

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**RAJYA SABHA**  
**UNSTARRED QUESTION No. 2989**  
**TO BE ANSWERED ON 27.03.2023**

**GST ON KHADI PRODUCTS**

2989. SHRI RYAGA KRISHNAIAH:

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

- (a) whether Government is aware that the GST imposed on khadi products have made them inaccessible to the common man;
- (b) whether Government is also aware that this contradicts the original purpose of khadi products; and
- (c) if so, the steps being taken to ensure that khadi products are not unaffordable due to increasing sale prices on account of higher GST?

**ANSWER**

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

(a): The increasing trend of the sales of Khadi products in the country during last five years, shows accessibility of Khadi products to the common man, which is as follows:

(Rs. in crore)

Year	Sales of Khadi Products
2017-18	2510.21
2018-19	3215.13
2019-20	4211.26
2020-21	3527.71*
2021-22	5051.72

\*decreased due to Covid-19 pandemic

(b) & (c): Khadi and Village Industries Commission (KVIC) has taken up the matter of exemption of GST on Khadi products with Chairman, GST Council and Secretary, Department of Revenue, Ministry of Finance, vide its letter no. MKT/GST/2017-18 dated 29/06/2017 and CS/MKTG/GST/2017-18 dated 04/07/2017. GST Council has considered the issue and notified exemption of GST for Khadi Fabric, sold through KVIC and KVIC's certified institutions/outlets.

Further, KVIC has also requested Hon'ble Minister of Finance and Chairperson of GST Council for exemption of GST on Khadi and Village Industries products vide its letter no. GST Cell/Ministry Ref/PQ/2022-23 dated 23/11/2022.

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