

# A Study on Financial Performance of SFURTI - Scheme of Fund for Regeneration of Traditional Industries

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**Abstract:** *Khadi Village Industries Commissions (KVIC) is a prominent scheme formed under MSME which promotes the growth of the rural economy but is not able to reach out to the targeted people. Scheme of Fund for Regeneration of Traditional Industries (SFURTI) is a scheme under KVIC which aims at bridging the gap between rich and poor by way of development of rural entrepreneurs, this scheme was launched during the 11<sup>th</sup> Five Year Plan to encourage rural entrepreneurship. It was revised during the 12<sup>th</sup> Five Year Plan which eliminated the limitation of the existing scheme. The study highlights the brief history and types of schemes offered by KVIC and also the physical performance of SFURTI has been analysed. The study is carried out using descriptive and exploratory research methodology to find out the outcomes of the study. The research has enabled to assess the employment generation, production, and sales under Khadi and village industries and the financial performance of SFURTI*

**Keywords:** Micro, Small and medium enterprises (MSME), Khadi and Village Industries Commission (KVIC), Entrepreneurs, Scheme of fund for regeneration of traditional industries (SFURTI).

## I. INTRODUCTION

India, as a developing country, primarily focuses on agricultural activities, which is considered as the backbone of the Indian economy. The GFD to GDP ratio has declined from 4.5% in 2012-13 to 3.4% in 2018-19 (Lewis, 2013). As India is a developing country, there is a high rate of unemployment (Jain & Ikhar, 2017). As per the nine quinquennial survey of NSSO and PLFS 2017-18, the unemployment rate in India is around 1.8% for rural men and 2.4% for rural female; on the other hand, around 5.4% among urban men and 12.4% for urban female (Ministry of Statistics & Programme Implementation, 2019). It was also stated that there was a 17.5% increase in unemployment in youth in rural males and 13.6% in rural female (15 to 29 years) in the past few years (Ministry of Statistics & Programme Implementation, 2019). As India is still an underdeveloped country, rural India is still dependent on the agricultural sector whereas the urban population is majorly dependent on industrialization, which creates a gap in the economy (Pandey & Ahamad, 2015). The Indian economy has seen a trace of entrepreneurs from ancient times, and they were able to survive in the market by sustainable development and responding to the need of the people. The traditional entrepreneurs only focused on the survival of the business but the new generation entrepreneurs came up with innovation and creativity. Providing support and encouraging Entrepreneurship can lead to employment generation. Before liberalization, India was following a bureaucratic system that did not take into consideration the market and the competitive aspects; rather it was confined to the experience. During this period, the primary objective of the people was to have job security and there were very few entrepreneurial success stories. After the liberalization in 1991, family businesses in India had to face a lot of challenges. The player in the Indian market had to go through a high level of competition from MNCs due to the advanced technologies used by them. To sustain in the market, they had to adapt to the new technologies and those businesses which were not ready for the change had to shut down. Nevertheless, this also created a lot of opportunities

and this gave rise to entrepreneurs who were ready to adapt to the technologies and also to take the risk. From then on India had a lot of entrepreneur's success stories and this also contributed to the economic development.

There are a lot of government schemes that have been implemented for the growth and development of small and medium scale entrepreneurs. The MSME sector promotes individual creativity and innovation of the entrepreneurship. MSMEs provided large employment opportunities at a lower capital cost which lead to the growth of national objective with equity and inclusion(Balasubramanyam, Prof, & College, 2015). To meet the economic status, several schemes were introduced out of which, one was khadi and village industries commission. Khadi and village industries for rural India were introduced by Gandhi which gained its governmental recognition after India gained independence, KVIC was setup for development of the industry(Jain & Ikhar, 2017). For undertaking various activities under plan and non-plan heads, Government of India provides funds to KVIC through the ministry of micro, small and medium enterprises(Singh, 2017).

