

Moneyspinner: Sales of khadi village goods top ₹50,000cr

John Sarkar & Sidhartha | TNN

New Delhi: One doesn't usually associate village industries and khadi units with big bucks. But last year, the low-profile segment notched up sales of over Rs 50,000 crore for the first time.

While khadi sales are being pushed hard by the government, the surprise is the bumper demand for products such as honey, soaps, cosmetics, furniture and organic food items, which are produced by village industries and many of which are run by women.

Data collated by Khadi & Village Industries Commission (KVIC) showed that during the last financial year, sales of village industries produce, or Gramodyog, grew 24% to just a shade under Rs 50,000 crore. Meanwhile, khadi products notched up sales of Rs 2,005 crore, up 33% from Rs 1,635 crore in 2015-16.

While the combined KVIC turnover makes it larger than several consumer goods companies in the country, khadi sales on a standalone basis may be closing in on Bombay Dyeing and Raymond, which are yet to disclose numbers for the previous financial year. The government body has now set a target of more than doubling khadi sales to Rs 5,000 crore by 2018-19.

Although the government may have done its bit in promoting khadi and village produce, consumers too seem to be more favourably inclined. The trend is also catching on with consumers abroad.

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Khadi global push: KVIC eyes exports

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“Earlier, khadi was only preferred by the political class, be it the kurta or the cap,” said brand expert Harish Bijoor. “But with consumers increasingly looking for natural products, the organisation is on a roll.” Increasingly, this seems to be turning into an international phenomenon. During a survey in 21 overseas markets, khadi was the most recalled Indian brand, along with yoga, said Bijoor.

No wonder the government organisation is now looking at exports. “Currently, we are not doing direct exports. But we will soon kick it off. It will help make khadi an international brand,” said KVIC chairman Vinai Kumar Saxena.

Industry experts attributed the organisation’s success to many domestic and international fashion designers

SMALL BUSINESS, BIG NUMBERS

Bombay Dyeing	1,845	Dabur	5,750
P&G Hygiene	2,484	Amul*	27,085
Raymond	2,822	HUL	31,987
Glaxo SmithKline	4,309	ITC	36,837
Godrej Consumer	4,812	KVIC*	51,997
Marico	4,947	Khadi	2,005
Arvind	5,407	Village Industries	49,992

Revenue figures in ₹ Cr

*Amul & KVIC sales for 2016-17, 2015-16 data for other companies

Source: BSE, Amul & KVIC

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ners preferring to work with sustainable and natural fabrics. There is also a buzz among millennial shoppers, who care about whether the

clothes they wear or the products they use create jobs. Since khadi cloth is handspun and its products are mainly created by artisans in rural areas, it is said the brand invokes good vibes in consumers.

“The KVIC model is unique. They sell through government-owned stores as well as other retail outlets,” said Arvind Singhal, founder of retail consultancy Technopak. “It is also one of the most underrated compa-

Regal outlet sales near ₹100 crore

Sales at KVIC’s flagship store in the capital’s Regal building is nearing the Rs 100 crore mark. The Khadi India Showroom in Connaught Place recorded sales of Rs 96 crore during 2016-17, which was 78% higher than the estimated turnover of Rs 54 crore in the previous year. In recent months buyers have thronged the refurbished outlet to buy clothes, food products, gifts as well as vouchers. TNN

nies in India, which has the potential of public listing.”

While low production growth was a drag on sales in recent years, during the last fiscal year, khadi output grew by 31% to Rs 1,396 crore, while village industries saw a 23% rise to Rs 41,110 crore.