
 - b. Handmade Paper, Leather & Plastic Industry (HPLPI)
 - c. Agro Based & Food Processing Industry (ABFPI)
 - d. Mineral Based Industry (MBI)
 - e. Rural Engineering & New Technology Industry (RENTI)
 - f. Service Industry

3. **Khadi Grant:** It covers all the establishment expenses of the Officers/ Staff members of the Khadi and Village Industries Commission (KVIC).

Objective:

- To increase productivity and wages of Khadi Artisans and secure livelihood
- To improve Infrastructure for Khadi Production
- Increased Khadi Production, Sales and Employment
- Development of Village Industries and increase number of rural artisans
- To revive the traditional and inherent skills of rural artisans
- To renovate and Modernize Sales Outlets
- To promote Marketing and Exports

Components	Assistance
1. Modified Market Development Assistance (MMDA)	Subsidy @ 35% on Prime Cost for Cotton/Muslin, Wool and Polyvastra and @ 20% on Prime Cost for Silk Khadi
2. Interest Subsidy Eligibility Certificate Scheme (ISEC)	Khadi Institution is required to pay only 4% interest rate. The difference between the actual Interest charged by the Bank and 4% is borne by the KVIC as "Interest Subsidy"
3. Work-shed Scheme for Khadi Artisans	Individual workshed (20 Sq. mtrs): Rs. 1,20,000/- or 75% of the cost of workshed including toilet (90% for NER), whichever is less. Group workshed (10 Sq. mtrs per artisans): Rs.80,000 or 75% of the cost of the workshed including toilet (90% for NER), whichever is less.
4. Strengthening Infrastructure of Existing Weak Khadi Institutions and Assistance for Marketing Infrastructure	Financial assistance for revival of khadi institution with ceiling limit of Rs.15.00 lakh (Capital Expenditure + working fund). Financial assistance under Marketing Infrastructure for renovation of departmental sales outlets of KVIC /KVIB and institutional sales with the ceiling limit of Rs.25.00 lakh.

Scheme is applicable for:

- Khadi Institutions (KIs) registered with KVIC or State Khadi and Village Industries Boards (KVIBs) and Khadi artisans.
- The beneficiaries may be identified by KVIC, NGOs / Khadi Industries/ Village Industries/KVIB's/ District Industries Centres (DICs)/FPOs etc.
- Age Group: 18-55 Years.
- Having valid Aadhar Card or any other Identity Card issued by Government.
- One person from one family is eligible for the assistance under KGVY.
- Persons who have availed benefits from other Govt. Schemes for the same/similar purpose is not eligible.
- Preference shall be given to the people belonging to SCs/STs/Women/ Unemployed Youth/BPL category etc.