

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

UNSTARRED QUESTION NO:5794
ANSWERED ON:02.05.2013
RESEARCH AND DEVELOPMENT IN KHADI SECTOR
Dhurve Jyoti

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

- (a) the details of the Research and Development activities undertaken in the country during the last three years by Khadi and Village Industries Commission (KVIC) for promotion of Khadi products;
- (b) whether any tie-up has been made by the KVIC with any National or State level Institution for promotion of Khadi products in India;
- (c) if so, the details thereof;
- (d) whether difficulties are being faced in conducting of activities by KVIC;
- (e) if so, the details thereof; and
- (f) the details of the schemes to revitalize Khadi sector launched by the Government during the last three years?

Answer

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

(a) Khadi and Village Industries Commission (KVIC) together with Mahatma Gandhi Institute for Rural Industrialization(MGRI) have taken a number of steps in research and development for promotion of khadi which include establishment of design centre for khadi/textile garments, quality assurance manual for khadi, low cost hank dyeing machine, improved dyeing process for khadi fabric, development and popularization of e-charkha, technology for soft and stiff finish of khadi fabric and technology package for value added products using local wool or blend of local and imported merino wool, etc.

Besides, KVIC has been implementing a specific programme for cluster development, namely, Scheme of Fund for Regeneration of Traditional Industries (SFURTI), under which assistance for replacement of obsolete equipments, setting up of common facilities centres, product development, market promotion and other supports are provided.

(b)& (c) With a view to popularize and promote khadi and village industries (KVI) products, KVIC has been organizing District, State and National level exhibitions in collaboration with State/UT Khadi and Village Industries Boards. During the last three years (2010-11 to 2012-13), KVIC has organised a total of 766 such exhibitions in the country. KVIC also focuses on quality participation in international exhibitions to tap new/ emerging markets for KVI products.

(d) No, Madam.

(e) Does not arise.

(f) KVIC has initiated a number of steps during recent years to re-vitalize the khadi sector. These include a comprehensive reform package for the khadi sector, namely, the Khadi Reform and Development Programme (KRDP), which includes capacity building of 300 khadi institutions and improved marketing. KRDP is being implemented with an assistance of US\$ 150 million from Asian Development Bank (ADB). Government has also introduced in 2009-10, a scheme for 'Strengthening of Infrastructure of Existing Weak Khadi Institutions and Assistance for Marketing Infrastructure', which provides assistance for revitalization of sick and problematic khadi institutions and helps in renovation of sales outlets.

Government has introduced w.e.f 1 April 2010, a flexible, growth stimulating and artisan oriented Market Development Assistance (MDA) Scheme, in place of the erstwhile system of Rebate. Under MDA, financial assistance is provided to institutions @ 20% of the value of production of khadi and polyvastra, to be shared among artisans, producing institutions and selling institutions in the ratio 25:30:45. MDA provides institutions a flexibility to use the assistance for improving the outlets, products and production processes, besides giving incentive to customers, etc. and is also directed towards revitalizing the sector.