

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

UNSTARRED QUESTION NO:3894

ANSWERED ON:25.08.2011

REVIVAL PACKAGE FOR KHADI INSTITUTIONS

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

- (a) whether the Union Government has sanctioned revival package for five decentralised khadi institutions;
- (b) if so, the details thereof;
- (c) whether any other khadi institutions have been considered for revival package;
- (d) if so, the details in this regard; and
- (e) the other steps taken/being taken by the Government to promote khadi institutions?

Answer

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

(a) to (d) The following five weak khadi institutions in Bihar have been provided with support by KVIC in terms of replacement of charkhas, looms and for working capital :

1. Madhubani Jilla Khadi Gramodyog Sangh, Madhubani.
2. Bhagalpur Jilla Khadi Gramodyog Sangh, Bhagalpur.
3. Saharsa Jilla Khadi Gramdyog Sangh, Saharsa.
4. Patna Jilla Khadi Gramdyog Sangh, Patna
5. Samastipur Anumandliyg Khadi Gramodyog Samity, Samastipur.

Details of assistance provided to each of the five khadi institutions are as follows:

| Sl. No. | Particular of assistance (in Rs. lakh) | Amount |
|---------|---|--------|
| 1. | Providing 8 spindle New Model Charkhas | 6.00 |
| 2. | Providing improved looms | 3.00 |
| 3. | Providing warping unit | 3.00 |
| 4. | Issue of Interest Subsidy Eligibilities Certificate (ISEC) for obtaining working capital through Bank | 14.25 |

Apart from this, the Government in the Ministry of Micro, Small and Medium Enterprises is also implementing through KVIC the scheme named 'Strengthening Infrastructure of existing Weak Khadi Institutions and Assistance for Marketing Infrastructure' during XI plan period, which includes revitalization of existing 100 weak selected khadi institutions. During 2010-11, 13 Khadi institutions were provided support for revival under the scheme.

(e) For promotion of khadi institutions, the Government through KVIC, has introduced several schemes, including (i) 'Workshed Scheme for Khadi Artisans' for providing assistance for construction of worksheds for better work environment (ii) '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 (iii) Incentivize production and sale of khadi and Polyvastra by introducing the new scheme of Market Development Assistance (MDA) with assistance to khadi institution @ 20% of the value of production to be shared among spinners/weavers, producing institutions and selling institutions in the ratio 25:30:45 (iv) Khadi Reforms and Development Programme (KRDP) through 300 selected khadi institutions (v) Provision of funds for one-time incentive to khadi institutions on closing stock of unsold khadi and polyvastra as on 31 March 2010 and for settlement of their old rebate arrears pertaining to the sale made prior to the year 2009-10.