

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

UNSTARRED QUESTION NO:2827
ANSWERED ON:18.08.2011
PRIVATISATION OF KHADI MARKETING SHOWROOMS
Lingam Shri P.

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

- (a) whether Government proposes to privatise Khadi marketing showrooms by forming a public-private partnership with Khadi and Village Industries Commission(KVIC);
- (b) if so, the details thereof; and
- (c) the present status of the proposal and the time by which it is likely to be cleared?

Answer

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

(a) to (c) With a view to revitalize the khadi sector in the country through enhanced sustainability of khadi, increased income, employment and welfare of artisans as well as developing synergy with village industries, the government with the assistance of Asian Development Bank has introduced in 2009-10 a comprehensive Khadi Reform and Development Programme (KRDP). Under KRDP which is being implemented by Khadi and Village Industries Commission (KVIC) through 300 selected khadi institutions assistance to the tune of US \$ 150 million would be utilized over a period of 3 years. Recognizing the vast potential of growth in the Khadi and Village Industries sector, it has been decided to implement the KRDP with private participation by setting up a professionally run Marketing Organization with majority share from private partner to harness the brand value of khadi, focus on product development on the basis of changing demands of market, leveraging the unique selling proposition of khadi being a heritage product besides being eco-friendly. KVIC has reported that Expression of Interest has been invited from the interested parties for setting up of a Marketing Organization. So far 5 agencies have submitted their Expression of Interest. Marketing Organization proposed to be set up under public private partnership, is a part of KRDP which is to be implemented over a period of three years.