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products as earlier a rebate of upto forty per cent was given to support the Khadi industries which have since been withdrawn and if so, the details thereof;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 upgradation, 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:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For Cotton / Muslin / Woollen &amp; Polyvastra</th>
<th>For Silk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spinners / Weavers/ other Artisans</td>
<td>35%</td>
<td>30%</td>
</tr>
<tr>
<td>Karyakarta Share</td>
<td>14%</td>
<td>10%</td>
</tr>
<tr>
<td>KIs Share</td>
<td>51%</td>
<td>60%</td>
</tr>
</tbody>
</table>
(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:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount of Supplies (Rs. in lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021-22</td>
<td>8765.15</td>
</tr>
<tr>
<td>2022-23</td>
<td>9202.27</td>
</tr>
</tbody>
</table>

(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
Word 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.

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