

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 239
TO BE ANSWERED ON 03.02.2022

KHADI INDUSTRIES

239. DR. DNV SENTHILKUMAR. S.:
SHRI SUNIL DATTATRAY TATKARE:
SHRI GAUTHAM SIGAMANI PON:
DR. AMOL RAMSING KOLHE:
SHRI GAJANAN KIRTIKAR:
SHRI REBATI TRIPURA:
DR. SUBHASH RAMRAO BHAMRE:
SHRI OMPRAKASH BHUPALSINH *alias* PAWAN RAJENIMBALKAR:
SHRIMATI SUPRIYA SULE:
SHRI DHANUSH M. KUMAR:
SHRI SELVAM G.:
SHRI KULDEEP RAI SHARMA:
SHRI ANURAG SHARMA:

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

- (a) whether the Government has conducted any study to enhance the quality of the Khadi industries in the country and if so, the details thereof;
- (b) whether the Khadi products sold are very expensive resulting in reduction of sale of Khadi products and if so, the details thereof and the corrective measures taken by the Government in this regard;
- (c) the total number of Khadi institutions operational in the country during the last three years and the current year in the country particularly in the State of Maharashtra, Tamil Nadu, Uttar Pradesh including in Jhansi and Lalitpur and North Eastern Region including Tripura;
- (d) whether the Government has any proposal to expand the reach of Khadi sector and if so, the details thereof;
- (e) whether the number of Khadi institutions are reducing day by day and if so, the reasons therefor;
- (f) whether the Government has any proposal to wind up any unit/institutions in the Khadi sector and if so, the details thereof; and
- (g) the steps taken/being taken by the Government to increase the demand of Khadi in order to increase its production?

ANSWER

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

- (a): Khadi and Village Industries Commission (KVIC) has not conducted any exclusive study to enhance the quality of the Khadi Industry in the country. However, in order to maintain Khadi quality standards, KVIC has established testing laboratories in the premises of KVIC's Central Sliver Plants for physical testing of the Khadi cloth produced by the Khadi Institutions.

Further, KVIC has also entered into an Memorandum of Understanding (MoU) with Textile Committee, Ministry of Textiles, Government of India for carrying out onsite verification of certified Khadi Institutions to ensure hand spinning & hand weaving process thereby ensuring quality of Khadi products.

(b): Production of Khadi is a labour intensive process. Of the total cost of production of Khadi, 48% constitutes labour charges, leading to its high cost, when compared to open market textiles. The uniqueness of Khadi lies in its being hand-spun, hand woven and eco-friendly. Sales of Khadi improved till 2019-20 due to discounts by KVIC, but declined thereafter due to the COVID-19 pandemic.

(c): The total number of Khadi Institutions (KIs) operational in the country during the last three years particularly the States of Maharashtra, Tamil Nadu and Uttar Pradesh including Jhansi and Lalitpur, North Eastern Region including Tripura is as follows:

Year	Total No. of operational KIs	KIs in Maharashtra	KIs in Tamil Nadu	KIs in UP incl. Jhansi & Lalitpur	KIs in NER incl. Tripura
Upto 2018-19	2518	39	69	762	30
Upto 2019-20	2632	40	70	762	32
Upto 2020-21	2737	40	74	763	35
Currently Operational	2816	40	80	770	35

(d): In order to expand the reach of the Khadi Sector, Government through KVIC, is conducting International, National and District level exhibitions for market promotion and advertisement of Khadi. KVIC is also promoting Khadi products through e-commerce and also giving wide publicity to Khadi and Polyvastra products in local, electronics and print media. Further, financial support is given to the Khadi Institutions for renovation of their sales outlets, computerization and software for design development, and for services of designers to develop new designs.

(e): The total number of operational Khadi Institutions has been increasing during the last three years as shown in reply of part (c) above.

(f): The Government has no such proposal.

(g): Steps taken/being taken by the Government to increase the demand of Khadi in order to increase its production is **annexed**.

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Annexure referred to in reply to part (g) of the Lok Sabha Unstarred Question No. 239 for answer on 03.02.2022

Steps taken/being taken by the Government to increase the demand of Khadi in order to increase its production:

- i) In order to increase the demand of Khadi, KVIC is establishing a Centre of Excellence for Khadi (CoEK) with the technical support of NIFT, New Delhi at NIFT Delhi (Hub Centre) and its four spokes at Gandhinagar, Kolkata, Shillong, Bengaluru to help Khadi Institutions to design, produce and market high quality differentiated Khadi products in the Indian and global market effectively.
- ii) Every year, new Khadi Institutions are being registered which leads to increase in production by creating the demand of Khadi.
- iii) KVIC is providing funds for the implementation of various projects for technology up gradation under Science & Technology programs for the promotion of Khadi Sector.
- iv) KVIC is implementing Modified Market Development Assistance scheme, which aims at market segmentation of Khadi products for effective pricing, strengthening marketing network to participate/organize domestic/international exhibition, creation of market demand quality products, extending incentives to the artisans/karyakartas infrastructure development etc. which in turn helps in increasing the demand of Khadi.
- v) To increase the production of the Khadi, Government, through KVIC, is implementing the Interest Subsidy Eligibility Certificate (ISEC) scheme, in which credit at concessional rate of interest of 4% per annum is given for capital expenditure as well as for working capital as per the requirement of Khadi Institutions.
- vi) Youth centric Khadi products are being planned with 'design by youth for youth'. Design competitions have been organized to replicate the winning entries/designs in the Khadi sector.