

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

UNSTARRED QUESTION NO:1029  
ANSWERED ON:27.07.2015  
Welfare of Khadi Workers  
Ashok Kumar Shri K.;Patil Shri Kapil Moreshwar

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

- (a) whether the Government has considered various demands of Khadi and Village Industries Corporation (KVIC) including restoration of rebate to enhance viability of khadi industries in the country;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) the details of khadi workers presently engaged in khadi industries in the country, State/UT-wise;
- (d) the details of funds allocated and spent on the welfare schemes of khadi workers along with the number of khadi workers benefited therefrom during each of the last three years and the current year, State/UT-wise; and
- (e) the steps taken by the Government to enhance funds for the welfare of khadi workers?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF  
MICRO, SMALL AND MEDIUM ENTERPRISES  
(SHRI GIRIRAJ SINGH)

- (a): Government has not received any proposal for restoration of rebate from KVIC.
- (b): Does not arise.
- (c): the State / UT wise details of 11.27 lakh workers engaged in khadi industries is given in Annexure I.

(d)&(e): Government introduced a flexible growth stimulating and artisan centric Market Development Assistance (MDA) Scheme for khadi and polyvastra in place of Rebate Scheme w.e.f. 01.04.2010. Under the MDA scheme, khadi and polyvastra institutions are provided financial assistance (i.e. MDA) @ 20% of value of production of khadi and polyvastra achieved by the producing institution. 25% of the MDA on production (i.e. Rs. 5/- out of Rs. 20/- coming as MDA on production of Rs. 100/- worth khadi and polyvastra) goes to the spinners and weavers as additional incentive / bonus in addition to their wages in their bank / post office accounts and the remaining 75% is utilised by institutions for production and marketing related activities. The scheme provided institutions to claim MDA subsidy on quarterly basis based on their production in the preceding quarter.

Since MDA scheme enables institutions to claim subsidy on quarterly basis, it provides them flexibility to utilize subsidy to attract customers and have steady sales of their products throughout the year, no demand for restoration of rebate scheme has been received by Government from KVIC. Details of funds released under MDA for Khadi & Artisans and Polyvastra & Artisans share therein is placed at Annexures II & III respectively.

KVIC, in association with Life Insurance corporation of India (LIC) implements a group insurance scheme named Aam Admi Bima Yojana (earlier known as Khadi Karigar 'Janshree Bima Yojana' which was merged with Aam Admi Bima Yojana w.e.f. 1.1.2013) to provide insurance cover to khadi artisans against normal and accidental death and disability. The scheme offers an add-on benefit, a scholarship of Rs. 100 each per month for upto two school going children of the insured artisans studying in standard IX to XII and in courses offered by Industrial Training Institutes (ITIs). The number of beneficiaries covered under Janashree Bima Yojana is placed at Annexure-IV.

Under the scheme, assistance is provided to Khadi artisan for construction of workshed. The maximum quantum of assistance for individual workshed is Rs.60,000/- and for the group workshed is Rs.40,000/-. The benefit extended to Khadi Artisans under Workshed Scheme is placed at Annexure-V.

Government of India has recently announced several schemes for the welfare of workers and artisans associated in decentralized sector namely Pradhan Mantri Suraksha Bima Yojana & Atal Pension Yojanan (APY). The Ministry of MSME and KVIC has advised all khadi institutions to cover their artisans suitably under these schemes.