

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION No. 658
TO BE ANSWERED ON 06.02.2025

KHADI PRODUCTION

658. SHRI C N ANNADURAI:
SHRI SELVAM G:
SHRI NAVASKANI K:

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

- (a) the details of khadi production and sales recorded during the last three years and the current year;
- (b) whether the Government proposes to support the development of Khadi clusters and cooperative societies to improve production efficiency and quality and if so, the details thereof;
- (c) whether the Government is collaborating with any e-commerce platforms to increase the reach of khadi products and if so, the details thereof;
- (d) the details of the employment opportunities generated in Tamil Nadu associated with Khadi and other related activities during the last five years;
- (e) the steps taken by the Government to ensure that the benefits of Khadi promotion reach the most marginalized sections of society, including women and rural artisans;
- (f) the specific challenges faced by Khadi artisans in accessing credit and other financial services; and
- (g) the other steps taken by the Government to promote the sale of Khadi products both domestically and internationally?

ANSWER

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

(a): Year-wise Khadi Production and Sales in the last three years and current year up to 31.12.2024 is as follows:

(Production & Sales: Rs. in crore)

Sr. No.	Year	Khadi*	
		Production	Sales
1	2021-22	2558.31	5051.72
2	2022-23	2915.83	5942.93
3	2023-24	3206.24	6496.01
4	2024-25 (up to 31.12.2024)	2538.03	5352.00

*including Polyvastra and Solar Vastra

(b): Yes, to improve production efficiency and quality Government supports the development of Khadi clusters and Khadi Institutions (KIs). KIs are societies registered under the Societies Registration Act 1960. KVIC is implementing Khadi Gramodyog Vikas Yojana (KGVY), a Central Sector Scheme, having two major components viz. Khadi Vikas Yojana (KVY), Gramodyog Vikas Yojana (GVY). The objectives of KVVY scheme are to increase productivity and wages of Khadi artisans, improve infrastructure for enhanced Khadi production, sales and employment through the following components:

- i. **Modified Market Development Assistance (MMDA):** Under MMDA, 35% of MMDA is provided to artisans as incentive in case of Khadi Institutions of cotton, woolen, polyvastra and 30% quantum of MMDA is provided to artisans as incentive in case of Khadi Institutions of silk.
- ii. **Interest Subsidy Eligibility Certificate (ISEC):** Under the scheme Interest Subsidy Eligibility Certificate is issued by KVIC to the eligible KIs on the basis of their production and requirement of funds. KIs can avail bank loan and pay only 4% interest. The difference between the actual lending rate and 4% is paid by GoI through KVIC as 'Interest Subsidy'.
- iii. **Strengthening of Infrastructure of Existing weak Khadi Institutions and Assistance for Marketing Infrastructure:** This component provides financial support to the Weak Khadi Institutions with assistance of Rs. 15 lakh per KI to regain normalcy. Besides, financial assistance of Rs. 25 lakh per sales outlet is also provided to KIs/Departmental Outlets for its renovation.
- iv. **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 global reach of Khadi by organizing National and International Khadi Fashion Shows and Exhibitions.

Besides, there is a cluster based scheme viz. **Scheme of Fund for Regeneration of Traditional Industries (SFURTI)** with an aim to help traditional industries to become more productive, profitable and capable for generating sustainable employment for traditional industries artisans including Khadi artisans. So far, 14 Clusters involving Khadi activities have been developed and the details of the Clusters are placed at **Annexure**.

(c): Government through KVIC is operating its own e-commerce platform of www.khadiindia.gov.in for marketing of its various Khadi and Village Industries products. It is also moving with ONDC platform for up-linking Khadi and village industries products of KGB New Delhi for increasing the reach of products on pan India level. KVIC has also strengthened the supply/marketing mechanism of KVI products, to create an effective marketing through e-Market linkage with MSMEs-GeM portal (gem.gov.in).

