

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

UNSTARRED QUESTION NO:3988  
ANSWERED ON:21.03.2013  
FINANCIAL ASSISTANCE TO KHADI INDUSTRIES  
Choudhary Shri Bhudeo;Tandon Annu

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

- (a) whether the Government proposes to establish a separate fund to promote traditional artisans, crafts and industries in order to make them globally competitive;
- (b) if so, the details thereof and the steps taken or proposed to be taken by the Government in this regard;
- (c) whether the Government proposes to collaborate with national and international financial institutions to promote Indian traditional arts and crafts;
- (d) if so, the details thereof;
- (e) whether the Government proposes to provide financial assistance to craftsmen in Khadi industries; and
- (f) if so, the details thereof?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI K.H. MUNIYAPPA)

(a)&(b): Khadi and Village Industries Commission (KVIC) and the Coir Board have been implementing a cluster-based scheme named Scheme of Fund for Regeneration of Traditional Industries (SFURTI) since 2005-06 under which 29 khadi, 47 village industries and 25 coir clusters have been taken up for development by providing them with improved equipments, common facilities centres, business development services, training, capacity building and design and marketing support, etc.

(c) & (d): Department of Economic Affairs has arranged for an assistance of US\$ 150 million in 4 tranches from Asian Development Bank (ADB) for implementation of a comprehensive Khadi Reform and Development Programme (KRDP) through KVIC for revitalizing the khadi sector with enhanced sustainability of khadi, increased income and employment for spinners and weavers, increased artisans' welfare and achieving synergy with village industries. Under KRDP, 300 khadi institutions have been tentatively identified for reform assistance and there is provision for improved marketing and supply of quality raw materials by setting up a Marketing Organization with private participation and executing PPP in Central Sliver Plants of KVIC.

(e) & (f): Besides the above, KVIC implements a number of other schemes for the holistic development and promotion of khadi and provides financial assistance. The Schemes for khadi include:

- (i) Market Development Assistance (MDA),
- (ii) Interest Subsidy Eligibility Certificate (ISEC) scheme,
- (iii) Workshed Scheme for Khadi Artisans,
- (iv) Product Development, Design Intervention & Packaging (PRODIP),
- (v) Strengthening Infrastructure of Existing Weak Khadi Institutions and Assistance for Marketing Infrastructure and
- (vi) Scheme for Enhancing Productivity & Competitiveness of Khadi Industry and Artisans.

In particular, under MDA, khadi and polyvastra producing institutions are given assistance @ 20% of the value of production of khadi and polyvastra and 25% of the assistance is shared by the institutions with spinners and weavers as per the Schematic Guidelines.