



खादी और ग्रामोद्योग आयोग  
KHADI AND VILLAGE INDUSTRIES COMMISSION  
सूक्ष्म लघु एवं मध्यम उद्यम मंत्रालय, भारत सरकार  
Ministry of Micro, Small & Medium Enterprises, Govt. of India,  
सुधार कार्यान्वयन प्रभाग  
REFORM IMPLEMENTATION DIVISION

No. RID/KRDP/ 3<sup>rd</sup> Tranche/2017-18

Date: 03.11.2017

To,  
The Under Secretary,  
Govt. Of India,  
Ministry of MSME,  
Udyog Bhavan,  
**New Delhi- 110 011**

**Sub:** Compliance of 3<sup>rd</sup> Tranche conditions under KRDP for evaluation report on assessment study of reform package and report on stakeholders consultations-regarding.

Sir,

Kindly refer to the 3<sup>rd</sup> Tranche restructured conditions under KRDP which requires to be compiled as per the timeline of ADB.

In this regard, it is to inform that the 2<sup>nd</sup> tranche condition states that "KVIC shall have (i) undertaken the independent assessment of the Khadi Reform Package, (ii) held a stakeholder consultation on the outcome of the assessment, and (iii) prepared appropriate measures to address the feedback" have been fulfilled by KVIC. The status is as follows :

| Finalized restructured tranche condition   | Evidence   | Status as on 3 <sup>rd</sup> Nov 2017   |
|--|--|---|
| KVIC shall have (i) undertaken the independent assessment of the Khadi Reform Package, (ii) held a stakeholder consultation on the outcome of the assessment, and (iii) prepared appropriate measures to address the feedback. | a. Evaluation report from Mott MacDonald<br>b. Report on the stakeholder consultations | Completed.<br>Evaluation report and report on stakeholder consultations prepared. |

The evaluation report on assessment of reform package as evidence of compliance is enclosed.

It is therefore, requested to kindly forward the said document to ADB for further needful action.

This is issued with the approval of Competent Authority.

Yours faithfully,

Encl: As above.

  
Dy. Chief Executive Officer (RID)

**Copy to:**

- 1) The JS, MSME, New Delhi.
- 2) The Senior Project Officer (Urban) ADB, New Delhi.
- 3) Shri Vivek Mathur, Senior Officer, MSME, New Delhi.







# **Khadi Reform Development Program**

Impact Assessment Study

01 November 2017

Confidential



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# Khadi Reform Development Program

## Impact Assessment Study

01 November 2017

Confidential



### Information class: Standard

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# Abbreviations

|          |  |
|----------|--|
| ADB      | Asian Development Bank                   |
| AWFT     | Artisan Welfare Fund Trusts              |
| CAPI     | Computer Assisted Personal Interviewing  |
| CFC      | Common Facility Centre                   |
| DRA      | Direct Reform Assistance                 |
| IA       | Implementing Agency                      |
| ISEC     | Interest Subsidy Eligibility Certificate |
| JBY      | Janashree Bima Yojana                    |
| KI       | Khadi Institution                        |
| KPI      | Key Program Indicators                   |
| KRDP     | Khadi Reform and Development Program     |
| KRDP-KI  | Khadi Institutions selected under KRDP   |
| Other KI | Other than KIs selected under KRDP       |
| KVIB     | Khadi and Village Industries Board       |
| KVIC     | Khadi and Village Industries Commission  |
| MDA      | Market Development Assistance            |
| MM       | Mott MacDonald                           |
| MO       | Marketing Organisation                   |
| PPP      | Public Private Participation             |
| RII      | Reform Implementing Institution          |
| VI       | Village Industry                         |

# Executive Summary

Khadi and Village Industries Commission (KVIC) has appointed Mott MacDonald Private Limited (MM) for carrying out Impact Assessment Study for the Khadi and Reform Development Program (KRDP).

## Khadi in India

- Khadi products include cotton, silk and woollen.
- The average sales and production of khadi products over past four years has been more than INR 1200 and INR 1000 crore respectively. Cotton (55-60%), woollen (15-17%), and silk (25-27%) are the major contributor to the sales and production of Khadi and have shown an impressive CAGR of 14% and 12% in the last 4 years. Khadi has seen a consistent year on year (YoY) positive growth.
- The central zone contributes to more than 30% of Khadi production followed by south and north zones being 20-22% each during last four years. Among state, the state of Uttar Pradesh has reported highest production, amounting to around 27% followed by West Bengal, Tamil Nadu, and Haryana.
- Central, South and North zones cumulatively represent about 80% of Khadi sales in India. Among all the states, Uttar Pradesh has reported highest sales, amounting to around 30% of total sales of the country followed by Tamil Nadu, Haryana, Kerala, Rajasthan and Gujarat.
- Khadi sector has consistently provided employment to around 11 lakh persons in India during last 4 years of which Central zone contributes 42% with Uttar Pradesh being key state leading with 37%.

## Village Industry in India

- Village Industry products include Handmade Paper & Fibre Industry (HMP/Fibre), Agro Based Food Processing Industry (ABFP), Mineral Based Industry (MBI), Forest Based Industry (FBI), Polymer & Chemical Based Industry (PCBI), Rural Engineering & Bio -Technology Industry (REBT) and Service and Textile Industry (Service/Poly).
- The average annual sales and production of VI products in the last 4 years have been around INR 32,300 & INR 21,207 crores respectively having consistent YoY growth with CAGR of 15% and 13% respectively. ABFB Industry is the largest contributor with 28% of sales and 30% of production.
- In the year 2015-16, South and North zone together accounted to half of the total production and sale of the VI products. However, among states, Uttar Pradesh was leading with 12% share in sales and production.
- The Village Industry provides employment to more than 1 crore persons and has shown a YoY growth rate of around 5%. The South Zone is the major contributor to this employment with 31% share in the year 2015-16. Among states, Tamil Nadu is the key state contributing 14 % of the VI employment.

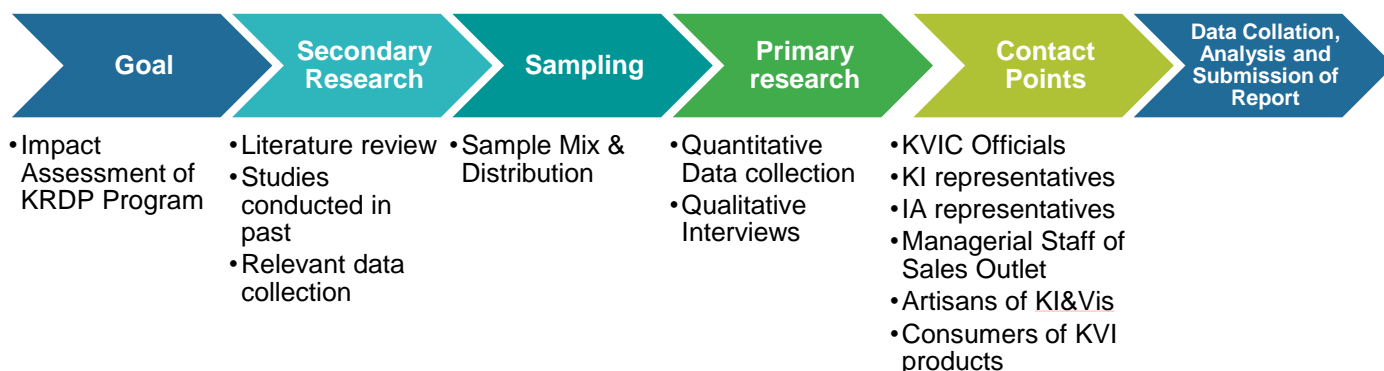
There is an upward trend in production, sales and employment generation in Khadi and Village industries which is an encouraging prospect for future development of Khadi and Village sector in India.

## Impact Assessment Study

In order to fully realize the significant growth potential of KVI sector, the Khadi Reform and Development Program (KRDP) is being implemented by Government of India and KVIC since 2010, with assistance from Asian Development Bank (ADB). The key outcome of the program focused on revitalization of the Khadi and Village Industries (KVI) subsector with enhanced sustainability and promotion and marketing of khadi; increased employment, higher incomes and welfare for the Khadi artisans; institutional strengthening; and development of traditional village industries.

Following methodology was adopted to carry out the impact assessment study.

## Methodology adopted



To achieve the objectives of the study and to gather relevant information and details, the consultation was done at various levels of relevant stakeholders. The approved sample mix and distribution considered has been tabulated hereunder:

### Sample size & Distribution

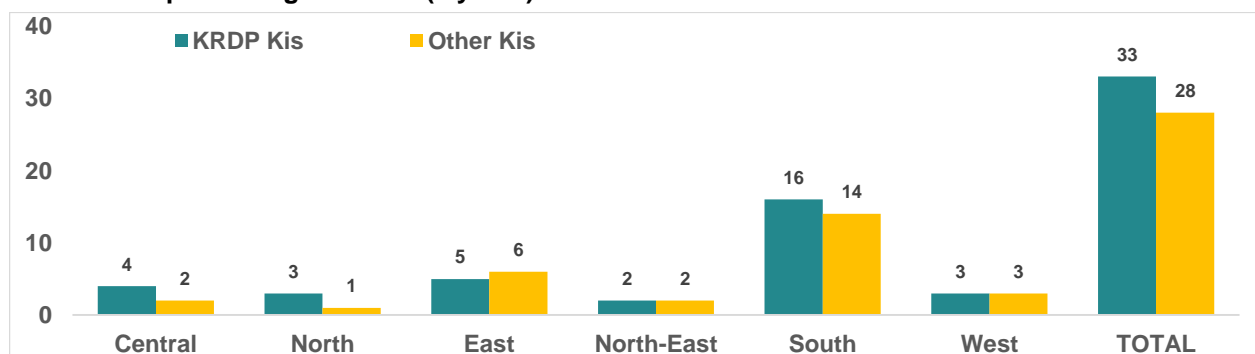
| Zone                                     | Central                                  | East | North | North-East | South | West | TOTAL       |
|--|--|------|-------|------------|-------|------|-------------|
| Khadi Institutions under KRDP            | 8  | 8    | 4     | 2          | 21    | 4    | 47          |
| Khadi Institutions – Others              | 8  | 8    | 4     | 2          | 21    | 4    | 47          |
| Implementing Agency of VI                | 1  | 1    | 1     | 0          | 1     | 1    | 5           |
| Managerial staff of Sales outlets        | 1 per Sales outlet per Khadi Institution |      |       |            |       |      | 94          |
| Artisans of KIs (male & female)          | 323                                      | 327  | 163   | 71         | 841   | 155  | 1880        |
| Artisans of VI (male & female)           | 5  | 5    | 5     | -          | 5     | 5    | 25          |
| Consumers of KVI products                | 155                                      | 174  | 87    | -          | 174   | 86   | 676         |
| KVIC Officials (Centre/State/Zone/Field) | 5  | 3    | 7     | 3          | 10    | 1    | 29          |
| <b>TOTAL</b>                             |  |      |       |            |       |      | <b>2803</b> |

Trends in sales, production and employment were analysed and formed the major parameters for assessment of the impact of the program.

### Impact on Sales of Khadi Institutions

The consultant has collected year wise sales of Khadi Institutions surveyed vide KRDP-KIs (47) and Other KIs (47). Number of Khadi Institutions who have reported growth in sales in past 3 years are presented as graph.

#### No. of KIs reported Higher Sales (3 years)



Source: Surveyed Khadi Institutions

In total **70% of the surveyed Khadi Institutions under KRDP** have reported improvement in sales in last three years and the same is **60% in case of Other KIs**. Most of the KRDP KIs have received DRA after

2014-15 thus the benefit of the DRA would require a gestation period of at least 3-4 years to evaluate their impact on set program objectives.

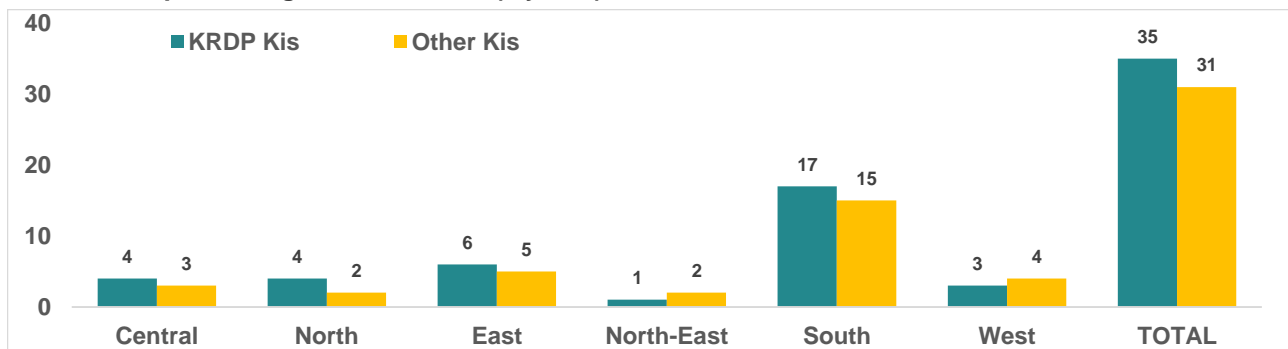
**Based on the surveyed KIs, the major factors affecting sales under KRDP are:**

- Overall increase in **sales outlets** (around 10%) and **renovation of the existing outlets** (around 22%) have helped KIs increase their sales
- **Khadi Mark** has impacted positively to both types of institutions, under KRDP as well as non-KRDP by helping them prove genuineness of Khadi, improve customer awareness and thereby increase in sales.
- It was suggested by KIs that **Making Khadi tags and labels should be a centralised process and should be effectively monitored to avoid any malpractices by non-certified stores of khadi products and thus increasing sales from authorised Khadi Outlets.**
- KIs believe that the **Market Linked Price Mechanism** is helpful by providing flexibility to fix the price of premium products compared to open market price of products and the same has helped them to increase in sale of premium products and liquidate the stock thereby increase in profits.
- The sales staff of KRDP-KIs have **higher participation (vis-a-vis Other KIs) in trainings, exhibitions** and with support from marketing initiatives undertaken by KRDP - KIs which includes renovation of sales outlets, marketing activities etc has helped the sales outlets to improve their sales.

**Impact on Production & Employment of Khadi Institutions**

The consultant has collected year wise production of Khadi Institutions surveyed vide KRDP-KIs (47) and Other KIs (47). A comparison for improvement in production by KRDP-KIs and Other KIs during last three years has been depicted as graph below.

**No. of KIs reported Higher Production (3 years)**

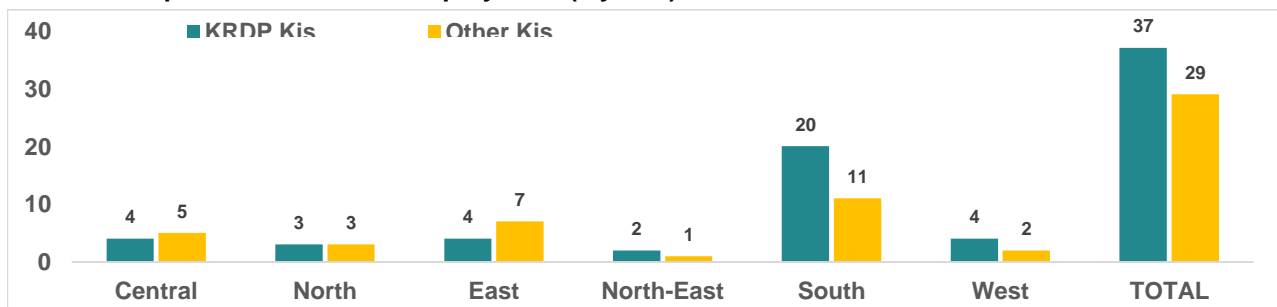


Source: Surveyed Khadi Institutions

**74% of the surveyed Khadi Institutions** under KRDP have reported improvement in production in last three years and the same is **66% for Other KIs**.

The consultant has collected year wise number of artisans employed by Khadi Institutions. Zone wise number of KIs surveyed who have reported increase in employment over past three years has been depicted as graph.

**No. of KIs reported Increase in Employment (3 years)**



Source: Surveyed Khadi Institutions

Out of the surveyed 47 KRDP-KIs, 79% have reported increase in employment and the same is only 62% for Other KIs.

### The factors which have affected production and employment of Khadi institutions under KRDP:

- Increase in the number of **work-sheds** (addition of around 300 or 30%) and **CFCs** (more than 3 times increase) with basic amenities have helped KIs to improve artisan welfare and has also inspired artisans to work for longer hours leading to increase in production and thereby increasing artisans' earnings. This has provided a stimulus for other artisans to join the khadi sector and thus leading to additions in the number of artisans associated with the khadi sector.
- The Increase in number of **godowns** has removed the bottleneck in the supply chain and has helped KIs to plan their purchases and production (timely raw material supply to artisans) thus leading to better sales margins and increase in production (reducing time of idle artisans because of short/no supply of the raw material) for KIs.
- Increase in number of **charkha** (around 42%) mainly the **New Model Charkhas (NMC)**, **reeling basins** (around 45%) **and looms** (improved looms instead of traditional looms) have increased the efficiency of the artisans leading to higher production and artisans' earnings. Also with increase in implements, has generated additional employment of artisans.
- The **support facilities** vide washing & dyeing units, number of sewing machines have helped KIs to improve economies of scale by having their own printing, design, sewing, testing and packaging facilities. This has also affected in the decrease of the cost of production by way of savings as they can do the work internally instead of outsourcing it outside.

**Artisan welfare** plays an important role in Khadi sector for generation of employment and making artisans self-reliant. This is also one of the important objective of the KVIC as well as KRDP.

- Almost all the surveyed artisans of KRDP-KIs have **bank account** and also covered under **Artisans Welfare fund Trust (AWFT)** which is also locally termed as "**Kapat-Jamat**" and "**Kamdar Kalyan Kosh**" for better understanding of the local artisans. There were few isolated cases found in newly joined artisans where they did not have a bank account or were not covered under AWFT.
- More than 90% of the surveyed artisans of KRDP-KIs are covered under **Janashree Bima Yojana (JBY)** scheme. The main reason behind not having 100% coverage is artisans having above 60 years of age and newly joined artisans are not covered under JBY scheme.
- Most of the surveyed artisans of KRDP-KIs have **Aadhar card** with the exception of Assam where it is still to be implemented.
- **More than 75% artisans are female** in the surveyed KRDP-KIs which shows the success of gender mainstreaming initiatives undertaken by KVIC. Further most of the KRDP-KIs have woman artisans in their management committee who actively participate in decision making process and thus the welfare needs of female artisans are identified, understood and addressed effectively.
- It was observed in the surveyed KIs that the **participation of artisans in exhibitions, capacity building / trainings was better in case of KRDP-KIs vis a vis other KIs** and most of the surveyed artisans have informed that the same have helped them in improving on their efficiency and thus providing a better life style mainly because of increase in their earnings.

### Integrated Management System & Accounting System

- The process of supply and installation of hardware and implementation of MIS was under process during the time of survey. However, MIS was already installed and working at 50% of surveyed KRDP-KIs and most of them have found the system user-friendly and useful for data management other purposes. It is also learnt during the survey that KVIC has provided necessary training to most of the KRDP-KIs surveyed.



- 60% of the KIS use computerised programs for their accounting System and the balance still use manual accounting methods

#### Factors affecting consumers while decision making to buy KVI products

- As per the views of the managerial staff of sales outlets, quality of product (60%) Price (17%), Khadi Mark (10%), comfort (6%) and the important decision factors for buying KVI products.
- Consumers have rated quality, comfort and genuineness of Khadi products followed by price, durability and fashion as the **most to least preferred factors for buying Khadi and VI products.**
- Half of the surveyed consumers have given high rating to the satisfaction level pertaining to the price of Khadi and VI products, which shows the high value for money to consumers when buying Khadi & VI products.

#### Effectiveness of Gender mainstreaming and Capacity Building

- As per KVIC officers, the **gender mainstreaming** initiative by KVIC has successfully been effective at different levels. As mentioned earlier, the effectiveness of gender mainstreaming is observed at Khadi Institution level also.
- 90-95% officers interviewed feel that the **capacity building** programs at central, state, Khadi Institutions and artisans level have been effective and helpful.

#### Effectiveness of Different Monitoring Mechanisms

- Except Khadi Institution Management Information System, all other monitoring mechanism schemes like PMEGP Monthly Monitoring System, PMEGP e-tracking system, HRD Monthly Information System, PMC e-Reporting systems are found highly effective by more than 70% of interviewed KVIC officers. Some of the Khadi Institution have faced technical issues mainly pertaining to connectivity of the server & data loss.
- More than 90% KVIC officers have rated inter-departmental facilities and convergence between KVIC, state and central level as effective which indicates the programs, resources and schemes are cohesive at all levels and are working effectively to produce required results.

# 1 Introduction

## 1.1 Introduction

Request for Proposal were invited by Khadi and Village Industries Commission (KVIC) for “Assessment Study of Khadi Reform Development Program of KVIC” from competent organisations. Mott MacDonald was selected through competitive bidding process and was awarded the study.

## 1.2 About Khadi Reform and Development Program (KRDP)

Khadi and Village Industries Commission (KVIC) has been entrusted with responsibility for planning, promotion, organisation and implementation of programmes for the development of Khadi and other village industries in rural areas in coordination with other industries engaged in rural development, wherever necessary.

KVIC has played a very significant role by providing employment opportunities to the poorest of the poor in remote rural areas through village industries. Village industries from the purview of KVIC broadly includes Agro based and Food processing industry, Forest based industry, Hand Made paper and fibre industry, Mineral based industry, Polymer and Chemical based industry, Rural engineering and biotech industry and Polyester industry.

In order to fully realize the significant growth potential of KVI sector, the Khadi Reform and Development Program (KRDP) is being implemented by Government of India and KVIC since 2010, with assistance from Asian Development Bank (ADB). The key outcome of the program focused on revitalization of the Khadi and Village Industries (KVI) subsector with enhanced sustainability and promotion and marketing of khadi; increased employment, higher incomes and welfare for the Khadi artisans; institutional strengthening; and development of traditional village industries.

The key components of the KRDP are as under:

- Promoting and marketing of khadi
  - Establishing identity of Khadi through Khadi Mark
  - Effective marketing through private sector participation
- Realizing procurement and production efficiencies
  - Facilitating raw material procurement and cotton sliver production
  - Artisan Earnings and Empowerment
  - Market-linked pricing to replace Cost based pricing
  - Rationalization of Financial Assistance in Khadi (Rebate and ISEC)
- Focus on traditional village industries
- Institutional reforms
  - Revitalizing Khadi institutions
  - New Khadi ventures
  - Organizational Restructuring of KVIC and Capacity Building
- Above components are briefly explained hereunder.

## 1.3 Major Components of KRDP

### 1.3.1 Reforms at Khadi Institution Level

KRDP, among a range of support, provides Direct Reform Assistance to 400 existing Khadi Institutions to emerge as self-reliant and organize Khadi Programme on their own. The support covers all reform activities of KIs viz. production, marketing, governance, IT/MIS etc.

- Modernization of sales outlets of Khadi institutions,
- Nearly 1.50 lakhs artisans will be employed through introduction of new implements (charkha, loom and fabric processing equipment's)
- The khadi institutions will be supported to switch over to working in SHG mode and nominating representative of SHGs to the extent of 50% in the managing committees.
- 15% increase in number of artisans employed by Khadi institutions (KIs).
- 20% increase in the earnings of Khadi artisans
- 10 % annual increase in Sales on compounded basis
- 15% decrease in raw material (Slivers) production cost

### 1.3.2 Khadi Mark Development

KVIC will develop Khadi Mark for positioning khadi as a guaranteed hand spun and hand-woven cloth. Khadi Mark is a symbol to render a distinct identity of genuine khadi, which guarantees use of natural fibres viz. cotton, wool, silk and the hand spun hand-woven nature as well as specified base earnings of artisans.

### 1.3.3 Training and Development of Artisans

KVIC will conduct training programme for skill development of artisans. Training programme for artisans will also be organised to enable them to participate in the management of khadi institutions.

### 1.3.4 Market-linked pricing

Khadi institutions shall formulate pricing strategies as determined by the market forces based on specific input provided by KVIC. This will help institutions not only to provide better earning for artisans but also for karyakartas without any financial burden to the institution.

### 1.3.5 Production Incentives / Modified MDA

The scope of present MDA scheme will be further extended to benefit the artisans and karyakartas. The modified MDA will also provide liberty to the institution to offer discount both at retail as well as whole sale point and outsource professional marketing services.

### 1.3.6 Village Industry Clusters

5 traditional village industries viz. Handmade Paper, Honey, Herbal Health and Cosmetic Products, Leather and Leather products and Agro-Food products will be developed under cluster mode.

## 1.4 Benefits of KRDP

### 1.4.1 For Artisans

In addition to the existing benefits such as AWFT, JBY, share in MDA and workshed etc. all artisans engaged in Khadi activities will receive the following benefits:

- Introduction of benefit chart will offer scope for significant increase in artisans' earnings.
- Implementation of modified MDA will provide additional incentives to all artisans and further special incentive to spinners.

- Payment of wages to artisans through bank / post office account will encourage artisans to plan savings for future betterment.
- Development of new product through regular skill upgradation programme shall assure increased earning.
- Timely replacement of implements will ensure KVIC specified base earning in long run.
- Participation of artisans in the governing body of the institution shall enable better understanding of khadi activities among the artisans and karyakartas to accelerate growth of the institution.
- Global recognition of hand spinning and hand weaving through khadi mark.

## 1.4.2 For Institutions

### 1.4.2.1 Direct Benefits to RIIS

The reform package provides comprehensive direct reform support to 400 Khadi Institutions engaged in the production and marketing of khadi and its products. The details of support are:

- Maximum assistance of Rs. 71/- lakhs for total revamping of productive infrastructure such as charkha, looms and establishment of common facilities (from pre-weaving to fabric conversion).
- Maximum assistance of Rs. 34/- lakhs for modernisation of sales infrastructure including store layout, inventory management and local publicity.
- Total computerisation of the khadi institutions developing an **integrated MIS for khadi sector**. It will enable the Secretary/Chairman of the Khadi Institution to get all information about production, sale, expenditure and earning etc. at once.
- Managerial support for engaging Reform Implementing Officer and IT officer to assist institution in managing its activities effectively and achieve desired results.
- Arrangement for training of all office bearer, staff, artisans in relevant areas to equip them in attending their work more efficiently.
- Maximum assistance also of Rs. 14/- lakhs as margin money for working capital to enable mobilisation of bank finance under ISEC scheme of KVIC.

### 1.4.2.2 For all KIs

- Issue of Khadi Mark, first of its kind in khadi sector, to all khadi producing institutions towards distinct identification of genuine khadi and restrict unauthorised use of the work "Khadi".
- Adopting the benefit chart by institutions and pricing their khadi products as determined by the market forces will help them to earn surplus and utilise the surplus for the development of the institutional activities.
- The institutions can utilise a portion of modified MDA, as envisaged in KRDP, to further promote the khadi activities.

## 1.5 Objectives of the Study

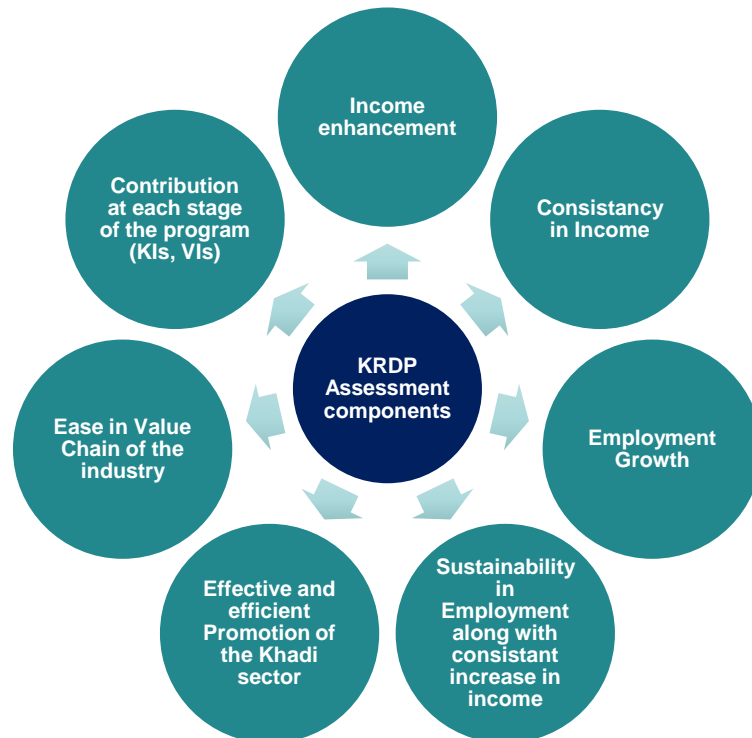
KVIC intends to carry out assessment study of Khadi Reform Development Program and had invited bids from competent consultants. KVIC has selected Mott MacDonald to carry out the study.

