

AS INTRODUCED IN THE RAJYA SABHA
ON 8TH DECEMBER, 2023

Bill No. XCVII of 2022

THE KHADI SPINNERS, WEAVERS AND KHADI INSTITUTIONS
(PROTECTION AND WELFARE) BILL, 2022

A

BILL

to provide for the protection of distressed Khadi Spinners, Weavers and Khadi establishments who are debt ridden, exploited and are committing suicide and for introduction of welfare measures like life insurance coverage, interest free working capital and consumption loan, healthcare, education to the children, availability of affordable raw material, modernization of looms, housing and compulsory purchase of Khadi cloth by Government and for the establishment of an authority and a welfare fund and for matters connected therewith and incidental thereto.

BE it enacted by Parliament in the Seventy-third Year of the Republic of India as follows:—

1. (1) The Khadi Spinners, Weavers and Khadi Institutions Protection and Welfare Act, 2022.

Short title and commencement.

5 (2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Definitions.

2. In this Act, unless the context otherwise requires:—

(a) “appropriate Government” means in the case of a State, the Government of that State and in other cases the Central Government;

(b) “Authority” means the National Khadi Spinners, Weavers and Khadi Establishments Welfare Authority established under section 3; 5

(c) “Fund” means the Khadi Spinners and Weavers Welfare Fund established under section 5;

(d) “Khadi” means any handspun and handwoven fabric using charkha and loom for production of cloth other than handloom and powerloom, as defined in clause (g) of section 2 of the Factories Act, 1948; 10 63 of 1948

(e) “prescribed” means prescribed by rules made under this Act;

(f) “spinner” means a person engaged in the production of handspun yarn to be used for weaving handwoven cloth on a loom and includes a person who owns, works or operates on a loom for the production of cloth;

(g) “weaver” means a person engaged in the production of handspun yarn which is woven on a loom and includes a person who owns, works or operates on a loom for the production of cloth; 15

(h) “worker” means a person engaged in spinning and weaving, whether male or female, engaged by khadi establishment and who earns wages on daily or any other basis by working on charkha and loom respectively. 20

National
Khadi
Spinners,
Weavers and
Khadi
Establishments
Welfare
Authority.

3. (1) **The Central Government shall, as soon as may be, by notification in the Official Gazette, establish an Authority to be called the National Khadi Spinners, Weavers and Khadi Establishments Welfare Authority for the purposes of this Act.**

(2) **The headquarter of the Authority shall be at Mumbai where the Khadi Village Industries Commission is also headquartered and the Authority may establish offices at such other places in the country, as it may deem necessary for carrying out the purposes of this Act.** 25

(3) **The Authority shall consist of the following members, who shall be appointed by the Central Government, namely:—**

(a) **a Chairperson having adequate knowledge and professional experience in khadi sector;** 30

(b) **a Deputy chairperson with such qualification, as may be prescribed;**

(c) **five members of Parliament of whom three shall be from Lok Sabha and two from Rajya Sabha to be nominated by the respective Presiding Officers of the two Houses;**

(d) **three members to represent khadi institutions or cooperatives;** 35

(e) **three members to represent the khadi spinners;**

(f) **three members to represent the khadi weavers;**

(g) **four members to represent each of the Union Ministries of finance, Planning, Labour & Employment and Textiles;**

(h) **four members to be nominated by the Government of the States to be rotated amongst them in alphabetical order.** 40

(4) **The Authority shall be a body corporate by the name aforesaid, having perpetual succession and common seal, with the power to acquire, hold and dispose of property, both movable and immovable, and to contract and shall, by the said name, sue or be sued.**

(5) **The term of office of the Chairperson, Deputy Chairperson and members of the Authority and the procedure to be followed in the discharge of the functions of the Authority shall be such as may be prescribed.**

5 (6) **The Authority shall have a secretariat with such officers and members of staff and with such terms and conditions of services as may be prescribed from time to time.**

4. (1) Subject to any guidelines issued by the Central Government under the provisions of this Act, the Authority shall perform and undertake such special steps in close coordination with the Governments of the States for the overall welfare, removal of poverty and indebtedness, raising the standard of living, modernize the looms and ensuring easy availability of raw materials at affordable prices and marketing of khadi cloth of and for the khadi spinners; Functions of the Authority.

