

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 2249
TO BE ANSWERED ON 04.07.2019

SCHEMES FOR IMPROVING QUALITY OF KHADI PRODUCTS

2249. SHRI SUKHBIR SINGH JAUNAPURIA:

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

- (a) the details of the schemes being implemented by the Government for improving the quality of Khadi products produced by Khadi and Village Industries Commission;
- (b) whether the Government has provided any financial assistance for modernisation and study of various Khadi projects; and
- (c) if so, the details thereof?

ANSWER

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI NITIN GADKARI)

(a): Government of India has notified “Khadi Mark” to ensure genuineness of Khadi. Khadi and Village Industries Commission (KVIC) engaged fashion designer of national and international repute for Fashion Designing to make Khadi products more competitive and appealing in the domestic as well as overseas market. Tie up with NIFT, etc for bringing out innovative and export quality product designs has also been undertaken.

In addition to the above, the following schemes/programmes are being implemented by the Ministry of MSME all over the country through KVIC for improving the quality of Khadi products produced by KVIC:

i) Khadi Grant:

1. 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
2. Workshed Scheme for Khadi Artisans for providing assistance for construction of worksheds.

ii) Market Promotion Development Assistance (MPDA) – A unified scheme by merging Market Development Assistance, Publicity, Marketing and Market Promotion. A new component for Infrastructure namely setting up of Marketing Complexes /Khadi Plazas has been added to expand the marketing network of Khadi & Village Industries products. Under the Modified MDA (MMDA) financial assistance at 30% of the Prime Cost is distributed amongst Producing Institutions (20%), Selling Institutions (10%), Artisans (40%). The remaining amount is to be given to best performing Khadi Institutions selected through a transparent scorecard.

iii) Interest Subsidy Eligibility Certificate (ISEC) Scheme provides credit at concessional rate of interest through Banks as per the requirement of the Khadi institutions. The institutions are required to pay interest of only 4%, any interest charged by banks over 4% will be paid by the Government of India through KVIC to the banks.

iv) Khadi Reform and Development Programme (KRDP) aims to revitalize the khadi sector with enhanced sustainability of khadi, increased incomes and employment for spinners and weavers, increased artisans' welfare and to achieve synergy with village industries. Under KRDP, restructured amount of US\$ 105 million has been negotiated with Asian Development Bank (ADB) and funds are being provided to the Government of India to be released to KVIC as 'grants-in-aid' under budgetary allocation through the Ministry of MSME. Khadi Reform Package envisages reform support in the following areas: (i) Artisan Earnings and Empowerment, (i) Direct Reform Assistance to 400 Khadi Institutions & (iii) Implementation of a well-knit MIS.

v) Strengthening infrastructure of weak Khadi institutions and assistance for marketing infrastructure: This scheme provides need-based support towards the Khadi sector for nursing the sick/problematic institutions for elevation from "D" to "C" category as well as those whose production, sales and employment have been declining. Under this scheme, financial assistance is provided to existing weak Khadi Institutions for strengthening of their infrastructure and for renovation of khadi sales outlets.

vi) Scheme of Fund for Regeneration of Traditional Industries (SFURTI) is being implemented from 2005-06 for making Khadi, Village Industries & Coir Traditional Industries more productive and competitive by organizing these Industries and artisans into clusters. The Scheme envisages providing need-based assistance for replacement of production equipment, setting up of common facility centres (CFC), product development, quality improvement, improved marketing, training and capacity building, etc.

The Cabinet Committee on Economic Affairs (CCEA) has recently approved Rozgar Yukt Gaon for the Khadi sector. This would involve enterprise driven business partner to the entire production and sales of Khadi.

Details of funds utilized under Workshed Scheme, MPDA, ISEC, KRDP and SFURTI for the last three years are as follows:

(Rs. in lakh)				
Sl. No.	Scheme	2016-17	2017-18	2018-19 (Provisional)
1	MPDA (MMDA)	32525.86	17259.71	24102.09
2	ISEC	3958.60	6434.42	3426.31
3	Workshed	2126.80	1499.60	447.10
4	KRDP	974.35	60.00	5973.65
5	SFURTI	0.00	684.63	1324.35

(b): No Sir.

(c): Does not arise.