To briefly describe the scope of work, the assessment has been broadly divided into two parts

- Macro level assessment
- Micro level assessment

The assessment would be conducted through coverage of all stages of the program like Khadi sector at state level, institutional level and village/cluster level.

Various components to be evaluated at sub sector stage include:



The objective of the Impact assessment study is to evaluate reforms at Khadi Institutional level.

The study would also focus on challenges and gaps in implementation along with identifying measures to increase the effectiveness and strengthening of the programmes.

**This is an Impact Assessment Report which would provide insight on impact of the program on various components / objectives set before implementation of the program.**

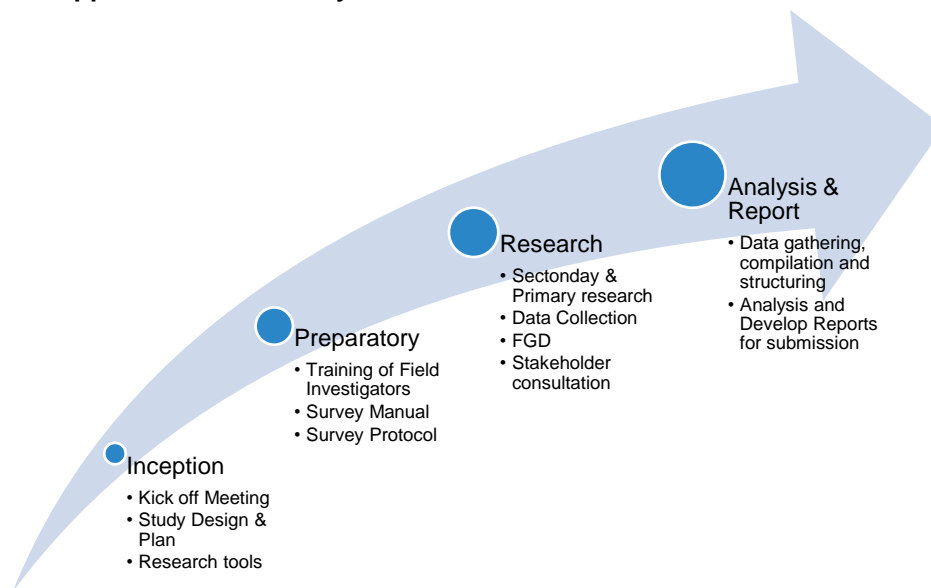


## 2 Research Design

### 2.1 Approach

A research and consultative approach was followed to address the scope of work for this study. Data and information on key parameters were analysed and this analysis was vetted through consultations with key stakeholders. The assignment was divided into four components as shown.

**Figure 1: Overall Approach for the Study**



Study commenced with team mobilisation and an inception meeting with the client to discuss and finalise the proposed approach and methodology. Subsequent research intended to provide data and information for analysis to address the scope of work for the assignment.

The study was coordinated by our in-house multi-disciplinary team of experts capable of handling such studies and having prior experience of working in similar assignments. The study was conducted through mix of secondary as well as primary research.

Our overall approach for the study was:

- Collect secondary data on the program including its coverage (at zone, state, village level), process of implementation including criteria of selection of beneficiaries, sub-components wise list of people benefitted under the programmes. Understand the programme objectives and the vision for undertaking the programme from senior management of the client.
- Prepare a comprehensive sampling plan in consultation with the Client to ensure holistic coverage of each sub components of the programmes
- Conduct kick off meeting to finalise assessment components (data collection tool / questionnaire), indicators and overall work plan to complete the study within stipulated timeframe.
- Collect qualitative and quantitative information through personal interviews adopting appropriate research techniques along with physical verification of records to ensure quality.
- Collate and analyse the collected data for assessment of impacts on various pre-decided indicators
- Submit draft reports as per the study objectives including suggestive measures for improvements and way forward on Impact the program.
- Prepare final report incorporating client's observation and suggestions.

## 2.2 Methodology

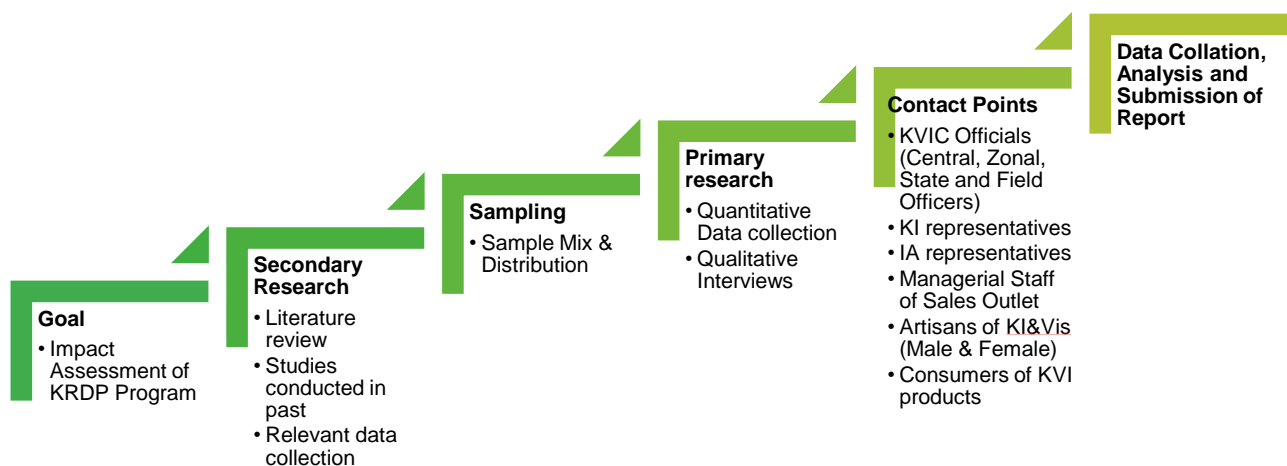
As per requirement of the scope of work, the study was carried out by adopting qualitative and quantitative data collection techniques. To achieve the definite objectives of the study through optimum utilization of resources and approach to the study, it was very important to understand the coverage of the program at various levels of the reforms. The KRDP has been implemented at 3 levels viz. Sector level, Institutional level and KVIC level. Coverage of the program has been depicted graphically as below:

**Figure 2: KRDP coverage**



Following methodology was adopted to conduct impact assessment study for the subject program. The same has been depicted in sequential manner as below.

**Figure 3: Methodology stages**



Various stages of the methodology adopted along with activities undertaken are elaborated hereunder.

### 2.2.1 Goal

In line with requirements of the study, the consultant studied the impact of the KRDP program at various levels of intervention like

- Khadi and Village Industries Commission (KVIC)
- Khadi Institutions (KIs)
- Village Industries (VIs) under KRDP (Implementing Agencies)
- Sales Outlets of KVI products
- Artisans of Khadi
- Artisans of Village Industries

- Consumers of KVI products

### 2.2.2 Secondary research / Inception phase

Mott MacDonald core team was mobilised within a week of signing of the contract.

During inception phase, the consultants carried out secondary research through literature review including program documents, various reports, scheme papers and information available in public domain. After going through the secondary research and review of relevant documents, the consultant prepared the research tools for carrying out personal interviews at various levels of respondents in relation to objectives of the study and outcomes expected.

Two days consultative meeting with the key representatives of the Client and other relevant key stakeholders associated with the project was undertaken to finalise the proposed research methodology and research tools along with outcomes expected from research. This also included tentative report structure that would be prepared and submitted as final deliverable.

In this meeting, the Mott MacDonald team collected relevant documents and background information about the program from the client.

The client facilitated Mott MacDonald team in accessing the data available with the various implementing partners. KVIC provided following data/information:

- List of KVIC officials at state level along with their contact details
- List of KIs and Implementing agencies under DRA to be consulted, KVIC also helped consultant in selection of KIs for consultation.
- List of around 1300 non-DRA institutions for selection of non-DRA KIs for consultation

### 2.2.3 Primary research

Basic information related to program, its objectives, reach and identifying relevant stakeholders for consultation and gathering relevant qualitative and quantitative information was done through secondary research which built the pillar for planning primary survey at various levels of program.

The program assessment is required to be captured at sector level, institutional level and KVIC level. Each level has different roles and responsibility in the structure. Based on the objectives of the program and roles and responsibility of different levels of the program, the consultant has consulted relevant stakeholders, respondents as stated below.

#### 2.2.3.1 Sector Level

Sector level assessment was done through mix of secondary as well as primary survey. Historical information regarding few quantitative data at state level development over implementation of the program were collected through secondary research while few quantitative and qualitative information were collected through primary research. Information collection details at sector level has been tabulated below for better understanding.

**Table 1: Sector Level – Secondary research & Primary research**

| Khadi Sector / VI Sector | Aspects covered                              | Key Performance Indicator         |
|--------------------------|--|-----------------------------------|
| State wise trends in     | • Employment                                 | • Growth in employment generation |
|                          | • Production                                 | • Growth in Khadi sector          |
|                          | • Sales and Exports                          | • Growth in Khadi sector          |
|                          | • Outreach of scheme wrt. Promotion of Khadi | • Spread and reach of scheme      |
| Artisan welfare          | • Gender Mainstreaming interventions         | • Women empowerment               |
|                          | • Capacity building & skill development      | • Growth in production            |

| Khadi Sector / VI Sector | Aspects covered  | Key Performance Indicator  |
|--------------------------|--|--|
|                          |  | <ul style="list-style-type: none"> <li>Improvement in Livelihood options for artisans</li> <li>Impact on earnings</li> </ul>   |
| VI Sector                | <ul style="list-style-type: none"> <li>Cluster Development activities through various schemes</li> <li>Trends in employment, production, sales and exports</li> <li>Case studies or success stories at scheme / state level</li> </ul> | <ul style="list-style-type: none"> <li>Spread of Village industries</li> <li>Growth in Village industries</li> <li>Best practices adopted would help improvement in scheme features</li> </ul> |
| Consumers perception     | <ul style="list-style-type: none"> <li>On quality, durability and desirability of KVI products</li> </ul>  | <ul style="list-style-type: none"> <li>Product improvement (process as well as features of products)</li> </ul>  |

Source: RFP Document & MM Analysis

### 2.2.3.2 KVIC Level

Impact assessment at KVIC level included following aspects which were studied through secondary as well as primary research.

| Aspects covered  | Key Performance Indicator   |
|--|---|
| <ul style="list-style-type: none"> <li>Implementation of IFMS</li> </ul>   | <ul style="list-style-type: none"> <li>Monitoring mechanism effectiveness</li> </ul>  |
| <ul style="list-style-type: none"> <li>Status and outreach of capacity building for various cadre of KVIC Central Office, State Offices and KIs</li> </ul> | <ul style="list-style-type: none"> <li>Reach of capacity building programs across all levels</li> <li>Growth in production &amp; sales</li> <li>Improvement in Livelihood options for artisans</li> <li>Impact on earnings</li> </ul> |
| <ul style="list-style-type: none"> <li>Effectiveness of monitoring mechanisms across key schemes</li> </ul>  | <ul style="list-style-type: none"> <li>Monitoring mechanism effectiveness</li> </ul>  |
| <ul style="list-style-type: none"> <li>Inter-departmental facilitation and convergence</li> </ul>  | <ul style="list-style-type: none"> <li>Effective and efficient system development</li> </ul>  |
| <ul style="list-style-type: none"> <li>IT systems being used for various schemes / departments</li> </ul>  | <ul style="list-style-type: none"> <li>Effectiveness of IT systems</li> </ul>   |
| <ul style="list-style-type: none"> <li>Status and functioning of Women Empowerment Cell</li> </ul>   | <ul style="list-style-type: none"> <li>Reach of women empowerment and its effectiveness</li> </ul>  |
| <ul style="list-style-type: none"> <li>Status and function of Export Promotion Council at KVIC</li> </ul>  | <ul style="list-style-type: none"> <li>Reach of EPC and its effectiveness</li> </ul>  |

Relevant information / data were collected from KVIC officials positioned at different departments at central offices, zone, state, and field offices.

### 2.2.3.3 Khadi Institution / Implementing Agency Level

KI level included Khadi Institutions as well as implementing agencies appointed for development of Village Industry clusters. Information collection details at Khadi Institution level has been tabulated below for better understanding.

**Table 2: Khadi Institution / Implementing Agency Level**

| KI & IA Level                                 | Aspects covered  | Key Performance Indicators   |
|---|--|--|
| Assessment of Infrastructure                  | <ul style="list-style-type: none"> <li>Office, artisan work sheds, warping units, sales outlets, godowns, etc.</li> <li>Number and type of charkha, looms, warping units</li> <li>Infrastructure for VI activities, if any</li> </ul>                  | <ul style="list-style-type: none"> <li>Growth in production capacity of KI / VI</li> </ul> |
| Trends in Production & sales for last 3 years | <ul style="list-style-type: none"> <li>Yarn, fabric, ready-to-wear clothes, accessories, other products such as home furnishing, etc.</li> <li>Trends in VI activities, if any</li> </ul>  | <ul style="list-style-type: none"> <li>Growth of Khadi sector</li> </ul>                   |
| Marketing and Branding                        | <ul style="list-style-type: none"> <li>Khadi Mark implementation</li> <li>Marketing initiatives such as renovation of sales outlets, advertising, participation in exhibitions, etc.</li> <li>Marketing initiatives for VI products, if any</li> </ul> | <ul style="list-style-type: none"> <li>Growth in sales</li> </ul>                          |
| Financial Management                          | <ul style="list-style-type: none"> <li>Implementation of Market linked pricing and</li> </ul>  | <ul style="list-style-type: none"> <li>Increase in profitability of KIs</li> </ul>         |

| KI & IA Level                | Aspects covered  | Key Performance Indicators   |
|------------------------------|--|--|
|                              | <ul style="list-style-type: none"> <li>products for which it is initiated</li> <li>Benefit Chart implementation at the KI level – process and challenges</li> <li>Utilisation of funds received through different schemes of KVIC and convergence with other sources of support</li> <li>Utilisation of bank finance</li> <li>Accounting systems followed</li> </ul>                           | <ul style="list-style-type: none"> <li>Participation across value chain</li> <li>Progress of Khadi sector</li> <li>Usage of appropriate accounting system</li> </ul>   |
| IT – MIS                     | <ul style="list-style-type: none"> <li>Status of Implementation of Integrated MIS at KI level</li> <li>IT systems / accounting systems adopted by KI on own</li> </ul>   | <ul style="list-style-type: none"> <li>Progress on integration of KIs</li> <li>Identification of gaps for better integration</li> </ul>  |
| Capacity Building            | <ul style="list-style-type: none"> <li>Training of artisans (both Khadi and VI (if any)) conducted by KI and participation in trainings conducted by KVIC</li> <li>Training of KI staff through KVIC</li> <li>Innovation across value chain, if any</li> </ul>   | <ul style="list-style-type: none"> <li>Growth in production</li> <li>Improvement in Livelihood options for artisans</li> <li>Growth in earnings</li> <li>Improvement in managerial skills</li> <li>Identification of best practices adopted which will further help improve features of schemes</li> </ul> |
| Welfare measures of artisans | <ul style="list-style-type: none"> <li>Wage rate for spinners and weavers (separate for male and female)</li> <li>Average increment in wages of spinners and weavers over last 5 years</li> <li>Contribution to Artisan Welfare Fund Trust</li> <li>Artisans benefitting from Janashree Bima Yojana</li> <li>Availability of toilets, drinking water, safety measures in work sheds</li> </ul> | <ul style="list-style-type: none"> <li>Artisan welfare including women empowerment</li> <li>Growth in artisan welfare</li> <li>Compliance to KVIC rules</li> <li>Artisan welfare</li> </ul>  |
| Governance                   | <ul style="list-style-type: none"> <li>Presence and participation of artisans in governing body</li> <li>Convergence of difference schemes and support of KVIC, other State and Central agencies if any</li> </ul>   | <ul style="list-style-type: none"> <li>Compliance to governance</li> <li>Active participation of artisans in growth</li> <li>Improvement in features of schemes</li> </ul>   |

Source: RFP Document & MM Analysis

#### 2.2.3.4 Managerial Staff at Sales Outlet

Sales outlets included consultation with managerial staff to understand impact of program on various aspects. Information collection details at Sales Outlet (Managerial staff) level has been tabulated below for better understanding.

**Table 3: Managerial Staff (Sales Outlet)**

| Managerial Staff                        | Aspects covered  | Key Performance Indicators   |
|---|--|--|
| Capacity building                       | <ul style="list-style-type: none"> <li>Type of training attended and its effectiveness</li> </ul>  | <ul style="list-style-type: none"> <li>Effectiveness of training</li> </ul>  |
| KVIC Initiatives for promotion of Khadi | <ul style="list-style-type: none"> <li>Implementation of Khadi Mark</li> <li>Market Linked Price Mechanism</li> <li>Benefit Chart Scheme</li> </ul>  | <ul style="list-style-type: none"> <li>Awareness and effectiveness</li> </ul>  |
| Other Marketing initiatives by KVIC     | <ul style="list-style-type: none"> <li>Renovation of Sales Outlet</li> <li>Advertisement / Pamphlet Distribution</li> <li>Participation in Exhibition</li> <li>New Variety / Design</li> </ul> | <ul style="list-style-type: none"> <li>Effectiveness in form of growth in sales</li> </ul>                                       |
| IT – MIS                                | <ul style="list-style-type: none"> <li>Status of Implementation of Integrated MIS at KI level</li> <li>IT systems / accounting systems adopted by KI on own</li> </ul>                         | <ul style="list-style-type: none"> <li>Progress on integration</li> <li>Identification of gaps for better integration</li> </ul> |

#### 2.2.3.5 Artisans Level

The consultant captured assessment of direct or indirect impact of program on Khadi as well as VI artisans. Various aspects and related key performance indicators at artisan's level are explained below.



**Table 4: Artisan Level**

| Artisan Level                | Aspects covered  | Key Performance Indicators   |
|------------------------------|--|--|
| Association with KI / IA     | <ul style="list-style-type: none"> <li>Duration of Association</li> <li>Activity Undertaken</li> <li>Facilities / implements provided by KI</li> </ul>   | <ul style="list-style-type: none"> <li>Durability of artisans' association</li> <li>Employment</li> <li>Support by KI/IA</li> </ul>  |
| Capacity Building            | <ul style="list-style-type: none"> <li>Trainings undertaken</li> <li>Type of training</li> <li>Benefits of training</li> </ul>   | <ul style="list-style-type: none"> <li>Improvement in Livelihood options for artisans</li> <li>Growth in earnings</li> <li>Improvement in training modules</li> </ul>                        |
| Welfare measures of artisans | <ul style="list-style-type: none"> <li>Wage rates before &amp; after program</li> <li>Average increment in wages</li> <li>Member of Artisan Welfare Fund Trust</li> <li>Part of Janashree Bima Yojana</li> <li>Benefit Chart mechanism awareness and benefits</li> <li>Availability of toilets, drinking water, safety measures in work sheds</li> </ul> | <ul style="list-style-type: none"> <li>Artisan welfare including women empowerment</li> <li>Growth in artisan welfare</li> <li>Compliance to KVIC rules</li> <li>Support by KI/IA</li> </ul> |

Source: RFP Document &amp; MM Analysis

### 2.2.3.6 Consumer Perception

The consultant also conducted assessment of direct or indirect impact of program on perception of Khadi as well as VI products. Various aspects and related key performance indicators through consumers are explained below.

| Consumers of Khadi / VI products  | Aspects to be covered  | Key Performance Indicator  |
|---|--|--|
| <ul style="list-style-type: none"> <li>Consumer profile</li> </ul>                                | <ul style="list-style-type: none"> <li>Age, gender, education, occupation, income</li> </ul>                         | <ul style="list-style-type: none"> <li>Category wise perception of consumers about Khadi / VI products</li> <li>Product improvement</li> </ul> |
| <ul style="list-style-type: none"> <li>Consumers buying products (Khadi / VI products)</li> </ul> | <ul style="list-style-type: none"> <li>Perception on quality, durability and desirability of KVI products</li> </ul> | <ul style="list-style-type: none"> <li>Product improvement (process as well as features of products)</li> </ul>                                |
| <ul style="list-style-type: none"> <li>Consumers not buying any product</li> </ul>                | <ul style="list-style-type: none"> <li>Perception on quality, durability and desirability of KVI products</li> </ul> | <ul style="list-style-type: none"> <li>Product improvement (process as well as features of products)</li> </ul>                                |

Source: RFP Document &amp; MM Analysis

Please note here that the respondents were mix of users as well as non-users of Khadi / VI products.

### 2.2.3.7 List of Research Tools

Considering above key performance indicators to be evaluated, consultant had prepared survey tools for each level of primary survey and data/information collection. The survey tools include detailed / structured questionnaires for followings:

**Table 5: List of Research Tools**

| Q. No. | Research Tool                                 | Target Respondents  |
|--------|---|---|
| 1      | KVIC Officials                                | <ul style="list-style-type: none"> <li>Central Officer</li> <li>Zone Officer</li> <li>State Officer</li> <li>Field Officer</li> </ul> |
| 2      | Khadi Institution / Implementing Agency of VI | <ul style="list-style-type: none"> <li>KI / IA representative</li> </ul>  |
| 3      | Sales Outlet                                  | <ul style="list-style-type: none"> <li>Managerial Staff</li> </ul>  |
| 4      | Artisans                                      | <ul style="list-style-type: none"> <li>Artisans of KIs (male &amp; female)</li> <li>Artisans of VI (male &amp; female)</li> </ul>     |
| 5      | Consumers                                     | <ul style="list-style-type: none"> <li>Consumers of KVI Products</li> </ul>   |

Source: MM Research &amp; Analysis

The consultant had prepared research tool / Questionnaire for each stakeholder consultation. The same were reviewed by KVIC project team as well as PwC team. Research tools duly approved by KVIC were used for carrying out stakeholder consultation and collection of various data/information from each level consultation.

#### 2.2.3.8 Data Collection Validation and Cross Check

The quantitative data were collected through **computer assisted personal interviewing (CAPI)** technique and through pen & paper survey. A thorough survey manual and protocol were developed for data collection and submission to the data gathering and analysis centre. Team followed the systematic data gathering and submission process to ensure timely collection and passing of information to right hands considering confidentiality of data for further process and analysis.

Team members were well trained with respect to objectives of the study, methodology to be adopted and collection of data from various respondents. Zone wise team distribution was planned for effective and efficient coverage of sample size to complete the survey within stipulated timeframe.

Data collected at investigator level were considered for analysis after passing through a defined process of data validation and crosscheck.

#### 2.2.3.9 Survey Protocol & Data Management

The data management involves a complex process from developing data entry platform, incorporating logical checks, cleaning to analysis. Thus, we had implemented a strong database management plan to thrive for good quality of data as follows:

- Preparation of suitable data entry platform.
- An exhaustive list of scrutiny points was prepared for the field staff, to be used to check and correct data during main survey. The same points were incorporated in the data entry programme to ensure error free data entry.
- Data cleaning was done at three levels:
  - Frequency checks – for range check and spotting data punching problems
  - Electronic cleanings – developing queries to identify case-wise data consistency related problems
  - Cross-tables – to analyse emerging trends
- Generating analytical output tables and performing statistical analysis
- Qualitative data analysis: The content analysis was done through pre-decided formats.

Our researchers are well acquainted with the software / programs like CS-PRO, SPSS, STATA; apart from this, they are also familiar with PDA (Personal Digital Assistant) and Computer-assisted personal interviewing (CAPI) mode technique, which ensures minimal loss of data quality and also to ensure timely delivery of the complete dataset. For data analysis we use SPSS-19 and also STATA as per requirement of the researcher.

As explained in previous section, a specific flow of information for data collection and submission was developed considering confidentiality of data collected and effective flow of information.

Flow of information was maintained as follows:

**Investigators <=> MM Coordinator <=> MM Project Manager<=>Client Project Coordinator**

Data compilation, cleaning and analysis was done at MM centre office with the use of competent software and program to generate required output.

#### 2.2.3.10 Data Analysis

Data analysis was carried out at zone level which would provide impact assessment at each level of intervention vis-à-vis non-intervention area. Impact assessment report primarily covers all components of the KRD program.

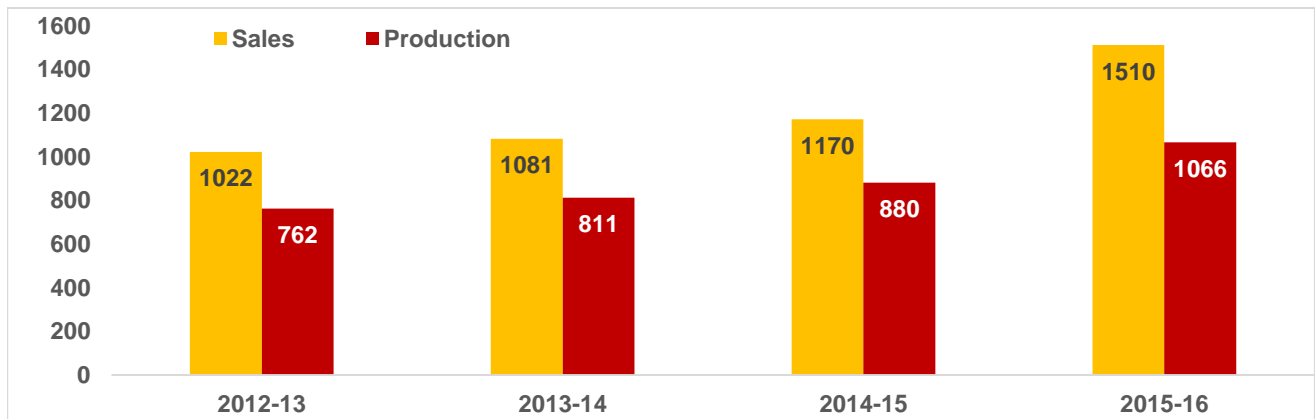
### 2.3 Client reporting

Consultant had developed a reporting format which covers details of state / zone and category wise samples covered. A single point personnel was appointed by the consultant for reporting the status of survey, submission of deliverables and coordination with client who was responsible for providing weekly progress report to client in specific format, transmitting information like hindrances, obstacles faced by survey team to client for amicable solutions and to inform any changes in field survey team to client within reasonable time.

### 3 Khadi Sector - Overview

Khadi sector products include cotton, and silk products. Average sales and production of khadi products over past four years has been around Rs. 1200 crores and Rs. 900 crores per annum respectively. The trend in sales and production of Khadi sector in India is depicted as graph below.

**Figure 4: Khadi Sales, Production (In Rs. Cr) – All India**

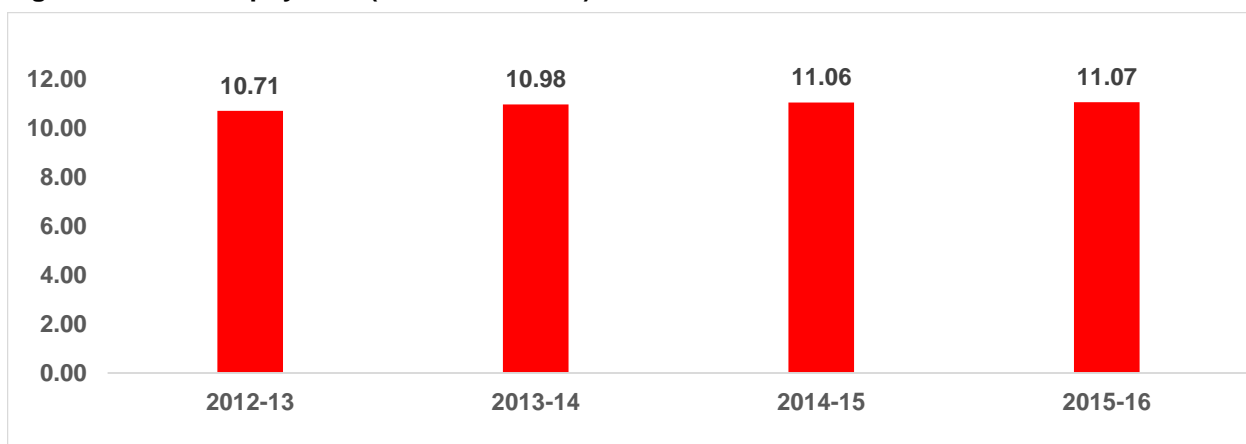


Source: KVIC Annual Reports

Cotton (55-60%), woollen (15-17%), and silk (25-27%) are the major contributor to the sales and production of Khadi. The sales and production of Khadi sector has shown an Impressive CAGR growth of 14% and 12% respectively in the last 4 years with a consistent positive growth rate on the year on year basis.