One of the prominent schemes which assist in the development of entrepreneurs is Khadi and Village Industry Commission. The Khadi and Village Industry Commission (KVIC) is an apex institution formed by the Government of India under the Act of the parliament, The Khadi and Village Industry Act, 1956(Jain & Ikhar, 2017). The main objective of this commission is to plan, promote, facilitate, organize and assist in the development of khadi and village industries in a rural area along with other agencies that have the same motive. It is beneficial as it is more labor-intensive which will help in creating more job opportunities and reduces capital requirements(Keshava, 2014). The function of KVIC is not just procuring raw materials but occurs throughout the product lifecycle. They encourage and promote research in the production techniques and provide design, prototype and other technical information to guide the other KVIC to develop. KVIC also provides training to use the non-conventional energies and electric power to increase production and to eliminate workload. To have a uniform standard they ensure that all the khadi and village industries do conform to the standards(Jain & Ikhar, 2017).

## II. REVIEW OF LITERATURE

India is the second largest country in term of population after China with the growth rate of 1.08% compared to the previous year 2018. According to the 2011 census, the rural population has declined from 72.19% to 68.84% (in 2017) as a result of urbanization(Keshava, 2014). As per the Bureau of Labor Statistics, the unemployment rate has reduced from 4.3% to 4% in 2018. Agriculture provided the basic employment to the rural India but failed in the contribution towards the growth of the Indian economy. Even though industrialization came into effect for the development of the economy it was only limited to the urban population; thereby leaving the rural area under developed(Jain & Ikhar, 2017). Thus, meeting the basic requirements of rural India becomes the basic necessity along with the generation of job opportunities in agriculture or in small industries(Choudhury & Agrawal, 2012). Modern small industries and traditional industries are the two sub sectors of rural industries. Small industries include power looms while traditional industries include khadi, handloom, sericulture, handcraft, village industries and coir industries(Pandey & Ahamad, 2015).

The success of the khadi and village industries was mainly because they could meet their objectives by providing employment to rural population, making the poor self-reliant and above all increasing the social status of the rural community(Keshava, 2014). KVIC was able to defend unemployment. KVIC used the rural resources with various plans, programs and schemes for the rural industrialization and ensure equal utilization of these resources(Jain & Ikhar, 2017). However, like any other scheme, KVIC also has its own disadvantages, one of the main challenges being over regulation by government authority. KVIC is being governed by the Ministry of Micro, Small and Medium Enterprises which regulates the overall production and sales process. Due to this KVIC has failed to accomplish the desired objective of rural development through employment ("Evaluation of Government Interventions in Khadi Sector," 2016). Over the decades, Khadi has moved from a freedom fighters identity fabric to the most preferred fabric by youngsters and old generation(Srivastava, 2017). KVIC has to take initiatives to promote khadi products by using a creative and innovative way of production, improving the quality of raw materials, unique textures, prints and colors which will attract more people to prefer Khadi products over other available fabrics (Ambre & Lad, 2017). Creating a brand for khadi, selling it on online platform, encouraging the use of khadi products by government are some of the recommendations that would increase the demand for Khadi products whereas improving the technology and reducing

the gap between formulation and formulation of plans will help in increasing the supply of Khadi products ( Jain, 2015). If we take the current scenario of India, we are depending a lot on the global economy, so proper implementation of KVIC can ensure more creative ideas that reduces dependency on the global economy(Choudhury & Agrawal, 2012). KVIC helps in the rural and urban development as it encourages entrepreneurship and also provides the resources that are necessary to start production. This can help in converting a lot of innovative ideas into business plans which will help in improvement the standard of living of the people as well as help in the development of the economy.

### **2.1 Objectives of the study:**

- To explore the brief history and types of schemes offered by KVIC.
- To highlight the important features of SFURTI.
- To study the major achievements in terms of the financial performance of SFURTI.

### **III. METHODOLOGY**

The study focuses on the features and the major financial achievements of SFURTI which is formed by MSME for the development of rural industries and artisans. Descriptive and exploratory research was used for the analysis of the data. Descriptive research method is used for exploring the brief history and to know the importance features of SFURTI. An exploratory research was performed to know the financial performance of SFURTI.

