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Khadi & Village Industries: From Tradition to Enterprise

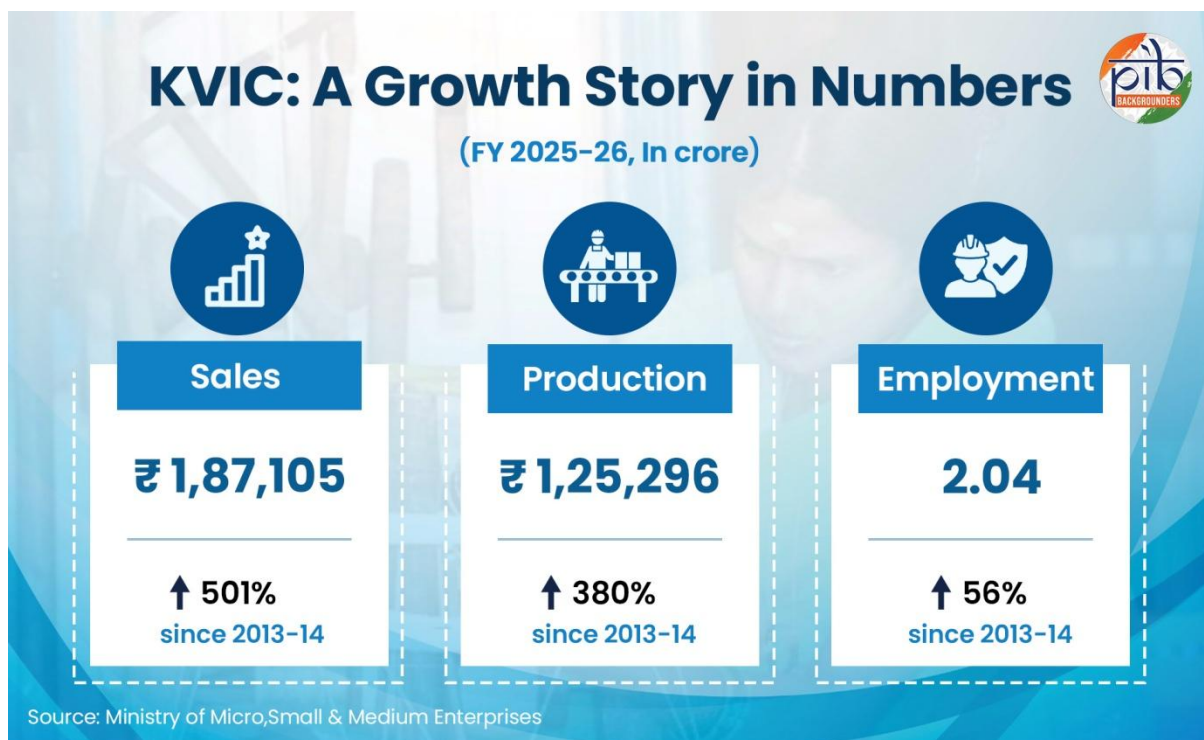
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A charkha spinning in a village once spoke of nationalism. Today, that spirit is taking new shape through a growing ecosystem of rural enterprises. Honey, herbal products, banana fibre, textiles and other village industries are creating new possibilities for traditional skills.

The spirit of self-reliance continues to resonate with the vision of **Vocal for Local and Atmanirbhar Bharat**. Traditional skills and local resources are finding new markets through access to finance, technology and training.

This growing connection between local enterprise and consumers is also reflected in the Khadi Mahotsav. The **Khadi Mahotsav takes place annually from 2 October to 31 October**. With a particular focus on youth, the campaign sensitises them towards Khadi and “Vocal for Local” and encourages the public to buy Khadi and local products.

At the centre of this transformation is the **Khadi and Village Industries Commission (KVIC)**. It is a statutory body established under the Khadi and Village Industries Commission Act, 1956. The Act mandates KVIC to plan, promote, facilitate, organise and assist village industries. It covers measures related to **training, raw materials, marketing, research, and quality improvement**. It also supports skill development and research, while providing technical information and facilities related to Khadi and village industries.



In 2025-26, sales of Khadi and Village Industries products reached a historic ₹1.87lakh crore, the highest level recorded (as of May 2026). Compared with 2013-14, sales grew by 501%, while production increased by 380% to ₹1,25,296 crore. Employment in the sector increased by 56% to 2.04 crore. The remuneration paid to artisans has also increased. It rose from ₹4 per hank in 2013-14 to ₹15 per hank currently, an increase of approximately 275%.

One hank is equivalent to 840 yards of yarn in length and one pound by weight.

Building Rural Businesses, One Artisan at a Time

From acquiring skills to accessing markets, a range of interventions is supporting artisans and village industries.

KVIC has a network of **35 departmental and non-departmental training centres**. Training covers food products, bakery, beekeeping, agarbatti, candles, motor repairing and several other activities. During FY 2025-26, **79,682 trainees** received training under various KVIC training programs.

