

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES
RAJYA SABHA
QUESTION NO 27.11.2009
ANSWERED ON
SALE AND EXPORT OF KHADI .

1009

Smt. Jaya Bachchan

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

- (a) the total annual sale of khadi in the country in the last three years, year-wise;
- (b) the quantum of export in the last three years, year-wise;
- (c) the quantum of subsidy given on khadi during the same period, year-wise; and
- (d) the steps taken to ensure that the amount of subsidy reaches the targeted individuals and organizations?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MICRO, SMALL AND MEDIUM ENTERPRISES

(SHRI DINSHA PATEL)

(a): The year-wise values of sales of khadi during the last three years are given below:

YEAR	Value of Sales (Rs. crore)
2006-07	663.19
2007-08	724.39
2008-09	799.61

(b): The year-wise values of export of khadi and village industries products, including khadi, during the last three years are given below:

YEAR	Value of khadi and village industries products exported (Rs. crore)
2006-07	53.74
2007-08	91.93
2008-09	104.85

(c): Subsidy under the khadi programme is provided mainly towards

(i) rebate on the retail sales of khadi by the institutions to the customers at the point of sale, which is thereafter reimbursed to the khadi institutions after due checks and verification, and

(ii) the subsidized finance made available to the khadi institutions under the Interest Subsidy Eligibility Certificate (ISEC) Scheme, under which working capital as well as capital expenditure credit is provided to the khadi institutions as per their assessed requirement by the banks. The institutions have to bear the interest liability only at the rate of 4 per cent per annum while the difference between the actual lending rate and 4 per cent is borne and paid by the Central Government through the Khadi and Village Industries Commission (KVIC) to the lending bank. The year-wise details of subsidy given to khadi sector under the rebate system as well as ISEC scheme during the last three years are given below:

YEAR Subsidy given to khadi sector (Rs. crore)

Rebate on sale of khadi (Rs. crore) Interest subsidy under ISEC Scheme

(Rs. crore)

2006-07	101.47	10.62
2007-08	84.05	17.61
2008-09	158.60	27.54

(d): Rebate allowed to the khadi customers by the khadi institutions at the point of sale is reimbursed by KVIC to the khadi implementing Institutions, which are registered with KVIC/Khadi and Village Industries Boards (KVIBs) of States/Union Territories. As per Bye-laws adopted by these Institutions, they have to abide by the Khadi Certification Rules and the integrated audit system of KVIC ensures that the financial assistance/subsidies provided to the implementing agencies are not misutilised.