

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

UNSTARRED QUESTION NO:944
ANSWERED ON:02.03.2015
RESEARCH AND DEVELOPMENT BY KVIC
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Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) the Research and Development (R&D) initiatives taken up by the Khadi and Village Industries Commission (KVIC) during the last three years for promotion of Khadi and its products in India and abroad;
- (b) whether any tie-ups were made by KVIC with any National or State-level institution for promotion of Khadi and its products in India and abroad;
- (c) whether any difficulties were faced in conducting R&D programme by KVIC;
- (d) if so, the details thereof; and
- (e) the steps taken to revitalize the khadi sector?

Answer

MINISTER OF STATE IN THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI GIRIRAJ SINGH)

(a): Khadi and Village Industries Commission (KVIC) together with Mahatma Gandhi Institute for Rural Industrialization (MGIRI) 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. SFURTI Scheme has been revamped in XII plan and 71 clusters with an outlay of Rs. 149.44 crore are proposed to be developed in the 1st phase.

(b): 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 (2011-12 to 2013-14), KVIC has organised a total of 103 such exhibitions/events in the country. KVIC also focuses on quality participation in international exhibitions to tap new/ emerging markets for KVI products.

(c): No, Madam.

(d): Does not arise.

(e): KVIC has initiated a number of steps 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.

A KVI Programme has also been launched in the Hill, Border & Left Wing Extremism (LWE) affected areas in respect of 100 institutions with financial assistance amounting to Rs.76 crores i.e. Rs.76 lakh/institution under KRDP, in which relaxation has been given in criteria of selection of institutions and in minimum number of artisans associated with the institutions of Hill, Border & LWE affected areas.

Government has introduced, 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.