

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

UNSTARRED QUESTION NO:1053

ANSWERED ON:11.12.2013

PROMOTION OF KHADI

Bajirao Shri Patil Padamsinha ;Bundela Shri Jeetendra Singh;Patil Shri A.T. Nana;Sukur Shri Jadhav Baliram

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

- (a) whether khadi has been losing its charm among the people and if so, the programmes/proposals in vogue to promote khadi/develop markets;
- (b) the present plight of khadi sales centres/khadi ashrams in various States;
- (c) whether the rebate being offered to khadi cloth has been withdrawn recently; and
- (d) if so, the details thereof and the reasons therefor?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI K.H.MUNIYAPPA)

(a) Government of India through Khadi and Village Industries Commission(KVIC) has taken a number of steps to explore and develop markets for khadi products in the country. To provide better marketing opportunities for khadi products in the country, KVIC operates 10 Departmental Sales Outlets and organizes exhibitions in different parts of the country at district, state, regional and national levels in association with State agencies.

KVIC also provides assistance to its departmental outlets, outlets of Khadi and Village Industries Boards (KVIBs) of States/ Union Territories and institutions under the Scheme of Strengthening Infrastructure of Existing Weak Khadi Institutions and Assistance for Marketing Infrastructure for renovation of these outlets. Under the Market Development Assistance(MDA) Scheme also the institutions have been given the flexibility to use the assistance to 'inter alia' improve its marketing infrastructure. Under Khadi Reform and Development Programme (KRDP), a marketing organization under PPP mode is envisaged to promote effective marketing of khadi and village industries (KVI) products.

'Khadi Mark' has also been introduced to guarantee the genuineness of khadi sold in the market.

(b) KVIC has a network of more than 7000 KVI outlets including 10 outlets run by it. KVIC is a non-profit organization and plays a facilitative role in marketing of products of KVI institutions. The sales of KVI products during last three years is given below:

Year   Sales of KVI products (Rs. crore)

2010-11   25792.99

2011-12   26797.13

2012-13   27839.69

(c)&(d) Till 2009-10, rebate @10% of sales used to be given on sale of khadi, with a special additional rebate of 10% for 108 days in a year coinciding with Gandhi Jayanti and / or local festivals. However, since 2010-11, the Government has introduced a more flexible, growth stimulating and artisans-centric scheme, namely, Market Development Assistance (MDA) Scheme, in place of the erstwhile scheme of Rebate, under which financial assistance @ 20% of the value of production is provided on khadi and polyvastra to be shared among artisans, producing institutions and selling institutions in the ratio 25:30:45. Under the new system of MDA, sales are expected to be more evenly spread throughout the year and the institutions have the flexibility to use the assistance in improving the

outlets, products and production processes, as also giving incentive to customers, etc.