



Corporatisation of Khadi and village industry

Posted On: 26 JUL 2017 2:58PM by PIB Bhubaneswar

Khadi production and sales have increased year on year basis. Khadi production and sales for last three years are as follows:

(value Rs. in crore)

Year	Khadi production	% increase in production over previous year	Khadi sales	% increase in sales over previous year
2014-15	879.98	8.49	1170.38	8.26
2015-16	1065.60	21.09	1510.00	29.02
2016-17	1395.94	31.00	2005.75	32.83

In order to generate rural employment and to promote various Khadi products, Khadi and Village Industry Commission (KVIC) gives assistance for Marketing and infrastructural development which are as follows:

- For the renovation and modernization of sales outlets particularly computerization KVIC provides financial assistance under 'Assistance for Marketing Infrastructure' scheme. The pattern of financial assistance for the scheme is -
 - Maximum Rs. 25 lakh in urban areas and Rs. 20 lakh in rural areas
 - Maximum subsidy provided
 - i. Institutional sales outlets - 75%
 - ii. Boards outlets - 85%
 - iii. KVIC outlets - 100%
- Khadi Institutions are provided Modified Marketing Development Assistance (MMDA) at 30% of Prime cost of Khadi products.
- Under the Scheme for 'Strengthening of Infrastructure of Existing Weak Khadi Institutions and Assistance for Marketing Infrastructure', financial assistance is also provided for the renovation/ modernization of Sales Outlets of institutions as well as Departmental Sales Outlets (DSOs) and State KVIBs.
- KVIC has taken the initiative to open premier "Khadi Showrooms" known as "Khadi Lounge" to make available premier Khadi products including designer products. Such type of Lounges has already been opened in Jaipur, Mumbai and New Delhi.
- KVI institutions have also opened premium Khadi sales outlets at Visakhapatnam and Lucknow airports.
- A MoU has also been signed with National Institute of Fashion Technology (NIFT) by KVIC which will facilitate NIFT students to work on Khadi projects at grass root level and support Khadi artisans to produce better quality and better marketable products and garments.
- KVIC has also taken steps to develop its market by contacting Corporates, PSUs, Ministries and bulk orders have been received.
- KVIC as a part of its aggressive marketing efforts introduced "Gift Voucher Scheme" for its patrons from Departmental Sales Outlets (DSOs) at Delhi, Kolkata, Mumbai, Goa, Patna, Ernakulam, Bhopal and Visakhapatnam.
- A MoU was signed between KVIC and Aditya Birla Fashion & Retail Ltd. (ABFRL) and Raymond for sale of Khadi fabric. These corporates will sell the premium Khadi products in India and abroad.
- Exhibitions are also conducted at District/State/Zone and national level for providing marketing support to the entrepreneurs/units.
- Publicity is being made through print and electronic media for promoting KVI products in Rural and Urban areas.
- Entrepreneurship Development Programme (EDP) is also implemented for the beneficiaries of PMEGP where these beneficiaries are taught about maintenance of accounts, sales technique and other subjects regarding management of business.

This Press Release is based on information given by the Minister of State for MSME Shri Giriraj Singh in a written reply to a question in Rajya Sabha on 26.07.2017 (Wednesday).