#### **3.1 Nature of Data**

The study is based on secondary data which includes Annual reports of coir board, guidelines for SFURTI, Annual reports of Khadi and Village Industries Commission from 2012-13 to 2017-18. Research articles were reviewed in order to understand the theoretical aspects of KVIC and its schemes. The information was also collected from [www.kvic.org.in](http://www.kvic.org.in).

#### **Statistical tool**

The statistical tool used in the paper is trend analysis which was used to find information about the employment generated by Khadi and Village Industries Commission. This helps to understand the percentage change in employment generation.

#### **Khadi and Village Industries commission in India:**

Initially, Khadi and Village industry was a Non-government undertaking under the guidance of Mahatma Gandhi. After independence, Khadi and Village Industry were formed as a statutory body under the Act of Parliament in 1956. The main agenda was to provide employment opportunity to the rural economy. In an agriculture based economy like India, KVIC plays a very important role as it helps in the development of the skills to meet the need of a fast growing economy. The function of KVIC is to provide overall assistance for the rural industries, in order to facilitate this KVIC has taken following steps:

- Providing financial assistance to the eligible industries.
- Providing training that will enhance their skills.
- Making the resources available when it is needed.
- Conducting research which will help in adding inputs in the development of the industries.
- Marketing and promotion of the Khadi products.
- Encouragement and support of joint efforts among the people engaged in khadi and village industries.

KVIC was initially implemented in two phases and the first phase was implemented in 50 institutions using the entrepreneur model or producer company model and during the second phase, it was implemented in the other 250 institutions. KVIC has reduced unemployment to a greater extent by creating job opportunities of 20, 63,152 under the Prime Minister Employment Generation Programme (PMEGP) during the last five fiscal years that are from 2014-15 to 2018-19. This has also led to a setup of 2, 67,226 new projects which will also contribute to the economy. The development of rural industries creates greater job opportunity and will ensure a better standard of living. The Government of India introduced a new scheme called Scheme of fund for regeneration of traditional industries

(SFURTI) for making the traditional industries more effective, competitive and sustainable with a preliminary distribution of 100 crores (MoMSME, 2005).

**Types of Schemes under KVIC:**

Prime Minister Employment Generation Programme (PMEGP): This scheme was launched in 2008 in order to generate employment by selecting micro enterprises in rural and urban area. This scheme was formed by merging two prominent scheme i.e., Prime Minister's Rojgar Yojana (PMRY) and Rural Employment Generation Programme (REGP). Subsidies under this scheme are provided by the government which is channelized by KVIC through the recognized banks (A. Gayathri & Dr. L. Rengarajan, 2018).

Scheme of Fund for Regeneration of Traditional Industries (SFURTI): This scheme was launched by the government in order to make use of the ability and creativity of the rural artisans and also provide them guidelines for increasing the efficiency and effectiveness. This is done by dividing the artisans into clusters which will help in effective development and management (Khadi and Village Industries Commission, Ministry of Micro, small and medium enterprise India, 2018).

Rural Industry Service Centre (RISC): This program is an initiative for the development of village industries clusters for activities up to 5 Lakhs. They aim to provide a regressive-progressive connection to Khadi and Village Industries activities in the cluster. It is a service center that will help the local artisans with infrastructure facilities and also provide services like increasing the production, technological up-gradation and also helps in marketing the products.

Export incentive scheme: This is a scheme which has been launched by KVIC for providing aid to the exporters of Khadi and Village Industries products. This is a step done to encourage export of Khadi and Village Industry products. This also helps the artisans to maintain certain standards for the export of their products.

Interest subsidies scheme: Khadi and Village Industries raise loan for capital investment and for the working capital requirements. Interest subsidies can be availed only by the people who have taken loans for the development of Khadi and Village Industry which has been prescribed under the KVIC Act.

