

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

UNSTARRED QUESTION NO:5517

ANSWERED ON:27.04.2015

PROMOTION OF KHADI PRODUCTS

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

- (a) the details of khadi production, sale and export during each of the last three years, State/UT-wise;
- (b) whether there was decline in sale of khadi during the said period and if so, the reasons therefor;
- (c) whether the Government proposes to provide any package for modernization and promotion of khadi in the country;
- (d) if so, the details thereof including the fund allocated to the Khadi and Village Industries Commission (KVIC) for the purpose during the said period; and
- (e) the steps taken by the Government to promote khadi products of international standard?

Answer

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

(a): State-wise khadi production and sale during the last three years is given at Annex. Khadi and Village Industries Commission(KVIC) is not undertaking export of khadi products directly on its own, but it offers assistance to KVI institutions for export of khadi products. State-wise data of export of khadi products is not maintained by KVIC. However, it has been reported by KVIC that khadi goods worth of Rs. 99.69 lakh was exported during 2011-12 to 2013-14.

(b): No, Madam.

(c)& (d): Government in the Ministry of Ministry of Micro, Small and Medium Enterprises has not proposed any specific package for modernization and promotion of khadi. However, Khadi and Village industries Commission(KVIC) has been implementing a number of schemes for the holistic development and promotion of khadi including modernization in the country, which include:

(i) Strengthening Infrastructure of existing Weak Khadi Institutions and Assistance for Marketing Infrastructure provides for renovation of khadi sales outlets and providing assistance for strengthening infrastructure of existing weak selected institutions. Funds released to KVIC under this scheme during last three years is given below:

Year	Funds released (Rs. in crore)
2012-13	2.31
2013-14	1.15
2014-15	4.33

(ii) Market Development Assistance (MDA) under which assistance is provided @ 20% of value of production khadi and polyvastra to be shared among artisans, producing institutions and selling institutions in the ratio 25:30:45. Funds released to KVIC under this scheme during last three years is given below:

Year	Funds released (Rs. in crore)
2012-13	137.74
2013-14	126.94
2014-15	196.94

(iii) Interest Subsidy Eligibility Certification (ISEC) scheme for providing bank loans for khadi and polyvastra at subsidized rates of interest. Funds released to KVIC under this scheme during last three years is given below:

Year	Funds released (Rs. in crore)
2012-13	20.10
2013-14	23.24
2014-15	38.32

(iv) Workshed Scheme for Khadi Artisans for providing assistance for construction of worksheds. Funds released to KVIC under this scheme during last three years is given below:

Year	Funds released (Rs. in crore)
2012-13	11.36
2013-14	8.23
2014-15	15.24

(v) Scheme of Fund for Regeneration of Traditional Industries (SFURTI) under which assistance for replacement of obsolete equipments, setting up common facilities centres, product development, market promotion and other support are provided in clusters. So far 76 clusters (29 Khadi and 47 Village Industries clusters) have been developed under this scheme. 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.

(vi) Khadi Reform and Development Programme (KRDP) to revitalize the khadi sector with enhanced sustainability of khadi, increased incomes and employment for spinners and weavers, increased artisans' welfare and achieve synergy with village industries. An amount of Rs. 96 crore has been released to KVIC as first tranche.

(e): 'Khadi Mark' has been introduced to guarantee the genuineness and purity of khadi sold in the domestic and international market. The Government, in order to boost export of khadi products, has given deemed 'Export Promotion Council' status to KVIC under which KVIC has already enlisted more than 900 exporters. There is a provision of providing incentive in the form of 5% of the FOB value of direct export of khadi products. Besides, KVIC has also been focusing on quality participation in International Exhibitions and Buyer-Seller Meets abroad to tap new/emerging markets for khadi products.