One of the objective of the development of KVIC and its subordinates is to generate employment in the country and make people self-reliant. Khadi sector has consistently provided employment to around 11 lakh persons in India. Year on year trend in employment in Khadi sector in India is depicted as graph:

**Figure 5: Khadi Employment (In Lakh Persons) – All India**



Source: KVIC Annual Reports

#### 3.1 Zonal overview

The khadi institutions in India are distributed into six zones viz Central, South, North, East, West and North East. The states falling under the above said zones are:

**Table 6: Zone wise list of States**

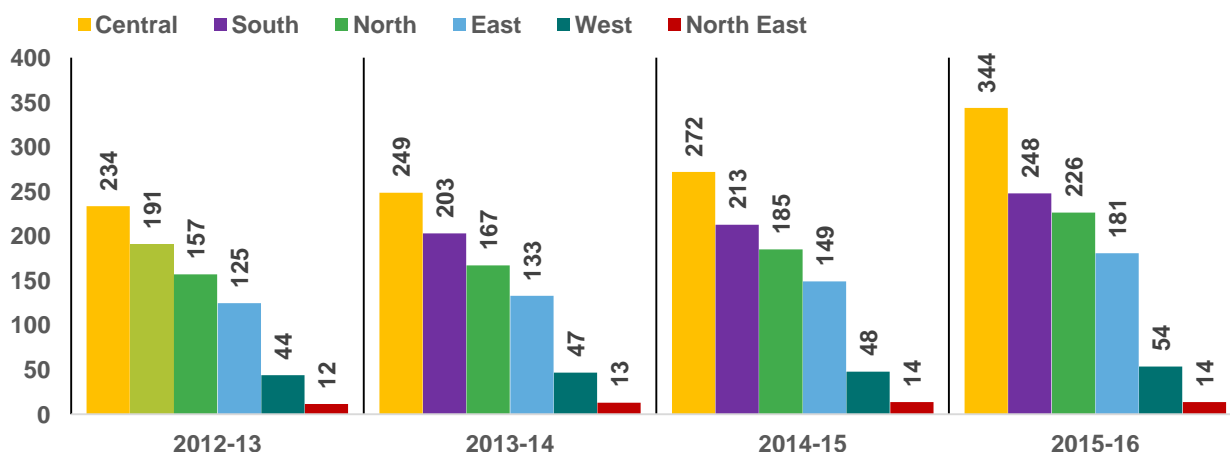
| Zone       | State             | Zone  | State                |
|------------|-------------------|-------|----------------------|
| North      | Jammu & Kashmir   | East  | Bihar                |
|            | Himachal Pradesh  |       | West Bengal          |
|            | Punjab            |       | Jharkhand            |
|            | UT Chandigarh     |       | Odisha               |
|            | Haryana           |       | A & N Islands        |
|            | Delhi             |       |                      |
|            | Rajasthan         |       |                      |
| Central    | Uttarakhand       | West  | Gujarat              |
|            | Uttar Pradesh     |       | Maharashtra          |
|            | Chhattisgarh      |       | Goa                  |
|            | Madhya Pradesh    |       | Dadar & Nagar Haveli |
| North East | Sikkim            | South | Andhra Pradesh       |
|            | Arunachal Pradesh |       | Telangana            |
|            | Nagaland          |       | Karnataka            |
|            | Manipur           |       | Lakshadweep          |
|            | Mizoram           |       | Kerala               |
|            | Tripura           |       | Tamil Nadu           |
|            | Meghalaya         |       | Puducherry           |
|            | Assam             |       |                      |

Source: KVIC Annual Report

### 3.1.1 Production

The central zone contributes to more than 30% of Khadi production followed by south and north zones being 20-22% each during last four years. East zone produces around 17% of total production in India while North-east zone contributes around 1% of total production of Khadi in India. Zone wise details of production in value terms for the last 4 years is provided as graph:

**Figure 6: Khadi Production (In Rs. Cr) – All India**



Source: KVIC Annual Reports

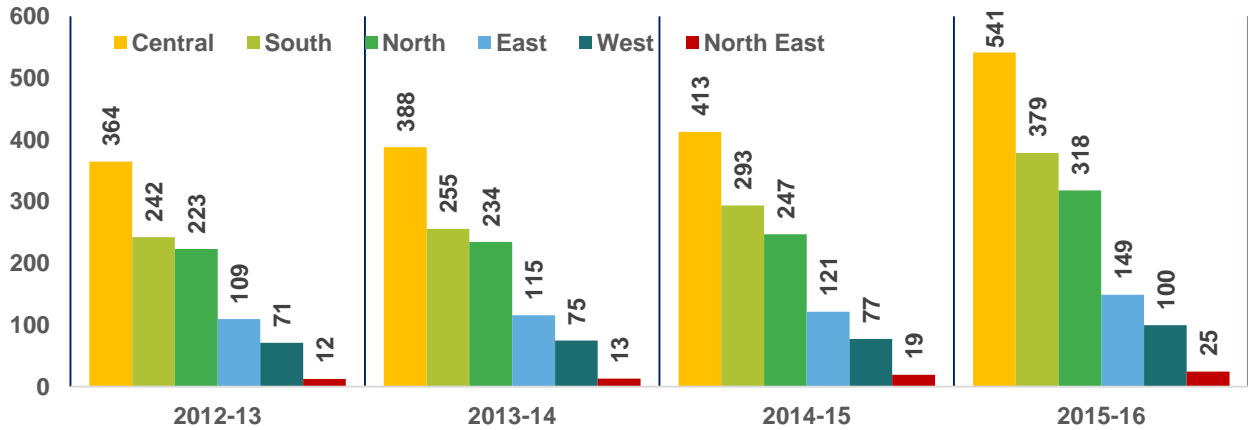
**All the zones have seen increasing trend in production during the last four years.**

### 3.1.2 Sales

Around 80% Khadi sales is reported by central, south and north zones of which highest sales is from central zone followed by south and north zones. The Balance 20% Khadi sales is from east, west and north-east

zones in descending order of value of sales. The trend of zone wise sales over past four years is depicted as graph:

**Figure 7: Khadi Sales (In Rs. Cr) – Zone wise**



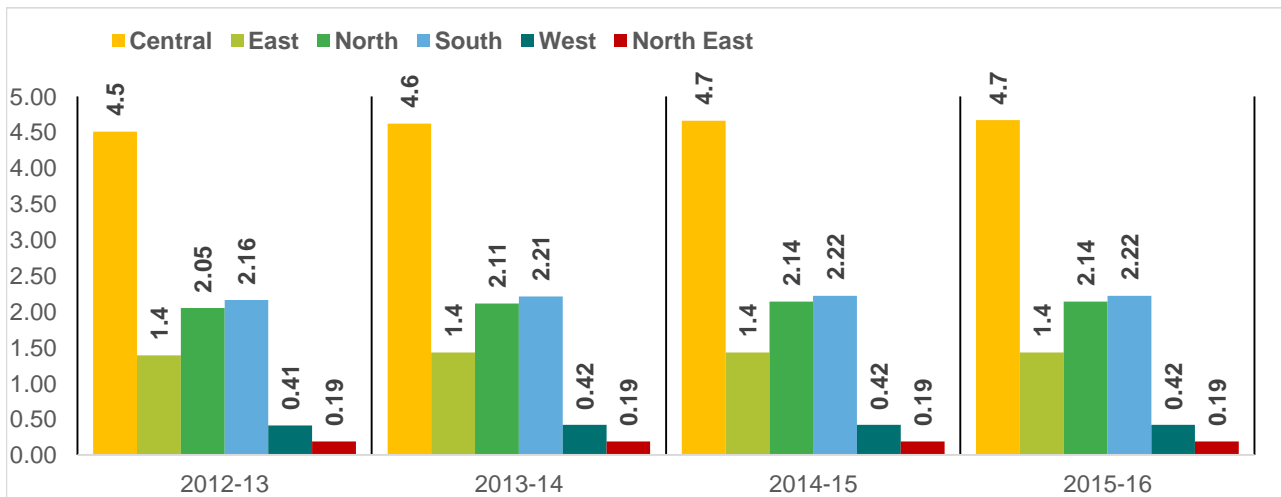
Source: KVIC annual Reports

Over the period of last 4 years all zones have reported consistent increase in sales which are positive signs for future development of khadi in India.

### 3.1.3 Employment

Central zone generates 43% employment in the khadi sector and is followed by East, North and South Zone. West and North-East zone have less than 10% of total employment in Khadi sector in India. Zone wise employment trend for last four years has been depicted as graph:

**Figure 8: Khadi Employments (In Lakh Persons) – All India**



Source: KVIC Annual Reports

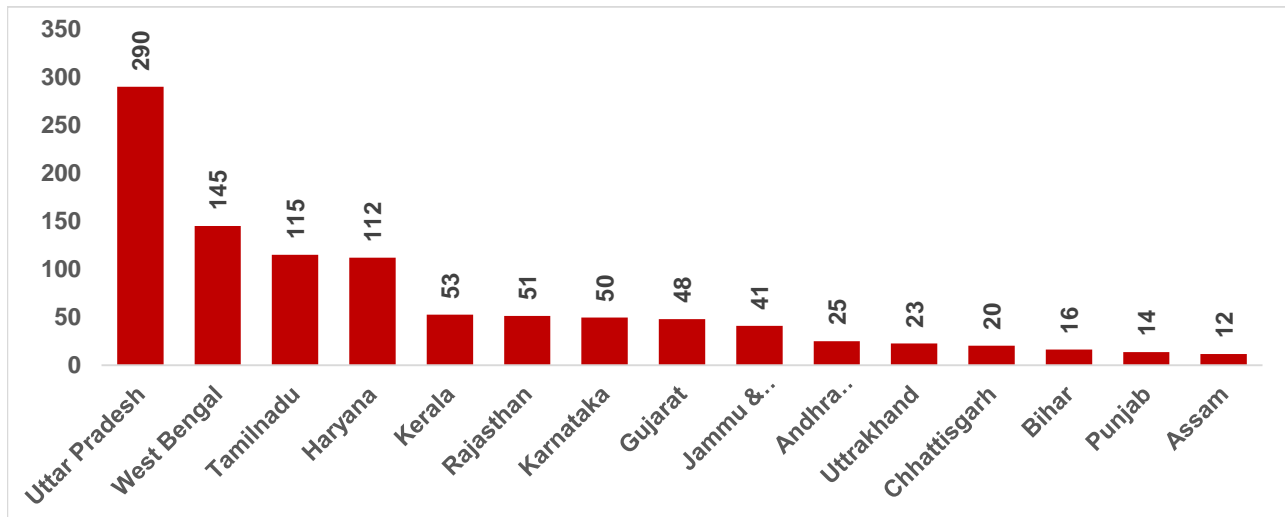
It can be observed from the graph above that all zones have either stable or have shown increasing trend in employments.

### 3.2 States overview

#### 3.2.1 Production

Uttar Pradesh has reported highest production, amounting to around 27% of total production of the country followed by West Bengal, Tamil Nadu, and Haryana. The State wise production of Khadi during year 2015-16 is depicted as graph below.

**Figure 9: Khadi Production (In Rs. Cr) – Top 15 States (2015-16)**

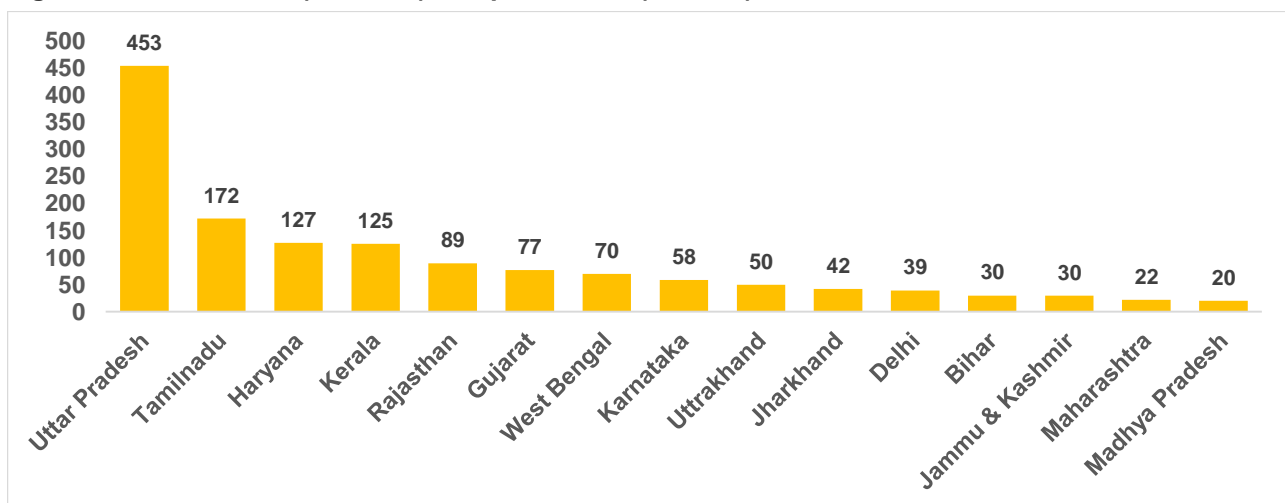


Source: KVIC Annual Reports

#### 3.2.2 Sales

Among all the states, Uttar Pradesh has reported highest sales, amounting to around 30% of the country followed by Tamil Nadu, Haryana, Kerala, Rajasthan and Gujarat. The sales of Khadi from major states during year 2015-16 is depicted as graph:

**Figure 10: Khadi Sales (In Rs. Cr) – Top 15 States (2015-16)**



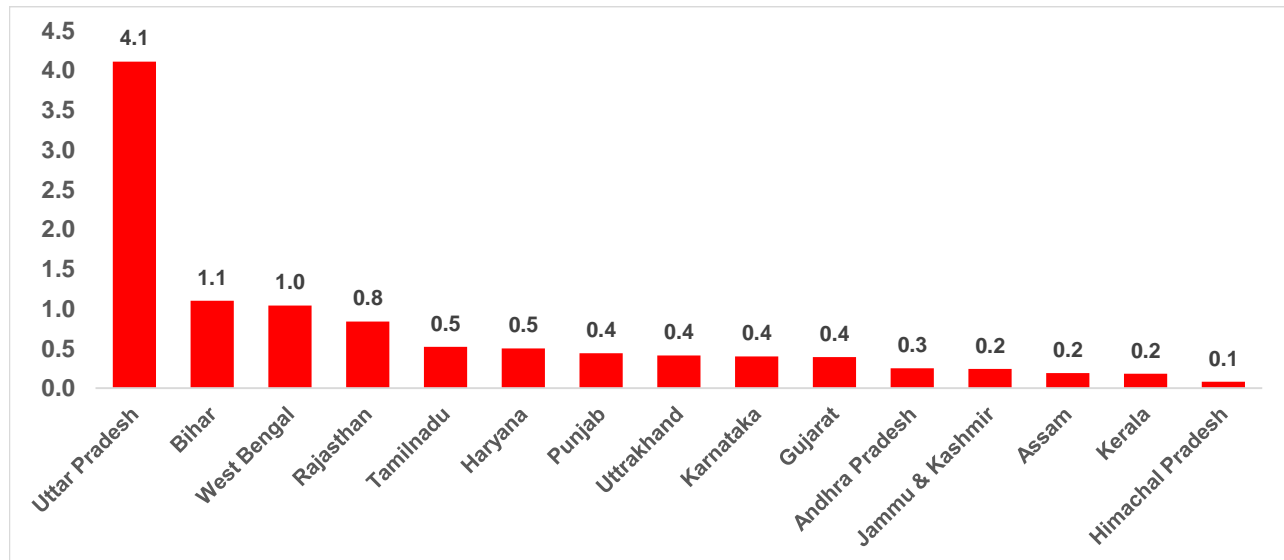
Source: KVIC Annual report



### 3.2.3 Employment

During 2015-16, state of Uttar Pradesh has reported highest level of employment being around 38% of total employment in India followed by the states of Bihar and West Bengal.

**Figure 11: Khadi Employment (In Lakh Persons) – Top 15 States (2015-16)**

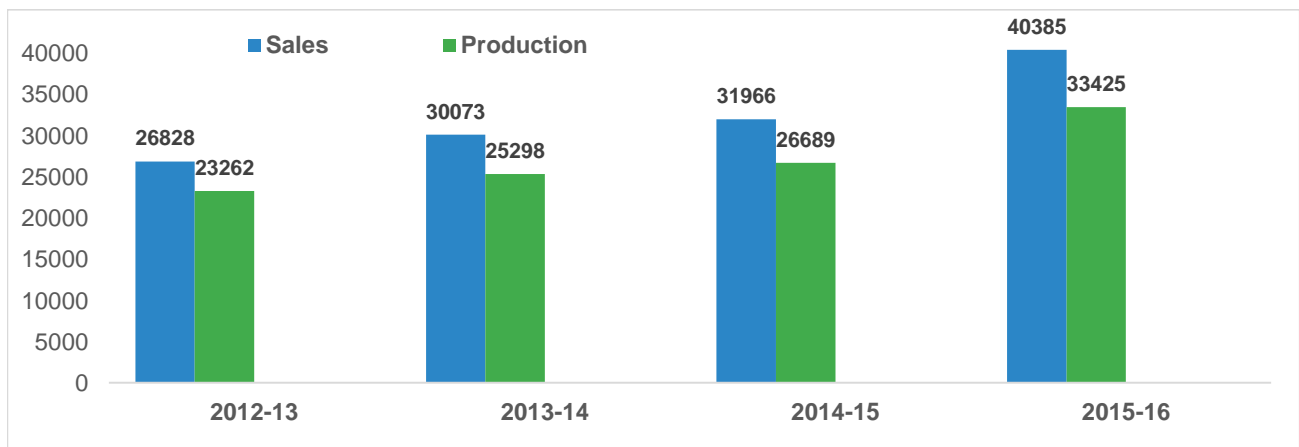


Source: KVIC Annual Report

## 4 Village Industry - Overview

Village Industry products include Handmade Paper & Fibre Industry (HMP/Fibre), Agro Based Food Processing Industry (ABFP), Mineral Based Industry (MBI), Forest Based Industry (FBI), Polymer & Chemical Based Industry (PCBI), Rural Engineering & Bio -Technology Industry (REBT) and Service and Textile Industry (Service/Poly). Average annual sales and production of VI products for last 4 years have been around INR 32,300 crores and INR 21,207 crores respectively. In last four years there has been a healthy and consistent YOY growth in sales and production of VI products. The CAGR of around 15% and 13% was observed in sales and production respectively. The below graph provides details on the last four-year trends of sales and production of VI products

**Figure 12: Village Sales & Production (In Rs. Cr) – All India**

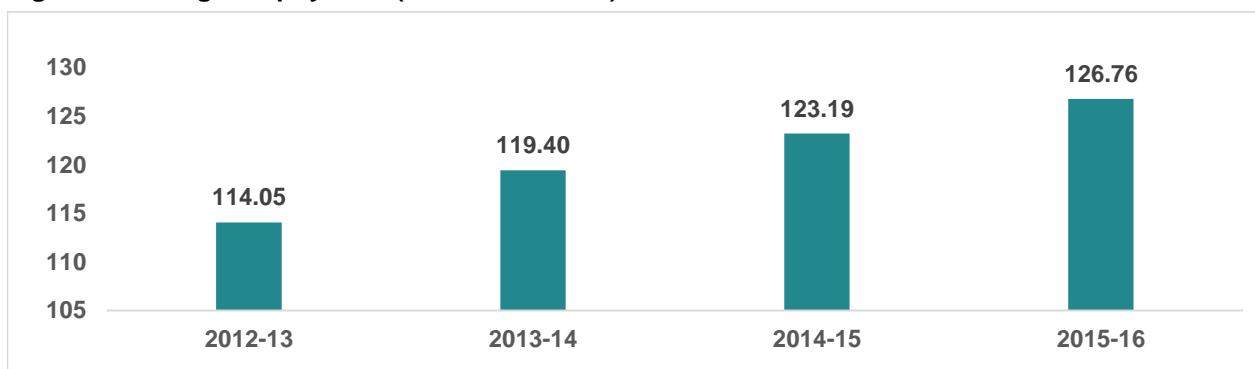


Source: KVIC Annual Reports

The ABFP industry products contributes to about 28% of total sales and 30% of total production of the VI products.

Considering employment generation and promotion of VI's as one of the important objectives of KVIC, the VI's of India have successfully provided employment to more than 1 crore persons in India. The graph below depicts the overall employment generated by VI's in India in last four years.

**Figure 13: Village Employment (In Lakh Persons) – All India**



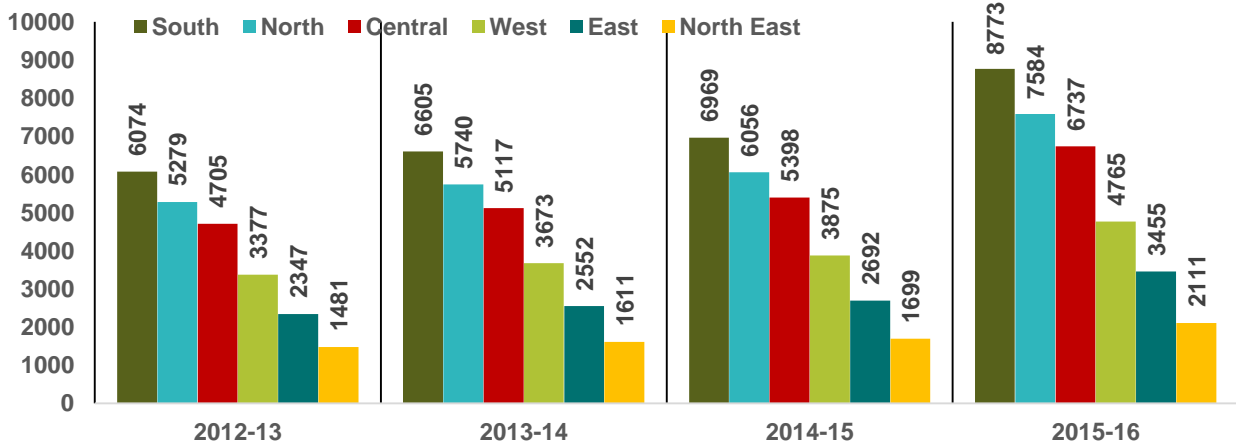
Source: KVIC annual report

## 4.1 Zonal overview

### 4.1.1 Production

On An average the South zone and North zone together accounts for around 50% of the total production of the VI products and is followed by central (20%), west (15%) and east (10 %). The graph depicts the overall zone wise trends of last four years.

**Figure 14: Village Industry Production (In Rs. Cr) – Zone wise**



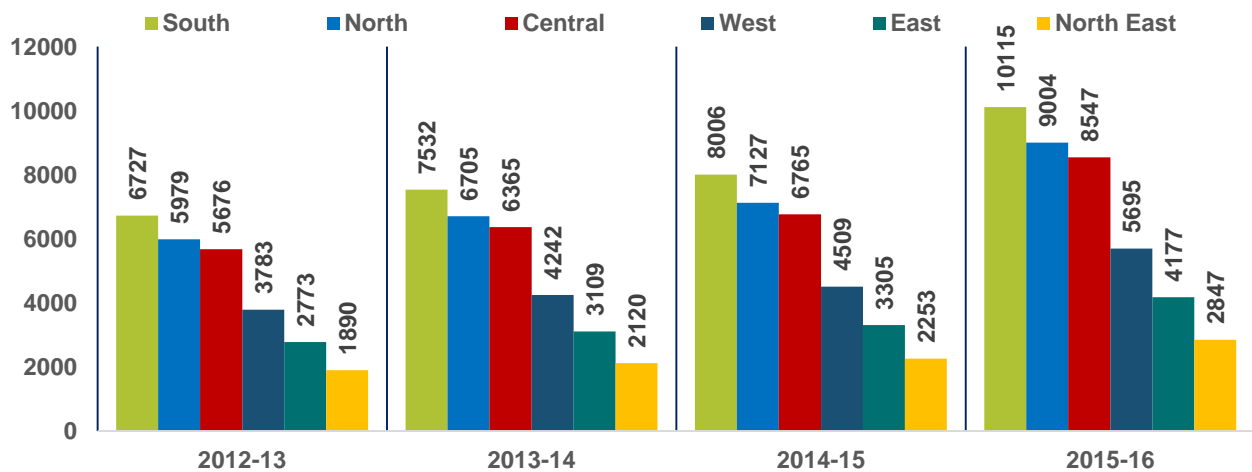
Source: KVIC annual Reports

A continuous increase in overall production of VI sector products in all the zone can be noted from the graph.

### 4.1.2 Sales

Out of all the six zones in India, the south, north and central zones together account for around 70% of the total VI sales. The zone wise VI sales for the last 4 years are depicted in the graph:

**Figure 15: Village Sales (In Rs. Cr) – All India**



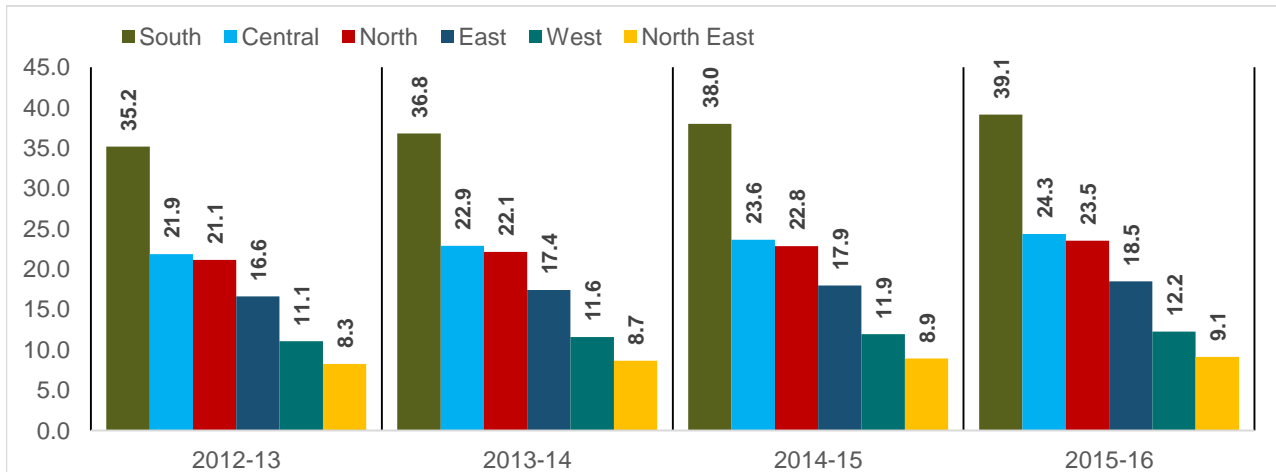
Source: KVIC Annual Reports

There has been a continuous growth in the overall sales of the VI products in all the zones depicting the increase in demand and preference of VI products by the consumers.

### 4.1.3 Employment

The South Zone (31%) of India is the major contributor of employing maximum number of people in VI's in the country for the last four years. Zone wise employment trends details of last four years is provided as below:

**Figure 16: Village Employments (In Lakh Persons) – All India**



Source: KVIC annual Reports

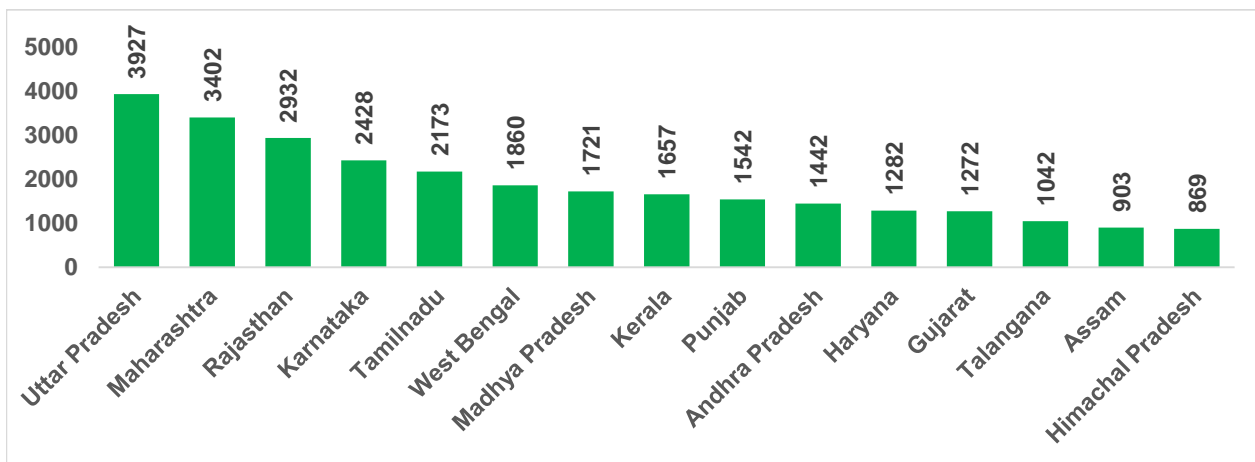
There has been a continuous year on year increase in number of people employed in all the zones.