**Scheme of fund for regeneration of traditional industries (SFURTI)**

SFRUTI is a scheme launched by ministry of micro, small and medium enterprises in the year 2005 to promote cluster development. The traditional industries and artisans are grouped into clusters in order to increase competition and equip them with new technologies which will ensure long term sustainability and achieve economies of scale. The clusters are selected on the basis of their geographical area. Under SFRUTI, clusters are selected only after taking into consideration the possible increase in production and the level of employment opportunity provided by the cluster. A maximum of Rs. 8 crore of financial assistance will be provided for any specific project. Khadi and Village Industries Commission for Khadi and Village Industry Commission and Coir Board for Coir based clusters are the two nodal agencies for SFRUTI.

**Objectives of the scheme:**

- To form organized clusters of traditional industries and artisans for sustainable development.
- It helps to overcome the competitive market and ensures long term sustainability.
- Ensures sustainable occupation and provide assistance for the marketability of the products of each cluster.
- To provide technological training and assistance to the small scale entrepreneurs.
- To provide the artisans with advanced tools and equipment to improve the quality of the products.
- To ensure the active contribution of the various stakeholders for the development of clusters.
- To ensure the marketability of the product through creative packaging and other services which helps in the expansion of the market.
- It helps in the overall lifecycle of the product from the planning stage to the operation thereof. They also ensure that the needs of the target customer are met in this process.
- It helps in the diversification of the product line and also builds brand recognition.
- To ensure effective utilization of the online platform to market the products.

**SFURTI shelters three types of interventions:**

<b>PROJECT INTERVENTIONS</b>	<b>ACTIVITIES</b>
Soft intervention	Conducts skill advancement programs, provides awareness and motivation. Helps in overall development including institution development and conducts market expansion initiatives. Helps in project development as well as product development. Conducts workshops, seminars and training programs to overcome the barrier created by technological changes.
Hard intervention	Provides multiple facilities including packaging, warehouse facility, training and development on technology up-gradation. Other facilitates like Raw material banks (RMBs), common facility Centres (CFCs), training centers, and value addition centers.
Thematic intervention	Provides facilities like marketing campaigns for promotion of the products. Helps in brand building to compete in the market. Other major initiatives are e-commerce, innovation, research and development programs.

**SFURTI during 11<sup>th</sup> Five Year Plan**

Government of India had introduced Scheme of fund for regeneration of traditional industries (SFURTI) during the 11<sup>th</sup> Five Year Plan for the development of Khadi and Village Industries by making them more effective and competitive. A total of 76 clusters had been developed during the 11<sup>th</sup> Five Year Plan of which 29 were from Khadi and the remaining 47 from Village Industry. The clusters include Khadi products like woolen, silk, polyvastra, cotton and also major village industry products.

**Table 1. Zone wise distribution of KVI clusters of SFURTI**

<b>STATE</b>	<b>KHADI</b>	<b>V.I</b>	<b>Total</b>
North Zone	6	10	16
Central Zone	5	7	12
North East Zone	2	11	13
East Zone	4	7	11
West Zone	2	4	6
South Zone	10	8	18
Total	29	47	76

Source: Annual report of KVIC from 2012-13 to 2017-18

Out of the 29 clusters of the Khadi products, 23 were implemented for cotton Khadi, 3 for woolen Khadi and 3 for Silk Khadi. Out of 47 clusters for VI, 10 were implemented for bee-keeping and Cane & Bamboo. 5 each for Pottery & Metal and Carpentry. Food Processing Health drink was implemented in 4 clusters, embroidery and textiles in 3. Agarbatti, River Shell Button & Lac, Handmade Paper & Fiber, Leather were implemented in 2 clusters. For Siddha & Ayurveda and the traditional Jewelry, 1 cluster was implemented. About 51,642 Artisans were benefited from the SFURTI Cluster program. An evaluation study was conducted in 2010-2011 by an outside Professional Agency to know the effectiveness of the scheme and the recommendations given were taken into consideration in the 2<sup>nd</sup> phase of the scheme.

