

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO.3210
TO BE ANSWERED ON 06.08.2018

KVIC SCHEMES

3210. SHRI RAMEN DEKA:
SHRI ASADUDDIN OWAISI:

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

- (a) whether the Government is providing rebate through Khadi and Village Industries Commission on the sale of khadi and khadi products in the country and if so, the details thereof during the last three years;
- (b) whether on the recommendations of the various Committees, Finance Ministry has asked to find an alternative of the rebate scheme and if so, the details thereof; and
- (c) the details of new scheme launched by the Government for the promotion of khadi and to provide assistance to khadi artisans to enable KVIC to fight market competition in the country including Assam?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE)
FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI GIRIRAJ SINGH)

(a): Khadi and Village Industries Commission (KVIC) implements Market Promotion and Development Assistance (MPDA) scheme for promotion of Khadi programme. Under the Modified MDA (MMDA), financial assistance at 30% of the Prime Cost, is distributed amongst Producing Institutions (40%), Selling Institutions (20%) and Artisans (40%). Out of this, Khadi Institutions pass-on certain discount on sales of khadi and polyvastra to the customers to enhance their sales during the year.

Disbursement of MMDA to Khadi Institutions during the last three years are as follows:

| Year | Disbursement of MDA (khadi & poly) to KIs (Rs. in lakhs) |
|-------------|---|
| 2015-16 | 17776.68 |
| 2016-17 | 32525.86 |
| 2017-18 | 17258.00 |

(b): The MPDA scheme was started during 2008-09 in place of the Rebate Scheme. Under rebate scheme, Government was providing rebate on sales of khadi products, while under MPDA Scheme, MMDA is provided on prime cost of production of khadi. The rebate scheme had been discontinued from the year 2009-10.

(c): No new scheme has been recently launched for the promotion of khadi programme. However, Ministry of MSME is implementing the following schemes/programmes all over the country including the State of Assam, through KVIC, for the promotion of khadi and assistance to khadi institutions and khadi artisans:

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) is a unified scheme by merging Market Development Assistance, Publicity, Marketing and Market Promotion. A new component for setting up of Marketing Complexes/Khadi Plazas has been added to expand the marketing network of Khadi & VI products. Under the Modified MDA (MMDA), financial assistance at 30% of the Prime Cost, is distributed amongst Producing Institutions (40%), Selling Institutions (20%) and Artisans (40%).

iii) Interest Subsidy Eligibility Certificate (ISEC) Scheme provides credit at concessional rate of interest through Banks in which the institutions are required to pay interest of only 4%, any interest charged by banks over 4% will be paid by the GoI through KVIC.

iv) Khadi Reform and Development Programme (KRDP) has been implemented with the financial and technical assistance of Asian Development Bank (ADB) 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. Khadi Reform Package envisages reform support in the following areas: (i) Artisan Earnings and Empowerment, (ii) Direct Reform Assistance to 400 Khadi Institutions & (iii) Implementation of a well-knit MIS.

Performance of MPDA, ISEC, Strengthening of Infrastructure of Weak Khadi Institutions and Workshed Scheme for Khadi Artisans during the three years is placed at *Annexure-I*.

New initiatives have been taken by KVIC to market the Khadi and V.I. products produced by Khadi Institutions and artisans in the country including Assam is placed at *Annexure-II*.

Annexure-I referred to in reply to part (c) of the Lok Sabha Unstarred Question No. 3210 for answer on 06.08.2018

Performance of MPDA, ISEC, Strengthening of Infrastructure of Weak Khadi Institutions & Workshed Scheme for Khadi Artisans during 2014-15 to 2017-18

Market Promotion and Development Assistance Scheme (MPDA)

| Year | MDA paid (Rs. in crore) | Number of Inst. | Number of Artisans |
|-------------|----------------------------|-----------------|------------------------------|
| 2015-16 | 177.76 | 1877 | Release through institutions |
| 2016-17 | 325.26 | 1778 | 192383 |
| 2017-18 (P) | 198.46 | 1439 | 247985 |

