

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**UNSTARRED QUESTIONNO.446**  
**TO BE ANSWERED ON 05.02.2018**

**KHADI PRODUCTS**

446. SHRI MALLIKARJUN KHARGE:

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

- (a) whether use of Khadi has increased in the last three years and if so, the details of Khadi sales, profits, and volume reported during the said period;
- (b) the sector-wise details regarding the increase and decrease of various Khadi products and their share in respect to the volume of overall Khadi Gram Udyog;
- (c) whether the Government has any plans/schemes/programmes to keep Khadi in competition with private brands and if so, the details thereof; and
- (d) the details of the schemes/ programmes implemented by the Government to promote sale of Khadi products both in domestic and international market?

**ANSWER**

MINISTER OF STATE (INDEPENDENT CHARGE)  
FOR MICRO, SMALL AND MEDIUM ENTERPRISES  
(SHRI GIRIRAJ SINGH)

(a)&(b): Khadi and Village Industries Commission (KVIC) is promoting Khadi and Village Industries programme throughout the country through, Khadi institutions and entrepreneurs and thereby generating employment opportunities for unemployed youth. Khadi Institutions are autonomous bodies maintaining their books of accounts at their level. During the last three years the production and sales of khadi and polyvastra has increased considerably. Production and sales of Khadi and Village Industries (KVI) products recorded by these institutions and entrepreneurs for last three years are given below:

(value Rs. in crores)

Year	KVI Production	Share of Khadi production	% of Khadi production in total KVI production	KVI Sales	Share of Khadi sales	% of khadi sales in total KVI production
2014-15	27569.37	Khadi-879.98	3.19	33135.90	Khadi- 1170.38	3.53
		Polyvastra- *			Polyvastra- *	
2015-16	34490.22	Khadi-1065.60	3.09	41894.56	Khadi-1510.00	3.60
		Polyvastra-92.84			Polyvastra-153.98	
2016-17	42631.09	Khadi-1401.84	3.57	52138.21	Khadi-2007.61	4.12
		Polyvastra-118.99			Polyvastra-138.99	

\* Polyvastra performance for the year 2014-15 included in V.I. Performance.

(c)&(d): KVIC is implementing the following schemes/programme all over the country in order to promote and modernize Khadi programme and thereby to keep Khadi in competition with private brands and promote sale of khadi products both in domestic and international market:

- i) **Market Promotion and Development Assistance (MPDA) Scheme:** Under this scheme, Modified Market Development Assistance (MMDA) is given to Khadi Institutions at 30% of the prime cost of Khadi Production for development of infrastructure and 40% of MMDA is provided to Spinners, Weavers and other Karyakartas as incentive to enhance their wages.
- ii) **Scheme of Fund for Regeneration of Traditional Industries (SFURTI):** To make the traditional industries more productive, competitive and to facilitate for their sustainable development, the Government of India is implementing the SFURTI Scheme. It is basically a cluster development programme, designed to protect and preserve the arts and crafts of rural traditional artisans, in a cluster based manner and is expected to make the products of traditional industries market worthy, besides facilitating them to generate sustainable employment to the rural artisans. The skill development training to the Artisans engaged in the activity is also provided.
- iii) **Khadi Reform and Development Programme (KRDP):** In order to fully realize the significant growth potential of KVI Sector, in terms of employment generation, enhance with the earning of artisans and ensure positioning of Khadi in consonance with the current market needs, a comprehensive reform programme captioned Khadi Reform and Development Programme (KRDP) and is being implemented with the assistance from Asian Development Bank (ADB). The skill development training to the Artisans
- iv) **Strengthening of Infrastructure of Existing Weak Khadi Institutions and assistance for Marketing Infrastructure** Scheme is implemented for Strengthening of Infrastructure of Existing Weak Khadi Institutions and assistance for Marketing Infrastructure, to nurse the sick Khadi Institutions which have potential to attain normalcy.

In addition to the above, new initiatives have also been taken to keep Khadi in competition with private brands which is placed at **Annexure-I**.

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**Annexure-I referred to in reply to part (c)&(d) of the Lok Sabha Unstarred Question No. 446 for answer on 05.02.2018**

**Following are the new initiatives taken to keep khadi in competition with private brands:**

1. KVIC engaged fashion designer of national and international repute for Fashion Designing to make Khadi products more competitive and appealing in the domestic as well as overseas market segment.
2. A MoU was signed between KVIC and Aditya Birla Fashion & Retail Ltd. (ABFRL), Raymond and Arvind Mills for sale of Khadi fabric in country and abroad.
3. Ministry of Commerce and Industry, Govt. of India has extended KVIC, the status of Deemed EPC, for supporting promotion of Khadi and Village Industries products in international market. 1077 Khadi & Village Industries Institutions and REGP/PMEGP Units have taken its membership to enter the field of export. KVIC through its assisted institutions and units participates in various international exhibitions.
4. Tie up arrangement with premier institutions like Federation of Indian Export Organization (FIEO), World Trade Centre (WTC), Indian Trade Promotion Organization (ITPO), Trade Promotion Council of India etc., for invigorating business opportunities in the overseas market.
5. KVIC has entered into an agreement with M/s. GLOBUS a retail clothing stores chain having its HO in Mumbai for setting up of Khadi Korner a shop in shop concept initially in Globus Showroom at Noida, followed by Globus showroom in Chennai and Ahmedabad.
6. Setting up of modern Khadi Lounge with exquisite Khadi designer garments and V.I. products for making shopping Khadi a pleasure.
7. Launching of franchise scheme to expand the sales distribution network with zero investment.
8. Tie up with e-Commerce platform for on-line marketing through e-Commerce companies like Paytm, Aarmart.
9. Special efforts to attract youth by introducing attractive T-shirts, Khadi jeans, jackets, kurtis, etc. as well as launching a range of casual wear called vicharvastra specially designed by Ms.RituBeri.
10. Opening of sales outlets at domestic as well as international airports like Vishakapatnam, Lucknow, Ahmedabad, etc.
11. Opening Khadi Outlets in Post Offices.
12. Tie up arrangements for bringing out innovative export quality product designs with NIFT, etc.
13. Tie up arrangement with premier export institutions like FIEO, CII and FICCI for conducting exhibitions and workshops.
14. Ensuring strong digital presence with a vision to reach out to the required target audience through online social mediums such as Face book, Twitter, LinkedIn, YouTube etc.
15. Introducing Social media initiatives including handling, operation and management of all social media content on social media platforms such as Face book, Twitter, Instagram, YouTube, LinkedIN, etc. and ORM.
16. Introducing store app through mobile application to facilitate the customers to locate the Khadi India sales outlet at various geographical location to increase foot falls at various stores under Khadi sector.
17. Introduction of pre-paid Gift Voucher Scheme for corporate gifting including PSU and Government Departments.
18. To ensure genuineness of khadi “Khadi Mark” has been notified by Government of India.