(2) Without prejudice to generality of the foregoing provisions, the authority shall,—

(a) formulate welfare policy for the khadi spinners, weavers and workers;

15 (b) maintain records of *charkha* and *kharga* existing in all the villages, districts and other places throughout the country;

(c) maintain a district-wise register of khadi spinners, weavers and local khadi establishments with such particulars and in such manner as may be prescribed;

(d) regulate the service conditions of workers in such manner as may be prescribed;

20 (e) fix minimum wages for khadi spinners, weavers and workers from time to time;

(f) ensure modernization of all the old looms;

(g) encourage and provide all necessary assistance to khadi spinners, weavers and khadi establishments or cooperatives and for their democratic functioning;

25 (h) organise exhibitions, *melas* and set up an institution exclusively to educate the people about the potential of khadi in generation of employment and solving the unemployment problem and such other activities to promote khadi sector in different parts of the country;

30 (i) make suitable arrangements for purchase of khadi cloth by the Government agencies on cash and carry basis;

(j) encourage export of khadi cloth and khadi garments from the country in a big way;

(k) perform such other functions as may be assigned to it by the appropriate Government from time to time.

35 **5. (1) The Central Government shall, as soon as may be, but within one year of the commencement of this Act, by notification in the Official Gazette, establish a fund to be called the Khadi Spinners, Weavers and Khadi Establishments Welfare Fund with a corpus of five thousand crore rupees and thereafter shall contribute to the fund from time to time after due appropriation made by Parliament by law in this behalf along with the Government of the States in such ratio as may be prescribed.** Establishment of Khadi Spinners, Weavers and Khadi Establishments Welfare Fund.

40 (2) There shall also be credited to the fund such other sums as may be received by way of donations, contributions, assistance or otherwise from individuals, spinners, weavers, workers, khadi establishments, body corporates, financial institutions firms, partnerships, etc.

45 (3) The fund shall be managed by a Board of Trustees, which shall be constituted by the Central Government in such manner as may be prescribed.

(4) The fund shall be spent on,—

(a) providing interest free consumption loans to khadi spinners, weavers and khadi establishments from time to time;

(b) making ex-gratia payments at prescribed rates to each of the bereaved families of spinners and weavers who die prematurely;

(c) providing loans at nominal interest for purchasing cotton yarn and other necessary raw materials to the khadi spinners, weavers and khadi establishments and workers;

(d) insuring all *charkha*, *khargas*, khadi spinners, weavers and khadi establishments and workers;

(e) providing healthcare facilities, maternity and such other facilities to the khadi spinners, weavers and khadi establishments and workers;

(f) providing educational facilities and vocational training to the wards of weavers and workers;

(g) such other welfare measures as may be prescribed.

Role of
Central
Government
and other
Ministries.

6. (1) It shall be the duty of the Central Government to ensure regular supply of yarn to the khadi spinners, weavers and khadi establishments at affordable and subsidized rates throughout the country.

(2) The appropriate Government, all its Ministries, Departments, subordinate Offices, Public Sector Enterprises shall purchase their entire cloth requirements for dusters, curtains, table cloth and such other things exclusively from the primary khadi spinners, weavers and khadi establishments and not from the mills and power loom sectors.

Central
Government
to provide
funds.

7. The Central Government shall, after due appropriation made by Parliament by law in this behalf, pay to the authority in each financial year such sums as may be considered necessary and adequate for the performance of the functions of the Authority under this Act.

Annual
Report.

8. The Authority shall prepare once in every calendar year in such form and at such time as may be prescribed an annual report giving a true and full account of its activities during the previous year and copies thereof shall be forwarded to the President of India, who shall cause, the same to be laid before both the Houses of Parliament.

Power to
remove
difficulties.

9. (1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provisions, not inconsistent with the provisions of this Act, as appear to it to be necessary or expedient for removing the difficulty:

Provided that no such order shall be made after the expiry of the period of two years from the date of commencement of this Act.

(2) Every order made under this section shall, as soon as may be, after it is made, be laid before both the Houses of Parliament.

Act to
supplement
other laws.

10. The provisions of this Act shall be in addition to and not in derogation of any other law for the time being in force regulating any of the matters dealt with in this Act.

Power to
make rules.