## 4.2 States Over View

### 4.2.1 Production

For year 2015-16, the state of Uttar Pradesh accounts for 12% of the total production in India and is the largest VI products producing state of the country. Even though Uttar Pradesh is the largest VI product manufacturing state, south zone consisting of Karnataka, Tamil Nadu, Kerala, Andhra Pradesh and Talangana in totality contribute the most. List of top 15 states involved in production of VI products is depicted in graph:

**Figure 17: Village Production (In Rs. Cr) – Top 15 States (2015-16)**

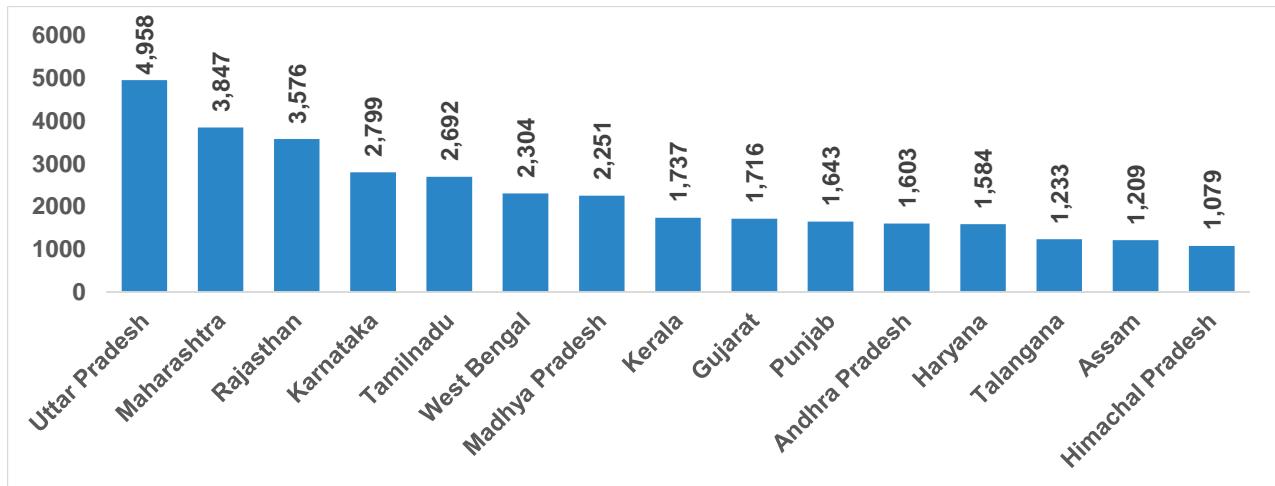


Source: KVIC Annual reports

### 4.2.2 Sales

Among all the states of India, Uttar Pradesh has reported the highest sales of VI products accounting to around 12% of the total VI sales of the country for year 2015-16. The below graph represents the top 15 states with maximum sales of VI products.

**Figure 18: Village Sales (In Rs. Cr) – Top 15 States (2015-16)**

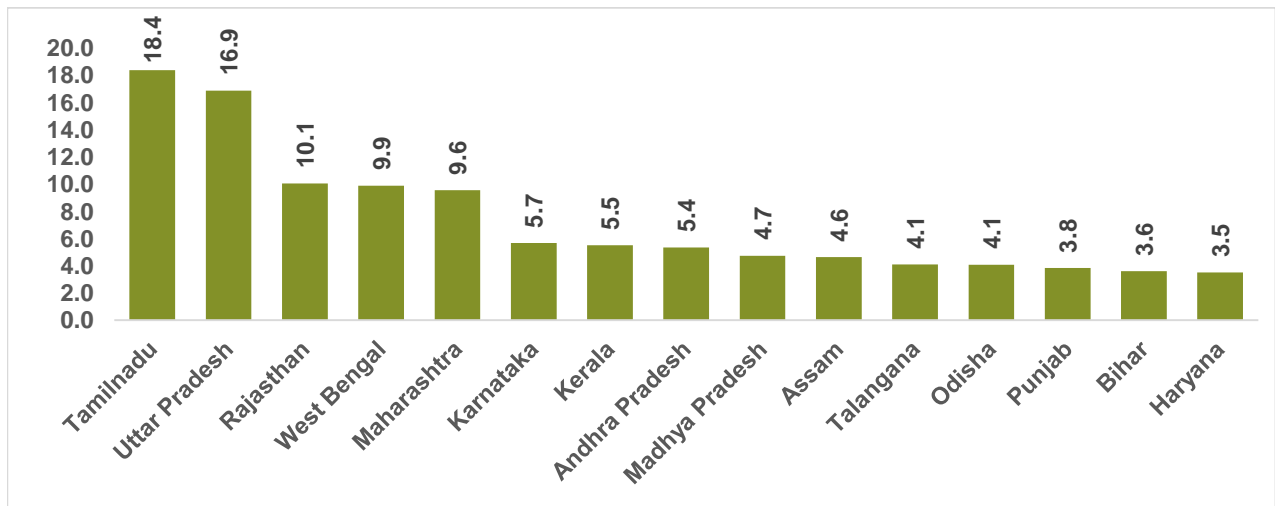


Source: KVIC Annual Report

### 4.2.3 Employment

In year 2015-16, the state of Tamil Nadu has been identified as having highest level of employment under VI sector accounting for 14 % of the total employees. The below graph represents the top 15 states with maximum number of people employed under VI sector.

**Figure 19: Village Industry Employment (In Lakh Persons) – Top 15 States (2015-16)**



Source: KVIC Annual Report

The artisan average contribution to sales & production for Tamil Nadu and Rajasthan is lower than Uttar Pradesh and is primarily because of the higher contribution of higher value products in these states.

## 4.3 Findings

It can be inferred that there is an upward trend in production, sales and number of artisans associated with Khadi in India. These are positive signs for the future development of Khadi sector in India.

## 5 Field Survey Findings

The consultants submitted an inception report covering sample plan, mix & distribution, contact points, work plan and tools to be used for the gathering of primary and secondary data from main stake holders. This inception report was presented and discussed during the meeting held on 28/09/2017. The inception report was revisited based on the discussions and suggestions from main stake holders viz KVIC, ADB and Technical Assistance Team and accordingly the final inception report was submitted on 29/09/2017. The same was approved by KVIC. The approved sample mix and distribution is tabulated hereunder:

**Table 7: Sample Size Distribution (Nos.)**

| Zone                                     | Central                                  | East | North | North-East | South | West | TOTAL       |
|--|--|------|-------|------------|-------|------|-------------|
| Khadi Institutions under KRDP            | 8  | 8    | 4     | 2          | 21    | 4    | 47          |
| Khadi Institutions – Others              | 8  | 8    | 4     | 2          | 21    | 4    | 47          |
| Implementing Agency of VI                | 1  | 1    | 1     | 0          | 1     | 1    | 5           |
| Managerial staff of Sales outlets        | 1 per Sales outlet per Khadi Institution |      |       |            |       |      | 94          |
| Artisans of KIs (male & female)          | 323                                      | 327  | 163   | 71         | 841   | 155  | 1880        |
| Artisans of VI (male & female)           | 5  | 5    | 5     | 0          | 5     | 5    | 25          |
| Consumers of KVI products                | 155                                      | 174  | 87    | 0          | 174   | 86   | 676         |
| KVIC Officials (centre/zone/state/field) | 5  | 3    | 7     | 3          | 10    | 1    | 29          |
| <b>TOTAL</b>                             |  |      |       |            |       |      | <b>2803</b> |

Source: Approved Inception report and updated field plan

### 5.1 Field survey findings - Khadi Institution Level

#### 5.1.1 Infrastructure Assessment

The consultants have assessed the infrastructure at KI level which includes

- Infrastructure facilities
- working implements
- Other support facilities developed

##### 5.1.1.1 Infrastructure facility

The consultant has assessed KI level development of the following infrastructure:

- Number of sales outlets
- Work sheds
- Offices
- Godown
- Common facility centre (CFC)

Data was collected from the KI about the infrastructure facilities before and after the DRA was released to them. The zone wise details of the infrastructure facilities and additions at KI level is provided as table:

**Table 8: Infrastructure facilities before and after DRA (Nos.)**

| Type of Infrastructure / Zone | Central  | North     | East     | North-East | South     | West     | TOTAL     |
|-------------------------------|----------|-----------|----------|------------|-----------|----------|-----------|
| <b>KIs visited</b>            | <b>8</b> | <b>4</b>  | <b>8</b> | <b>2</b>   | <b>21</b> | <b>4</b> | <b>47</b> |
| Sales Outlets                 | 107 (+6) | 17(+8)    | 51(+0)   | 2(+0)      | 145(+14)  | 15(+2)   | 337(+30)  |
| Sales Outlet Renovation       | (+14)    | (+7)      | (+24)    | (+2)       | (+24)     | (+7)     | (+78)     |
| No. of Work Sheds             | 196(+38) | 101(+110) | 53(+22)  | 4(+0)      | 509(+104) | 70(+23)  | 933(+297) |
| No. of Office                 | 9(+1)    | 3(+1)     | 21(+0)   | 2(+0)      | 22(+4)    | 3(+0)    | 60(+6)    |
| No. of Godown                 | 11(+3)   | 5(+1)     | 14(+0)   | 2(+0)      | 23(+6)    | 4(+2)    | 59(+12)   |
| CFC                           | 3(+8)    | 0(+4)     | 1(+7)    | 1(+1)      | 5(+16)    | 1(+3)    | 11(+39)   |

Source: Surveyed Khadi Institutions Figures in bracket shows additions in the infrastructure facilities

Additional infrastructure facilities are mainly in additions of work sheds, renovation & new sales outlets and setting up the common facility centre (CFC).

- Increase in sales outlets and renovation of the existing outlets have helped KIs increase their sales over period of time
- Increase in the number of work-sheds (addition of around 300) and CFCs (more than 3 times increase) with basic amenities have helped KIs to motivate artisans to work for longer hours leading to increase in production and earnings of artisans. This has provided a stimulus for other artisans to join the khadi sector and thus leading to additions in the number of artisans associated with the khadi sector.



**“Consumers Visiting the Store after renovation of the store”** Shri Rajat Dube(Sales Manager & CFC In-charge) - Gramin Kutir Silpa Bhaban, Murshidabad, West Bengal



**“Under the KRDP fund, we have setup CFC and work shed and this has led to around 40% increase in number of artisans and also has increased our production”** Shri P. Alagesan – Secretary, Thanjavur west Sarvodaya sangh, Tamil Nadu



**“The CFC is under construction and once it is set up, the employment and production would increase by about 20 %.”** - Shri Jalendra Narzary – Secretary - Tamulpur Amchlik Gramdhan Sangh, Assam

- The Increase in number of godowns has removed the bottleneck in the supply chain to a great extent and has helped KIs to plan their purchases and production (timely raw material supply to artisans) thus leading to better sales margins and increase in production (reducing time of idle artisans because of short/no supply of the raw material) for KIs.



### 5.1.1.2 Working Implements

The consultant has assessed khadi institutions wise number of implements vide charkha, looms and reeling basins installed before and added after DRA. Zone wise number of various implements and its additions with the implementation of KRDP are tabulated hereunder.



**Table 9: Working Implements before and after DRA (Nos.)**

| Type of Implements / Zone | Central               | North                  | East                  | North-East         | South                  | West                  | TOTAL                          |
|---------------------------|-----------------------|------------------------|-----------------------|--------------------|------------------------|-----------------------|--------------------------------|
| <b>KIs visited</b>        | <b>8</b>              | <b>4</b>               | <b>8</b>              | <b>2</b>           | <b>21</b>              | <b>4</b>              | <b>47</b>                      |
| Total Charkha (Nos.)      | 3405<br><b>(+607)</b> | 1860<br><b>(+1150)</b> | 1956<br><b>(+579)</b> | 45<br><b>(+68)</b> | 3550<br><b>(+2167)</b> | 1109<br><b>(+203)</b> | <b>11925</b><br><b>(+4774)</b> |
| Reeling Basins (Nos.)     | 2<br><b>(+11)</b>     | 1<br><b>(+2)</b>       | 86<br><b>(+41)</b>    | 4<br><b>(+0)</b>   | 59<br><b>(+17)</b>     | 0<br><b>(+0)</b>      | <b>152</b><br><b>(+71)</b>     |
| Looms                     | 401<br><b>(+59)</b>   | 120<br><b>(+115)</b>   | 413<br><b>(+105)</b>  | 27<br><b>(+34)</b> | 2008<br><b>(+539)</b>  | 220<br><b>(+63)</b>   | <b>3189</b><br><b>(+915)</b>   |

Source: Surveyed Khadi Institutions

Figures in bracket shows additions in the implements

The additions in implements include charkha, looms and reeling basins.

Increase in number of charkha mainly the New Model Charkhas (NMC), reeling basins and looms (improved looms instead of traditional looms) have increased the efficiency of the artisans leading to higher production and wages to the artisans. This has also motivated other artisans to join the khadi sector and leading to increase in number of artisans.

### 5.1.1.3 Support Facilities

Support facilities at KI level include Scutcher Card, Warping Unit, Washing & Dyeing facility, Block Printing, Screen Printing, Sewing Machine, Testing Laboratory, Packaging facility and Meeting space. Zone wise number of various types of support facility developed by KRDP-KIs before and after implementation of KRDP are tabulated hereunder.



**Table 10: Support facilities before and after DRA (Nos.)**

| Support Facility / Zone     | Central  | North    | East     | North-East | South     | West     | TOTAL      |
|-----------------------------|----------|----------|----------|------------|-----------|----------|------------|
| <b>KIs visited</b>          | <b>8</b> | <b>4</b> | <b>8</b> | <b>2</b>   | <b>21</b> | <b>4</b> | <b>47</b>  |
| Scutcher Card               | 8(+0)    | 1(+0)    | 0(+0)    | 0(+0)      | 7(+1)     | 0(+0)    | 16(+1)     |
| Warping Unit (Nos.)         | 7(+3)    | 2(+3)    | 1(+3)    | 2(+0)      | 18(+7)    | 1(+3)    | 31(+19)    |
| Washing & Dyeing (Nos.)     | 5(+8)    | 0(+4)    | 2(+3)    | 3(+0)      | 4(+6)     | 0(+2)    | 14(+23)    |
| Block Printing (Nos.)       | 1(+1)    | 0(+2)    | 0(+0)    | 0(+0)      | 500(+0)   | 0(+0)    | 501(+3)    |
| Screen Printing (Nos.)      | 350(+1)  | 0(+1)    | 0(+0)    | 0(+0)      | 842(+244) | 0(+0)    | 1192(+246) |
| Sewing Machine (Nos.)       | 11(+45)  | 12(+0)   | 10(+24)  | 9(+0)      | 55(+85)   | 6(+13)   | 103(+167)  |
| Testing Laboratory (Yes/No) | 0(+0)    | 0(+0)    | 0(+0)    | 0(+0)      | 0(+1)     | 0(+0)    | 0(+1)      |
| Packaging facility (Yes/No) | 0(+0)    | 0(+0)    | 0(+0)    | 0(+0)      | 1(+1)     | 0(+0)    | 1(+1)      |
| Meeting space (Yes/No)      | 0(+0)    | 0(+1)    | 0(+0)    | 0(+0)      | 2(+0)     | 0(+0)    | 2(+1)      |

Source: Surveyed Khadi Institutions

Figures in bracket shows additions in the implements

The support facilities vide washing & dyeing units, number of sewing machines have increased substantially compared to other support facilities. Increase in support facilities have helped KIs to improve economies of scale by having own printing, design, sewing, testing and packaging facilities. This has also helped them decrease in cost of production by way of savings due to getting the job done internally instead of outsourcing and thereby increase in profit margins.

## 5.1.2 Khadi Promotion & Marketing initiatives

### 5.1.2.1 Khadi Mark Implementation

The Khadi mark was launched in year 2013 with the issue of the Khadi Mark Regulations 2013, with the purpose of authentication and identification of genuine khadi i.e. a cloth hand spun and hand woven in India from cotton silk or woollen yarn. It provided an identity to khadi as an assurance of purity and genuineness to customers to boost its sales and ensured a specified base earnings of artisans.

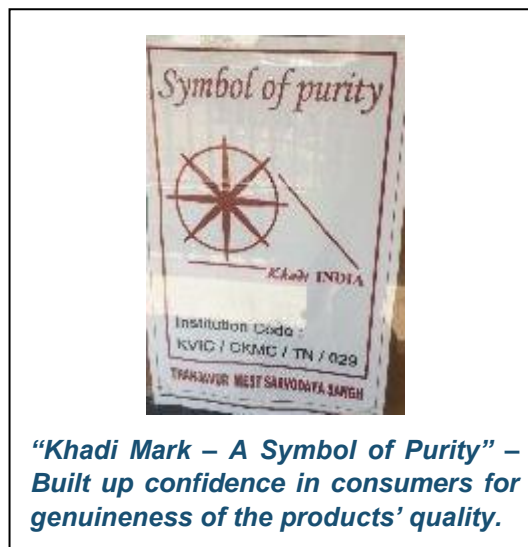
It is applicable to stake holders engaged in

- Production, sale or trading of khadi and khadi products
- Desirous of producing, selling or trading in khadi and khadi products
- Certified khadi institutions, who hold a valid certificate issued by the Commission.

No textile can be sold or otherwise traded by any person or certified khadi institution as khadi or khadi products in any form or manner without it bearing Khadi Mark tag or label. They shall affix Khadi Mark tag or label or both as may be decided by the Commission from time to time.

#### **Khadi Mark at Khadi Institution Level**

To understand the impact of the Khadi Mark, the consultant has collected the perception of the KI on the effectiveness of Khadi mark under different attributes. The perception is analysed and ranked as high, medium and low based on the number of multiple responses received from KIs, and the same is captured as per their zones as table below. Ranking is based on number of total positive responses received.



**Table 11: Khadi Mark and its Benefits**

| Zone  | Central  | North    | East     | North-East | South     | West     | TOTAL     |
|---|----------|----------|----------|------------|-----------|----------|-----------|
| <b>KRDP-KIs visited</b>                           | <b>8</b> | <b>4</b> | <b>8</b> | <b>2</b>   | <b>21</b> | <b>4</b> | <b>47</b> |
| a) Guarantee genuineness of Khadi                 | High     | Medium   | High     | Medium     | High      | High     | High      |
| b) Unique Identification of Khadi                 | High     | Medium   | Medium   | High       | High      | High     | High      |
| c) Increase in Sales                              | High     | Low      | High     | Medium     | Medium    | High     | High      |
| d) Improve Customer Awareness                     | Low      | Low      | Low      | High       | High      | Low      | Medium    |
| e) Increase Popularity of Khadi                   | Low      | Low      | Low      | Medium     | Medium    | Medium   | Low       |
| Problems faced after Implementation of Khadi Mark | Low      | Low      | Low      | Low        | Low       | Low      | Low       |
| Initiative taken by KI to promote Khadi Mark      | High     | Medium   | High     | Medium     | Medium    | Medium   | Medium    |
| <b>Other KIs visited</b>                          | <b>8</b> | <b>4</b> | <b>8</b> | <b>2</b>   | <b>21</b> | <b>4</b> | <b>47</b> |
| a) Guarantee genuineness of Khadi                 | Low      | Low      | Low      | Medium     | High      | Low      | Medium    |
| b) Unique Identification of Khadi                 | High     | Low      | Medium   | High       | High      | Low      | Medium    |
| c) Increase in Sales                              | High     | Low      | Low      | High       | Low       | Medium   | Medium    |
| d) Improve Customer Awareness                     | Low      | Low      | High     | Medium     | High      | Medium   | Medium    |
| e) Increase Popularity of Khadi                   | Low      | Low      | Low      | High       | High      | Low      | Medium    |
| Problems faced after Implementation of Khadi Mark | Low      | Medium   | Low      | Low        | Low       | Low      | Low       |
| Initiative taken by KI to promote Khadi Mark      | High     | Low      | High     | Medium     | High      | Low      | High      |

Source: Field survey of Khadi Institutions

Out of total KIs visited by the consultant, more than 60% KIs believe that the Khadi Mark helps them represent genuineness of Khadi products and provides unique identity to their products. Around 40-50% of the total visited KIs, believe that Khadi Mark has helped them increasing the sales and has increased popularity of Khadi.

More than 60% institutions have taken up additional efforts to promote Khadi Mark via various modes of marketing Khadi products thorough Khadi Mark.

It is observed from the study that Khadi Mark has impacted positively to both types of institutions vide under KRDP as well as non-KRDP by helping them prove genuineness of Khadi, improve customer awareness and thereby increase in sales.

There are few institutions who are facing problems on implementation of Khadi Mark due to the stringent process of KVIC on certification of stores to provide Khadi Mark. KIs have suggested to take necessary actions against uncertified Khadi stores. Few KIs feel Khadi Mark has increased their expenses towards development of tags and labels.

**Khadi tags and labels should be made a centralised process and monitoring process should be strong enough to avoid any malpractices by non-certified stores of khadi products.**

#### 5.1.2.2 Market Linked Pricing Mechanism

The cost based pricing of khadi was replaced by Market linked pricing. Khadi institutions formulate pricing strategies as determined by the market forces based on specific input provided by KVIC which also led to the introduction of Benefit chart in every KI. This helped institutions not only to provide better earning for artisans but also for karyakartas without any financial burden to the institution.

With the implementation of Market Linked Pricing, Khadi institutions have the flexibility to fix the prices of Khadi and Polyvastra products and have freedom to devise methods to increase sale and liquidate stock.

Accordingly, Khadi institutions are pricing Khadi and Polyvastra products in accordance with the trend of price of similar products in the open market. With the introduction of market linked pricing the Khadi products, with certain improvement in quality, design and packaging and targeted promotion are being sold at a price higher than the cost of the product.

*Zone wise perceptions of KI gathered from different institutions pertaining to the Market Linked Pricing Mechanism based on their effectiveness in High, Medium and Low categories are presented as below. Ranking is based on number of total positive responses received.*

**Table 12: Market Linked Pricing Mechanism**

| Zone   | Central  | North    | East     | North-East | South     | West     | TOTAL     |
|--|----------|----------|----------|------------|-----------|----------|-----------|
| <b>KRDP-KI</b>   | <b>8</b> | <b>4</b> | <b>8</b> | <b>2</b>   | <b>21</b> | <b>4</b> | <b>47</b> |
| Was it helpful   | Low      | Low      | Low      | High       | High      | Medium   | Medium    |
| a) Flexibility to Fix the Pricing                                    | High     | Low      | High     | Medium     | High      | Medium   | High      |
| b) Increase in Sale of Premium Product                               | Medium   | Low      | Medium   | Low        | High      | Medium   | High      |
| c) Increase in Sale of Liquidate Stock                               | High     | Low      | Medium   | Low        | High      | Medium   | Medium    |
| d) Increase in Profit Margin   | Low      | Low      | Low      | Medium     | Medium    | Low      | Low       |
| e) Distribution of Profit Sharing within Staff & Artisan             | Low      | Low      | Low      | Low        | Low       | Low      | Low       |
| Problems faced after Implementation of Market Linked Price Mechanism | High     | High     | Medium   | Low        | Low       | Low      | Low       |
| <b>Other KIs</b>   | <b>8</b> | <b>4</b> | <b>8</b> | <b>2</b>   | <b>21</b> | <b>4</b> | <b>47</b> |
| Was it helpful   | Low      | Low      | High     | High       | High      | High     | High      |
| a) Flexibility to Fix the Pricing                                    | Low      | High     | High     | Medium     | Medium    | Low      | Medium    |
| b) Increase in Sale of Premium Product                               | Low      | Low      | Medium   | High       | Medium    | Low      | Medium    |
| c) Increase in Sale of Liquidate Stock                               | Low      | Low      | Medium   | High       | Medium    | High     | Medium    |
| d) Increase in Profit Margin   | Low      | Low      | Medium   | Medium     | High      | High     | Medium    |
| e) Distribution of Profit Sharing within Staff & Artisan             | Low      | Low      | Low      | Low        | Low       | High     | Low       |
| Problems faced after Implementation of Market Linked Price Mechanism | High     | Low      | Low      | Low        | Low       | Low      | Low       |

Source: Field survey of Khadi Institutions

*KIs believe that the Market Linked Price Mechanism is helpful by providing flexibility to fix the price of premium products compared to open market price of products and the same has helped them to increase in sale of premium products and clearance of liquidated stock thereby increase in profits.*

*Problems faced after implementation of the Market Linked Price Mechanism primarily include maintaining separate records for the same. Also, fixing price for some products vis-à-vis open market price is difficult due to very high competition.*

### 5.1.2.3 Benefit Chart Implementation

Benefit chart acts as a guiding principle for utilization of the surplus generated from selling the products by the Khadi Institutions to customers, whole sellers and other alternate marketing channels, including Marketing Organization, at the market linked prices.

Surplus under benefit chart is defined as the difference between market linked pricing and the total cost of the product.

Surplus = Selling Price of the Product (Market Linked Price) – Total Cost of the product\*

\*Total Cost of the Product = Prime cost + Trade Expense + Insurance + Bank Interest + Establishment Expense (as per cost chart)

The difference between selling price, at which the products are sold to customers, whole sellers and other alternate marketing channels, including Marketing Organization at market linked pricing and actual costing of Khadi is surplus. Such surplus is utilized for distribution of incentives amongst the artisans and karyakartas, undertaking production and marketing reforms and capital formation for ensuring long term sustainability. This entire system is termed as 'benefit chart' which fulfils the underlying objective of KRDP of ensuring self-sustainability of khadi activities and providing maximum financial benefits to the artisans. Distribution / utilization of surplus is done as under:

50%: For benefit of artisans

20%: For Karyakartas / employees of KI

30%: For Product Development i.e. Skill development, Infrastructure development for production activities and Marketing development and capital formation.

*Zone wise perception of KIs regarding awareness of benefit chart mechanism and its implementation (question asked to only respondents who were aware of), its helpfulness and problems faced if any. The perception of KIs in High, Medium and Low are provided as table below. Ranking is based on number of total positive responses received.*

**Table 13: Benefit Chart**

| Zone   | Central  | North    | East     | North-East | South     | West     | TOTAL     |
|--|----------|----------|----------|------------|-----------|----------|-----------|
| <b>KRDP-KI visited</b>                               | <b>8</b> | <b>4</b> | <b>8</b> | <b>2</b>   | <b>21</b> | <b>4</b> | <b>47</b> |
| Awareness  | Medium   | High     | Medium   | High       | High      | High     | High      |
| Implementation of Benefit Chart                      | Medium   | Medium   | Medium   | High       | Medium    | Medium   | Medium    |
| Is it helpful  | Medium   | Medium   | Medium   | High       | Medium    | Medium   | Medium    |
| Problems faced after Implementation of Benefit Chart | Low      | Medium   | Low      | Medium     | Low       | Low      | Low       |
| <b>Other KIs visited</b>                             |          |          |          |            |           |          |           |
| Awareness  | Medium   | Medium   | High     | Medium     | High      | High     | High      |
| Implementation of Benefit Chart                      | Medium   | Medium   | High     | Low        | Medium    | Medium   | Medium    |
| Is it helpful  | Medium   | Medium   | High     | Low        | Medium    | Medium   | Medium    |
| Problems faced after Implementation of Benefit Chart | Low      | Low      | Low      | Low        | Low       | Low      | Low       |

Source: Field Survey of Khadi Institutions

*Awareness about benefit chart has been spread well across all zones in the country. However, actions like awareness campaign, circulation of pamphlets to KIs etc. may be taken up by KVIC to improve the awareness and benefits of Benefit Chart Mechanism.*

*It is learnt that out of total KIs visited by the consultant, only about half have implemented the mechanism. The KIs who have implemented the system have found it helpful. It is observed that around 5-10% Khadi institutions face problems like maintaining separate books of accounts / records and feel the process is complex.*

### 5.1.3 Impact of IT – MIS reforms

#### 5.1.3.1 Implementation of Integrated MIS

Management information system refers to the processing of information through computers to manage and support managerial decisions with real time data. KVIC has initiated the development and implementation of an MIS for the khadi institutions to assist the khadi institutions in the management of their inventory, finance, sales, and timely reporting to KVIC. Total computerisation of the khadi institutions developing an integrated



MIS for khadi sector which will enable the Secretary / Chairman of the Khadi institution to get all information about production, sale, expenditure and earning etc. on real time basis.

