

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**UNSTARRED QUESTION NO. 3094**  
**TO BE ANSWERED ON 06.08.2018**

**EXPORT OF KHADI PRODUCTS**

3094. SHRI BHOLA SINGH:  
PROF. PREM SINGH CHANDUMAJRA:  
SHRI ANOOP MISHRA:

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

- (a) whether the sale of khadi products have shown a remarkable growth during the current year in the country;
- (b) if so, the details thereof indicating the production, sale and export of khadi products during the last three years and the current year; and
- (c) the steps being taken by the Government to promote khadi industry and to exploit/tap its export potential to the maximum?

**ANSWER**

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

(a): Yes, Madam. Sale of Khadi products have shown a remarkable growth during the year 2017-18 in the country. It has increased from Rs.2146.60 crore to Rs. 2508.50 crore during 2017-18, which shows around 16.86% growth.

(b): Performance of production, sale and export of Khadi products during the last three years and the current year is as follows:

(Rs. in

crore)

Khadi products	2015-16	2016-17	2017-18 (P)	2018-19 (P) (upto 30.6.2018)
Production	1158.44*	1520.83 <sup>#</sup>	1624.86 <sup>#</sup>	305.39 <sup>#</sup>
Sales	1663.98*	2146.60 <sup>#</sup>	2508.50 <sup>#</sup>	231.05 <sup>#</sup>
Export	0.11	3.01	3.08	0.77

P-Provisional \*includes Khadi, Polyvastra #includes Khadi, Polyvastra & Solarvastra

(c): Ministry of Micro, Small and Medium Enterprises (MSME) is implementing the following schemes/ programmes through Khadi and Village Industries Commission (KVIC) to promote Khadi & Village Industry:

i) Khadi Grant:

1. Strengthening Infrastructure of existing Weak Khadi Institutions and Assistance for Marketing Infrastructure provides for renovation of khadi sales outlets and providing assistance for strengthening infrastructure of existing weak selected institutions
2. Workshed Scheme for Khadi Artisans for providing assistance for construction of worksheds.

ii) Market Promotion Development Assistance (MPDA) is a unified scheme by merging Market Development Assistance, Publicity, Marketing and Market Promotion. A new component for setting up of Marketing Complexes/Khadi Plazas has been added to expand the marketing network of Khadi & VI products. Under the Modified MDA (MMDA), financial assistance at 30% of the Prime Cost, is distributed amongst Producing Institutions (40%), Selling Institutions (20%) and Artisans (40%).

iii) Interest Subsidy Eligibility Certificate (ISEC) Scheme provides credit at concessional rate of interest through Banks in which the institutions are required to pay interest of only 4%, any interest charged by banks over 4% will be paid by the Govt. of India through KVIC.

iv) Khadi Reform and Development Programme (KRDP) has been implemented with the financial and technical assistance of Asian Development Bank (ADB) to revitalize the khadi sector with enhanced sustainability of khadi, increased incomes and employment for spinners and weavers, increased artisans' welfare and to achieve synergy with village industries. Khadi Reform Package envisages reform support in the following areas: (i) Artisan Earnings and Empowerment, (ii) Direct Reform Assistance to 400 Khadi Institutions & (iii) Implementation of a well-knit MIS.

Initiatives/steps taken by the Government to promote the export of Khadi products is placed at **Annexure-I**.

*Annexure-I referred to in reply to part (c) of the Lok Sabha Unstarred Question No. 3094 for answer on 06.08.2018*

**Initiatives/steps taken to promote the exports of KVI products**

1. Assistance would be provided under the MPDA Scheme to the eligible Khadi and Village Industries (KVI) Institutions for participation in International Exhibitions/Trade Fairs held in foreign countries in order to showcase KVI products to foreign countries, access international buyers and sellers and forge business alliances, etc.

The eligible items for such participation and the scale of assistance would be as under:

S. No.	Eligible items	Scale of assistance
i)	Space Rent	For KVIs – 100% of the space rent subject to a maximum of Rs.1.25 lakh or actual rent paid, whichever is lower (for one representative from each participating enterprise)
ii)	Air Fare	For KVIs – 100% of the Economy Class air fare subject to a maximum of Rs.1.00 lakh or actual fare paid, whichever is lower (for one representative from each participating enterprise)

2. Participation in domestic international exhibitions at State and National levels wherein KVIs are allowed to participate and market their products.

3. Assistance is also provided to Exporters participating in International Trade Fairs held in India like India International Trade Fair (IITF) New Delhi where stall rentals are subsidized for the exporting institutions.

4. Participation in International Trade Fairs through ITPO, New Delhi where KVI products find wide exposure to International Trade Delegation, Importers, Overseas Buyers, Franchisees, Branded Merchandise Outlets, Retailers, Malls, and Shopping Centres etc.

5. Tie up arrangements for bringing out innovative export quality product designs with NIFT.

6. Tie up arrangement with premier export institutions like Directorate General of Foreign Trade (DGFT), Federation of Indian Export Organization (FIEO), CII and Federation of Indian Chambers of Commerce & Industry (FICCI).

7. 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 by conducting exhibitions and workshops for Khadi Institutions. Arranging training in Export Procedure and Documentation for Export Oriented Units (EOUs), Institutions and Entrepreneurs in the KVI Sector through these institutions.

8. 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.

9. Tie up with e-Commerce platform for on-line marketing through e-Commerce companies like PayTM, Aaarmart.

10. KVIC has applied to register “Khadi” as a word mark and “Khadi India” as a Trade mark in 27 classes for various products among 45 classes listed out in the IPR Act at National Level as well as has filed an online application for registering “Khadi” as a trade mark under International Bureau in European Union and other countries under 16 different class.