

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION NO. 1231
TO BE ANSWERED ON 13.02.2023

SALES AND OPERATIONAL INSTITUTIONS OF KHADI PRODUCTS

1231. SHRI RAJENDRA GEHLOT:

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

- (a) whether Government has conducted any survey or study to increase sales and quality of Khadi industry products in the country, if so, the details thereof;
- (b) whether sale of Khadi products has decreased due to high cost, if so, the details thereof and the remedial steps being taken in this regard;
- (c) details of the total number of newly opened and operational Khadi institutions in the country, especially in Rajasthan, during the last three years and the current year; and
- (d) details of the steps taken by Government to promote the demand of Khadi for increasing the production of Khadi products?

ANSWER

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

(a): Ministry of MSME, through Khadi and Village Industries Commission (KVIC) has conducted a third party evaluation study by Mott MacDonald, in the year 2020 to increase sales and quality of khadi industry products. The key findings of the study report is placed at **Annexure**.

(b): No sir, the sale of Khadi products is in increasing trend as shown in the given table:

(Rs. in cr.)

Year	Sales
2018-19	3215.13
2019-20	4211.26
2020-21	3527.71*
2021-22	5051.71

*decrease in sales due to Covid-19 pandemic

(c): The number of newly opened and operational Khadi Institutions (KIs) in the country including Rajasthan during the last three years and the current year is as under:

Sr. No.	Year	No. of Newly opened KIs		Total No. of operational KIs	
		In Country	In Rajasthan	In Country	In Rajasthan
1	2019-20	105	9	2737	164
2	2020-21	79	10	2816	174
3	2021-22	81	5	2897	179
4	2022-23 (up to 31.01.2023)	42	7	2939	186

(d): Ministry of MSME, through KVIC has established Centre of Excellence for Khadi (CoEK) with the technical support National Institute of Fashion Technology (NIFT) New Delhi as Hub along with its Spoke at Ahmedabad, Bengaluru, Kolkata and Shillong - for establishing benchmarked design processes for global standards, creating contemporary fabrics and products for domestic and international market. In addition, focus is also on carrying out branding and publicity of new Khadi, organizing National and International Khadi fashion shows and exhibitions to increase its global reach and creating visual merchandising and packaging for Khadi products.

In addition, to increase the production and to upgrade the existing technology, KVIC established a separate division in the name of Directorate of Science and Technology (S&T) which is implementing the various Research and Development (R&D) projects with professional institutes as follows:

- i) IIT, New Delhi
- ii) MGIRI, Wardha
- iii) NIT, Jalandhar
- iv) TEA-NIFT, Tirupur (Tamil Nadu)
- v) Khadi Gramodyog ProyogSamiti, Ahmedabad
- vi) SITRA, Coimbatore (Tamil Nadu)

Annexure referred to in reply to part (a) of the Rajya Sabha Unstarred Question No. 1231 for answer on 13.02.2023

In order to increase sales and quality of Khadi Industry products, KVIC has conducted third party evaluation study by MoTT MacDonald, in the year 2020. Followings are the key findings of the study report:

- There is an upward trend in production, sales and employment generation in Khadi and Village industries which is an encouraging prospect for future development of Khadi and Village sector in India.
- The production, sales and employment from surveyed KIs who have availed benefit of Work-shed scheme for Khadi Artisans, has seen a significant growth.
- The working capital, fund utilized by KIs for Payment of Artisans wages, purchase of Raw Materials and other heads utilized by KIs for Vendor Payments, other production overheads (Supervision, Sales and distribution expense, processing etc.), Administrative expenses, Salary to KI Staff.
- 90% of KIs which have utilised fund for appointing design consultant have witnessed positive impact on sales.
- MMDA fund utilisation also includes the areas of technology upgradation, renovation of sales outlet and computerisation. Investment in above areas have aided KIs improve their production and sales.
- Major cost heads for renovation of sales outlets include civil works, electrical works and interior design. Other secondary heads of expenses include expenses towards signboard, computerization and new Khadi logo.
- As a part of development, many institutions have provided different training on MIS to their sales staff for their capacity building. Among those who received training, most of the sales staff is provided training for digitization and computerization followed by training on sales.