*The supply and installation of MIS related hardware and its implementation was under process during the time of survey. However, MIS was already installed and working at 50% of surveyed KRDP-KIs and most of them have found the system user-friendly and useful for data management other purposes. It is also learnt during the survey that KVIC has provided necessary training to most of the KRDP-KIs surveyed.*

*Out of surveyed KIs, 60% use computerised programs for their financial records and accounting purpose and balance 40% are still using manual accounting system.*

#### 5.1.4 Artisan Welfare

Artisan welfare plays an important role in Khadi sector as generation of employment and making artisans self-reliant is one of the important objective of the KVIC as well as KRDP.

Improvement in artisan welfare due to any intervention is going to help the sector to increase production as well quality of products. Due to more and more basic facilities and support provided by KIs would also attract other people to join Khadi sector thereby increasing employment.

##### 5.1.4.1 Basic Amenities for Artisans at CFC (Common Facility Centre)

Apart from employment, the consultant has also gathered details of basic amenities provided by institutions to artisans. Basic amenities at CFC mainly include providing work shed, sanitation facility, drinking water facility, storage room and basic health and safety measures taken care by KIs.

Zone wise responses gathered and status of providing basic amenities for artisans as stated above are tabulated here.

**Table 14: Basic Amenities for Artisans at CFC (Nos.)**

| Basic Amenities / Zones / No. KIs having / proposed CFC | Central | North | East | North-East | South | West | TOTAL | Total % |
|---|---------|-------|------|------------|-------|------|-------|---------|
|   | 8       | 4     | 8    | 2          | 18    | 3    | 43    |         |
| Work Shed   | 7       | 4     | 8    | 2          | 18    | 3    | 42    | 98%     |
| Separate work shed for women                            | 5       | 3     | 5    | 1          | 9     | 3    | 26    | 60%     |
| Sanitation facility                                     | 7       | 4     | 8    | 2          | 17    | 3    | 41    | 95%     |
| Separate sanitation facility for women                  | 6       | 3     | 6    | 1          | 17    | 3    | 36    | 84%     |
| Drinking Water  | 7       | 4     | 8    | 2          | 18    | 3    | 42    | 98%     |
| Storage Room  | 7       | 4     | 8    | 2          | 17    | 2    | 40    | 93%     |
| Safety Measures   | 7       | 3     | 8    | 1          | 16    | 2    | 37    | 86%     |

Source: Field survey of Khadi Institutions

*Out of total KRDP-KIs visited by the consultant, all KIs have either already developed a CFC or under construction phase.*

*It is mandatory for KIs to provide listed amenities to artisans working under CFC.*

*Separate work-shed for women or separate sanitation facility for women are not developed by few KIs as they have only women artisans working under CFC and facilities are developed only for women.*



**“Our CFC is built with all the basic amenities for Artisans and Staff.” - Shri Bimalananda Das – Secretary, Gramin Kutir Silpa Bhaban, Murshidabad, West Bengal**

*In case of other facilities, where the percentage coverage is found less than 100% is because few CFC are under construction phase and facilities would be developed at later stage.*

*Though most of the KIs have developed CFC have taken care of some safety measures like boundary wall, gate etc, the surveyed artisans felt a need for spreading awareness about health and safety measures like first aid kit, CCTV, security guard etc. This can be done through awareness campaign and supported by relevant training on health and safety measures for artisans working under a single roof.*

*Development of CFC has helped KIs to improve economies of scale by improvement in artisans' efficiency and thereby increasing production. This has also helped the sector to promote Khadi and improve market branding of KIs leading to attract youth to work for Khadi sector and thereby increasing employment.*

#### 5.1.4.2 Other Artisan Welfare Measures

Other artisan welfare measures include following compliances by KIs to have artisans' coverage under various components:

##### 1. Bank Account holding

Having bank account would help artisans to get their earnings directly credited to their bank account on timely basis. This would enable enhancement in saving and exploring more investment opportunities. Also, artisans would have records of wages getting deposited in their account.

##### 2. Membership under AWFT (Artisan Welfare Fund Trust) Fund

To support and safeguard the future of the artisans working under Khadi, the KVIC has constituted Artisan's Welfare Trusts wherein 12% wages contribution is collected from artisans and 12% is by Khadi Institutions. The funds are managed by the Trusts providing security of savings of Khadi artisans.

All the KIs are contributing to the Artisan Welfare Fund Trust (AWFT) as mandated. Thus, Artisans Welfare Fund Trust has been created in 21 states, covering 1,945 institutions and 1,10,000 artisans as of FY 2015-16.

##### 3. Membership under Janashree (Aam Aadmi) Bima Yojana

All Khadi artisans are proposed to be covered under Pradhan Mantri Suraksha Bima Yojana and Pradhan Mantri Jeevan Jyoti Bima Yojana retaining the benefits of Aam Aadmi Bima Yojana. All Khadi Artisans have been covered under Janashree Bima Yojana Scheme. This Scheme provides insurance cover against death and permanent/ partial disability due to accident. Besides this the scheme offers children educational allowances for up to two children of Khadi artisan, studying in IXth Std. to XIIth Std. including ITI @ Rs. 300/- per quarter without any additional premium.

Majority KIs have 100% enrolment of artisans in Janashree Beema Yojna (JBY). However, over one forth KIs have provided the JBY coverage to average 50% artisans. Following monetary benefits are provided to artisans under Janashree Beema Yojana –

- a. Natural Death - Rs. 30,000/-
- b. Death or total Permanent total disability - Rs. 75,000/-
- c. Partial permanent disability - Rs. 37,500/-
- d. Educational benefits - The two children of Khadi Artisan those who are studying IX Std. to XII Std. including ITI are eligible for scholarship of Rs. 300/- per quarter.

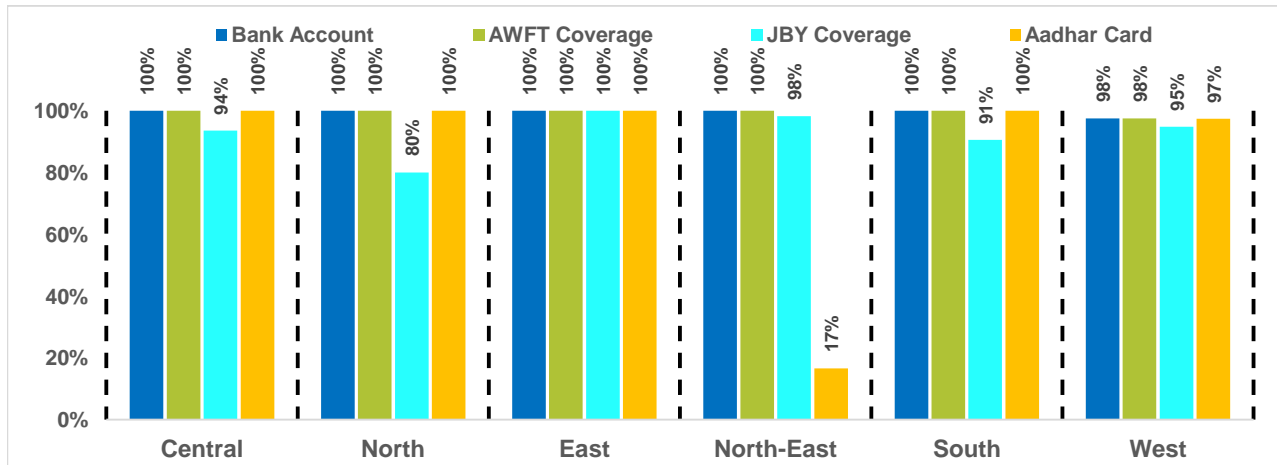
##### 4. Aadhar Card holding

As it has been made mandatory for all Indian citizens to link their bank accounts with Aadhar cards. The program has implemented across all states of India except in the state of Assam in North-east zone.

*Zone wise details of artisans covered under various components explained above has been depicted as graph below.*



**Figure 20: Artisans Coverage under Other Welfare Measures**



Source: Field survey of Khadi Institutions

Artisans of consulted KRDP-KIs have bank account and covered under AWFT fund. In case of West zone, the coverage in both components is 98%. The reasons behind the same may be due to newly joined artisans who are yet to open bank account and be covered under AWFT.

More than 90% artisans of consulted KRDP-KIs are covered under JBY scheme. Only in case of North zone, only 80% artisans of visited KRDP-KIs are covered under JBY scheme. The reason behind the same may be due to age of artisans being more than 60 years or there may be some newly joined artisans whose documentation would be in process.

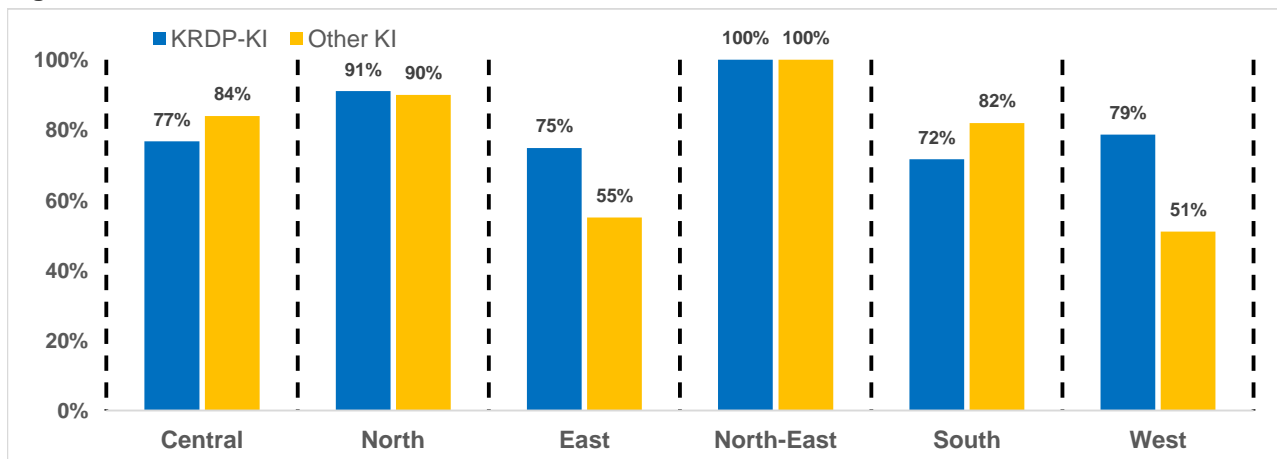
In North-east zone, the Aadhar card implementation is still not mandatory for the citizens in Assam and hence the coverage of artisans having Aadhar card is lower compared to other zones.

#### 5.1.4.3 Compliance to Governance by KRDP-KIs

**Female Artisans:** Gender mainstreaming is one of the objective of the KRDP. To assess the impact of the same, the consultant has collected details of number of female artisans of the Khadi Institutions consulted.

Zone wise ratio of female artisans of visited KIs are given as figure.

**Figure 21: Ratio of Female Artisans to the total Artisans**



Source: Field Survey of Khadi Institutes

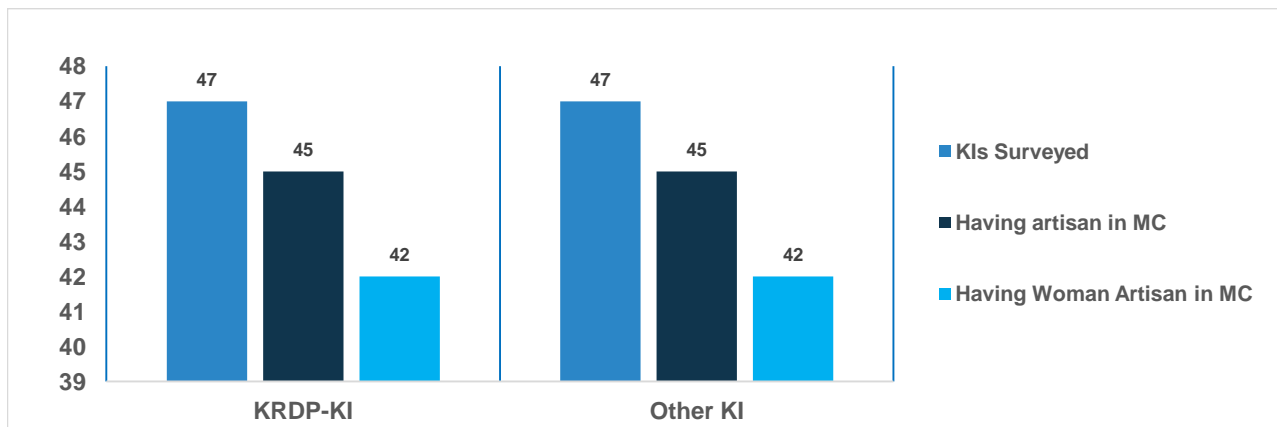
In total, out of total number of artisans of visited KRDP-KIs, more than 75% artisans are female. This shows the success of gender mainstreaming initiatives under taken by KVIC.

It is observed that out of surveyed KIs, KRDP-KIs have more than 75% female artisans compared to Other KIs having around 50% female artisans. Thus, it can be said that KRDP has opened sources of income for women, helped them to be economically stronger and self-reliant. Earning by women artisans would help them improve their life style and thereby supporting them to take better health benefits.

### Presence and participation of artisans in governing body

Considering the importance of artisans in khadi sector, KRDP emphasizes on artisans being the integral part of Khadi institution’s management. Governance at KI level mainly comprises of representation of the artisans and women artisans in the governing body / management committee and their active participation in the decision-making process. Zone wise details of consulted KRDP funded KIs having presence of artisans and woman artisans in Management Committee has been depicted as graph below.

**Figure 22: Artisans and Managing Committee**



Source: Field survey of Khadi Institutes

Total four KIs (Two out of 47 KRDP-KIs and two from 47 Other KIs) do not have artisans as part of management committee. In case of KRDP-KIs, one KI in East zone and one in South zone do not have artisans in their management committee. KI in east zone feels that artisans would take misleading advantage being members of committee while in South zone, the management committee of the KI is in dormant phase.

Total five KRDP-KIs are identified not having woman artisans as member of their management committee, one in North zone, two in east zone (includes one as mentioned above which has no artisans in management committee), one in south zone (as mentioned above it has no artisans in management committee) and one in west zone.

Presence of artisans in management committee represents all artisans of the KI. Their presence in management committee helps KIs to understand the issues and welfare needs of artisans and provide assistance to the KI in decision making process. Presence of woman artisan in the management committee who actively participate in decision making process and thus the welfare needs of female artisans are identified, understood and addressed effectively.

#### 5.1.4.4 Training of Artisans

Artisans are provided trainings to upgrade their skills, to transmit knowledge and to develop personality traits to impart capabilities for adapting new skills, techniques and technologies. Also, to bring better workmanship for the available equipment and technology and enable them to achieve higher earnings.

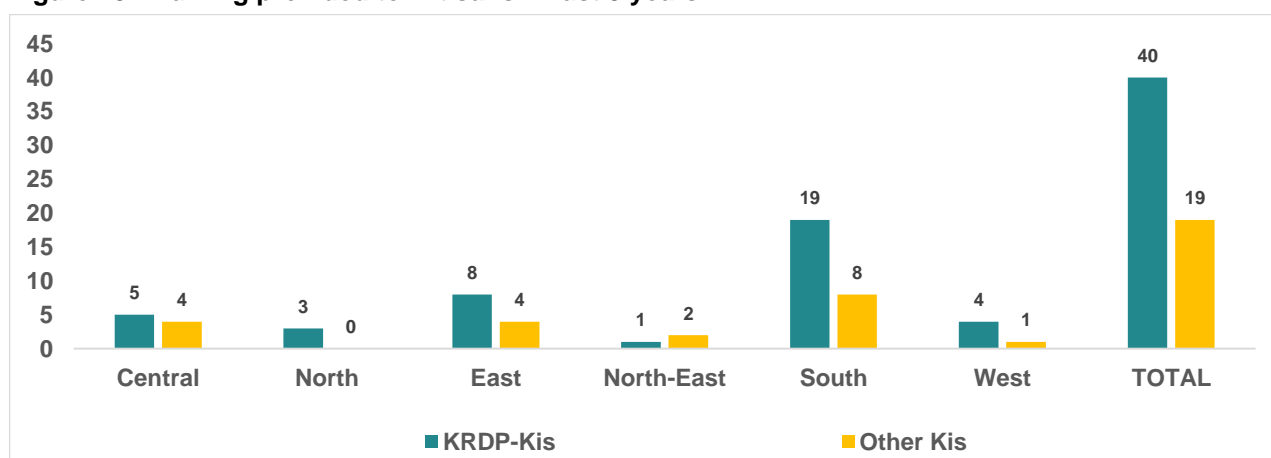
Various trainings available for artisans are-

1. Skill Development Training Programme in Khadi and Village Industries
2. Specialized Training
3. Peripatetic Training Programme
4. Exposure Visit
5. Entrepreneurship Development Programme

Most of the KIs enrolled the artisans for skill trainings in spinning and weaving. Out of 89,122 persons trained during the year 2015-16 on various training programmes women trainees outnumbered men in training programme of KVIC with 50.64 % of women participants.

Zone wise details of consulted KIs conducted training of artisans through various mediums during last 5 years has been depicted as graph below.

**Figure 23: Training provided to Artisans in last 5 years**



Source: Field survey of Khadi Institutes

Out of total KIs surveyed by the consultant, around 85% KRDP-Kis and 40% Other KIs have reported trainings conducted for artisans during last 5 years of horizon. Training to artisans has a direct impact on quality and quantity of production. Also, improvement in quantity of production leads to increase in earnings of the artisans.

#### 5.1.4.5 Production per Artisan

Based on the data provided by Khadi institutions surveyed by the consultant, the consultant has assessed production per artisan in year 2016-17 vis-à-vis year 2011-12. It is observed that out of 47 KRDP-KIs, 22 KIs have reported increase in production per artisan. It is worthwhile to note that all 12 KIs who have received DRA before year 2014, have reported increase in production per Artisan. The figures above clearly indicate improvement in production capacity of artisans as well as increase in employment over period by KRDP-KIs.

## 5.2 Field Survey Findings - Artisan level

Consultation was done on an average 20 artisans per Khadi Institution visited. The consultation was carried out through a structured questionnaire. Zone wise number of artisans surveyed by the consultant is given as table below.

**Table 15: Artisans surveyed and total no of artisan in the surveyed KIs**

| Zone    | KRDP-KIs |       | Other KIs |       | TOTAL    |       |
|---------|----------|-------|-----------|-------|----------|-------|
|         | Surveyed | Total | Surveyed  | Total | Surveyed | Total |
| Central | 160      | 3701  | 163       | 1108  | 323      | 4809  |
| North   | 81       | 2001  | 82        | 367   | 163      | 2368  |

| Zone         | KRDP-KIs   |              | Other KIs  |              | TOTAL       |              |
|--------------|------------|--------------|------------|--------------|-------------|--------------|
| East         | 160        | 2173         | 167        | 1516         | 327         | 3689         |
| North-East   | 38         | 295          | 33         | 491          | 71          | 786          |
| South        | 426        | 6463         | 415        | 6739         | 841         | 13202        |
| West         | 80         | 1576         | 75         | 447          | 155         | 2023         |
| <b>TOTAL</b> | <b>945</b> | <b>16209</b> | <b>935</b> | <b>10668</b> | <b>1880</b> | <b>26877</b> |

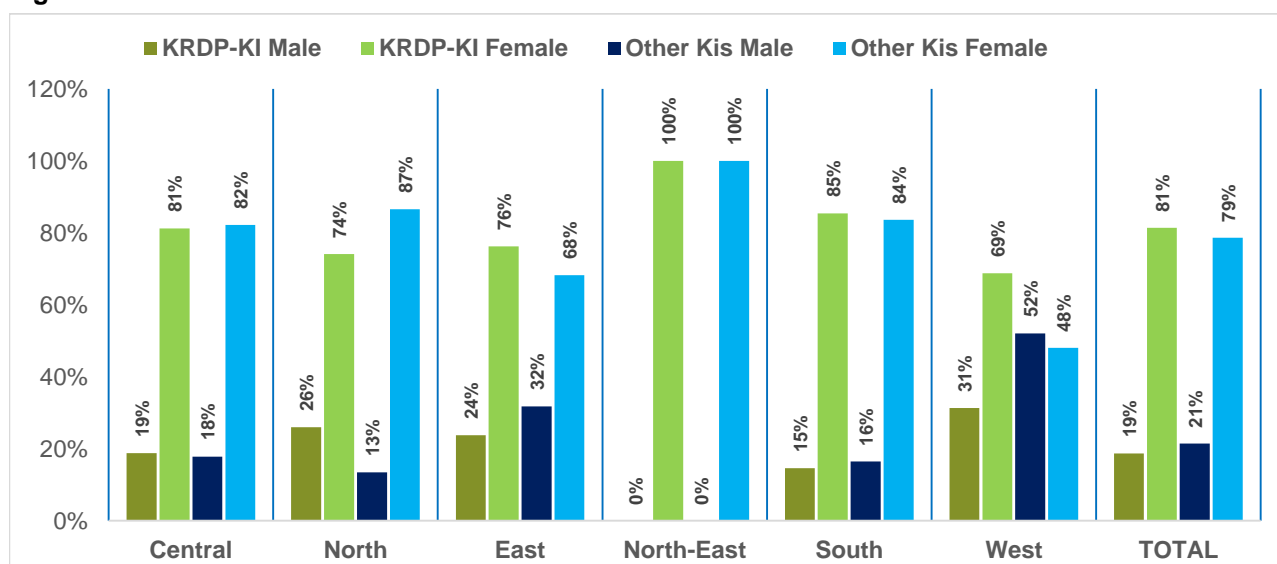
Source: Artisans Survey

## 5.2.1 Artisans Demographic Profile

### 5.2.1.1 Gender

Artisans were selected randomly for the interview. Out of total artisans met by the consultant, around 80% are female which follows the pattern of more than 75% female artisans working in the Khadi sector. Zone wise distribution of artisans into male and female is given as graph below.

Figure 24: Artisans Gender Profile



Source: Artisans Survey

### 5.2.1.2 Caste

Caste wise mix of artisans interviewed has been given as table below.

Table 16: Artisans Social Class (Nos.)

| Zone / Caste | KRDP-KIs   |           |            |            | Other KIs  |           |            |            |
|--------------|------------|-----------|------------|------------|------------|-----------|------------|------------|
|              | SC         | ST        | OBC        | Gen        | SC         | ST        | OBC        | Gen        |
| Central      | 32         | 4         | 75         | 49         | 68         | 5         | 38         | 52         |
| North        | 24         | 0         | 35         | 22         | 45         | 0         | 30         | 7          |
| East         | 8          | 0         | 47         | 105        | 30         | 1         | 14         | 122        |
| North-East   | 14         | 0         | 5          | 19         | 1          | 4         | 26         | 2          |
| South        | 30         | 0         | 225        | 171        | 13         | 0         | 357        | 45         |
| West         | 56         | 6         | 1          | 17         | 53         | 0         | 14         | 8          |
| <b>TOTAL</b> | <b>164</b> | <b>10</b> | <b>388</b> | <b>383</b> | <b>210</b> | <b>10</b> | <b>479</b> | <b>236</b> |

Source: Artisans Survey

### 5.2.1.3 Literacy Level

Literacy level wise distribution of artisans interviewed has been given as table below.

**Table 17: Artisans Literacy Level (Nos.)**

| Zone / Literacy Level | KRDP-KIs   |                   |                 |                 |            |               | Other KIs  |                   |                 |                 |            |               |
|-----------------------|------------|-------------------|-----------------|-----------------|------------|---------------|------------|-------------------|-----------------|-----------------|------------|---------------|
|                       | Illiterate | Only Read & Write | Up to 10th Std. | Up to 12th Std. | Graduate   | Post Graduate | Illiterate | Only Read & Write | Up to 10th Std. | Up to 12th Std. | Graduate   | Post Graduate |
| Central               | 34         | 2                 | 28              | 59              | 14         | 22            | 40         | 1                 | 44              | 42              | 18         | 14            |
| North                 | 26         | 0                 | 12              | 20              | 15         | 4             | 48         | 7                 | 10              | 9               | 4          | 2             |
| East                  | 31         | 11                | 40              | 55              | 18         | 4             | 35         | 9                 | 44              | 47              | 18         | 6             |
| North-East            | 10         | 13                | 2               | 7               | 2          | 3             | 9          | 3                 | 4               | 8               | 8          | 0             |
| South                 | 134        | 15                | 113             | 52              | 85         | 17            | 108        | 28                | 109             | 80              | 62         | 20            |
| West                  | 15         | 5                 | 10              | 9               | 29         | 9             | 17         | 7                 | 12              | 13              | 12         | 6             |
| <b>TOTAL</b>          | <b>250</b> | <b>46</b>         | <b>205</b>      | <b>202</b>      | <b>163</b> | <b>59</b>     | <b>257</b> | <b>55</b>         | <b>223</b>      | <b>199</b>      | <b>122</b> | <b>48</b>     |

Source: Artisans Survey

### 5.2.1.4 Association with KIs

Distribution of artisans interviewed based on their duration of association with KIs has been given as table below.

**Table 18: Artisans' Duration of association with KI (Nos.)**

| Zone         | KRDP-KIs  |           |            |            |            | Other KIs |           |            |            |            |
|--------------|-----------|-----------|------------|------------|------------|-----------|-----------|------------|------------|------------|
|              | <=1       | 1-2 Yr    | 2-5 Yr     | 5-10 Yr    | >=10 Yr    | <=1       | 1-2 Yr    | 2-5 Yr     | 5-10 Yr    | >=10 Yr    |
| Central      | 0         | 3         | 14         | 31         | 112        | 0         | 2         | 27         | 54         | 80         |
| North        | 4         | 21        | 4          | 14         | 38         | 0         | 5         | 17         | 15         | 45         |
| East         | 1         | 4         | 20         | 45         | 90         | 16        | 17        | 20         | 55         | 59         |
| North-East   | 13        | 5         | 9          | 6          | 5          | 0         | 2         | 3          | 4          | 24         |
| South        | 38        | 53        | 41         | 45         | 249        | 1         | 12        | 52         | 85         | 265        |
| West         | 1         | 1         | 13         | 16         | 49         | 0         | 1         | 15         | 8          | 51         |
| <b>TOTAL</b> | <b>57</b> | <b>87</b> | <b>101</b> | <b>157</b> | <b>543</b> | <b>17</b> | <b>39</b> | <b>134</b> | <b>221</b> | <b>524</b> |

Source: Artisans Survey

It can be seen from the table above that more than 70% artisans are associated with KIs for more than 5 years. Considering the profile of association of artisans with less than 2 years of duration, more number of new artisans have been employed by KRDP-KIs.

### 5.2.1.5 Type of Activity

Distribution of artisans interviewed based on type of activity done by them for KI is given below.

**Table 19: Activity of Artisans (Nos.)**

| Zone / Type of Activity | KRDP-KIs   |            |           | Other KIs  |            |           |
|-------------------------|------------|------------|-----------|------------|------------|-----------|
|                         | Spinning   | Weaving    | Others#   | Spinning   | Weaving    | Others#   |
| Central                 | 127        | 33         | 0         | 139        | 24         | 0         |
| North                   | 52         | 29         | 0         | 76         | 6          | 0         |
| East                    | 119        | 29         | 12        | 107        | 33         | 27        |
| North-East              | 28         | 10         | 0         | 17         | 16         | 0         |
| South                   | 311        | 104        | 11        | 286        | 123        | 6         |
| West                    | 48         | 32         | 0         | 48         | 27         | 0         |
| <b>TOTAL</b>            | <b>685</b> | <b>237</b> | <b>23</b> | <b>673</b> | <b>229</b> | <b>33</b> |

Source: Artisans Survey #Others include tailors, ironman, designers etc.

It can be seen from the table above that more than 70% of the artisans surveyed were spinners.

KIs have provided necessary implements to all artisans based on their type of work. Zone wise details of artisans surveyed based on implements provided by KIs is provided as table.

