

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
STARRED QUESTION NO. *185
TO BE ANSWERED ON 07.08.2023

**FINANCIAL DISTRESS FACED BY KHADI
INSTITUTIONS, SPINNERS AND WEAVERS**

185. SHRI ANEEL PRASAD HEGDE:

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

- (a) whether Government is aware that majority of the Khadi institutions in the country are in financial distress to the extent that they do not have working capital to buy raw-materials, resulting in spinners and weavers getting daily income less than those of unskilled labourers, getting only 100 to 150 days work in a year;
- (b) whether the nature of work of spinners and weavers are treated as skilled, semi-skilled or unskilled; and
- (c) whether sales of Khadi (handspun and handwoven fabric) products have increased by four times as was stated in the President's Address to both Houses of Parliament in 2023, if so, the details thereof?

ANSWER

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI NARAYAN RANE)

(a) to (c): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO THE PARTS (a) to (c) OF RAJYA SABHA STARRED QUESTION NO. *185 FOR ANSWER ON 07.08.2023

(a): Khadi institutions in the country are not in financial distress as Ministry of MSME, through Khadi and Village Industries Commission (KVIC), is implementing the Interest Subsidy Eligibility Certificate (ISEC) under Khadi Vikas Yojana (KVY) to facilitate additional fund requirements for Khadi Institutions (KIs). ISEC is issued to the eligible KIs on the basis of their production and requirement of funds for capital expenditure as well as working capital. KIs can avail bank loan and pay concessional rate of interest of 4% per annum. The difference between the actual lending rate and 4% is paid by Government of India through KVIC as 'Interest Subsidy'. Interest Subsidy paid under ISEC scheme during last three years is as follows:

(Rs. in lakhs)

Year	Interest Subsidy paid under ISEC
2020-21	3336.47
2021-22	3421.48
2022-23	3455.32

Besides, KVIC extends raw material support from Departmental Central Sliver Plants (CSPs) supplying raw material in form of sliver / roving to the needy KIs on credit basis which enables the KIs to undertake additional activities from the available working capital.

Regarding the income of Khadi spinners and weavers, they are engaged in Khadi activities as a part time work in which the earnings are based on their production.

(b): Khadi spinners and weavers may be termed as semi-skilled workers.

(c): Yes Sir, sales of Khadi products have increased from Rs. 1170.38 cr. in 2014-15 to Rs. 5051.72 cr. in 2021-22, which is more than four times. The year-wise sales of Khadi products from 2014-15 to 2021-22 is placed at **Annexure**.

Annexure

Annexure referred to in reply to part (c) of the Rajya Sabha Starred Question No. *185 for answer on 07.08.2023

Year-wise sales of Khadi products from 2014-15 to 2021-22

(Sales: Rs. in crore)

Year	Khadi Sales
2014-15	1170.38
2015-16	1510.00
2016-17	2146.60
2017-18	2510.21
2018-19	3215.13
2019-20	4211.26
2020-21	3527.71
2021-22	5051.72