

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

UNSTARRED QUESTION NO:1981
ANSWERED ON:11.08.2011
KHADI AND VILLAGE INDUSTRY PRODUCTS
Nagorao Shri Dudhgaonkar Ganeshrao

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

- (a) whether the vending stores selling khadi and village industry products are facing acute problems in selling their products;
- (b) if so, the reasons therefor;
- (c) whether the Government proposes to extend financial assistance to these industrial units to save them from extinction; and
- (d) if so, the details thereof?

Answer

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI VIRBHADRA SINGH)

(a) to (d) Some khadi and village industries institutions during the review meetings taken by the Khadi and Village Industries Commission (KVIC), have reported that their outlets are not being able to attract the customers to the desired extent due to the sales outlets being old and also the fact that items available are not in line with the present market demand. To overcome these problems, Government in the Ministry of Micro, Small and Medium Enterprises through KVIC has taken steps to further improve the sale of khadi and village industry products including (i) introduction of a scheme named 'Strengthening Infrastructure of Existing Weak Khadi Institutions and Assistance for Marketing Infrastructure' which inter alia, provides for renovation of khadi sales outlets owned by institutions, KVIC or State/ UT Khadi and Village Industries Boards(ii) implementing a project based scheme named "Product Development, Design Intervention and Packaging(PRODIP)" to improve the marketability of khadi and village industries products through improvement in quality, design and packaging and (iii) implementing a comprehensive 'Khadi Reforms and Development Programme' with assistance to the tune of US \$ 150 million from Asian Development Bank (ADB) in 300 selected khadi institutions over a period of three years from 2009-10, which inter alia, provides for opening of new sales outlets in metropolitan cities and state capitals and renovation and modernization of institutional sales outlets, besides setting up of a Marketing Organization under Public Private Partnership with professional support.