**SFURTI during 12<sup>th</sup> Five Year Plan**

During the 12<sup>th</sup> Five Year Plan (2012-17), Micro, Small & Medium Enterprise merged a few more components to the existing SFURTI for achievement of objectives. Components like development support, quick technological up-

gradation, market promotion, project support, infrastructure development, design and packaging of product, work shed scheme for artisans, service centers for rural industries like ready to wear mission, ready warp units etc were be added in the 12<sup>th</sup> Five Year Plan. The 11<sup>th</sup> Five Year Plan led to the development of Khadi, Village Industry and Coir which showed immense growth and encouraged the Government to propose the 12<sup>th</sup> Five Year Plan for implementing 800 new clusters with an employment opportunity for 4 lakh people.

**Table 2: Distribution of funds for SFURTI during 12<sup>th</sup> Five Year Plan**

Type of clusters	Maximum allocation of grant for clusters (Rs in crores)	Khadi	VI	Total	No of Artisans to be covered
Heritage (Type-H)	10	10	10	20	Not less than 500
Type-A	3	20	20	40	Atleast 500
Type-B	2	30	30	60	250-500
Type-C	1	120	120	240	150-250
Type-D	0.50	170	170	340	50-150
<b>Total</b>		<b>350</b>	<b>350</b>	<b>700</b>	

Source: Annual report of KVIC from 2012-13 to 2017-18

#### IV. ANALYSIS AND INTERPRETATION

**Table 3: Employment generation under Khadi (Employment in Lakh persons)**

YEAR	SPINNERS	WEAVERS	OTHER ARTISANS	TOTAL	Percentage Increase
2012-13	8.35	1.37	0.99	10.71	-
2013-14	8.56	1.41	1.01	10.98	2.52
2014-15	8.62	1.42	1.02	11.06	0.73
2015-16	8.63	1.42	1.02	11.07	0.09
2016-17	3.20	0.50	0.57	4.27	(61.43)
2017-18	3.40	0.62	0.33	4.35	(1.87)

Source: Annual report of KVIC from 2012-13 to 2017-18

Table 3 shows the yearly increment or decrement in the employment generation under Khadi. In the year 2013-14 there was a significant increase in the employment opportunity and it was the maximum employment generated till 2017-18. The table also shows how the percentage of employment decreases year after year. The study shows that this was because plenty of artisans left the khadi sector and also due to death of artisans. Most of the spinners were working using the traditional method which leads to an increase in the employment rate but due to the introduction of New Model Charkhas (NMCs), employment was cut down.

**Table 4: Production, sales and employment generated under KVIC**

YEAR	PRODUCTION (RS. IN CRORE)		SALES (RS.IN CRORES)		EMPLOYMENT (IN LAKH PERSONS)	
	KHADI	V.I	KHADI	V.I	KHADI	V.I
2011-12	716.98	21135.06	967.87	25829.26	10.45	108.65
2012-13	761.93	23262.31	1021.56	26818.13	10.71	114.05
2013-14	811.08	25298	1081.04	30073.16	10.98	119.4
2014-15	879.98	26689.39	1170.38	31965.52	11.06	123.19
2015-16	1065.6	33331.78	1510	40230.48	11.07	126.26
2016-17	1401.84	41110.26	2007.61	49991.61	4.28	131.84
2017-18	1465.21	46454.75	2249.18	56672.22	4.37	135.71
Mean	1014.66	31040.22	1429.66	37368.63	8.99	122.73
CV	30.311871	30.97834782	35.90125716	32.169052	35.52258025	7.7927307

Source: Annual report of KVIC from 2012-13 to 2017-18

Table 4 shows the production, sales, and employment generated from khadi and village industries. From the table, it can be understood why there is a constant increase in the production and sales in Khadi and Village Industries, whereas, in case of employment generated under Khadi, it can be seen that in 2016-17 there is a drastic decrease in the employment and this is due to the technological up-gradation.

