

**GOVERNMENT OF INDIA  
MICRO, SMALL AND MEDIUM ENTERPRISES  
LOK SABHA**

UNSTARRED QUESTION NO:993  
ANSWERED ON:20.08.2007  
PRODUCTION AND SALE OF KHADI PRODUCTS  
Reddy Shri Karunakara G.

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

- (a): whether the production and sale of Khadi products in the country has declined ;
- (b): if so, the reasons therefor;
- (c): the steps taken or being taken by Government to raise the production and sale of Khadi in the country; and
- (d): the number of employment opportunities created in the Khadi industry during the last three years?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY MICRO, SMALL & MEDIUM ENTERPRISES (SHRI MAHABIR PRASAD)

(a): No, Sir. The production and sales of khadi have increased in the last five years (2002-03, 2003-04, 2004-05, 2005-06 and 2006-07) as detailed below:

Year	Value of Production (Rs. crore)	Value of Sales (Rs. crore)
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2002-03	443.07	577.63
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2003-04	453.50	587.04
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2004-05	461.54	617.84
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2005-06	468.30	628.69
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2006-07	491.52	663.19
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(b): Does not arise.

(c): To promote the production and sales of khadi in the country, the following steps have been taken:

- (i) Credit at the concessional rate of interest of 4 per cent per annum provided by banks as per the assessed requirement of the institutions registered with the Khadi and Village Industries Commission (KVIC)/State Khadi and Village Industries Boards (KVIBs) under the Interest Subsidy Eligibility Certificate (ISEC) Scheme.
- (ii) Larger availability of funds for payment of rebate on sales of khadi
- (iii) Establishment of Rural Industries Service Centres (RISCs) by the KVIC for setting up common facility centres (CFCs).
- (iv) Organising exhibitions at National/Zonal/District levels.
- (v) Participation in national and international exhibitions;
- (vi) Providing financial assistance under Product Development, Design Intervention and Packaging (PRODIP) Scheme for improved designs and packaging of khadi products;
- (vii) Launching 'Mission Khadi' to convert the Khadi fabric into ready-made garments with modern designs;
- (viii) Launching brand name 'Khadi India' for khadi products;
- (ix) Launching the Scheme of Fund for Regeneration of Traditional Industries (SFURTI) for implementation in 34 khadi clusters for their holistic development over five years beginning 2005-06;
- (x) KVIC has taken many initiatives to attract modern youth of the country. Marketing development courses have been arranged for the youth, who have just passed out of schools and colleges, through 38 Multi Disciplinary Training Centres, which impart the knowledge

on the products of khadi and village industries. Attempts are also being made to increase the use of khadi in schools;  
(xi) public awareness programmes are conducted by KVIC throughout the country to increase the awareness and knowledge among the public, especially the young generation;

(d): The number of persons employed in khadi sector during 2004- 05, 2005-06 and 2006-07) are as below:

Year	Employment lakh persons)
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2004-05	8.61
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2005-06	8.68
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2006-07	8.84
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