

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**UNSTARRED QUESTION NO. 3465**  
TO BE ANSWERED ON 24.03.2022

**FAKE KHADI PRODUCTS**

3465. SHRI OMPRAKASH BHUPALSINH *alias* PAWAN RAJENIMBALKAR:  
SHRI DHANUSH M. KUMAR:  
SHRIMATI MANJULATA MANDAL:  
SHRI SELVAM G.:  
SHRI GAJANAN KIRTIKAR:  
DR. AMOL RAMSING KOLHE:  
SHRI C.N. ANNADURAI:  
SHRI SUNIL DATTATRAY TATKARE:  
SHRI GAUTHAM SIGAMANI PON:  
DR. DNV SENTHILKUMAR. S.:  
SHRI KULDEEP RAI SHARMA:

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

- (a) whether the Government attention has been drawn to selling of spurious/non-Khadi products by some Khadi outlets recently;
- (b) if so, the details thereof and the action taken by Khadi and Village Industries Commission (KVIC) against such Khadi outlets;
- (c) whether the Government has conducted any study regarding impact of manufacturing and sale of fake Khadi products in the market;
- (d) if so, the details thereof along with the number of cases registered in this regard during the last three years and current year, State/UT-wise;
- (e) the corrective steps taken by the Government to check manufacturing and sale of fake khadi products;
- (f) the total domestic market of Khadi Products in the country during the last three years and the current year; and
- (g) the steps taken to boost the sale of traditional Khadi products in the country?

**ANSWER**

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES  
(SHRI BHANU PRATAP SINGH VERMA)

- (a): Khadi and Village Industries Commission (KVIC) is viewing the sale of spurious/non-Khadi products by some unauthorized outlets selling products in the name of Khadi very seriously and is closely and constantly searching for such entities, to take stern actions against them.
- (b): Upto January 2022, KVIC had issued 2172 notices to entities engaged in the unauthorized sale of products in the name of Khadi. Nearly, 500 entities have apologized for unknowingly using the Khadi Trade Mark, and have removed them from their products and websites.
- (c): KVIC has not undertaken any study so far regarding impact of manufacturing and sale of fake Khadi products in the market.

(d): KVIC has so far filed 9 suits against different entities for infringement of Trade Mark and in most of the cases got interim injunction against the infringers. Details, of court cases filed against misuse of Khadi, are as under:

1. Suit filed in Delhi High Court against:
  - Khadi Essentials, Delhi
  - Iwearkhadi, Uttar Pradesh
  - Khadi Design Council of India, Uttar Pradesh
  - JBMR Enterprises-Khadi Prakritik Paint, Uttar Pradesh
  - Girdhar Khadi, Haryana
  - Khadi by Heritage, Delhi
2. Suit filed in Mumbai High Court against:
  - Fabindia, Mumbai, Maharashtra
  - India Khadi Fashion, Maharashtra
  - Khadi Store, Pehna, Maharashtra and Rajasthan

(e): KVIC has taken the following steps to check manufacture and sale of fake Khadi products:

1. KVIC has obtained Trade Mark Registration for the wordmark “KHADI”, under most of the classes including classes-24 & 25 (textiles and textile products).
2. KVIC has appointed 7 Trade Mark Consultants, who are actively watching the Trade Mark infringements by third parties and issuing legal notices to the unauthorized users.
3. KVIC is also removing the links regarding the online sale of fake Khadi products from e-commerce platforms and social media on a continuous basis. So far, KVIC already removed 2487 links from Amazon, Flipkart, Snapdeal, WhatsApp, YouTube etc.
4. KVIC is constantly opposing the applications for registration of Trade Marks filed by third parties with the word ‘KHADI’ as part of their Trade Mark. So far, KVIC filed 162 oppositions.
5. KVIC is also filing rectification applications before the Trade Mark Authorities for cancellation of the Trade Marks of the third parties already registered, which contains the word “KHADI” as part of its Trade Mark. So far, KVIC already filed 43 rectification applications.