11. The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

STATEMENT OF OBJECTS AND REASONS

Khadi fabric has the potential to generate many times more employment as compared to mill made fabric. All over the country, in thousands of Khadi units, lakhs of spinners and weavers and workers weave cloth on the *charkha* and *kharga* or looms to earn their livelihood. For most of the spinners and weavers, it has been their family profession which has passed on from one generation to the other. Until a few years back, entire families used to be involved in this profession such as dyeing, bleaching, embroidery, printing, etc. For them, this is the only source of their livelihood. Pure khadi cloth is popular among the people not only in the country but world over, and is in great demand, in the fashion world also, it is very popular.

But unfortunately, khadi sector is not doing well and it is at the verge of collapse and extinction. The most important reason for this is non-availability of raw materials at affordable prices. Raw material rate of the Government owned Central Public Sector Enterprises are higher than the market rate. Apart from the over regulated system that hurt the khadi establishments and the raw material becoming costly, spurious khadi which are either not made out of handspun thread or is not hand woven (power loom made) enter the market. This has resulted in institutions producing genuine khadi not being able to withstand competition from private traders who trade cheaper quality powerloom cloth. Hence, thousands of genuine khadi units in many parts of the country have closed down.

The cotton bales and tapes which are the principal raw material supplied by the Government sliver plants in the country to the khadi establishment is used to produce handspun yarn by the spinners (kathin) and this handspun yarn in turn becomes the raw material for handwoven fabric called khadi. As on date, in majority of the areas in the country, spinners on an average do not earn even two thousand rupees per month which means their income is less than on hundred rupees per day. In many places, if at all, they get work for a maximum of 150 days or 200 days in a year. Same is the case with majority of the Khadi weavers who are not able to earn an average of even four thousand rupees per month, which is less than two hundred and fifty rupees per day which is much less than the income of a manual labourer. This is because they do not understand the fact that khadi is called khadi only because it is handspun and hand woven. If khadi spinners and weavers become extinct, handspun and hand woven fabric will not be available in the market. Unemployment is the mother of most problems in the country and the world. Lakhs of people who were hitherto weavers have quit weaving because of the above reasons and have migrated to far off places in search of manual work. Overwhelming majority of the people in the civil society do not know the employment generation potential of khadi. Whenever these things are discussed with the civil society people they become passionate about it and commit themselves to the cause. Multifold employment opportunities in khadi sector can be generated only if people ask for and buy pure khadi. At present, whatever welfare schemes exist are either not reasonable and not available timely to the spinners and weavers. In the absence of service conditions, spinners and weavers who have worked all their life in the Khadi sector get frustrated in old age. In view of this situation, new people hesitate to join this work. Overwhelming majority of khadi spinners and weavers them are in debt and many have reported to have committed suicide.

Hence, this Bill.

ANEEL PRASAD HEGDE.

FINANCIAL MEMORANDUM

Clause 3 of the Bill seeks to establish the National Khadi Spinners, Weavers and Khadi Establishment Welfare Authority and to have a Secretariat with officers and members of staff. Clause 5 provides for the establishment of Khadi Spinners, Weavers and Khadi Establishment Welfare Fund. Clause 6 *inter alia* provides that the Central Government should ensure regular supply of yarns to khadi spinners, weavers and establishments at subsidized rates. Clause 7 provides that the Central Government shall provide appropriate funds to the Authority for performing its functions.

The Bill, if enacted and brought into force, will involve an expenditure from the Consolidated Fund of India. It is estimated that a sum of five thousand crore rupees per annum may be involved as recurring expenditure.

A non-recurring expenditure of two hundred crore rupees is also likely to be incurred.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 11 of this Bill empowers the Central Government to make rules for carrying out the purposes of the Bill. As the rules relate to matters of details only, the delegation of legislative powers is of normal character.

RAJYA SABHA

A

BILL

to provide for the protection of distressed Khadi Spinners, Weavers and Khadi establishments who are debt ridden, exploited and are committing suicide and for introduction of welfare measures like life insurance coverage, interest free working capital and consumption loan, healthcare, education to the children, availability of affordable raw material, modernization of looms, housing and compulsory purchase of Khadi cloth by Government and for the establishment of an authority and a welfare fund and for matters connected therewith and incidental thereto.

(Shri Aneel Prasad Hegde, MP)