**Table 20: Implements provided by KIs to Artisans (Nos.)**

| Zone / Implements | KRDP-KIs   |           |                |           | Other KIs  |           |                |           |
|-------------------|------------|-----------|----------------|-----------|------------|-----------|----------------|-----------|
|                   | Charkha    | Looms     | Reeling Basins | Others    | Charkha    | Looms     | Reeling Basins | Others    |
| Central           | 127        | 0         | 33             | 13        | 139        | 0         | 24             | 0         |
| North             | 52         | 0         | 29             | 0         | 76         | 0         | 6              | 0         |
| East              | 104        | 11        | 29             | 47        | 107        | 24        | 33             | 41        |
| North-East        | 28         | 0         | 10             | 0         | 13         | 0         | 16             | 9         |
| South             | 310        | 16        | 104            | 2         | 286        | 3         | 123            | 15        |
| West              | 48         | 0         | 32             | 0         | 48         | 5         | 27             | 0         |
| <b>TOTAL</b>      | <b>669</b> | <b>27</b> | <b>237</b>     | <b>62</b> | <b>669</b> | <b>32</b> | <b>229</b>     | <b>65</b> |

Source: Artisans Survey Note: The difference between no. of spinners and no. of charkha is due to many spinners are using



“Taki” instead of Charkha

### 5.2.2 Support Facilities by KIs

Consultant has assessed the support facilities in terms of work shed and warping units provided by KIs to artisans. Zone wise details of artisans interviewed with support facilities provided by KIs has been provided below.



**Table 21: Support Facility provided by KIs to Artisans (Nos.)**

| Zone / Support facilities | KRDP-KIs  |              | Other KIs |              |
|---------------------------|-----------|--------------|-----------|--------------|
|                           | Work-shed | Warping Unit | Work-shed | Warping Unit |
| Central                   | 25        | 33           | 17        | 24           |
| North                     | 56        | 29           | 9         | 6            |
| East                      | 88        | 29           | 80        | 33           |
| North-East                | 15        | 10           | 9         | 16           |
| South                     | 231       | 104          | 214       | 123          |
| West                      | 40        | 32           | 21        | 27           |

| Zone /       | KRDP-KIs   |            | Other KIs  |            |
|--------------|------------|------------|------------|------------|
| <b>TOTAL</b> | <b>455</b> | <b>237</b> | <b>350</b> | <b>229</b> |

Source: Artisans Survey

Note: Multiple answers captured

It can be inferred from the table above that more number of artisans employed in KRDP-KIs have work sheds compared to Other KIs which shows artisans' welfare has improved under KRDP.

### 5.2.3 Participation in Exhibitions

Zone wise responses of artisans pertaining to their participation in exhibitions conducted by KI, KVIC, state government is given below.

**Table 22: Artisans Participation in Exhibitions (Nos.)**

| Zone         | Participation in Exhibitions |           |
|--------------|------------------------------|-----------|
|              | KRDI-KIs                     | Other-KIs |
| Central      | 13                           | 13        |
| North        | 0                            | 0         |
| East         | 1                            | 4         |
| North-East   | 11                           | 9         |
| South        | 32                           | 14        |
| West         | 5                            | 2         |
| <b>TOTAL</b> | <b>62</b>                    | <b>42</b> |

Source: Artisans Survey

It can be observed from the graph that artisans' participation in exhibitions is higher in case of KRDP-KIs which shows participation of artisans' in sales and promotion of Khadi products.



**Participated in State Exhibition organised by our KI** - Smt. Pratima Mondal, Artisan, Bharat Khadi Sevak Sangh, Murshidabad, West Bengal

### 5.2.4 Capacity Building

Zone wise responses of artisans pertaining to different trainings attended in past conducted by KI or KVIC is given below.

**Table 23: Artisans Participation in Trainings (Nos.)**

| Zone         | KRDI-KIs   | Other-KIs  |
|--------------|------------|------------|
| Central      | 75         | 76         |
| North        | 43         | 3          |
| East         | 77         | 30         |
| North-East   | 20         | 24         |
| South        | 199        | 113        |
| West         | 20         | 20         |
| <b>TOTAL</b> | <b>434</b> | <b>266</b> |

Source: Artisans Survey

It can be observed from the graph that artisans' participation in training conducted by KI or KVIC is higher in case of KRDP-KIs (around 45% artisans surveyed) compared to Other KIs (around 30% of artisans surveyed) which is a positive sign for initiatives undertaken by KIs on capacity building of artisans. Artisans of KRDP-KIs, who have attended one or more training, more than 60% artisans have attended Skill Development training followed by Spinning related training (around 30% artisans) and others have attended orientation and weaving related trainings. All artisans have given positive response to the helpfulness of training/s.

On the other hand, artisans of Other KIs who have attended training, around 55% artisans have attended spinning related trainings followed by skill development training (around 35%) and other have availed weaving related training. All artisans have given positive response to the helpfulness of training/s.



Moreover, under KRDP, KIs have provided new implements to existing artisans and employed new artisans who need to be well trained for enhancing their production capacity.

## 5.2.5 Artisan Welfare

### 5.2.5.1 AWFT Membership

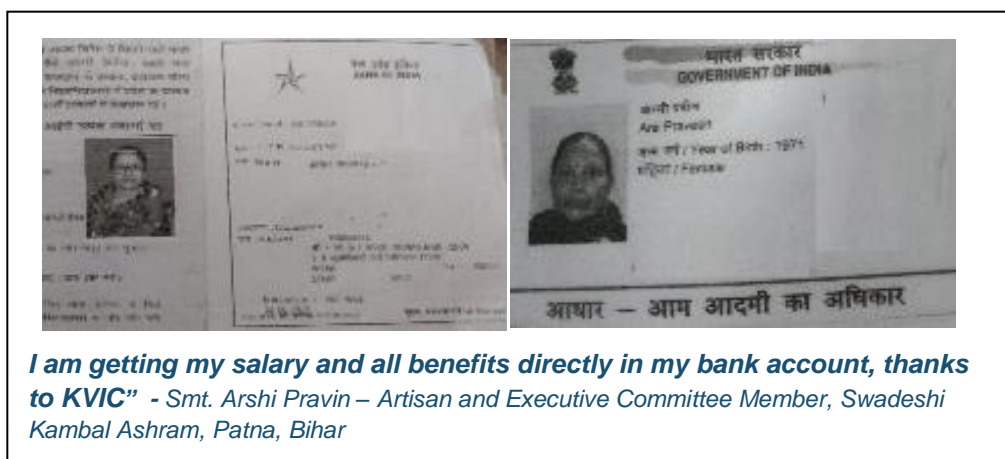
It is observed from the survey that almost 100% artisans of KRDP-KIs surveyed are covered under AWFT membership. However, it is learnt that in around 40% cases, the passbook of artisans to maintain their records of contribution are hold by their respective KIs.

In Kerala state, it is noted that instead of AWFT membership, artisans have membership in Kerala Khadi Worker's Welfare Fund Board (KKWWFB) managed by Kerala State.

**AWFT is also known as “Kapat – Jamat” fund in North-east zone and as “Kamdar Kalyan Kosh” in central zone.**

### 5.2.5.2 Bank Account and Aadhar Card

It is learnt from the study that 100% artisans surveyed by the consultant have bank account as well as Aadhar card. Only in case of North-east, it is found that all the artisans do not have Aadhar card as the same is not implemented in Assam State.



### 5.2.5.3 Awareness about Benefit Chart

It is observed from the survey that very few artisans surveyed were aware about benefit chart scheme of KVIC. The same should be noted and an awareness program should be arranged at both KI as well as artisans level.

### 5.2.5.4 Janashree (Aam Adami) Bima Yojana

Zone wise participation of artisans in JBY is depicted as graph below.

**Table 24: Artisans Participation in JBY (Nos.)**

| Zone         | Participation in JBY |            |
|--------------|----------------------|------------|
|              | KRDI-KIs             | Other-KIs  |
| Central      | 160                  | 116        |
| North        | 71                   | 66         |
| East         | 159                  | 138        |
| North-East   | 37                   | 15         |
| South        | 408                  | 388        |
| West         | 80                   | 74         |
| <b>TOTAL</b> | <b>915</b>           | <b>797</b> |

Source: Artisans Survey

It can be observed from the graph that more than 95% artisans of KRDP-KIs interviewed are part of JBY. On the other hand, overall 80% artisans of Other KIs interviewed are part of JBY scheme. Responses may differ as it is also learnt during survey that few artisans are not aware about the insurance scheme.

In case of Kerala state, the state board has its separate scheme of insurance coverage for artisans. Artisans are may also be covered under the same.

#### 5.2.5.5 Basic amenities at CFC

Some artisans who are working in CFC were surveyed by the consultant. Almost all CFC centres include basic amenities like sanitation facilities along with separate toilets for women, drinking water facility and storage room. There are few CFCs which are lack of health and safety measures which should be taken care by providing first aid facility, boundary walls and other security measures necessary.



**“In our CFC, all the basic amenities like drinking water, sanitation facilities etc. are provided by our KI”** Smt. Bani Dev –  
Artisan & Executive Member  
of Managing Committee,  
Gramin Kutir Silpa Bhaban,  
Murshidabad, West Bengal

### 5.3 Field Survey Findings - Managerial staff at Sales Outlet

Managerial staff at sales outlet was conducted to identify effectiveness of capacity building programs undertaken, awareness and effectiveness of various KVIC initiatives taken by KVIC to promote Khadi and management information system. The interviews also captured participation of sales outlet staff in various marketing initiatives and ranking of factors considered by consumers while buying KVI products.

Zone wise number of managerial staff at sales outlet surveyed by the consultant is given as table below.

**Table 25: Zone wise Managerial Staff Surveyed (Nos.)**

| Zone         | KRDP-KIs                         | Other KIs                        |
|--------------|----------------------------------|----------------------------------|
|              | Managerial Staff at Sales Outlet | Managerial Staff at Sales Outlet |
| Central      | 8                                | 8                                |
| North        | 4                                | 4                                |
| East         | 8                                | 8                                |
| North-East   | 2                                | 2                                |
| South        | 21                               | 21                               |
| West         | 4                                | 4                                |
| <b>TOTAL</b> | <b>47</b>                        | <b>47</b>                        |

Source: MM Field Survey

#### 5.3.1.1 Capacity Building / Training

The consultant identified whether managerial staff of sales outlets have attained various trainings provided by KVIC / KI and their views on the same about quality and helpfulness of the training. Different trainings attended by managerial staff and its effectiveness are explained hereunder.

**Table 26: Capacity Building and Training of Sales Outlet Managers (Nos.)**

| Type of Training / Zone                     | Central  | North    | East     | North-East | South     | West     | TOTAL     |
|---|----------|----------|----------|------------|-----------|----------|-----------|
| <b>KRDP-KIs – Managerial Staff Surveyed</b> | <b>8</b> | <b>4</b> | <b>8</b> | <b>2</b>   | <b>21</b> | <b>4</b> | <b>47</b> |
| Skill Development                           | 5        | 1        | 2        | 1          | 7         | 1        | 17        |
| Sales Related                               | 4        | 3        | 4        | 0          | 7         | 2        | 20        |

| Type of Training / Zone                      | Central  | North    | East     | North-East | South     | West     | TOTAL     |
|--|----------|----------|----------|------------|-----------|----------|-----------|
| Product Awareness                            | 4        | 1        | 2        | 0          | 3         | 1        | 11        |
| MIS / Accounting related                     | 1        | 1        | 4        | 0          | 6         | 2        | 14        |
| <b>Other KIs - Managerial Staff Surveyed</b> | <b>8</b> | <b>4</b> | <b>8</b> | <b>2</b>   | <b>21</b> | <b>4</b> | <b>47</b> |
| Skill Development                            | 4        | 0        | 1        | 0          | 5         | 0        | 10        |
| Sales Related                                | 2        | 1        | 2        | 0          | 13        | 1        | 19        |
| Product Awareness                            | 2        | 1        | 0        | 0          | 5         | 0        | 8         |
| MIS / Accounting related                     | 1        | 0        | 1        | 0          | 5         | 0        | 7         |

Source: Managerial Staff Consultation Multiple training attended by single respondent

A demarcation between training attended by managerial staffs of sales outlets of KRDP-KIs and Other KIs can be observed from the table above. Sales related training and product awareness trainings are directly related to capacity building of sales staff in sales outlets while other trainings are related to skill development, MIS / accounting related trainings which are availed by managerial staff.

Most of the managerial staff, the consultant has interviewed have attended one or more trainings. All of them have rated the quality of training either good or average and all of them have found the trainings helpful to improve their performance.

### 5.3.1.2 KVIC Initiatives

KVIC initiatives pertaining to Khadi promotion and their awareness to managerial staff at sales outlets was assessed to understand the effectiveness of various initiatives. The responses captured are tabulated below.

Awareness of managerial staff about Khadi Mark implementation, Market Linked price mechanism and Benefit chart is provided as table.

**Table 27: Awareness about KVIC Initiatives in Sales Outlets (Nos.)**

| Zone         | KRDP-KIs                     |                               |                      | Other-KIs                    |                               |                      |
|--------------|------------------------------|-------------------------------|----------------------|------------------------------|-------------------------------|----------------------|
|              | Implementation of Khadi Mark | Market Linked Price Mechanism | Benefit Chart Scheme | Implementation of Khadi Mark | Market Linked Price Mechanism | Benefit Chart Scheme |
| Central      | 8                            | 2                             | 2                    | 6                            | 5                             | 4                    |
| North        | 4                            | 1                             | 1                    | 4                            | 3                             | 2                    |
| East         | 8                            | 4                             | 2                    | 5                            | 2                             | 2                    |
| North-East   | 2                            | 2                             | 2                    | 2                            | 2                             | 0                    |
| South        | 20                           | 12                            | 9                    | 19                           | 11                            | 11                   |
| West         | 4                            | 2                             | 0                    | 2                            | 2                             | 1                    |
| <b>TOTAL</b> | <b>46</b>                    | <b>23</b>                     | <b>16</b>            | <b>38</b>                    | <b>25</b>                     | <b>20</b>            |

Source: MM Field Survey

Most of managerial staff interviewed across all zones were aware about Khadi mark implementation. However, awareness campaigns, programs should be taken up by KVIC or KIs to spread awareness about the other programs of Market Linked Price Mechanism and Benefit charts. Most of the staff who are aware about these initiatives, have found it effective and helpful.

### 5.3.1.3 Participation in Marketing Initiatives and its effectiveness

Most of managerial staff participate in marketing initiatives undertaken by sales outlets. Zone wise



**“Renovated Sales Outlet and Advertising Gate on Durga Pooja Festival – part of our Marketing Initiatives” - Shri Rajat Dube – Sales Manager & CFC In-charge, Gramin Kutir Silpa Bhaban, Murshidabad, West Bengal**

ratio of participation by managerial staff interviewed in marketing initiatives is depicted as table below.

**Table 28: Participation in Marketing Initiatives (Nos.)**

| Marketing Initiatives                | Zone    |       |      |            |       |      | TOTAL     |
|--------------------------------------|---------|-------|------|------------|-------|------|-----------|
|                                      | Central | North | East | North-East | South | West |           |
| <b>KRDP KIs</b>                      |         |       |      |            |       |      |           |
| Renovation of Sales Outlets          | 4       | 3     | 6    | 1          | 16    | 3    | <b>33</b> |
| Advertising / Pamphlets Distribution | 8       | 4     | 7    | 1          | 17    | 4    | <b>41</b> |
| Participation in Exhibitions         | 5       | 4     | 6    | 2          | 17    | 3    | <b>37</b> |
| New Variety / Designs                | 1       | 4     | 3    | 2          | 17    | 3    | <b>30</b> |
| <b>Other KIs</b>                     |         |       |      |            |       |      |           |
| Renovation of Sales Outlets          | 2       | 2     | 1    | 2          | 13    | 0    | <b>20</b> |
| Advertising / Pamphlets Distribution | 7       | 4     | 4    | 2          | 14    | 2    | <b>33</b> |
| Participation in Exhibitions         | 5       | 3     | 3    | 2          | 17    | 2    | <b>32</b> |
| New Variety / Designs                | 2       | 3     | 2    | 2          | 12    | 1    | <b>22</b> |

Source: Managerial Staff Consultation

Managerial staff of KRDP-KIs is found more active in participation of marketing initiatives undertaken compared to sales outlets of Other KIs.

#### 5.3.1.4 Factors considered by Consumers while buying Khadi products from their sales outlet

Managerial staff of sales outlet were asked to rate the factors considered by consumers of Khadi products while buying. Eight factors were provided to the staff to rank from 1 to 8 based on importance of the factor for the consumers.

Staff has given maximum rating to quality of product (60%) followed by Price (17%), Khadi Mark (10%), comfort (6%) and other factors.

## 5.4 Field Survey Findings - Consumer Perception

The consultant has conducted personal interviews of more than 600 consumers across all zones in India to understand their perception on KVI products. Consumers include both users as well as non-users of the KVI products. Zone wise number of consumers interviewed by the consultant is tabulated below.

**Table 29: Zone wise No. of Consumers (Nos.)**

| Zone    | No. of Consumers |
|---------|------------------|
| Central | 155              |
| North   | 87               |
| East    | 174              |
| South   | 174              |
| West    | 86               |

| Zone         | No. of Consumers |
|--------------|------------------|
| <b>TOTAL</b> | <b>676</b>       |

Source: MM Field survey

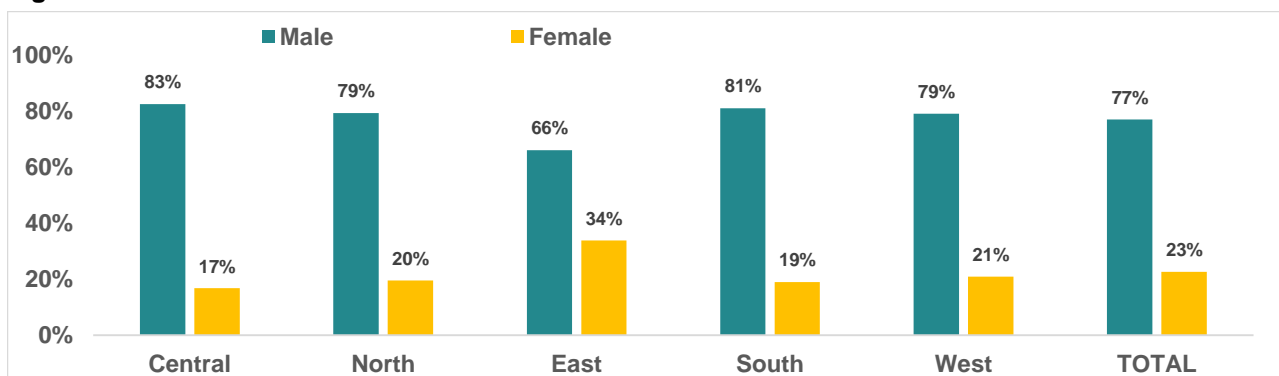
### 5.4.1 Consumer Profile

Zone wise profile of consumers interviewed is provided as next section of the report.

#### 5.4.1.1 Gender

Overall, the consultant has interviewed 77% males and 23% female consumers to understand perception of consumers on Khadi products.

**Figure 25: Gender wise Consumers**

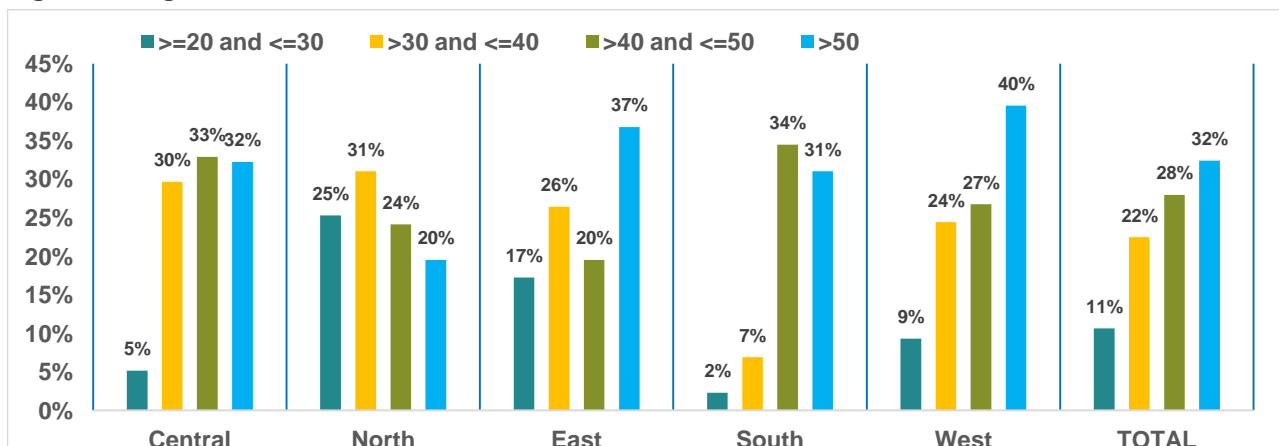


Source: Consumers Survey

#### 5.4.1.2 Age Group

Age wise distribution of consumers interviewed is provided below.

**Figure 26: Age details of Consumers**



Source: Consumers Survey

The consultant has interviewed consumers among all age groups.

#### 5.4.1.3 Education Level

Education wise distribution of consumers interviewed is tabulated below.

**Table 30: Education details of Consumers**

| Education / Zone    | Central | North | East | South | West | TOTAL |
|---------------------|---------|-------|------|-------|------|-------|
| 1) Illiterate       | 0%      | 2%    | 0%   | 2%    | 0%   | 1%    |
| 2) Literate         | 0%      | 5%    | 0%   | 3%    | 0%   | 1%    |
| 3) Primary          | 12%     | 23%   | 1%   | 7%    | 7%   | 9%    |
| 4) Higher Secondary | 44%     | 32%   | 14%  | 30%   | 16%  | 28%   |
| 5) Graduate         | 38%     | 26%   | 62%  | 25%   | 42%  | 40%   |
| 6) Post Graduate    | 5%      | 6%    | 24%  | 27%   | 21%  | 18%   |
| 7) Others           | 1%      | 5%    | 0%   | 5%    | 14%  | 4%    |

Source: Consumers Survey

The consultant has interviewed all categories of consumers among all education levels.

#### 5.4.1.4 Occupation

The consultant has interviewed consumers among all occupation group. The distribution of consumers among occupation groups is tabulated below.

**Table 31: Occupation details of consumers**

| Occupation / Zone | Central | North | East | South | West | TOTAL |
|-------------------|---------|-------|------|-------|------|-------|
| 1) Service        | 48%     | 75%   | 44%  | 30%   | 42%  | 45%   |
| 2) Business       | 20%     | 5%    | 20%  | 22%   | 26%  | 19%   |
| 3) Student        | 1%      | 1%    | 6%   | 0%    | 5%   | 3%    |
| 4) Housewife      | 12%     | 10%   | 15%  | 8%    | 10%  | 11%   |
| 5) Retired        | 15%     | 5%    | 13%  | 13%   | 14%  | 12%   |
| 6) Others         | 4%      | 3%    | 2%   | 28%   | 3%   | 9%    |

Source: Consumers Survey

#### 5.4.1.5 Income Group

The consultant has interviewed consumers among all income group. The distribution of consumers among income groups is tabulated below.

**Table 32: Income details of consumers**

| Income / Zone       | Central | North | East | South | West | TOTAL |
|---------------------|---------|-------|------|-------|------|-------|
| 1) < INR 10000      | 40%     | 29%   | 2%   | 15%   | 9%   | 18%   |
| 2) INR 10001-25000  | 35%     | 33%   | 51%  | 30%   | 22%  | 36%   |
| 3) INR >25001       | 10%     | 13%   | 33%  | 27%   | 38%  | 24%   |
| 4) Did Not Disclose | 15%     | 24%   | 15%  | 27%   | 30%  | 21%   |

Source: Consumers Survey

The consultant has conducted most of the interviews of the consumers at Khadi sales outlets and hence more than 95% consumers are found who have bought the KVI product in past.

#### 5.4.1.6 Frequency of Visits in a Year

The table below depicts number of visits during the year by the consumers interviewed.

**Table 33: Details on the No. of Visits to Khadi Store in one year**

| No. of times visit / Zones | Central | North | East | South | West | TOTAL |
|----------------------------|---------|-------|------|-------|------|-------|
| Once                       | 28%     | 11%   | 6%   | 15%   | 17%  | 16%   |
| Twice                      | 42%     | 53%   | 52%  | 17%   | 31%  | 38%   |

| No. of times visit / Zones | Central | North | East | South | West | TOTAL |
|----------------------------|---------|-------|------|-------|------|-------|
| Thrice                     | 19%     | 9%    | 14%  | 14%   | 19%  | 15%   |
| More than 3 times          | 10%     | 20%   | 27%  | 52%   | 29%  | 29%   |

Source: Consumers Survey

It can be seen from the table above that the consultant has been able to capture the consumers who frequently visit the Khadi stores as well as the consumers who occasionally visit the store. A tendency of higher number of visits were observed at khadi stores also selling VI products also.

#### 5.4.2 Preferred factors for buying Khadi Products

Responses given by consumers pertaining to factors considered for buying Khadi products are given as table below. The consultant had provided selection of various options for factors considered for buying the Khadi product to consumers. Consumers have selected multiple factors based on their views for selection of the Khadi product. The rating is given to the factors based on number of responses given by consumers interviewed for buying Khadi products.

**Table 34: Preferred Factor to buy Khadi Products**

| Factors / Zone                    | Central | North | East | South  | West   | TOTAL  |
|-----------------------------------|---------|-------|------|--------|--------|--------|
| Genuine Khadi Mark                | Medium  | High  | High | Medium | Medium | High   |
| Price                             | High    | High  | Low  | Medium | High   | Medium |
| Quality                           | High    | High  | High | High   | High   | High   |
| Comfort                           | High    | High  | High | Medium | Medium | High   |
| Fashion, Design, colour & pattern | Low     | Low   | Low  | Low    | Low    | Low    |
| Durability                        | Low     | High  | Low  | Low    | Low    | Low    |

Source: Consumers Survey

Based on the weightage given by consumers to the factors are highlighted in high, medium and low category. It can be inferred from the table above that consumers from different zones have different perception on factors considered for buying Khadi products. However, overall, quality, comfort and genuine khadi mark are given most emphasis while buying Khadi products across all zones followed by durability, price, design and colour of the product.

Also, zone wise weightage to different factors for buying Khadi products changes. Consumers of all zones have high emphasis on quality, while price is given more weightage by central, north and west zones. South zone has maximum emphasis on quality of the Khadi products. Consumers in east zone have more emphasis on Khadi mark, quality and comfort of the Khadi products. The weightages given by the consumers may help KIs in respective zones to formulate their marketing strategy.

#### 5.4.3 Rating to Khadi Products

The consultant also collected responses from consumers about various features of Khadi products. The consumers were informed to give ratings from "1 to 5" to each aspect of the Khadi product (1 was low while 5 was highest, ranking given as 1 & 2 are considered Low, 3 as Medium and 4 & 5 as High importance). Ratings given to Khadi products on various factors are summarised as table below. **The table represents rating of Khadi products by consumers on their importance.**

**Table 35: Rating to Khadi Products (Nos.)**

| Khadi Product | Zone    | Total Responses | Rating 1 & 2 | Rating 3 | Rating 4 & 5 | % of High Rating |
|---------------|---------|-----------------|--------------|----------|--------------|------------------|
|               |         |                 | Low          | Medium   | High         |                  |
| Quality       | Central | 152             | 0            | 14       | 138          | 91%              |



| Khadi Product | Zone         | Total      | Rating 1 & 2 | Rating 3   | Rating 4 & 5 | % of High  |
|---------------|--------------|------------|--------------|------------|--------------|------------|
|               | North        | 84         | 0            | 0          | 84           | 100%       |
|               | East         | 172        | 1            | 14         | 157          | 91%        |
|               | South        | 171        | 5            | 13         | 153          | 89%        |
|               | West         | 83         | 1            | 1          | 81           | 98%        |
|               | <b>Total</b> | <b>662</b> | <b>7</b>     | <b>42</b>  | <b>613</b>   | <b>93%</b> |
| Price         | Central      | 152        | 15           | 41         | 96           | 63%        |
|               | North        | 84         | 16           | 53         | 15           | 18%        |
|               | East         | 172        | 62           | 53         | 57           | 33%        |
|               | South        | 171        | 12           | 41         | 118          | 69%        |
|               | West         | 83         | 3            | 29         | 51           | 61%        |
|               | <b>Total</b> | <b>662</b> | <b>108</b>   | <b>217</b> | <b>337</b>   | <b>51%</b> |
| Durability    | Central      | 152        | 0            | 21         | 131          | 86%        |
|               | North        | 84         | 0            | 1          | 83           | 99%        |
|               | East         | 172        | 1            | 30         | 141          | 82%        |
|               | South        | 171        | 2            | 18         | 151          | 88%        |
|               | West         | 83         | 0            | 22         | 61           | 73%        |
|               | <b>Total</b> | <b>662</b> | <b>3</b>     | <b>92</b>  | <b>567</b>   | <b>86%</b> |
| Desirability  | Central      | 152        | 2            | 35         | 115          | 76%        |
|               | North        | 84         | 0            | 9          | 75           | 89%        |
|               | East         | 172        | 1            | 33         | 138          | 80%        |
|               | South        | 171        | 1            | 20         | 150          | 88%        |
|               | West         | 83         | 16           | 21         | 46           | 55%        |
|               | <b>Total</b> | <b>662</b> | <b>20</b>    | <b>118</b> | <b>524</b>   | <b>79%</b> |

Source: Consumers Survey

It can be observed from the table above that almost 90% consumers from all zones have given highest rating to quality of Khadi products followed by Durability, Desirability and Price.