Interest Subsidy Eligibility Certificate (ISEC) scheme

| Year | ISEC Issued (Rs. in Crore) | Bank Finance Availed (Rs. in Crore) | Int. subsidy released (Rs. in Crore) |
|-------------|-------------------------------|---|---|
| 2015-16 | 949.68 | 422.79 | 40.07 |
| 2016-17 | 1435.71 | 517.92 | 36.39 |
| 2017-18 (P) | 1702.83 | 575.21 | 36.70 |

Scheme for Strengthening of Infrastructure of Existing Weak Khadi Institutions and Assistance for Marketing Infrastructure

| Year | Number of KIs assisted | Number of sales outlets renovated | Funds disbursed (Rs. in Crore) |
|-------------|---------------------------|--------------------------------------|-----------------------------------|
| 2015-16 | 15 | 15 | 2.99 |
| 2016-17 | 35 | 117 | 8.08 |
| 2017-18 (P) | 34 | 49 | 7.91 |

Workshed Scheme for Khadi Artisans

| Year | Beneficiaries Covered | Fund disbursed (Rs. in Crore) |
|-------------|--------------------------|----------------------------------|
| 2015-16 | 1279 | 10.72 |
| 2016-17 | 3272 | 21.27 |
| 2017-18 (P) | 2874 | 15.00 |

P-Provisional

Annexure-II referred to in reply to part (c) of the Lok Sabha Unstarred Question No. 3210 for answer on 06.08.2018

The steps taken by the Government for promotion of Khadi Sector and to ensure adequate remuneration to spinners/weavers in the country are as follows:

1. Liberal policy has been adopted to fix the target of production and sales of Khadi Institutions.
2. The spinning wages of Khadi artisans were revised from Rs. 4.00 to Rs.5.50 per hank w.e.f. 01.04.2017 and further enhanced from Rs. 5.50 to Rs. 7.50 per hank vide KVIC circular dated 26.12.2017.
3. KVIC has been catering to the need of Government Departments and bulk buyers such as, Defence, Health & Family Welfare Departments, Paramilitary Forces and other Ministries of Central & State Government under Rate Contract (RC) agreement with Directorate General of Supplies & Disposals (DGS&D) as well as supply of Non Rate Contract (Non-RC) items like Polyvastra bed sheets and pillow covers to Railways, etc.
4. One of the key interventions under reform programme is the development and implementation of the Khadi Mark. The Khadi Mark was launched by the President of India in September 2013 subsequent to notification of the Khadi Certification Regulations 2013. The Khadi Mark not only guarantees the genuineness of Khadi products but also promote Khadi as a brand that connotes social, cultural, and environmental values.
5. 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 segment.
6. Tie up arrangement with premier institutions like Federation of Indian Export Organization (FIEO), World Trade Centre (WTC), Indian Trade Promotion Organization (ITPO), Trade Promotion Council of India etc., for invigorating business opportunities in the overseas market by conducting exhibitions and workshops for Khadi Institutions.
7. A MoU was signed between KVIC and Aditya Birla Fashion & Retail Ltd. (ABFRL), Raymond and Arvind Mills for sale of Khadi fabric in country and abroad.
8. KVIC has entered into an agreement with M/s. GLOBUS a retail clothing stores chain having its HO in Mumbai for setting up of Khadi Korner a shop in shop concept initially in Globus Showroom at Noida, followed by Globus showroom in Chennai and Ahmedabad.
9. Setting up of modern Khadi Lounge with exquisite Khadi designer garments and V.I. products for making shopping Khadi a pleasure.
10. Launching of franchise scheme to expand the sales distribution network with zero investment.

11. Tie up with e-Commerce platform for on-line marketing through e-Commerce companies like Paytm, Aarmart.
12. Special efforts to attract youth by introducing attractive T-shirts, Khadi jeans, jackets, kurtis, etc. as well as launching a range of casual wear called vicharvastra specially designed by Ms. RituBeri.
13. Opening of sales outlets at domestic as well as international airports like Visakhapatnam, Lucknow, Ahmedabad, etc.
14. Introducing store app through mobile application to facilitate the customers to locate the Khadi India sales outlet at various geographical location to increase foot falls at various stores under Khadi sector.
15. Introduction of pre-paid Gift Voucher Scheme for corporate gifting including PSU and Government Departments.