

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

UNSTARRED QUESTION NO:506
ANSWERED ON:26.11.2014
KHADI GRAMODYOG
Giluwa Shri Laxman;Patel Smt. Jayshreeben

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

- (a) the total production of Khadi accomplished through Khadi Gramodyog during the last three years, year-wise;
- (b) the quantum of exports made by the sector and the details of concessions extended to the customers during the above period;
- (c) whether the demand of Khadi is more than the production by Khadi Gramodyog in the country;
- (d) if so, the sources through which the additional sales demand for Khadi is being met; and
- (e) the reaction of the Government in this regard along with the steps taken by the Government to increase the production of Khadi in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI GIRIRAJ SINGH)

- (a): The total production of khadi during last three years are as under:

Year	Khadi production (Rs. in core)
2011-12	716.98
2012-13	761.93
2013-14	811.08

- (b): The exports of khadi and village industries products made during last three years are as under:

Year	Export of KVI products (Rs. in core)
2011-12	84.34
2012-13	112.53
2013-14	114.58

There is no provision of concession to the customers as the exports of KVI products are made by the institutions/units directly or through traders or Merchant exporters.

(c)&(d): The demand for khadi is being met out of khadi institutions as well as private organisations. However, Khadi and Village Industries Commission (KVIC) fixes the production target based on the demand and sales trend received from khadi institutions of the previous 3 years and the year on year growth rate of 20%.

(e): Government of India has established a statutory body named the KVIC for the holistic development and promotion of khadi and village industries in the country. KVIC implements a number of schemes for development and promotion of khadi (including increased production of khadi) which include:

- (i) Market Development Assistance (MDA) under which assistance is provided @ 20% of value of production khadi and polyvastra to be shared among artisans, producing institutions and selling institutions in the ratio 25:30:45.
- (ii) Scheme of Fund for Regeneration of Traditional Industries (SFURTI) under which assistance for replacement of obsolete equipments, setting up common facilities centres, product development, market promotion and other support are provided in clusters.
- (iii) Scheme for Enhancing Productivity & Competitiveness of Khadi Industry and Artisans under which assistance for replacement of charka, product development, design intervention and packaging etc. is provided.
- (iv) Interest Subsidy Eligibility Certification (ISEC) scheme for providing bank loans to khadi institutions at subsidized rates of interest.

(v) Workshed Scheme for Khadi Artisans for providing assistance for construction of worksheds for better work environment.

KVIC with assistance of US\$ 150 million from Asian Development Bank (ADB) is also implementing a comprehensive reform package for the khadi sector namely Khadi Reform and Development Programme, which includes capacity building of 300 khadi institutions and incentivizing production.