Women constitute more than **80% of approximately five lakh artisans** in the Khadi sector. In 2025-26, **47,382 women** received training under various KVIC programmes, accounting for approximately 59% of all trainees.

Training is complemented by interventions including toolkit and equipment distribution, marketing support and other measures.





Since March 2008, the **Prime Minister's Employment Generation Programme (PMEGP)** has provided employment opportunities to nearly 97.95 lakh people through KVIC.

One such beneficiary is Shri Jitendra Baitha, who established a bakery products manufacturing unit in Bihar in 2020. His venture has an annual turnover of ₹72 lakh and currently provides employment to 20 people, in the local community.

Support also includes enterprise finance and the tools and technology needed for production.

The **Gramodyog Vikas Yojana** empowers artisans by providing modern machines, toolkits and equipment. During 2025–26, 37,769 such machines, toolkits and equipment were distributed. KVIC, under the scheme, has distributed more than 3.23 lakh machines, toolkits and equipment (May 2026).

These efforts are complemented by measures that strengthen the wider ecosystem in which Khadi institutions and artisans operate.

The **Khadi Vikas Yojana** helps Khadi institutions improve products, add value and respond to changing market demand. Its **Modified Market Development Assistance** provides greater flexibility for value addition and market-oriented pricing. During 2024–25, ₹245 crore was disbursed to 1,097 Khadi Institutions, benefiting 1,45,484 artisans.

Access to affordable credit adds another layer of support. Under the **Interest Subsidy Eligibility Certificate Scheme**, eligible Khadi institutions can access credit at a concessional interest rate of 4% per annum.

For artisans, the workplace itself also matters. The **Workshed Scheme** provides improved production spaces and a more congenial working environment. During 2025–26, up to December 2025, 1,309 artisans benefited under the scheme.

These measures support artisans with improved working conditions and access to resources for production.

From Village Enterprises to Wider Markets

Across village industries, traditional skills and local resources are being developed into new businesses and products, supported by technology, training and market linkages. Research and development efforts are strengthening productivity, quality and competitiveness.

Shri S.P. Singh built his enterprise around **honey and cookies**, with support under the **PMEGP scheme through KVIC**. Based in Punjab, his business now provides employment to around 200 workers and exports its products to international markets. Honey and cookies are among its key products, with the United States accounting for a major share of exports.

After receiving support in 2010, the enterprise gradually expanded its export presence through participation in international exhibitions. **KVIC facilitated participation in exhibitions across Dubai, the United States and the Middle East, helping the enterprise connect with overseas buyers.** Today, the business exports to 36 countries and is developing a second unit in Rajpura, Punjab, to expand honey exports to European markets.

For **Shri B. Sundaraj**, a naturally fragrant plant became the foundation for a village enterprise. Through his Agarbathi Unit, he produces agarbatti, herbal products, Vetiver Agarbathi and Vetiver Samburani. With support under the Gramodyog Vikas Yojana (GVY) during 2024-25, he strengthened his manufacturing capabilities and diversified his product range. This enables him to develop multiple value-added products from a



locally available resource. His enterprise illustrates how **KVIC support can help translate traditional knowledge and local resources into marketable village industry products.**

In Jatti Majra village of **Solan district, Himachal Pradesh**, Shri Sahil Chaudhary runs a mono-carton manufacturing unit. The enterprise caters to construction and packaging requirements in the region. **Established with a project cost of ₹25 lakh, the unit operates under KVIC-supported PMEGP.**

The enterprise now records an annual turnover of around ₹45 lakh and provides employment to 23 people. The financial assistance helped translate Chaudhary's entrepreneurial idea into a functioning manufacturing enterprise. His journey illustrates how local entrepreneurship can contribute to self-reliance, employment and the broader vision of Atmanirbhar Bharat.

Opening New Markets for Village Enterprises

KVIC has expanded both digital and physical channels for reaching consumers. It has an online Khadi India store (www.khadiindia.gov.in) offering a range of products, including clothing and fabrics, grocery, beauty products, essential oils, perfumes and incense sticks.

The Khadi India brand is supported through dedicated publicity and marketing initiatives. These efforts connect traditional products with contemporary consumers. The marketing network extends across the country. It includes **8 departmental Khadi India sales outlets and 15 KVIC branches.** Khadi Institutions operate another 8,035 sales outlets nationwide.

National, zonal, state and district exhibitions provide additional market opportunities. KVIC also promotes participation in domestic and international trade fairs.

Khadi: Weaving a Global Story



Khadi is finding new expressions in fashion, with its distinctive craftsmanship showcased at platforms such as **New Zealand Fashion Week 2026 and Lakmé Fashion Week 2025**. In these events, the heritage techniques were brought together with contemporary designs to create a distinctly modern identity.

From Heritage to Opportunity

The growth of Khadi and Village Industries is reflected in **higher production and sales, expanding employment, increased artisan remuneration and new rural businesses**. As traditional skills connect with technology, finance and markets, the sector continues to open new avenues for enterprise across rural India.

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