

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

UNSTARRED QUESTION NO:5211
ANSWERED ON:27.04.2010
PROMOTION OF KVIC PRODUCTS
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Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether the Government has implemented the Product Development, Design Intervention and Packaging (PRODIP) scheme for promoting the sales of Khadi and Village Industries Commission (KVIC) products;
- (b) if so, the details alongwith the extent to which it is likely to be helpful in increasing the marketability of such products;
- (c) the total turnover reported by KVIC during the last three years; and
- (d) the measures taken/being taken by KVIC for quality products to increase its sale?

Answer

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

(a) & (b): The Government (in the Ministry of Micro, Small and Medium Enterprises) has been implementing the Product Development, Design Intervention and Packaging (PRODIP) through the Khadi and Village Industries Commission (KVIC) since 2002-03 to help khadi and village industry (KVI) institutions to diversify and develop KVI products and also to improve their design and packaging. Studies show that the scheme has been very effective in bringing about product improvement at the institution level and the beneficiary institutions have successfully utilized the PRODIP assistance to develop new designs, generate additional sales as well as liquidate stocks.

(c): The details of value of sales of the KVI sector during each of the last three years are given below:

2006-07	663.19	18888.21	19551.40
2007-08	724.39	20819.09	21543.48
2008-09	799.61	21948.59	29948.20

(d): The Government in the Ministry of Micro, Small and Medium Enterprises (MSME) has initiated several steps through Khadi and village Industries Commission (KVIC) for improvement of khadi and khadi products and better marketability, which include:

- (i) Tie-up with the National Institute of Design (NID), Ahmedabad and National Institute of Fashion Technology (NIFT), New Delhi for design inputs;
- (ii) Entering into a Memorandum of Understanding (MoU) with the Textiles Committee, to make available their laboratory infrastructure for checking quality of khadi cloth. Interfaces were also established with reputed Research and Development (R&D) institutes to extend results of their R&D efforts to KVI units.
- (iii) Devising and publishing the technical manual, specifications and norms for test quality parameters of Khadi in a booklet form with the assistance of Indian Institute of Technology (IIT), Delhi. The technical manual prescribes the procedure to be adopted while checking samples of raw material, sliver, yarn, fabric etc. used in the production of Khadi, which is expected to ensure the quality of Khadi products.
- (iv) Technical collaboration with the Indian Institute of Technology (IIT), Delhi, to improve the quality and appearance of khadi products.
- (v) Setting up of 6 sliver plants by KVIC in different parts of the country to ensure supply of quality sliver to the khadi institutions.
- (vi) Establishment of Rural Industries Service Centres (RISCs) by the KVIC for setting up common facility centres (CFCs).
- (vii) Providing financial assistance under Product Development, Design Intervention and Packaging (PRODIP) Scheme for improved designs and packaging of khadi products, as mentioned above;
- (viii) Providing credit at the concessional rate of interest under the Interest Subsidy Eligibility Certificate (ISEC) Scheme.

(ix) Launching of the Scheme of Fund for Regeneration of Traditional Industries (SFURTI) for developing khadi clusters throughout the country over five years beginning 2005-06.

(x) launching of the Khadi Reforms and Development Programme with financial assistance from Asian Development Bank (ADB) amounting to US\$ 150 million to revitalize the khadi sector, to be incurred between 2009-10 and 2012-13 with provision for setting up of a marketing organization through private participation, including 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 modernization of around 1200 sales outlets.

(xi) Introducing Market Development Assistance (MDA) scheme based on production of khadi and polyvastra for implementation during 2010-11 and 2011-12.