

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

UNSTARRED QUESTION NO:2158

ANSWERED ON:18.12.2013

KHADI INDUSTRIES

Choudhary Shri Bhudeo;Devi Aswamedh;Kashyap Shri Virender;Singh Smt. Meena

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

(a) whether the Government has formulated any policy/extended any assistance to the khadi industry in providing raw materials at lower rates and showcasing their products in the international market;

(b) if so, the details thereof and the steps taken by the Government in this regard; and

(c) whether the Government proposes to bring khadi weavers under the `Mahatma Gandhi Rural Employment Guarantee Act` and 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) has set up six Central Sliver Plants(CSPs) in the country and eight godowns at Dausa, Surendranagar, Bijour, Kurukshetra, Metapalli, Kanhewali, Murshidabad and Thiruvananthapuram to meet the raw material requirement of khadi institutions. As per KVIC's policy, institutions can obtain raw materials from these CSPs on credit by paying only 20% of the annual credit requirement as margin money. Besides, Ministry of Micro, Small and Medium Enterprises(MSME) through KVIC has also initiated public private partnership in two of its CSPs for providing raw materials of improved quality at a reduced cost to khadi institutions under Khadi Reform and Development Programme being implemented with financial assistance from Asian Development Bank . The steps taken by the Government to promote/ showcase the products of khadi and village industries (KVI) in the international market through KVIC include: (i) providing incentives @ 5% on FOB to KVI institutions on direct export of KVI items subject to a maximum of Rs. 10 lakh, (ii) KVIC has been given the status of deemed Export Promotion Council (EPC) to facilitate export and (iii) participation of KVIC in international exhibitions and other events along with KVI units to provide them an exposure of the international markets.

(c): Ministry of Rural Development have intimated that inclusion of khadi under Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) was not found feasible as the focus of the Act is on unskilled manual work.