

## CALCULATION OF MMDA FOR ARTISANS

The MMDA guidelines stipulate that 50% of MMDA amount shall be passed on to the artisans in the form of incentive or bonus in addition to their normal wage earnings.

The Khadi Institutions should utilize the portion of MMDA for payment of incentive/ bonus in the manner as mentioned below.

### Example:-

Production (up to Prime Cost)-	Rs. 1.00 lakh
Eligible MMDA @ 15%-	Rs. 0.15 lakh
Amounts to be utilized for artisans-	Rs. 7500/- (50% of total MMDA claim)

### Total Wages Paid

Spinners	—————>	Rs. 10,000/-
Weavers	—————>	Rs. 14,000/-
Others	—————>	<u>Rs. 1,000/-</u>
		<u>Rs. 25,000/-</u>

### Wages:-

For Spinners —————> Hanks produced x rate per hank.

For Weavers —————> Meter of cloth produced x rate per meter.

(Incentive @ 10% & K.Kosh (AWF) @ 12% not to be taken into consideration for calculation of wages).

$$\text{Common Factor} \longrightarrow \frac{\text{Amount for artisans}}{\text{Total wage paid}} \text{ i.e. Rs. } \frac{7,500}{25,000} = \text{Rs. } 0.3$$

<u>Spinners will get</u>	—————>	Rs. 10,000/- x 0.3	= Rs. 3,000/-
<u>Weavers will get</u>	—————>	Rs. 14,000/- x 0.3	= Rs. 4,200/-
<u>Others will get</u>	—————>	Rs. 1,000/- x 0.3	= <u>Rs. 300/-</u>
			<u>Rs. 7,500/-</u>

---