

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**UNSTARRED QUESTION No. 3987**  
**TO BE ANSWERED ON 19.12.2024**

**DIGITIZATION OF KHADI PRODUCTION UNITS**

3987. DR. BHOLA SINGH:

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

- (a) the new wage levels for Khadi workers and the manner in which the Government plans to ensure wage sustainability;
- (b) the initiatives to promote the sale of Khadi and village industry products under the “Vocal for Local” campaign;
- (c) the steps to digitize Khadi production units and improve operational efficiency; and
- (d) the measures to provide skill development and financial support for Khadi cooperatives and artisans?

**ANSWER**

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

(a): Khadi and Village Industries Commission (KVIC), to support the Khadi artisans, has periodically increased their wages to improve their earnings and overall livelihood. With effect from 01.04.2023, the spinning wages was increased from Rs. 7.50 per hank to Rs. 10.00 per hank and weaving wages were raised by 10%, which not only boosted the production capacity of Khadi artisans but also significantly enhanced their earnings.

Further, KVIC has enhanced the spinning wages from Rs. 10.00 per hank to Rs. 12.50 per hank and weaving wages by 7%, effective from 02.10.2024.

Besides, under MMDA, 35% of MMDA is provided to artisans as incentive in case of Khadi Institutions of cotton, woollen, polyvastra and 30% quantum of MMDA is provided to artisans as incentive in case of Khadi Institutions of silk.

(b): To promote the sale of Khadi and Village Industries products, following initiatives are being taken by KVIC:

- i. Centre of Excellence for Khadi on the Hub and Spoke model, with National Institute of Fashion Technology (NIFT) New Delhi as Hub along with NIFT Ahmedabad, Bengaluru, Kolkata and Shillong – have been set up 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 reach of Khadi by organizing National Khadi Fashion Shows and Exhibitions.

- ii. Organizing various level exhibitions and participating in Indian International Trade Fair (IITF) to make KVI products accessible in the domestic.
- iii. Arranged product supply/marketing mechanism through e-Market linkage for MSMEs through GeM portal (gem.gov.in), and e-marketing portal (www.ekhadiindia.com) with an objective to sell Buyer to Consumer.
- iv. Established Khadi Lounges at various urban centers and in Tier-II cities for attracting both connoisseurs of Khadi as well as designers.
- v. Catering to the need of Government departments and bulk buyers of various Government Organization and PSUs to increase the sales of Khadi products.
- vi. Special discount has been announced on various occasions/festivals to attract customers and to boost the sales of KVI products.
- vii. For protecting the identity of brand 'Khadi' globally, KVIC has secured registration for the Trademark 'Khadi' in 15 countries and secured registration for the Khadi Logo in 32 countries.
- viii. Publicity of KVI Schemes and programmes through print, electronic, digital and social media.

(c): To digitize Khadi production units and improve operational efficiency, the following steps have been taken by KVIC:

- i. **Khadi Institutions e-PORTAL:** The KI e-Portal was developed and implemented in KVIC with a view to implement Modified Market Development Assistance (MMDA) and Interest Subsidy Eligibility Certificate (ISEC) Scheme of KVIC. Through this e-portal, KVIC / KVIB registered Khadi producing Institutions submit their MMDA and ISEC claim to the respective Field Offices of KVIC.
- ii. **Khadi Institution Management Information System (KIMIS):** KIMIS software application facilitates to computerize entire activities of Khadi Institutions starting from procurement of raw material till sale of finished goods on real time basis. This system is implemented by Khadi Institutions, Departmental Sales Outlets and Central Sliver Plants. The System generates various MIS reports for effective monitoring by the respective Khadi Institutions, Departmental Units and CSPs.
- iii. **Online Budget System for Khadi Institutions:** For easing out the problem of manual budget, KVIC has developed the Online Budgeting System for Khadi Institutions.
- iv. **Khadi Institutions Registration and Certifications Sewa (KIRCS):** Khadi Institution Registration and Certifications Sewa (KIRCS) is an online software application for the submission of applications for registering new Khadi Institutions as well as renewal of old Khadi Institutions.

(d): **Skill Development:** Khadi and Village Industries Commission providing the Skill Development Training through its Departmental and Non- Departmental Training Centres located across the country programmes which include Khadi Technology, Silk Reeling & Spinning, Dyeing & Printing, Khadi Design Development, Refresher course in Spinning & Weaving Khadi Spinning, Khadi Weaving, Fabric Painting, Tailoring & Embroidery etc.

The training programmes provide the traditional skill sets to the local artisans for production and marketing of the local products and enhance the livelihood of the local artisans as well as artisans associated with Khadi Institutions.

**Financial Support:** KVIC provides financial assistance to registered Khadi Institutions under the following schemes/programmes:

- i. **Under Interest Subsidy Eligibility Certificate (ISEC) scheme,** credit at the concessional rate of Interest of 4% per annum is given for Capital Expenditure (CE) as well as for Working Capital (WC) as per the requirement of Khadi institutions. The difference between the actual lending rate and 4% is paid by the Central Government through the Khadi & Village Industries Commission (KVIC) to the lending Banks.
- ii. **Under the Modified Market Development Assistance (MMDA) scheme,** a quantum of MMDA is provided based on the prime cost of production. The assistance is calculated at 35% for cotton, muslin, woolen, and polyvastra khadi, and at 20% for silk khadi. Out of this quantum, 35% of MMDA is allocated as an incentive to artisans working with cotton, muslin, woolen, and polyvastra, while 30% of MMDA is provided as an incentive to artisans working with silk.
- iii. To provide ergonomic workspaces to khadi artisans and ensure long-term sustainability, the **Workshed Scheme for Khadi Artisans** extends financial assistance for the construction of worksheds. Under this scheme, individual artisans are eligible for assistance of up to ₹1,20,000 or 75% of the total cost of the workshed, with an enhanced assistance of 90% for artisans from the North Eastern Region (NER). For group worksheds, benefiting a minimum of 5 and a maximum of 15 artisans, financial assistance of up to ₹80,000 per artisan or 75% of the total cost of the group workshed (90% for NER) is provided, whichever is lower. This initiative aims to create a conducive and sustainable working environment for khadi artisans, enhancing their productivity and livelihood.
- iv. **Under Strengthening of Infrastructure of Existing Weak Khadi Institutions:** To revive the sick/weak/problematic/"D" category institution, the financial assistance under the said scheme has been provided by KVIC upto the Rs. 15.00 lakh.
- v. **Renovation of Sales Outlets:** In order to renovate the Sales outlets thereby getting sustainable earnings by the Khadi artisans, KVIC is providing the fund under assistance for marketing Infrastructures.

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