(d): **Cumulative** employment in Tamil Nadu State under Khadi Sector during last five years is as follows:

Year	Cumulative employment under Khadi Sector in Tamil Nadu (in numbers)
2019-20	20263
2020-21	20236
2021-22	20277
2022-23	20381
2023-24	20464

(e): In Khadi sector, the participation of women artisans is about 80% and mostly in rural areas. The Government has taken the following steps for benefitting of Khadi promotion reach the most marginalized sections of society, including women and rural artisans:

- The MMDA incentive is directly provided to Khadi Artisans/Karyakartas through Aadhaar seeded bank / post office accounts through Direct Benefit Transfer (DBT).

- Spinning wages have been increased by 25% i.e. from Rs. 10.00/- per hank to Rs. 12.50/- per hank and weaving wages are increased by 7% for cotton khadi, wollen khadi and polyvastra w.e.f. 02.10.2024.
- Workshed Scheme for Khadi Artisans, provides financial assistance to artisans for construction of individual and group worksheds. An financial assistance upto Rs 1,20,000/- or 75% of the total cost of the workshed and for group Workshed (minimum 5 and maximum 15 artisans), an assistance up to Rs. 80,000/- per artisan or 75% of the total cost of the group Workshed, whichever is less, is provided.
- For upliftment of the marginalized sector of the society including women and rural artisans, KVIC through its Departmental and Non-Departmental Training Centres imparts SDP and conducts EAP in various disciplines of Khadi like Khadi Technology, Khadi Weaving (Frame/Semiautomatic) Course, silk Reeling & Spinning, Khadi Design Development, Khadi Spinning (NMC) Course and Tailoring & Embroidery, etc.

(f): Government is extending the following support directly to Khadi Institutions (KIs) as well as artisans through KVY components under KGVY scheme to enhance the Khadi production and livelihood of artisans as under:

- Modified Market Development Assistance (MMDA)
- Interest Subsidy Eligibility Certificate (ISEC) scheme
- Work-shed Scheme for Khadi Artisans
- Strengthening of Infrastructure of Existing Weak Khadi Institutions and Assistance for Marketing Infrastructure

(g): The steps taken by the KVIC to promote KVI products in domestic and international markets are as follows:

- i) Setting up of Centre of Excellence for Khadi on the Hub and Spoke model.
- 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 31 countries.

Annexure referred to in reply to part (b) of the Lok Sabha Unstarred Question No. 658 for answer on 06.02.2025

List of SFURTI Clusters under Khadi activities

Sr. No.	Cluster Name	Products of cluster
1	Bijapur Khadi Cluster	Khadi products
2	Bijoypur Silk Khadi Cluster	Brocade / Jacquard / Jamdani Sari, Designed Silk, Furnishing, Men's Women's & Kid's Garments.
3	Chak Islampur Muslin Khadi Cluster	Printed Fabric, Tie & Dye scarves, kids-wear ready-made items, Ethnic & Indo-western fashion
4	Chitrashali Khadi Cluster	Khadi Shirt, Kurta, Sari, Dhoti etc.
5	Eri Silk Cluster	Khadi products
6	Harihara Khadi Cluster	Designer Cotton garments and value added Khadi products.
7	Hubli Khadi Cluster	High value Khadi products and regular cotton garments
8	Kangayam Khadi Cluster	Readymade Designer Shirts, Ready to wear items, value added products.
9	Lakhimpur Silk Cluster	Khadi products
10	PSK Silk Khadi Cluster	Khadi products
11	Sandur Khadi Cluster	Khadi products
12	Santhal Pragana Khadi Cluster	Designer silk Khadi, spun silk, reeled silk, cotton Khadi, sari, shawls, Chadar, towels, etc.
13	Sidhalgatta Khadi Cluster	Ready-Made Silk garments and Khadi Fashion products.
14	Vihan Sarvahara SFURTI cluster (Bulandshahr)	Khadi Fabrics, Apparels etc.