**Table 5: Zone wise and state wise disbursement of funds under SFURTI (Rs in crores)**

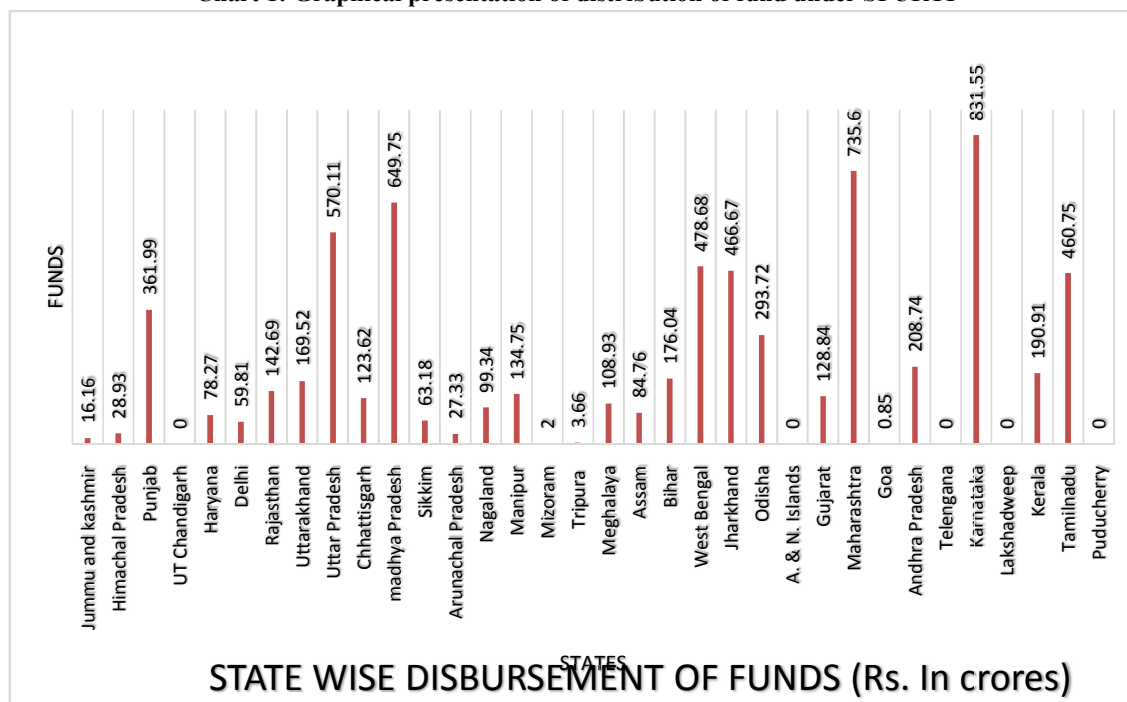
S.No	States/ UTS	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	Total
<b>I.</b>	<b>North Zone</b>							
	Jammu And Kashmir	6.02	9.1	1.04	0	0	0	<b>16.16</b>
	Himachal Pradesh	15.67	11.27	1.99	0	0	0	<b>28.93</b>
	Punjab	98.77	205.21	58.01	0	0	0	<b>361.99</b>
	UT Chandigarh	0	0	0	0	0	0	<b>0</b>
	Haryana	3.94	17.38	3.65	0	0	53.3	<b>78.27</b>
	Delhi	38.81	6.97	7.84	0	0.37	5.82	<b>59.81</b>
	Rajasthan	11.47	58.12	14.25	0	58.85	0	<b>142.69</b>
	<b>Total- I</b>	<b>174.68</b>	<b>308.05</b>	<b>86.78</b>	<b>0</b>	<b>59.22</b>	<b>59.12</b>	<b>687.85</b>
<b>II.</b>	<b>Central Zone</b>							
	Uttarakhand	38.52	77.88	6.65	0	0	46.47	<b>169.52</b>
	Uttar Pradesh	71.03	123.34	17.98	137.37	209.21	11.18	<b>570.11</b>
	Chhattisgarh	0.98	0.83	0.09	20.38	84.35	16.99	<b>123.62</b>
	Madhya Pradesh	75.45	114.93	7.39	63.32	301.58	87.08	<b>649.75</b>
	<b>Total –II</b>	<b>185.98</b>	<b>316.98</b>	<b>32.41</b>	<b>221.07</b>	<b>595.14</b>	<b>161.72</b>	<b>1513.3</b>
<b>III.</b>	<b>North East Zone</b>							
	Sikkim	25.69	37.4	0.09	0	0	0	<b>63.18</b>
	Arunachal Pradesh	6.69	20.55	0.09	0	0	0	<b>27.33</b>
