

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

UNSTARRED QUESTION NO:268
ANSWERED ON:09.08.2012
REBATE ON KHADI PRODUCTS
Vijayan Shri A.K.S.

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

- (a) the percentage of rebate and special rebate fixed for retail of khadi products and textiles for the financial year 2012-13;
- (b) whether any decision has been taken to discontinue the rebate for the retail of khadi products;
- (c) if so, the details thereof;
- (d) whether Government proposes to introduce any new scheme for the development of khadi sector; and
- (e) if so, the details thereof?

Answer

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI VAYALAR RAVI)

(a) to (c): Till 2009-10, rebate @10% of sales used to be given on sale of khadi, with a special additional rebate of 10% for 108 days in a year coinciding with Gandhi Jayanti and / or local festivals. However, since 2010-11, the Government has introduced a more flexible scheme, namely, Market Development Assistance (MDA) Scheme, in place of the erstwhile scheme of Rebate, under which financial assistance @ 20% of the value of production is provided on khadi and polyvastra to be shared among artisans, producing institutions and selling institutions in the ratio 25:30:45. Under the new system of MDA, sales are expected to be more evenly spread throughout the year and the institutions have the flexibility to use the assistance in improving the outlets, products and production processes, as also giving incentive to customers, etc.

(d) & (e): As of now, there is no proposal for a new scheme under consideration of the Government.