It should be noted that around 50% consumers have given high rating to price of the Khadi Products, which indicates that the 50% surveyed consumers feel the prices of the Khadi products are reasonable. Apart from above, on an average 30% consumers across all zones are found who are neutral about price of Khadi products.

However, the zone wise responses of consumers differ for rating to various features of Khadi products. The same may be considered by KVIC and KIs for production as well as promotion of the Khadi products in future.

#### 5.4.4 Rating to VI Products

The consultant also collected responses from consumers about various features of Village Industry products. The consumers were informed to give ratings from 1 to 5 to aspect of the VI product (1 was low while 5 was highest, ranking given as 1 & 2 are considered Low, 3 as Medium and 4 & 5 as High importance). Ratings given to VI products on various factors are summarised as table



**“Village Industry Products Display in Sales Outlet”**  
Shri Virendra Singh Rajput – Sales Manager working with  
Madhya Bharat Khadi Sangh, Gwalior, Madya Pradesh

below. The table below represents rating of VI products by consumers on their importance.

**Table 36: Rating to VI Products (Nos.)**

| Khadi Product | Zone         | Total Responses | Rating 1 & 2 | Rating 3  | Rating 4 & 5 | % of High Rating |
|---------------|--------------|-----------------|--------------|-----------|--------------|------------------|
|               |              |                 | Low          | Medium    | High         |                  |
| Quality       | Central      | 96              | 0            | 8         | 88           | 92%              |
|               | North        | 16              | 0            | 0         | 16           | 100%             |
|               | East         | 65              | 0            | 13        | 52           | 80%              |
|               | South        | 153             | 2            | 14        | 137          | 90%              |
|               | West         | 34              | 0            | 1         | 33           | 97%              |
|               | <b>Total</b> | <b>364</b>      | <b>2</b>     | <b>36</b> | <b>326</b>   | <b>90%</b>       |
| Price         | Central      | 96              | 13           | 19        | 64           | 67%              |
|               | North        | 16              | 2            | 2         | 12           | 75%              |
|               | East         | 65              | 18           | 25        | 22           | 34%              |
|               | South        | 153             | 8            | 36        | 109          | 71%              |
|               | West         | 34              | 1            | 11        | 22           | 65%              |
|               | <b>Total</b> | <b>364</b>      | <b>42</b>    | <b>93</b> | <b>229</b>   | <b>63%</b>       |
| Durability    | Central      | 96              | 0            | 10        | 86           | 90%              |
|               | North        | 16              | 0            | 2         | 14           | 88%              |
|               | East         | 65              | 0            | 19        | 46           | 71%              |
|               | South        | 153             | 2            | 17        | 134          | 88%              |
|               | West         | 34              | 0            | 8         | 26           | 76%              |
|               | <b>Total</b> | <b>364</b>      | <b>2</b>     | <b>56</b> | <b>306</b>   | <b>84%</b>       |
| Desirability  | Central      | 96              | 0            | 17        | 79           | 82%              |
|               | North        | 16              | 0            | 1         | 15           | 94%              |
|               | East         | 65              | 0            | 20        | 45           | 69%              |
|               | South        | 152             | 0            | 20        | 132          | 87%              |
|               | West         | 34              | 6            | 18        | 10           | 29%              |
|               | <b>Total</b> | <b>363</b>      | <b>6</b>     | <b>76</b> | <b>281</b>   | <b>77%</b>       |

Source: Consumers Survey

It can be observed from the table above that almost 90% consumers from all zone have given highest rating to quality of VI products followed by Durability, Desirability and Price. High rating given to the factors shows high satisfaction level of the consumers for those factors of the products. Except east zone, more than 60% consumers of all other zones have given high rating to prices of the VI products which implies that consumers in east zone feel the prices of the VI products are high.

## 5.5 Field Survey Findings - State Level

Relevant information / data were collected from KVIC officials positioned at different departments at central offices, zone, state, and field offices. The responses gathered and summary of the same has been elaborated in next section of the report.

The consultation was held with relevant state nodal officers / field officers at various state offices across India. The consultant has recorded detailed interviews of the officers in the structured questionnaires. State offices captured for zone/state level consultation has been tabulated below.

**Table 37: Zone/State level consultation**

| Zone    | State          | District | No. of Respondents |
|---------|----------------|----------|--------------------|
| Central | Chhattisgarh   | Raipur   | 1                  |
|         | Madhya Pradesh | Bhopal   | 1                  |

| Zone       | State          | District           | No. of Respondents |
|------------|----------------|--------------------|--------------------|
| East       | Uttar -Pradesh | Gorakhpur          | 1                  |
|            | Uttar -Pradesh | Lucknow            | 1                  |
|            | Uttarakhand    | Dehradun           | 1                  |
|            | Bihar          | Patna              | 1                  |
|            | West Bengal    | Kolkata            | 2                  |
| North      | Haryana        | Ambala             | 1                  |
|            | New Delhi      | New Delhi          | 1                  |
|            | Punjab         | Chandigarh         | 1                  |
|            | Rajasthan      | Bikaner            | 2                  |
|            | Rajasthan      | Jaipur             | 2                  |
| North-East | ASSAM          | KAMRUP             | 2                  |
|            | Manipur        | Manipur            | 1                  |
| South      | Andhra Pradesh | Hyderabad          | 1                  |
|            | Andhra Pradesh | Visakhapatnam      | 1                  |
|            | Karnataka      | Bangalore          | 3                  |
|            | Kerala         | Thiruvananthapuram | 2                  |
|            | Tamil Nadu     | Chennai            | 2                  |
|            | Tamil Nadu     | Madurai            | 1                  |
| West       | Gujarat        | Ahmedabad          | 1                  |

Source: MM Field Survey

Zone wise responses captured / recorded from the officers have been summarised by the consultant in next section of the report.

### 5.5.1 Gender Mainstreaming

Effectiveness of gender mainstreaming interventions undertaken by KVIC has been summarised hereunder. Responses have been captured in form of rating from 1 to 5 where 1 is least effective and 5 is Most effective.

**Table 38: Effectiveness of Gender Mainstreaming Intervention by KVIC (Nos.)**

| Zone / Rating  | Responses | Low       | Medium     | High       |
|----------------|-----------|-----------|------------|------------|
| Central        | 5         | 0         | 1          | 4          |
| North          | 7         | 2         | 0          | 5          |
| East           | 3         | 0         | 0          | 3          |
| North-East     | 3         | 0         | 0          | 3          |
| South          | 10        | 0         | 2          | 8          |
| West           | 0         | 0         | 0          | 0          |
| <b>TOTAL</b>   | <b>28</b> | <b>2</b>  | <b>3</b>   | <b>23</b>  |
| <b>Total %</b> |           | <b>7%</b> | <b>11%</b> | <b>82%</b> |

Source: Field survey of KVIC Officers

The effectiveness of interventions undertaken by KVIC regarding gender mainstreaming through various governing rules has been found most effective by around 70% respondents at state level. It should be noted that no responses received on gender mainstreaming from west zone. While two respondents from North zone have given lower rating to gender mainstreaming stating that the objectives of the program pertaining to gender mainstreaming are not well communicated to state offices along with necessary action plans.

The effectiveness of gender mainstreaming was also witnessed by surveyed KIs. KIs surveyed from all zones have more than 75% female artisans and most of the KRDP-KIs have at least one-woman artisan in their management committee who represents all women artisans and helps KIs better understand issues at artisans level and decision making process and thus the welfare needs of female artisans are identified, understood and addressed effectively.

## 5.5.2 Capacity Building

The consultant has captured responses pertaining to effectiveness of capacity building at various cadre of KVIC levels and KI level from state officers from all zones. It is found that the most of state offices have rated outreach of capacity building to be effective. **Responses have been captured in form of rating from 1 to 5 where 1 is least effective and 5 is Most effective. Rating given to effectiveness is termed for 1 & 2 as Low, 3 as Medium and 4 & 5 as High.** The zone wise summary of responses on the same are tabulated below.

### 5.5.2.1 Central Level

**Table 39: Central level Capacity building (Nos.)**

| Zone / Rating  | Responses | Low       | Medium     | High       |
|----------------|-----------|-----------|------------|------------|
| Central        | 4         | 0         | 1          | 3          |
| North          | 1         | 0         | 0          | 1          |
| East           | 3         | 0         | 0          | 3          |
| North-East     | 1         | 0         | 0          | 1          |
| South          | 1         | 0         | 0          | 1          |
| West           | 0         | 0         | 0          | 0          |
| <b>TOTAL</b>   | <b>10</b> | <b>0</b>  | <b>1</b>   | <b>9</b>   |
| <b>Total %</b> |           | <b>0%</b> | <b>10%</b> | <b>90%</b> |

Source: Field survey of KVIC officers

It can be observed from the table above, that only 10 respondents have responded about effectiveness of capacity building at centre level. The responses are less as most of the responses were collected from state offices and who are associated directly or aware about various programs at central level have given their responses. Though 90% respondents have given rating of more than equal to 4 to effectiveness of capacity building at central level.

### 5.5.2.2 State Level

**Table 40: State level Capacity building (Nos.)**

| Zone / Rating  | Responses | Low       | Medium    | High       |
|----------------|-----------|-----------|-----------|------------|
| Central        | 5         | 0         | 0         | 5          |
| North          | 7         | 0         | 1         | 6          |
| East           | 3         | 0         | 0         | 3          |
| North-East     | 3         | 0         | 0         | 3          |
| South          | 10        | 0         | 0         | 10         |
| West           | 1         | 0         | 0         | 1          |
| <b>TOTAL</b>   | <b>29</b> | <b>0</b>  | <b>1</b>  | <b>28</b>  |
| <b>Total %</b> |           | <b>0%</b> | <b>3%</b> | <b>97%</b> |

Source: Field survey of KVIC officers

It can be observed from the table above, effectiveness of status and outreach of capacity building programs at state level have been rated effective by more than 95% respondents which shows the capacity building programs are well spread across the country and are helpful to the officers.

### 5.5.2.3 Khadi Institution Level

**Table 41: Khadi Institution level Capacity building (Nos.)**

| Zone / Rating | Responses | Low | Medium | High |
|---------------|-----------|-----|--------|------|
| Central       | 5         | 0   | 1      | 4    |
| North         | 7         | 0   | 2      | 5    |

| Zone / Rating  | Responses | Low       | Medium     | High       |
|----------------|-----------|-----------|------------|------------|
| East           | 3         | 0         | 0          | 3          |
| North-East     | 3         | 0         | 0          | 3          |
| South          | 10        | 0         | 0          | 10         |
| West           | 1         | 0         | 0          | 1          |
| <b>TOTAL</b>   | <b>29</b> | <b>0</b>  | <b>3</b>   | <b>26</b>  |
| <b>Total %</b> |           | <b>0%</b> | <b>10%</b> | <b>90%</b> |

Source: Field survey of KVIC officers

It can be observed from the table above, effectiveness of status and outreach of capacity building programs at institution level have been rated effective by more than 85% respondents which shows the same should be continued in future.

Apart from above, the consultant has collected responses with respect to effectiveness of interventions related to capacity building / skill development of artisans. The same has been explained hereunder.

#### 5.5.2.4 Artisan Level

**Table 42: Artisan level Capacity building (Nos.)**

| Zone / Rating  | Responses | Low       | Medium    | High       |
|----------------|-----------|-----------|-----------|------------|
| Central        | 5         | 0         | 0         | 5          |
| North          | 7         | 2         | 1         | 4          |
| East           | 3         | 0         | 0         | 3          |
| North-East     | 3         | 0         | 0         | 3          |
| South          | 10        | 0         | 1         | 10         |
| West           | 1         | 0         | 0         | 1          |
| <b>TOTAL</b>   | <b>29</b> | <b>2</b>  | <b>2</b>  | <b>25</b>  |
| <b>Total %</b> |           | <b>7%</b> | <b>7%</b> | <b>86%</b> |

Source: Field survey of KVIC officers

It can be observed from the table above, effectiveness of status and outreach of capacity building programs at artisan level have been rated effective by more than 90% respondents. However, concerns are observed in North zone pertaining to late release of funds, mismatch due to pending upgradation of implements and training, availability of trained staff etc.

#### 5.5.3 Cluster development activities

From each state office, rating for effectiveness of status of development of cluster development activities through various schemes of VI Directorates was collected by the consultant. **Responses have been captured in form of rating from 1 to 5 where 1 is least effective and 5 is Most effective. Rating given to effectiveness is termed for 1 & 2 as Low, 3 as Medium and 4 & 5 as High.** Zone wise rating from state offices has been summarised below.

**Table 43: VI Directorates (Nos.)**

| Zone / Rating  | Responses | Low       | Medium    | High       |
|----------------|-----------|-----------|-----------|------------|
| Central        | 2         | 0         | 0         | 2          |
| North          | 4         | 0         | 1         | 3          |
| East           | 2         | 1         | 0         | 1          |
| North-East     | 1         | 0         | 0         | 1          |
| South          | 6         | 0         | 0         | 6          |
| West           | 1         | 0         | 0         | 1          |
| <b>TOTAL</b>   | <b>16</b> | <b>1</b>  | <b>1</b>  | <b>14</b>  |
| <b>Total %</b> |           | <b>6%</b> | <b>6%</b> | <b>88%</b> |

Source: Field survey of KVIC officers

More than 80% officers have rated VI directorates scheme as most effective. East zone (Bihar state) has rated the scheme as not that effective and needs attention of KVIC.

#### 5.5.4 Effectiveness of KRDP

All state offices have rated effectiveness of KRDP as effective. Zone wise summary of ratings given by state offices has been tabulated below. **Responses have been captured in form of rating from 1 to 5 where 1 is least effective and 5 is Most effective. Rating given to effectiveness is termed for 1 & 2 as Low, 3 as Medium and 4 & 5 as High.**

**Table 44: Effectiveness of KRDP (Nos.)**

| Zone / Rating  | Responses | Low       | Medium    | High       |
|----------------|-----------|-----------|-----------|------------|
| Central        | 5         | 0         | 1         | 4          |
| North          | 7         | 0         | 0         | 7          |
| East           | 3         | 0         | 0         | 3          |
| North-East     | 3         | 0         | 0         | 3          |
| South          | 10        | 0         | 0         | 10         |
| West           | 1         | 0         | 0         | 1          |
| <b>TOTAL</b>   | <b>29</b> | <b>0</b>  | <b>1</b>  | <b>28</b>  |
| <b>Total %</b> |           | <b>0%</b> | <b>3%</b> | <b>97%</b> |

Source: Field survey of KVIC officers

#### 5.5.5 Implementation of IFMS (Integrated Financial Management System)

It is learnt from the consultation at state offices that the IFMS is not implemented completely in all states, it is still under implementation stage in most of the states.

#### 5.5.6 Different Monitoring Mechanism

Responses pertaining to effectiveness of various monitoring mechanisms implemented at state levels and institution levels in various states were captured through rating of the mechanism to find its effectiveness. **Responses have been captured in form of rating from 1 to 5 where 1 is least effective and 5 is Most effective. Rating given to effectiveness is termed for 1 & 2 as Low, 3 as Medium and 4 & 5 as High.** Zone wise views on implementation of various monitoring mechanisms and its effectiveness are tabulated below.

**Table 45: Different Monitoring Mechanism (Nos.)**

| Zone / Rating                          | Responses | Low       | Medium    | High       |
|--|-----------|-----------|-----------|------------|
| <b>PMEGP Monthly Monitoring System</b> |           |           |           |            |
| Central                                | 5         | 0         | 0         | 5          |
| North                                  | 7         | 0         | 0         | 7          |
| East                                   | 3         | 0         | 0         | 3          |
| North-East                             | 3         | 0         | 0         | 3          |
| South                                  | 10        | 1         | 0         | 9          |
| West                                   | 1         | 0         | 0         | 1          |
| <b>TOTAL</b>                           | <b>29</b> | <b>1</b>  | <b>0</b>  | <b>28</b>  |
| <b>Total %</b>                         |           | <b>3%</b> | <b>0%</b> | <b>97%</b> |
| <b>PMEGP e-tracking System</b>         |           |           |           |            |
| Central                                | 5         | 1         | 0         | 4          |
| North                                  | 7         | 1         | 2         | 4          |
| East                                   | 3         | 0         | 0         | 3          |
| North-East                             | 3         | 0         | 0         | 3          |
| South                                  | 10        | 2         | 0         | 8          |
| West                                   | 1         | 0         | 0         | 1          |

| Zone / Rating  | Responses | Low        | Medium     | High       |
|--|-----------|------------|------------|------------|
| TOTAL  | 29        | 4          | 2          | 23         |
| <b>Total %</b>   |           | <b>13%</b> | <b>7%</b>  | <b>79%</b> |
| <b>HRD Monthly Information System</b>                  |           |            |            |            |
| Central  | 2         | 0          | 1          | 1          |
| North  | 5         | 0          | 1          | 4          |
| East   | 3         | 0          | 0          | 3          |
| North-East   | 3         | 0          | 1          | 2          |
| South  | 7         | 0          | 2          | 5          |
| West   | 0         | 0          | 0          | 0          |
| TOTAL  | 20        | 0          | 5          | 15         |
| <b>Total %</b>   |           | <b>0%</b>  | <b>25%</b> | <b>75%</b> |
| <b>PMC e-Reporting System</b>                          |           |            |            |            |
| Central  | 2         | 0          | 1          | 1          |
| North  | 5         | 0          | 1          | 4          |
| East   | 2         | 1          | 0          | 1          |
| North-East   | 2         | 0          | 0          | 2          |
| South  | 7         | 0          | 2          | 5          |
| West   | 0         | 0          | 0          | 0          |
| TOTAL  | 18        | 1          | 4          | 13         |
| <b>Total %</b>   |           | <b>6%</b>  | <b>22%</b> | <b>73%</b> |
| <b>Khadi Institution Management Information System</b> |           |            |            |            |
| Central  | 2         | 0          | 1          | 1          |
| North  | 1         | 0          | 1          | 0          |
| East   | 2         | 0          | 1          | 1          |
| North-East   | 2         | 0          | 0          | 2          |
| South  | 7         | 0          | 3          | 4          |
| West   | 0         | 0          | 0          | 0          |
| TOTAL  | 14        | 0          | 6          | 8          |
| <b>Total %</b>   |           | <b>0%</b>  | <b>43%</b> | <b>57%</b> |

Source: Field survey of KVIC officers

Since few monitoring systems are still under implementation and due to the same the responses for few monitoring mechanisms are very low. The zero responses represent no response on specific question.

#### 5.5.7 Inter departmental Facilitation and convergence between KVIC, state and central level

More than 90% respondents believe that the convergence between deparats and schemes of KVIC, state and central government is effective. The zone wise responses captured have been tabulated below.

**Table 46: Interdepartmental Facilitation (Nos.)**

| Zone / Rating  | Responses | Low       | Medium    | High       |
|----------------|-----------|-----------|-----------|------------|
| Central        | 5         | 0         | 0         | 5          |
| North          | 6         | 0         | 1         | 5          |
| East           | 2         | 0         | 0         | 2          |
| North-East     | 3         | 0         | 0         | 3          |
| South          | 10        | 0         | 1         | 9          |
| West           | 0         | 0         | 0         | 0          |
| <b>TOTAL</b>   | <b>26</b> | <b>0</b>  | <b>2</b>  | <b>24</b>  |
| <b>Total %</b> |           | <b>0%</b> | <b>8%</b> | <b>92%</b> |

Source: Field survey of KVIC officers



More than 90% officers have rated inter-departmental facilities and convergence between KVIC, state and central level as effective which indicates the programs, resources and schemes are well coordinated at all levels and working in effective manner to produce necessary results.

## 6 KRDP Impact Assessment

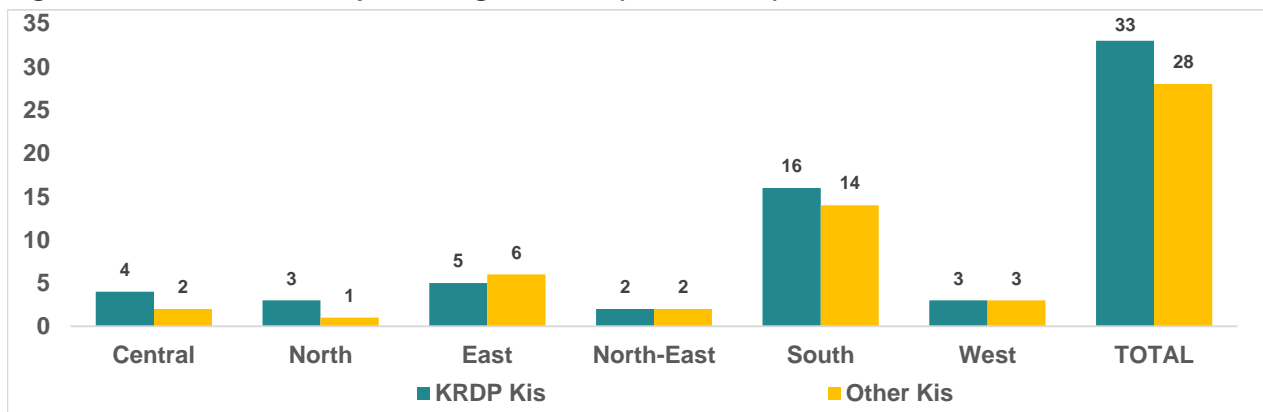
### 6.1 Major Impact Assessment Parameters

Improvement in sales, production and employment are the major parameters for assessment of the impact of the program. Impact of the program on these parameters has been assessed by the consultant and explained hereunder.

#### 6.1.1 Impact on Sales and Production of Khadi Institutions

To understand the impact of KRDP, the consultant has captured historical data on production and sales of both the types of Khadi Institutions. Number of Khadi Institutions who have reported growth in production and sales in past 3 years are presented as graph below. The consultant has collected sales and production of visited Khadi Institutions, 47 KRDP KIs and 47 Other KIs.

**Figure 27: Number of KIs reported Higher Sales (last 3 Years)**

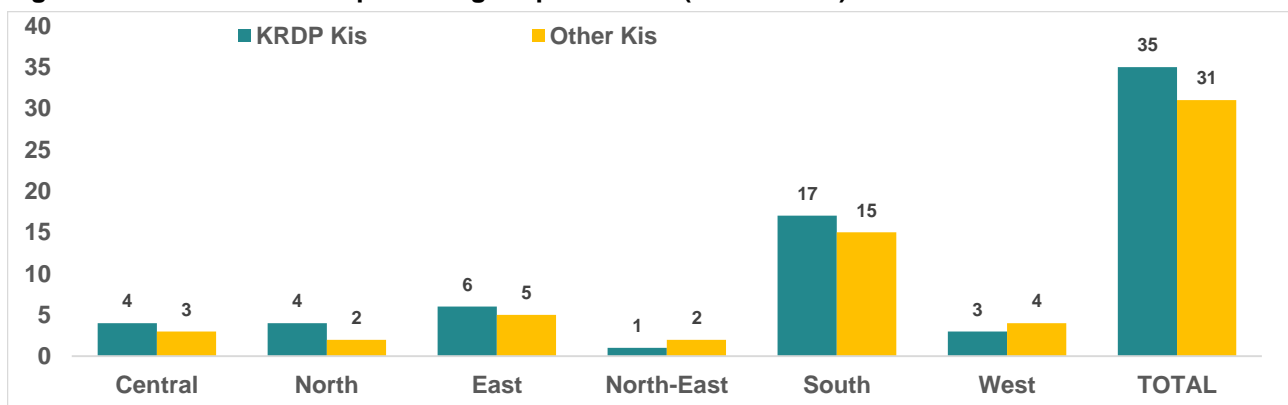


Source: Field survey of Khadi Institutions

It can be observed from the study that in total 70% Khadi Institutions under KRDP visited by the consultant have reported improvement in sales in last three years of period. On the other hand, 60% of the Other KIs visited by the consultant have reported improvement in sales in last three years of period. The above shows clear demarcation between number of KIs under KRDP and Other KIs for improvement in sales in last three years.

A comparison for improvement in production by KRDP-KIs and Other KIs during last three years has been depicted as graph below.

**Figure 28: Number of KIs reported higher production (last 3 Years)**



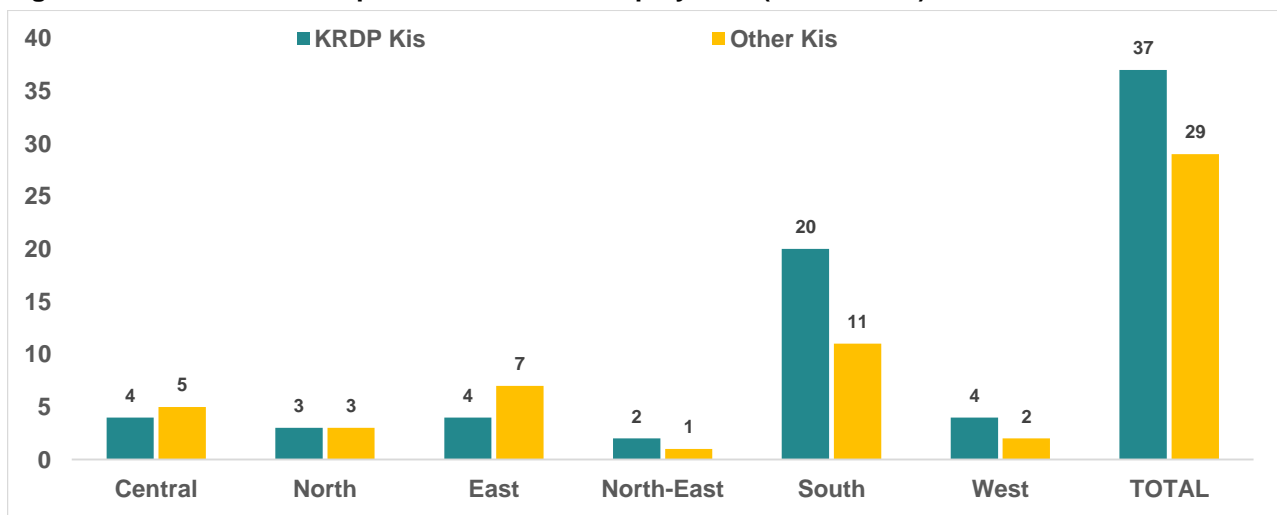
Source: Field survey of Khadi Institutions

It can be observed from the study that in total 74% Khadi Institutions under KRDP visited by the consultant have reported improvement in production in last three years of period. On the other hand, 66% of the Other KIs visited by the consultant have reported improvement in sales in last three years of period. The above shows clear demarcation between number of KIs under KRDP and Other KIs for improvement in production in last three years. Moreover, it should be noted that most of the KIs have received DRA in 2014-15 onwards. Such types of investment take at least 3-4 years' time to reflect their impact on result outcomes. The Other KIs visited by the consultant have also availed benefits of other schemes of central / state government or KVIC.

### 6.1.2 Impact on Employment of Khadi Institutions

Employment here includes artisans employed by the Khadi Institutions. The consultant has collected Khadi Institution wise number of artisans employed for surveyed institutions. Zone wise number of KIs who have reported increase in employment over past three years has been depicted as graph below.

**Figure 29: Number of KIs reported Increase in Employment (last 3 Years)**



Source: Field survey of Khadi Institutions

In total, 37 or 79% KRDP-KIs out of 47 KIs surveyed have reported increase in employment. On the other hand, 29 (62%) Other KIs out of 47 KIs surveyed by the consultant have reported increase in employment.

