

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

STARRED QUESTION NO:77  
ANSWERED ON:24.11.2009  
PACKAGE FOR KHADI INDUSTRIES  
Meghe Shri Datta Raghobaji

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

- (a) whether the Government has any proposal to provide a package for equipping khadi with new technology and expediting the work of converting it into an international brand;
- (b) if so, the details thereof;
- (c) the details of the funds likely to be made available out of this package to Khadi and Village Industries Commission (KVIC) for development of khadi; and
- (d) the efforts being taken by the Government to make khadi, an industry of international standard?

**Answer**

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

(a) to (d): A statement is placed on the table of the Sabha.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF THE LOK SABHA STARRED QUESTION NO. 77 FOR ANSWER ON 24.11.2009.

(a) to (c): The Government in the Ministry of MSME is proposing to introduce a comprehensive Khadi Reform Programme with the financial aid from Asian Development Bank (ADB) amounting to US\$150 million to revitalize the khadi sector with enhanced sustainability of khadi, increased incomes and employment of spinners and weavers, increased artisan welfare and to enable KVIC to stand on its own with decreasing dependence on Government Grants. Funds are proposed to be made available to Khadi and Village Industries Commission (KVIC) in four tranches for the following activities:

Khadi Sector Reforms - \$ 20 million

Capacity and Equipment - \$ 61 million

Marketing Reforms - \$ 57 million

Contingency - \$ 12 million

Total - \$ 150 million

(d): Several efforts have been made by the Government through KVIC to develop khadi and village industry so that the products reach international standard which include,

(i) registered brands namely `Khadi`, `Sarvodaya` and `Desi Aahar` are being used exclusively for products under the purview of KVI sector.

(ii) continued implementation of the Product Development, Design Intervention and Packaging (PRODIP) scheme for improved design and packaging of KVI products

(iii) implementation of the `Ready to Use Mission` for khadi products to convert khadi fabric into ready-made garments for higher value addition

(iv) ensuring the availability of quality raw materials for khadi production through six Central Sliver Plants of KVIC

(v) tie-up with the Textiles Committee, a statutory autonomous body set up by the Ministry of Textiles under the Textiles Committee Act, 1963, 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

(vi) Standard codes have been developed in Mahatma Gandhi Institute of Rural Industrialisation (MGIRI) for testing of khadi, and

(vii) Participation of KVIC along KVI units in international trade fairs and exhibitions.

Besides, three new schemes have been introduced recently for further strengthening khadi sector. These are Workshed Scheme for Khadi Artisans for providing assistance for construction of worksheds for better work environment to spinners, Scheme for Enhancing Productivity & Competitiveness of Khadi Industry and Artisans to assist 200 khadi institutions to make khadi industry competitive with more market driven and profitable production by replacement of obsolete, old machinery and equipment and

Strengthening Infrastructure of existing Weak Khadi Institutions and Assistance for Marketing Infrastructure which envisages renovation of selected 30 khadi sales outlets and providing assistance for strengthening of infrastructure of existing 100 weak khadi institutions.