

**GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:672
ANSWERED ON:02.03.2010
KHADI MARKET
Singh Shri Ganesh

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether the Government has any proposal to develop a market for khadi products;
- (b) if so, the details thereof;
- (c) the total funds likely to be incurred in this regard; and
- (d) the time by which the said scheme is likely to be introduced in the country?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MICRO, SMALL AND MEDIUM ENTERPRISES(SHRI DINSHA PATEL)

(a) to (d): In order to promote market for khadi products, the Government has approved a new scheme, namely, Market Development Assistance (MDA) Scheme on production of khadi in place of existing Rebate scheme for introduction with effect from 01.04.2010. The scheme envisages financial assistance @ 20% of production value on khadi and polyvastra which will be shared among spinners/weavers, producing institutions and selling institutions in the ratio 25:30:45 respectively of total value of MDA. An amount of Rs. 345.05 crore has been estimated to be incurred between 2010-11 and 2011-12.

Under the Khadi Reform Programme with the loan from Asian Development Bank (ADB) amounting to US\$150 million to revitalize the khadi sector, provisions for setting up of a marketing organization through private participation have also been made which include market development like market survey, design inputs, brand building, khadi mark promotion, etc., opening of 20 new sales outlets in metropolitan cities and State capitals and renovation and modernisation of around 1200 sales outlets.

Another scheme titled 'Strengthening of Infrastructure of existing Weak Khadi Institutions and Assistance for Marketing Infrastructure' has also been introduced in July 2009 which envisages renovation of selected 30 khadi sales outlets and providing assistance for strengthening of infrastructure of existing 100 weak selected khadi institutions.