

Aadhaar saves khadi body ₹153 cr

7 lakh ghost artisans and close to 500 fake khadi institutions have been detected in last two fiscals

PNS ■ NEW DELHI

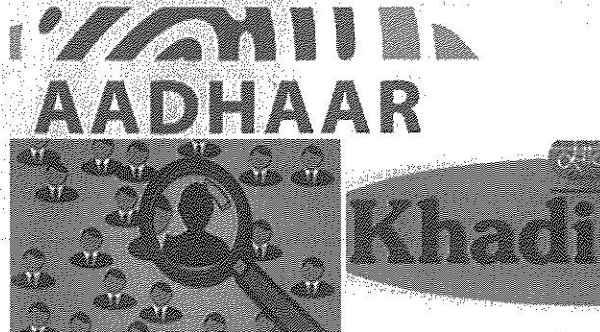
Seven lakh ghost artisans and close to 500 fake Khadi Institutions (KI), that's what have been the discovery due to the Aadhaar-seeded payment of subsidy directly into the bank accounts of Khadi artisans. As a result, the Khadi and Village Industries Commission (KVIC) has saved ₹153 cr that would have gone to the ghost artisans and the KIs in the last two fiscals.

After the implementation of 'Digital India' doctrine of Prime Minister Narendra Modi, KIs which were claiming subsidy on inflated number of artisans from the KVIC, were in for a big shock. When KVIC made use of Aadhaar mandatory for Khadi institutions following complaints about fraud in subsidy payment, it produced astonishing results.

In FY 2015-16, subsidy of around ₹316 crore was given to altogether 1,918 Khadi institutions. After the implementation of online Direct Benefit Transfer (DBT) system through Aadhaar-seeded bank accounts in January 2016, the subsidy amount was reduced to ₹172 crore for 1,759 institutions in the next fiscal 2016-17. In the present fiscal 2017-18, the KVIC has disbursed ₹163 crore

Sl	FY	No. of KIs, claimed subsidy (MDA)	Total MDA claimed and released
1	2015-16	1918	₹316 crore
2	2016-17	1759	₹171 crore
3	2017-18*	1423	₹163 crore

*Figures till March 13, 2018



among 1,413 institutions.

Subsidy is calculated at 30 percent of prime cost of production. Out of this eligible amount, 40 percent is paid to the Khadi-producing institutions, 40 percent to the artisans, and remaining 20 percent to those same institutions for giving discounts to customers.

"The KVIC ranks and files - right from CVO, directors and members- were asked to move in the field to verify the artisans. The scrutiny revealed that hundreds of Khadi institutions claimed

subsidy for non-existing artisans and pocketed huge sums of money for artisans in the last 10-odd years," said KVIC Chairman Vinai Kumar Saxena.

"This meticulous exercise has weeded out almost 7 lakh fake artisans as the number of registered number of artisans was found 4.6 lakh instead of inflated 11.6 lakh, thereby reducing the subsidy burden on the Government worth ₹152 crore. Not only that, the number of KIs, who claimed subsidy (MDA) has also come down to

1423 in current FY till 13th March 2018 from 1759 in FY 2016-17 and 1918 in 2015-16," Saxena said.

The Chairman said the KVIC has zero-tolerance policy on corruption and transparency in all transactions is its top priority. "We introduced online Direct Benefit Transfer (DBT) system through Aadhaar-seeded bank accounts in January 2016. Now we have genuine artisans who are registered with us on online portal. This Swachhata Abhiyaan has led to creation of genuine data of artisans as well as the Khadi institutions; an exercise not attempted earlier. Hence, in our clean-up operation, imaginary number of artisans has been brought to the real numbers."

The Minister of MSME Giriraj Singh said that various schemes of the KVIC have been digitalized in the past and the Commission has always preferred to be transparent in its modus operandi. "KVIC has entered the new digital era on March 1 this year, with the implementation of the Integrated Financial Management System (IFMS) under SAP platform. The ERP enables real-time transaction accounting, budgetary control and reconciliation systems, connecting all its field offices," he said.