

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**RAJYA SABHA**  
**UNSTARRED QUESTION No. 120**  
**TO BE ANSWERED ON 21.07.2025**

**SHARP DECLINE OF KHADI UDYOG**

120. **SHRI BABUBHAI JESANGBHAI DESAI:**

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

- (a) actions taken by the Central Government in consultation with State Governments on the act that business of Khadi Udyog is declining very sharply;
- (b) corrective action taken by Government in this regard, as the Khadi Udyog is giving employment to rural area of our country;
- (c) action taken by Government for not giving rebate payment to Khadi Udyog specially when they are facing much financial problem; and
- (d) the details of steps being taken by Government to boost the export of Khadi product?

**ANSWER**

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES  
(SUSHRI SHOBHA KARANDLAJE)

(a) to (b): Government has been implementing Khadi Gramodyog Vikas Yojana(KGVY) for the development of Khadi and Village Industries Sector through Khadi and Village Industries Commission (KVIC) in consultation with State Khadi and Village Industries Boards (State KVIBs). Due to concerted efforts, Khadi sales increased about 103% in the last 5 years, reaching Rs. 7145.61 crore in FY 2024-25(P) as compared to Rs. 3527.71 crore sales in FY 2020-21. Khadi production increased about 98% in the last 5 years, valued at Rs. 3783.36 crore in FY 2024-25(P) as compared to Rs.1904.49 crore production in FY 2020-21.

The following interventions have been made by the Government through KVIC for the development of Khadi sector:

- (i) Modified Market Development Assistance (MMDA) is being given to producing Khadi Institutions, Khadi Artisans and Khadi Karyakartas, which in turn increases the working capacity of the Khadi Institutions and income of Khadi artisans.
- (ii) Interest Subsidy Eligibility Certificate (ISEC) provides credit at concessional rate of interest through Banks as per requirement of the Khadi Institutions (KIs) for production of khadi.
- (iii) Under 'Strengthening Infrastructure of existing weak Khadi Institutions and Assistance for Marketing Infrastructure', financial assistance is provided to existing weak Khadi Institutions for strengthening their infrastructure and for renovation of Khadi sales outlets.
- (iv) 'Workshed Scheme for Khadi Artisans' provides assistance for construction of individual as well as group workshed for better work environment.
- (v) To increase the earnings of Khadi artisans, Spinning wages has been periodically increased. With effect from 01.04.2025, the spinning wages has been raised from Rs. 12.50 per hank to Rs. 15.00 per hank and weaving wages raised by 10%.

- (vi) KVIC extends raw material support on credit from Departmental Central Sliver Plants (CSPs) supplying raw material in form of sliver/roving to the needy KIs. To enhance production and quality of raw material supplied to Khadi Institutions (KIs), the CSP at Chitradurga/ Karnataka and Kuttur/ Kerala have been modernized. Raw Material Banks have also been established at Bikaner/ Rajasthan and Hajipur/ Bihar to ensure artisans and KIs have timely and reliable access to quality raw materials.
  - (vii) Centre of Excellence for Khadi (CoEK) has been set up on the Hub and Spoke model with National Institute of Fashion Technology (NIFT) New Delhi. The CoEK provides design and product development, capacity building support to KIs.
  - (viii) KVIC facilitates the KIs for participation in various domestic exhibitions across the country including India International Trade Fair (IITF) every year.
  - (ix) KVIC has been coordinating with Govt. Department and bulk buyers such as Indian Railways, Ministry of Health & Family Welfare, Central Armed Police Forces, Ministry of Tribal Affairs, and other Central & State Govt. Ministries to promote bulk sale of Khadi products.
- (c): Modified Market Development Assistance (MMDA) in place of earlier rebate system introduced w.e.f 1.10.2016 to promote accountability, productivity, and artisan welfare in the Khadi Sector. The MMDA is a production linked incentive.
- (d): Government through KVIC has taken following steps to boost the export of Khadi products:
- (i) CoEK has been set up with NIFT, New Delhi as hub with four spoke for establishing benchmarked design processes for global standards, creating new fabrics and products, disseminating quality standards for fabrics, branding and publicity by creating interesting narratives around the new Khadi, creative visual merchandizing & packaging for new Khadi products and increasing the global reach of Khadi by organizing National and International Khadi Fashion Shows and Exhibitions.
  - (ii) For protecting the identity of brand 'Khadi' globally, KVIC has secured registration for the Trademark 'Khadi' in various countries and secured registration for the Khadi Bharat Logo in various countries.
  - (iii) Ministry of Commerce and Industry, GoI has extended the status of Deemed Export Promotion Council(EPC) to KVIC, for supporting promotion of KVI products in the international market.
  - (iv) Ministry of Commerce & Industry allocated the specific HS Code for 11 numbers of Khadi products by which the brand is protected and facilitated for international trades of heritage products.

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