

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

UNSTARRED QUESTION NO:2578
ANSWERED ON:10.08.2010
KHADI AND VILLAGE INDUSTRIES
Viswanathan Shri P.

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

- (a) whether the Khadi and Village Industries Commission (KVIC) has introduced any scheme for enhancing productivity and competitiveness of khadi industries/khadi products and promotion of such artisans;
- (b) if so, the details thereof alongwith the number of institutions/ artisans benefited under the scheme;
- (c) the total funds granted by the Government to KVIC in this regard during each of the last three years and the current year;
- (d) whether the Government has any proposal to expand the scheme further; and
- (e) if so, the details thereof?

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 'Scheme for enhancing productivity & competitiveness of Khadi Industries and Artisans' to assist 200 khadi institutions to make khadi industry competitive with more market driven and profitable production by replacement of obsolete and old machinery and equipment, from 2008-09. The year-wise number of projects sanctioned to khadi institutions under the above-mentioned scheme during the last two years and the target fixed for 2010-11, are given below:

Year Number of Projects

2008-09 21

2009-10 20

2010-11 (Target) 60

Agency implementing the project has to have at least 300 artisans associated with it (which is 150 artisans for North-Eastern States). Under the project, financial assistance is available for charkha replacement, warp unit, product designing, market promotion, capacity building, techno-managerial support, reporting, documentation studies, etc., with each project costing upto a total of around Rs.42 lakh.

(c): The year-wise details of funds granted by the Government to KVIC under the above- mentioned scheme during the last two years, and release of funds during 2010-11 out of Rs.21 crore provisioned as per BE 2010-11, are given below:

Year Amount (Rs. crore)

2008-09 10.00

2009-10 3.44

2010-11 -

(d) & (e): The provision of funds under the 'Scheme for enhancing productivity & competitiveness of Khadi Industries and Artisans' has been substantially enhanced to Rs.21 crore under the BE 2010-11 to assist 60 institutions.