	Nagaland	10.91	88.33	0.1	0	0	0	<b>99.34</b>
	Manipur	0	0	0	58.1	59.1	17.55	<b>134.75</b>
	Mizoram	0	0	2	0	0	0	<b>2</b>
	Tripura	2.24	0.85	0.07	0	0.5	0	<b>3.66</b>
	Meghalaya	40.98	67.85	0.1	0	0	0	<b>108.93</b>
	Assam	88.03	0.67	0.06	2	0	0	<b>84.76</b>
	<b>Total-III</b>	<b>168.54</b>	<b>215.65</b>	<b>2.51</b>	<b>60.1</b>	<b>59.6</b>	<b>17.55</b>	<b>523.95</b>
<b>IV.</b>	<b>East Zone</b>							
	Bihar	37.66	9.83	0.2	7.8	64.6	55.95	<b>176.04</b>
	West Bengal	96.65	150.78	38.45	33.66	151.28	27.86	<b>478.68</b>
	Jharhand	24.48	48.19	2.52	36.2	355.28	0	<b>466.67</b>
	Odisha	3.22	0.38	0.07	27.15	194.16	68.74	<b>293.72</b>
	Andaman and Nicobar Island	0	0	0	0	0	0	<b>0</b>
	<b>Total-IV.</b>	<b>162.01</b>	<b>209.18</b>	<b>41.24</b>	<b>84.81</b>	<b>765.32</b>	<b>152.55</b>	<b>1415.11</b>
<b>V.</b>	<b>West Zone</b>							
	Gujarat	16.52	27.65	4.82	13.44	52.16	14.25	<b>128.84</b>
	Maharashtra	193.77	348.97	81.7	2	65.35	43.81	<b>735.6</b>
	Goa	0.42	0.35	0.08	0	0	0	<b>0.85</b>
	<b>Total-V</b>	<b>210.71</b>	<b>376.97</b>	<b>86.6</b>	<b>15.44</b>	<b>117.51</b>	<b>58.06</b>	<b>865.29</b>
<b>VI.</b>	<b>South Zone</b>							
	Andhra Pradesh	29.86	60.99	10.19	12.5	95.7	0	<b>208.74</b>