(f): Khadi Institutions promoted/assisted by KVIC are engaged in production and sales activities of Khadi products and providing employment opportunities to Khadi Artisans and other Karyakartas. Production and sales of Khadi products during the last three years and current year are as follows:

| Year                    | 2018-19 | 2019-20 | 2020-21 | (Rs. in crore)                               |
|-------------------------|---------|---------|---------|--|
|                         |         |         |         | 2021-22<br>(as on 31.12.2021)<br>Provisional |
| <b>Khadi Production</b> | 1963.30 | 2324.24 | 1904.49 | 1809.86                                      |
| <b>Khadi Sales</b>      | 3215.13 | 4211.26 | 3527.71 | 3030.00                                      |

(g): Steps/initiatives taken/being taken by the KVIC to boost the sale of traditional Khadi products in the country are **annexed**.

**Annexure referred to in reply to part (g) of the Lok Sabha Unstarred Question No.3465 for answer on 24.03.2022**

Steps/initiatives taken/being taken by the KVIC to boost the sale of traditional Khadi products/ Khadi sector, in the country:

1. To promote the Khadi Sector, KVIC is establishing 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, Shilong, Bangalore to help Khadi Institutions to effectively design, produce and market high quality differentiated Khadi products in the Indian and global market.
2. Domestic exhibitions, special exhibitions are regularly conducted for promoting sales of Khadi as well as inventions of Khadi Institutions. KVIC is providing financial support to KIs through various schemes for renovation of their sales outlets not only to improve the face lifting of the outlets but also to improve their sales performance.
3. KVIC has obtained registration of the Trade Mark “KHADI” in 17 countries namely; Germany, U.K. Australia, Russia, China, Bahrain, Oman, Kuwait, Saudi Arabia, Mexico, Maldives, Myanmar, Singapore, Austria, Sweden, UAE and Bhutan. Decision has also been taken to register the Trade Mark “KHADI” and “Khadi India logo” in major countries of the world including Gulf countries.
4. KVIC popularize the Khadi and Village Industries (KVI) products through exhibitions to make them accessible in the domestic and international markets.
5. Government of India has issued HS code bracket to KVIC to categorize 11 Khadi & Village Industries (KVI) products in export.
6. KVIC under International Cooperation (IC) Scheme of Ministry of MSME takes its KVI units for participation in international exhibitions/trade fairs etc. organized through ITPO, FIEO, TEXPROCIL and other Govt. bodies in different countries. The Exhibition provides an opportunity and strong platform to showcase quality of KVI products.
7. Under Interest Subsidy Eligibility Certificate (ISEC) scheme, credit at the 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.
8. Modified Market Development Assistance (MMDA) scheme, aims at market segmentation of Khadi products for effective pricing, strengthening marketing network to participate/organized domestic/international exhibitions, creation of market demand quality products, extending incentives to the artisans/karyakartas infrastructure development etc.
9. ‘Workshed Scheme for Khadi Artisans’ scheme aims to provide sufficient space and congenial environment for smooth and fatigue free working to the Khadi artisans in which KVIC is providing an amount of Rs. 60,000 and Rs. 40,000 per artisan for construction of individual and group Worksheds, respectively.
10. KVIC is providing funds for the implementation of various projects for technology up gradation under ‘S&T programme’.
11. KVIC has entered into agreement since last few years with bulk buyers of Govt. Departments such as Railways, Health & Family Welfare, Paramilitary Forces, Ministry of Tribal Affairs and other Central & State Govt. Ministries to increase the sale of Khadi products.
12. KVIC through its Kumarappa National Handmade Paper Institute (KNHPI), Rajasthan has developed the technology for manufacturing of Khadi Prakritik Paint and providing technical training to interested entrepreneurs.
13. KVIC started selling of all KVI products through online sales platforms e-khadiindia.com and khadiindia.gov.in in which more than 3,300 products have been on-boarded on the portal.

14. Bamboo Bottles, Sanitary Napkin, Cow Dung Soap have been launched for sale at Khadi India.
15. Introduced “Khadi Designer Shoes” and available in the flagship showroom of KVIC at Connaught Place, New Delhi.
16. KVIC introduced Gift Coupons, Gift Boxes and Special discounts on various occasions/festivals, to attract the customers and boost the sales of Khadi and Village Industries products.
17. To introduce new designs in Khadi, KVIC has organized a design competition for designers inviting online applications, presentations & sketches of the designs.
18. KVIC joined hands with corporates like Raymonds, Arvind Mills and Aditya Birla Group to boost the production of Khadi and introduce trendy designs in the Khadi readymade garments.
19. KVIC launched National Flag Sales Counters at 6 Passport Sewa Kendras at New Delhi, Ghaziabad, Patna, Jaipur, Guwahati and Ernakulum in November 2021.