

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA  
UNSTARRED QUESTION NO. 2354  
TO BE ANSWERED ON 03.08.2023

REBATE ON KHADI PRODUCTS

2354. SHRI KURUVA GORANTLA MADHAV:  
SHRI SANJAY KAKA PATIL:  
DR. BEESETTI VENKATA SATYAVATHI:

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

- (a) whether the Government has any plan to bring back rebates on sale of Khadi products as earlier a rebate of upto forty per cent was given to support the Khadi industries which have since been withdrawn and if so, the details thereof;
- (b) whether the Government has taken cognisance of the various problems with the manufacturer's development allowance that replaced rebates, such as delay in release of funds that results in khadi units struggling;
- (c) if so, the steps being taken by the Government to rectify such situations;
- (d) whether it is true that Government departments and hostels have stopped taking khadi products such as bedsheets, carpets, towels etc. which is affecting the Khadi commissions;
- (e) if so, the steps taken by the Government to support the village commissions; and
- (f) the details of the steps taken by the Government to promote and boost sales of khadi products?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES  
(SHRI BHANU PRATAP SINGH VERMA)

(a): Several Committees had studied Rebate scheme to assess its effectiveness in increasing sale of Khadi. Based on the recommendations of these Committees, Government had introduced the scheme of Market Development Assistance (MDA) on Khadi production in place of rebate, with effect from 01.04.2021, to help Khadi institutions to increase artisans' earnings as well as to ensure quality of Khadi to customers. Under MDA scheme, 25% of assistance is earmarked for distribution among spinners and weavers as additional incentive to be paid through their bank/post office accounts.

Further the Government has introduced the Modified Market Development Assistance (MMDA) scheme w.e.f. 3rd quarter of 2016-17. Modified MDA Scheme aims for technology up gradation, engaging design consultants for developing the new products, value addition by adopting latest technologies in the post fabric stage / process, modernization & computerization of sales outlets, introduction of mobile sales van, engaging external marketing consultants, extension of sales discount, capacity building of the sales personnel and incentives to artisans & Karyakartas, etc. The scheme guidelines have been revised w.e.f. 19.10.2022, and the incentive supported under MMDA as per the revised guidelines is as follows:

Particulars	For Cotton / Muslin / Woolen & Polyvastra	For Silk
Spinners / Weavers/ other Artisans	35%	30%
Karyakarta Share	14%	10%
KIs Share	51%	60%

(b)&(c): With a view to avoid delay and bringing transparency, online portals have been developed and introduced by KVIC for effective and timely implementation of the schemes particularly disbursement of MMDA on quarterly basis.

(d): No Sir, KVIC has been catering to the need of Government Departments and bulk buyers such as Railways, Defence, Health & Family Welfare Departments, Paramilitary Forces and other Central & State Government Ministries to increase the sale of Khadi and Village Industries products. After the introduction of GeM portal, KVIC has uploaded 30 varieties of Khadi items on the GeM portal.

The details of KVI products supplied to various Government Departments/Agencies during the last two years is as follows:

(Rs. in lakhs)	
Year	Amount of Supplies
2021-22	8765.15
2022-23	9202.27

(e): Does not arise.

(f): Details of the steps taken by the Government through KVIC to promote and boost sales of KVI products in the country and abroad is as follows:

- i) The KVI products are sold through a network of 8 Departmental Sales Outlets “Khadi India” and its 18 branches of KVIC and 8035 nationwide Khadi outlets owned by the Khadi Institutions (KIs) across the country.
- ii) KVIC has designed a portal khadiindia.gov.in for sale of Khadi and VI products.
- iii) KVIC participated in IITF 2022 organized by India Trade Promotion Organization (ITPO) in New Delhi from 14th to 27th November, 2022 and sale of Rs.12.10 Cr. was reported from the event.
- iv) KVIC organized twelve State Level Exhibitions and ten Special Exhibitions in all over the country during the year contributing overall sales of Rs.22.68 crore.
- v) KVIC participated/sponsored 28 events organized by other Govt. Departments/NGO’s for promotion as well as building awareness about the schemes of KVIC and KVI products.
- vi) KVIC participated in Lakme Fashion Week in partnership with FDCI jointly organized by Reliance Brand Ltd. (RBL) and Hindustan Unilever Ltd (HUL) on 9th March 2023 at Jio World Garden, Mumbai.
- vii) Campaign of sale of National Flag from all KVI sales outlets under the event of “Har Ghar Tiranga” was celebrated from 13th to 15th Aug, 2022.
- viii) Social media initiatives including handling, operation and management of all social media content on social media platforms such as Face book, Twitter, Instagram, YouTube, LinkedIN, etc. and ORM linked with KVI sector are being undertaken.
- ix) Convergence with NIFT has been initiated for design development and developing Khadi fashion garments.
- x) Introduced Khadi Trademark registration for safeguarding interests of Khadi brands.
- xi) Special discount have been announced on the various occasions/festivals to attract the customers and to boost the sales of Khadi and V.I. Products.

\*\*\*\*\*