	Telengana	0	0	0	0	0	0	0
	Karnataka	82.4	135.53	72.9	189.42	285.01	66.29	839.55
	Lakshadweep	0	0	0	0	0	0	0
	Kerala	51.29	72.81	55.61	11.2	0	0	190.91
	Tamil Nadu	68.35	85.5	24.02	138.5	109.05	35.25	460.35
	Puducherry	0	0	0	0	0	0	0
	<b>Total-VI</b>	<b>231.9</b>	<b>354.83</b>	<b>162.72</b>	<b>351.7</b>	<b>489.26</b>	<b>101.54</b>	<b>1691.95</b>
	<b>Departmental</b>		11.23	311.81	184.43	6.75	0	
	<b>Grand Total</b>	<b>1133.82</b>	<b>1792.89</b>	<b>724.07</b>	<b>917.55</b>	<b>2092.8</b>	<b>684.63</b>	
	<b>Total In USD (in Millions)</b>	<b>15.87</b>	<b>25.10</b>	<b>10.14</b>	<b>12.84</b>	<b>29.30</b>	<b>9.58</b>	

Source: Annual report of KVIC from 2012-13 to 2017-18

Table 5 shows the zone and state wise distribution of funds under the Scheme of fund for regeneration of traditional industries (SFURTI). This table has been graphically presented as below:

**Chart 1: Graphical presentation of distribution of fund under SFURTI**



Source: Annual Report of KVIC from 2012-13 to 2017-18

The above chart shows the distribution of funds by KVIC under the scheme SFURTI to the artisans and other village industries from the year 2012-13 to 2017-18. It is clear that a lot of states are not getting the benefits under the scheme. Out of the total funding under the scheme, South Zone gets the maximum funds followed by Central Zone, whereas the Northeast zone gets the least, which is only 5% of the funds. UT Chandigarh, A. & N. Island, Telengana, Lakshadweep, and Pondicherry are the states which have not got any funding under the scheme.

### V. FINDINGS OF THE STUDY

The decrease in the number of employees under Khadi: This is caused mainly due to artisans shifting their job as it fetches less compared to any other job and also due to technological up-gradation. The employment has decreased year after year and in 2016-17 there is a drastic decrease in the employment of spinners due to the introduction of New Model Charkhas (NMC's).



No equitable distribution of funds: Funds realized under this scheme are not equally distributed to every state and thus causing a problem of non-equitable development among the states.

No proper training and development programs: The artisans and the other entrepreneurs are not given proper training and development which makes them less attractive in the competitive market.

Lack of awareness of the schemes: The rural population is not aware of the schemes and the benefits that are available to them. The benefits of the schemes are not received by the affected rural population.

## VI. SUGGESTIONS

The following suggestions are included in the study:

Khadi and Village Industry Commission helped in advancing the technology but this had a negative impact on the employment rate. So to tackle this problem, KVIC has to conduct more training and development programs, rather than just technological advancement, which will help small scale entrepreneurs to survive in the competitive market.

As per the findings, the funds are not equally distributed to every state so this has to be taken into consideration by the local authorities.

The funds have to be released based on the economic benefit that it fetches to the rural population. Proper training and development programs have to be implemented to make the artisans competitive in the volatile market. SFURTI should also provide a large market for the entrepreneurs so that they will be able to earn better, more importance should be given to their products and promote export of their product.

The rural population has to be informed about the scheme and their benefits rather than just framing the schemes. The local authority and the state government should take initiatives to make the rural economy aware of their rights and the benefits that they can avail.

## VII. CONCLUSION

Khadi and Village Industries Commission is a prominent commission that plays an important role in the development of the rural economy. The most effective way of eliminating poverty is by creating more employment opportunities. In a country like India where the population is increasing day by day, unemployment is a significant problem that has to be tackled for the overall development of the economy. By generating job opportunities, it will automatically lead to the proper utilization of resources and also improves the standard of living of the people. Employment generation will also help in retaining the culture and traditions of the country which can be lost when people migrate to cities for job opportunities.

The current scenario is that the organized sectors are more capital intensive and there is an increase in the number of workers in the unorganized sectors. SFURTI is one of the prominent schemes under KVIC which tries to create employment in the rural area by way of development of entrepreneurs. This will give the entrepreneurs the confidence to compete in the fast-growing economy. The training programmes given under the scheme will help to enhance their skills, which will help them to be independent and give unique products to the economy.

Under this scheme, the spinners, weavers and other artisans are clubbed into homogenous clusters and are provided assistance and support from the inception till the after-sales services. Based on the result derived from the study, it can be concluded that the employment generation decreases year after year mainly due to the changing market conditions and spinners are the most affected segment. Proper promotion of SFURTI would encourage people of the rural economy to be self-employed which will help in solving the problem of unemployment and will lead to the overall development of the economy. Therefore, a study like this has a lot of scope because this will help in classifying the artisans and entrepreneurs into different subdivisions which will help the government to identify the sector which requires additional assistance and support.

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