

**GOVERNMENT OF INDIA  
AGRO AND RURAL INDUSTRIES  
LOK SABHA**

UNSTARRED QUESTION NO:5969  
ANSWERED ON:04.05.2005  
PRICES OF KHADI PRODUCTS  
Kharventhan Shri Salarapatty Kuppusamy

**Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:**

- (a) whether the Government is aware that the prices of Khadi products are very high; and
- (b) if so, the steps taken by the Government to make the Khadi products available to common man at affordable price?

**Answer**

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES ( SHRI MAHABIR PRASAD )

(a): The cost of khadi products may not be termed as very high as the price of khadi products are worked out based on a cost chart system after taking into consideration all the inputs that go into the making of khadi products. A major part of the cost of khadi products is attributable to the wages of spinners and weavers. As such, the cost of khadi products cannot be further reduced without adversely affecting the wages or other input costs. Considering the nature of khadi activity, which is quite distinct from other textiles, its price cannot be compared with that of the latter.

(b): KVIC has taken various measures for making available khadi products at affordable prices to the customers. It provides rebate on sales, throughout the year at the rate of 10 per cent and additional rebate of 10 per cent for 108 days in each year. Six sliver plants have been established in different parts of the country in order to provide quality raw material to the khadi institutions. Slivers are provided to the khadi institutions on soft terms and conditions by taking only 10 per cent of the cost at the time of placing the order and adjusting the remaining amount out of the rebate payment due to these institutions. KVIC also has a tie-up with the Textiles Committee, a statutory autonomous body set up by the Ministry of Textiles under the Textiles Committee Act, 1963 to make use of their laboratory facilities for testing the khadi samples, which, in turn, ensures the availability of quality products to customers at a reasonable price. The Product Development Design Intervention and Packaging (PRODIP) scheme has been launched by KVIC for improved designs, thereby enhancing productivity of the institutions. This, in turn, reduces the cost of the khadi products, making them available to the common man at affordable prices.