**The main factors which have affected sales, production and employment of Khadi sector (as explained in chapter 5) and which are part of Khadi and Reform Development Program were analysed in detail and were found to be effective. However as most of the KIs have got funded in the year 2014-15, the impact of benefits in terms of increase in sales, production and employment is not found considerably high. The consultants feel that the benefits of the KRDP funding would be seen after a suitable gestation period of around 2-3 years. This is based on the discussions the field staff had with KIs who have got DRA and are in advance stage of planning for its utilisation/Implementation.**

## 7 Case Studies

### 7.1 Gandhigram Khadi and Village Industries Public Charitable (GKVIPC) Trust

#### 7.1.1 Overview:

Gandhigram – located in Dindigul district of Tamil Nadu- has been one of the pioneering institutions in khadi production over the last six decades. The Gandhigram Khadi and Village Industries Public Charitable (GKVIPC) trust is affiliated to KVIC under the Ministry of MSME. Over the years, lagging behind the changing customer preferences and over regulation of khadi production and sales by KVIC resulted in to de-growth of sales and financial difficulty for the trust.

#### 7.1.2 Description of the Case Study

It was felt that khadi sector has transformed from a traditional Khadi to a new globally recognised Khadi mark (Genuine Khadi) and has now come to age where there is lot of demand for this new Khadi. So, in October 2016, they invited an experts team from National Institute of Design (NID), Ahmedabad to study their khadi production and sales system and processes. Based on their report, they moved forward to introduce new designs on existing material as well as launch of new products. They began production of fabric for men's shirting. This fabric received overwhelming acceptance and created new demand in the market. Subsequently, they collaborated with National Institute of Fashion Technology (NIFT), Chennai to create new designs on a large scale. They provided khadi material to the senior students as a part of their class-room project. They made many new designs and the same were used to make new screen prints and put them on our unsold stock of khadi cloth which was worth Rs.40 lakhs.

#### 7.1.3 Impact and Future Plan of Action:

This initiative helped the institution to liquidate all old stock. Now, they are in the process of hiring a fresh graduate from NID to work as an interface between their production team and the market to help them to introduce new designs and products based on the market demand. Necessary training would also be provided to weavers to create new designs on their own.

Figure 30: GKVIPC



Source: MM Field Survey

## 7.2 Ramp Walk by Tribal Khadi Artisans - Initiative by Khadi Institution and KVIC Bhopal

### 7.2.1 Brief Overview:

First ever Ramp Walk on the song “Vaishnav Jan” by tribal Khadi Artisans of Village Omkareshwar in MP organised by KVIC – A new beginning in Narmada Valley.

A fashion show was organised at omkareshwar (Khandwa) Madhya Pradesh where Adivasi and super models had walked on the ramp together. In this fashion show 15 super models along with 10 adivasi females and 5 girls walked on the ramp wearing Khadi traditional dresses. The models did the cat walk

**Figure 32: Ramp Walk by Khadi Artisans**



Source: MM Field Survey

were also given 3 months extensive training.

## 7.3 Khadi Sale Outlet at Vizag Air Port

### 7.3.1 Brief overview:

**Figure 31: Press Cutting**



Source: MM Field Survey

wearing khadi designer sarees and tribal block prints.

### Efforts of Bringing Change in Malva Bhil samaj

On this occasion KVIC chairman Shri Vinaykumar Sexana addressed and said that the main reason for making Adivasi women walk on the ramp was to boost their self-confidence. Employment was provided apart from distribution of 50 charkhas. All females

**Figure 33: Front View of Sales Outlet at Vizag Airport**

**Figure 34: Inauguration Ceremony of Sales outlet**



Source: MM Field Survey

Source: MM Field Survey

The International Fleet Review 2016 took place at Visakhapatnam Naval Command. The Hon'ble Prime Minister and other

Dignitaries had attended. The Hon'ble Chairman of KVIC had attended the Programme accompanied by the Member of South Zone. During this programme, the Khadi Institutions had brought the need of opening a sale outlet at Visakhapatnam Airport.

### 7.3.2 Action Taken:

The Hon'ble Chairman of KVIC had immediately made a request to the Aviation Minister who was kind enough to allot a space to open a sale outlet at the Vizag Air Port, it is the first Khadi store set up in an Indian airport. Positioned at the arrivals wing of the airport.

The KRDP programme implementing institutions namely, Swarajya Sangh, Kotananduru, Swarajya Sangh, Krishnapuram and Swarajya Sangh, Vemulapudi and A.F.K.K. Sangham, Ponduru have agreed to run the sale outlet under consortium basis supplying Khadi and Village Industries articles to this outlet. The Swarajya Sangh, Kotananduru is the lead institutions to monitor its sale, stocks, inventory management and other activities. The expenditure would be collectively met. A 5% on sale proceeds to be remitted to KVIC as an IRG to KVIC, this is one of the unique and distinctive example in the country.

### 7.3.3 Inspiration to other KI/VI:

The KRDP institutional representatives believes this benchmarking and unique model of sales and marketing can be introduced at Railway Stations, RTC Bus Stands and Municipal Complexes etc. if KVIC gives allotment of space. This would be a great platform for Khadi institutions to market its products and a step ahead towards revival of khadi industry.

## 7.4 Khadi – Franchise (Proposed by KVIC, Visakhapatnam)

### 7.4.1 Brief overview:

The Khadi institutions as of now selling its products either in retail sale through their sale outlets or whole sale to other Khadi institutions / Govt. Supplies. The retail sale is mostly through the rented sales outlets. The sales outlets are mostly located in towns and cities, in search of economic viability. The Khadi institutions are finding difficulty to bear higher rents to run their sale outlets. This is apart from increased overheads, including salaries of sales men and other fixed cost.



#### 7.4.2 Proposal and Plan of Action:

There is a proposal to permit Khadi franchise to a Certified Khadi Institution. This franchise should also to be brought under the fold of PMEGP scheme. The franchise and Khadi institution will enter into a memorandum understanding for supply of Khadi & V.I. articles and sell the products through this franchise. The only difference between institutional sales outlet and franchise is that:

- The institutional sale outlet person will receive salary – holds employer and employee relation
- The franchise sales persons will receive fixed commission and no employer – employee relation, provides security of stocks. This will enhance sales potential to Khadi & Village Industries products.

Both the schemes shall insert certain amount of IRG to KVIC – for enjoying Khadi mark benefit.

#### 7.5 Gandhi Khadi VI Production & Sales I.C.S. Limited, Nellimarla, Vizianagaram Dist., Andhra Pradesh

##### Brief Overview

The institution is situated at Left Wing Extremism (LWE) Affected area all new artisans under KRDP are tribal people and convergence taken from Integrated Tribal Development Agency (ITDA) of Andhra Pradesh. ITDA is headed by an IAS Officer under the control of District Collector.

##### Benefit to Artisan's:

ITDA has extended their support to the institution by providing food to all artisans during their training and issuing Training Completion Certificates on successful completion of their training. KVIC is also proposed to introduce solar charkhas with the help of NTPC's CSR activity in this area. As an artisan welfare initiative, the Institution is providing clothes to all artisans once a year free of cost, paying Rs. 3000/- for emergency medical expenses to artisans once a year and also paying Rs. 1000/- as funeral expenses in case of death of an artisan.

Figure 35: Solar Charkha



Source: MM Field Survey

#### 7.6 Sowrastra (Cloth Woven on Solar Charkha) (Proposed by KVIC, Visakhapatnam)

##### 7.6.1 Brief Overview:

KVIC is embarking in a big way to promote solar charkha keeping in view to ensure sustainable wages to the artisans on one hand and to promote eco-friendly technologies technology on the other with a view to consideration of energy and propagate eco-friendly environment. This gesture of KVIC is really a well coming one. It is suggested to bring under fold of PMEGP – a self-sustained spinning artisan suitably devising the scheme. The PMEGP – Solar – Spinner will be associated with a Khadi institution, for sourcing of raw material selling of yarn (finished product).



### 7.6.2 Benefit to Artisan:

The spinner can independently function as a self-reliant artisan and move with khadi activity. The 8 spindle and above charkhas should only be considered for this purpose so that there is increase in Production and Thus Increased earnings for Artisan's. The PMEGP - Solar – Spinner and Khadi institution will enter in to a MOU for forward – backward – linkages.

## 7.7 Kerala Khadi Worker's Welfare Fund Board

### 7.7.1 Brief Overview:

The Kerala khadi worker's welfare fund board was established under by Government of Kerala during the year 1990 for extending various welfare measures to artisans. This is the first Welfare Fund Board established in India to ensure the welfare of Khadi artisans in Kerala.

### 7.7.2 Key Benefits:

- Contribution @ 12% of wages earned by the Khadi artisans is deposited in Artisans A/c by the Kerala Govt.
- The Welfare Fund Board is extending various welfare measures such as pension to Khadi artisans, medical assistance, maternity allowance, educational benefits and cash awards to the school children of Khadi workers etc.
- Payment of pension such as monthly pension, disability pension and family pension – With effect from April 2017 paying minimum monthly pension Rs. 900/- and maximum Rs. 1200/- for artisans who have completed 10 years of service and 60 years of age.
- Payment of loan and assistance to workers – For marriage, medical treatment, purchase or construction of a house, maintenance of house, purchase of a plot for house, payment of LIC premiums, purchase of Moped/Scooter/Motor Cycle and Education of Children.
- Provide maternity benefit to women Khadi workers at the rate of Rs. 750/- - Limited to two deliveries in the entire period of service.
- Provide medical benefit at the rate of Rs. 1000/- per year.
- Provide educational assistance of the children of the artisans – Rs. 250/- for high school students, Rs. 500/- for further studies after SSLC, Rs. 3000/- for Medical, Engineering and Veterinary, Agricultural Colleges.
- Provide funeral assistance to meet the expenses in connection with burial of a Khadi worker or a member of the family – Rs. 500/-.
- Provide marriage assistance to women artisans or their daughter at the rate of Rs. 4000/-.
- Medical assistance for severe patients – One who suffers any fatal disease shall be eligible for one-time medical assistance of Rs. 10,000/- during his entire period of service.

## 7.8 Government of Kerala – Benefits Extended to Khadi Sector

### 7.8.1 Income Support Scheme

The income support scheme is introduced by Kerala Government to the Khadi Sector vide Order G.O. No. 116 of Government of Kerala on 15<sup>th</sup> January 2010. This Income Support Scheme has been primarily meant for Workers who have an annual income up to Rs. 25,000/- and Rs. 10.00 Crores is earmarked by the Govt. of Kerala per year for this scheme.

### 7.8.2 Modernisation of Khadi Sector:

Khadi modernisation scheme has been introduced by Kerala government to revitalize the khadi activities. Under the scheme, fund for construction of work-sheds, procurement of Khadi implements, repairing of charkhas and looms, setting up of dyeing units, setting up of warping units are extended.

During the year 2015-16 Rs. 28.50 Crores has been released by Kerala Govt. under this scheme.

## 7.9 Other Supports:

- Kerala Government also provided 10% normal rebate for Khadi throughout the year and 25% special rebate during important festival season (for 180 days).
- Granted 60/- paise per Hank as incentive for Spinners and 180/- Paise per Hank to Weavers for the consumption of yarn for Weaving.
- To boost up the Khadi Sales, the Govt. of Kerala has issued special notification with an appeal to Employees, School Students, etc. to wear Khadi or Handloom cloths, once in a week.
- Rs. 500/- provided to all the Khadi artisans as Festival Allowance per year.

## 7.10 Udyog Bharti (Gondal, Gujarat)

Udyog Bharati (Gondal) was founded by Gandhian entrepreneur late Hargovind Patel in 1953, has been supplying khadi denim to Arvind Ltd since three years. Udyog Bharti, Gondal is registered under Public Charitable Trust Act by Khadi Gramodyog Commission of India & Gujarat State Khadi Gramodyog Board. Udyog Bharti was established in 1957 in a very small room to give employment to the needy people by hand spun & handwoven Khadi & Gramodyog (VI). These days approximately 2,000 families are earning their bread and butter with the help of Udyog Bharti. Now-a-days the world is under the pressure of economical ups & downs, the distraction of environment & adverse effect of industrialization. So, developed countries are trying to adopt "Gandhian Thoughts.

### 7.10.1 Initiative:

"We have been making khadi denim since last three years for Arvind and over the period time, the production this fabric is increasing as the demand from the company has increased. So far, we have supplied 11,000 metre of khadi denim to the company," C.H. Patel secretary of Udyog Bharti told TOI. "Making khadi denim requires skills as it's totally hand spun and hand woven and only natural colours are used. We have trained our employees as per specific demands from the company," said Durgesh Jadeja, Designer, Udyog Bharti.

### 7.10.2 Best Practices used in the industry:

Udyog Bharti, associated with Khadi Village Industries Commission, Government of India, is known for its various innovations in khadi making process. "Khadi Plaza, a Unit of Udyog Bharti is a model institute of India, where one can see all the process of khadi making from fibre stage to fabric making, spinning of fibre to yarn making on charkhas, warping unit to addle foot-operated looms fabric making.



### 7.10.3 Market Distinctive Products:

P.1 is 100 count single yarn which is woven on traditional looms. Udyog Bharati Gondal is the name synonymous to quality production of P.1 not only in Gujarat but across the India. It's an ISO 9001-2008 institute which has been managed and run efficiently over the years. They are the Pioneer in P.1 which in itself is one of the most popular brand across the country. They also have T.1 which is 100% cotton made from suvin cotton and has 100 count twisted khadi which is woven on peddle operated loom. There is enormous demand of both the above-mentioned variety. This institute also develops 8 & 10 spindle charkhas and are the innovator of peddle operated Vastra Mangal loom.

### 7.10.4 Pull Strategy:

The brand value of this institute is having such a high premium that there is pull marketing strategy wherein customers automatically visits their sales outlet and buy particular product. The institute has also Neon light billboards display highlighting open 365 days (9 AM to 7 PM). There are 20 tailors working on behalf of Udyog Bharti, they have also appointed qualified designer who has got perfect idea about the likes and dislikes of young and urban people so that they can target new generation.

## 8 Suggestions & Information shared by various Stakeholders

Suggestions and information shared by various KVIC officers, Khadi institutions are summarised below.

**Table 47: Suggestions / Information shared by Stakeholders**

| Stakeholder                                  | Comments   | Suggestions  |
|--|--|--|
| Uttar Pradesh Lucknow State Office           | ○ -  | <ul style="list-style-type: none"> <li>○ Model for requirement of equipment, work-shed and sales outlet should be well specified and applicable for all over the country.</li> <li>○ Model for requirement of equipment must be mandatorily inter-linked keeping in view to run the process of spinning to finished fabric and its marketing.</li> <li>○ For eg. 50 NMC + 10 Looms + 1 Work-shed + 1 Ready Made Unit + 1 Sales Outlet + Working Capital</li> <li>○ As weaving of the cloth is done mostly by the particular community and they are not spread all over. Also, they do not prefer to migrate, therefore it would be preferable that looms may be sanctioned in the name of weaver and their place after identifying them and directly linking them with KVIC.</li> <li>○ Area based processing centre on cluster model should be established for KIs under KRDP.</li> </ul> |
| Karnataka - Zonal and State office Bangalore | <ul style="list-style-type: none"> <li>○ There is an acceleration in the momentum of KRDP after the relaxation of the eligibility criteria by KVIC.</li> <li>○ ADB funding has helped khadi institute to a great level.</li> </ul>   | <ul style="list-style-type: none"> <li>○ The selection of RIO at field level should be relaxed as it is difficult to get suitable candidate in the salary slab approved.</li> <li>○ There is a need of new strategy for increasing production and improvement in the wage rate of the artisan.</li> <li>○ There should be decentralisation of the fund's allocation with respect to zone and state level should be extended with delegation of power.</li> <li>○ To empower the state directors to evolve a scheme which should be financially supported by Govt and central office.</li> <li>○ To motivate KI in all new initiatives and Marketing techniques of reaching the end market should be modified.</li> </ul>   |
| Khadi Institution in Karnat/aka              | <ul style="list-style-type: none"> <li>○ After DRA, the 6-spindle charkha got replaced by 8 spindle there is increase in production thus increasing the monthly earning of an artisan but as far as employment is concerned it is static. There is no major increase in the employment of new artisans.</li> <li>○ Market linked price mechanism is not helpful as the rate of the products are already high compared to the mill fabrics and any price increase would result in losing the customer and there by Benefit chart mechanism is also not that useful.</li> <li>○ The earning in this sector has limitation and is directly linked with the availability of</li> </ul> | <ul style="list-style-type: none"> <li>○ Production of khadi products is not a problem but the big challenge is the sales of the produced khadi products in market as they are facing stiff competition from the mill cloth and is asking to come out with a strong action plan to tackle and combat the competition.</li> <li>○</li> </ul>  |

| Stakeholder   | Comments   | Suggestions   |
|---|--|---|
| <p><b>State Office and Divisional Office Jaipur and Bikaner (Rajasthan)</b></p> | <p>raw material thus worried about the continuous employment round the year.</p> <ul style="list-style-type: none"> <li>○ Old institutions despite having action plans are not able to increase sales and also increase additional employment as they don't have desire to learn new things and are happy with conventional way of doing business and are not ready to adopt change.</li> </ul>  | <ul style="list-style-type: none"> <li>○ Marketing expense should be reduced and artisan wages should be increased. Under KRDP eligibility criteria of recruiting Reform Implementing Officer (RIO) should be relaxed.</li> <li>○ New institute should be selected according to the need of the hour and should be made aware with the objective.</li> <li>○ Monitoring system and quality control should be revived and strengthened.</li> <li>○ Demand of Marino Wool is normally higher than its supply. Hence procurement of raw material (Marino Wool) should be allowed from open market. This would help in increase of production and would lead to increase in artisan earnings.</li> </ul>  |
| <p><b>Khadi Institution - Rajasthan</b></p>                                     | <ul style="list-style-type: none"> <li>○ -</li> </ul>  | <ul style="list-style-type: none"> <li>○ The goods that didn't sell last year will have a revised price next year and will be higher than the last year. KI argued that the product with lower price if it didn't get sell last year how will that get sold with new higher price. This process builds lot of old stock inventory, blocking lot of liquidity and asked to come out with some sort of action plan.</li> <li>○ 10 days training on NMC charkha to the artisans is not sufficient as they are traditional charka user and getting equipped with NMC charkha will take time.</li> <li>○ Cash payment of their wages less than Rs 1500, as the nearest bank is located at 60 km, which they ask KI to reimburse.</li> </ul>  |
| <p><b>State office, Bihar</b></p>   | <ul style="list-style-type: none"> <li>○ -</li> </ul>  | <ul style="list-style-type: none"> <li>○ Artisans should be provided latest charkha (Solar Charkha) of at least 32 spindles so that they can increase their earnings.</li> <li>○ Units of Hank Dyeing, Fabric Dyeing, Printing, Bleaching, Calendaring and other fabric processing activities may be established for cotton as well as silk to improve fabric quality.</li> <li>○ Silk raw material bank is required</li> <li>○ Wage rates should be considered to increase artisans' earnings.</li> <li>○ Medical benefits for artisans should be provided.</li> </ul>   |
| <p><b>Kerala State Office</b></p>   | <ul style="list-style-type: none"> <li>○ In Kerala, out of 29 KIs, 19 are small KIs. The eligibility criteria for suitable pattern of assistance if framed at initial stage of introduction of the KRDP would have helped more KIs.</li> <li>○ The Kerala State run Kerala Khadi Worker's Welfare Fund Board, provides financial assistance to Khadi Artisans for their special activities. It also provides pension benefit to retired khadi artisans.</li> <li>○ Improved / semi-automatic looms are provided to weavers under KRDP scheme (Kerala).</li> <li>○ New model charkhas and modified looms are provided under Kerala State Govt khadi Modernisation Scheme (Kerala).</li> <li>○ Online payment of wages through bank has developed confidence.</li> </ul> | <ul style="list-style-type: none"> <li>○ Innovative marketing techniques should be adopted by Khadi Institutions and the same should be supported by KVIC to make KVI products more popular and to improve awareness about the same in public.</li> <li>○ All the existing old charkhas and looms may be replaced with new one.</li> <li>○ The financial assistance extended under KRDP is found to be a boon in the development of Khadi sector in Kerala State. At present, 28 KIs and 1 Kerala KI Board are functioning in Kerala State, and out of them 19 KI comes under small institution category. If there is any change in the eligibility criteria for KRDP assistance, it would be a great help for the coverage of more smaller institutions under the KRDP scheme.</li> <li>○ Under work shed scheme those artisans who faced difficulty to working in common work shed</li> </ul> |

| Stakeholder                 | Comments  | Suggestions  |
|-----------------------------|---|--|
|                             | <ul style="list-style-type: none"> <li>Spool Warping machines are introduced and being used in warping (Kerala)</li> </ul>  | <ul style="list-style-type: none"> <li>are getting benefit under individual work sheds. The quantum of financial assistance may be increased to Rs. 1 lakh per artisan instead of Rs. 60000/-.</li> <li>The Strengthening of weak KI Scheme helps to revive KIs. The financial support may be increased to at least Rs. 20 lakhs with State Level Committee headed by the State Director.</li> <li>The Educational Scholarship of Rs. 1200 per child of Khadi Artisans is a great help to provide education to their children. This scholarship amount may be increased to Rs. 12000/- considering the increasing cost of education.</li> <li>A raw material bank should be developed for the KIs who are located relatively far from CSPs.</li> </ul> |
| Uttarakhand State Office    | <ul style="list-style-type: none"> <li>More technical and skilled manpower are required to improve production.</li> <li>Cost chart can be removed.</li> <li>Working capital component under KRDP is less.</li> <li>Funds of KI like MDA are blocked with KVIC.</li> <li>Availability of land near artisan cluster is Tough.</li> <li>Separate field team for monitoring of KI.</li> </ul> | <ul style="list-style-type: none"> <li></li> </ul>   |
| Haryana State Office        | <ul style="list-style-type: none"> <li>Terms and condition of the scheme are very stringent.</li> </ul>   | <ul style="list-style-type: none"> <li>Quality of cotton needs an improvement.</li> <li>New equipment are required for efficient production.</li> </ul>  |
| West Bengal State Office    | <ul style="list-style-type: none"> <li>KRDP is very a useful intervention for the growth of this sector.</li> </ul>   | <ul style="list-style-type: none"> <li>-</li> </ul>  |
| Andhra Pradesh State Office | <ul style="list-style-type: none"> <li>Online payment of wage through bank account to artisans has developed confidence in artisans</li> <li>Opening of sales outlet at airport with consortium under KRDP has increased the liquidity.</li> <li>Introduction of group work sheds is a positive intervention by KVIC.</li> </ul>  | <ul style="list-style-type: none"> <li>Flexibility should be granted to KIs for the interchange of heads for utilization of funds under KRDP.</li> <li>KIs should be allowed for financial assistance under PMEGP for spinning activity up to 8 Spindles and above Charkhas along with joining the PMEGP Spinners to Certified Khadi Institutions for forward and backward linkage.</li> </ul>   |
| Madhya Pradesh State Office | <ul style="list-style-type: none"> <li>By organising Khadi Fashion show by artisans, youth are getting awareness about the importance of khadi and its economic contribution to the society.</li> </ul>   | <ul style="list-style-type: none"> <li>-</li> </ul>  |
| Punjab State Office         | <ul style="list-style-type: none"> <li>-</li> </ul>   | <ul style="list-style-type: none"> <li>Interest free loans should be offered to loss making KIs.</li> <li>ADB should also provide working capital provisions.</li> </ul>   |
| Gujarat State Office        | <ul style="list-style-type: none"> <li>KRDP has provided new Charkha and Looms to artisans which has helped increase in efficiency of artisans as well as has helped in increasing employment</li> <li>Hill and border institutions have also benefited from the program.</li> </ul>  | <ul style="list-style-type: none"> <li>Government should be one of the major consumer of khadi products and should start using khadi in all its sectors which will help in increasing the overall sales of khadi. Government should start using khadi in government Hospitals as well as government offices.</li> </ul>  |
| Tamil Nadu State Office     | <ul style="list-style-type: none"> <li>The existing implements like charkhas and looms were developed under budgetary sources in past have become old and are not able to produce required</li> </ul>   | <ul style="list-style-type: none"> <li>Technology upgradation is required to be evolved in Khadi implements to improve productivity and thereby increasing earnings of the artisans.</li> <li>New marketing techniques need to be adopted by</li> </ul>  |



| Stakeholder                      | Comments   | Suggestions   |
|----------------------------------|--|---|
|                                  | <p>quality. The selected / eligible KIs have got the opportunity to not only replace the old implements but also to install new facilities like modern dying, readymade garment units and setting up latest IT system.</p>   | <p>KIs with support from KVIC.</p> <ul style="list-style-type: none"> <li>○ Small institutions may be given due attention by extending financial assistance suitable to them.</li> <li>○ Technology upgradation is required to be evolved in Khadi implements to improve productivity and thereby increasing earnings of the artisans.</li> <li>○ New marketing techniques need to be adopted by KIs with support from KVIC.</li> <li>○ Small institutions may be given due attention by extending financial assistance suitable to them.</li> </ul>  |
| <p><b>Assam State Office</b></p> | <ul style="list-style-type: none"> <li>○ Implementation process is very slow due to local problems, however the state office KVIC has taken some steps to gear up this implementation process. Considering above said reason and ground reality, adequate time may be considered for the implementation of KRDP programme successfully.</li> </ul> | <ul style="list-style-type: none"> <li>○ For providing marketing support One Khadi-plaza should be established in Guwahati, which will provide marketing support to all khadi Institution.</li> <li>○ Raw material bank should be strengthened.</li> </ul>  |
| <p><b>Delhi State Office</b></p> | <ul style="list-style-type: none"> <li>○ The perspective of Khadi has changed in the minds of the people. It has definitely made a positive impact. People take pride in wearing Khadi.</li> </ul>   | <ul style="list-style-type: none"> <li>○ More Charkhas like NMC must be introduced.</li> <li>○ Mixing of Yarn must be done with better technologies.</li> <li>○ Better Machines and technologies are required at the KI level.</li> <li>○ The documentation processes must be made faster.</li> <li>○ More funds are required under the scheme.</li> <li>○</li> </ul>   |
| <p><b>General</b></p>            | <ul style="list-style-type: none"> <li>○</li> </ul>  | <ul style="list-style-type: none"> <li>○ KRDP guidelines should be reviewed and revised to make them more relaxed and easy to understand.</li> <li>○ Khadi Institutions should be given flexibility to buy raw material on their own.</li> <li>○ More working funds should be aimed towards Khadi Sector.</li> <li>○ Training centres should be developed in every state.</li> <li>○ Marketing guidelines should be revised and more power should be given to institutions to market their products.</li> <li>○ Some motivational activities should be undertaken by KVIC.</li> <li>○ KVIC / KRDP program should also focus more on technology up-gradation to improve productivity and thereby increase in artisan's earnings.</li> <li>○ Some of the KIs have requested for permission to interchange of head (fund allocated) for effective utilization of fund under KRDP.</li> <li>○ Artisans have also requested to pay the wages by cash, because of unavailability of banking facility around that particular area and also, they find it difficult to maintain minimum balance mandatory for savings bank account.</li> <li>○ Artisans who have withdrawn money from welfare fund, have suggested to expedite the process for release of funds after submission of application.</li> </ul> |

Source: Stakeholder Consultation



### 8.1.1 Identified Problem:

- Most of artisans are traditional and any technological advancement in production process should be backed with proper extensive training, giving ample amount of time to the artisan.
- The managerial staff at majority of the sales outlet were not highly educated which is again a constraint as their understanding level, soft and hard skills are the major area of concern.
- Some KIs were of the opinion that the MIS software and the Kiosks provided are not working due to lack of proper installation and support from the technology/software provider is required.

## A. List of Stakeholder Consultation

### A.1 KVIC / KRDP Consultation

A list of zone/state officers at different level surveyed is tabulated below.

**Table 48: KVIC / KRDP Consultation of officers**

| Sr. No. | Consultation Level         | Zone       | State          | District  | Name / Person / Institute | Designation                  |
|---------|----------------------------|------------|----------------|-----------|---------------------------|------------------------------|
| 1.      | Zonal                      | West       | Gujarat        | Ahmedabad | Shri Sanjay G Hedao       | Zone Incharge (West)         |
| 2.      | Zonal                      | East       | Kolkata        | Kolkata   | Shri Satyapal             | Zone Incharge (East)         |
| 3.      | Zonal                      | Central    | Madhya Pradesh | Bhopal    | Shri S.P. Singh           | Zone Incharge (Central)      |
| 4.      | Zonal                      | North      | Delhi          | Delhi     | Shri Ram Narayan          | Executive AD-II (North Zone) |
| 5.      | Zonal                      | South      | Bangalore      | Bangalore | Shri G. Guruprasanna      | Dy. Chief Exe. Officer       |
| 6.      | Zonal                      | North East | Assam          | Guwahati  | Shri S.S. Sil             | Zone Incharge (North East)   |
| 7.      | State Nodal Officer (KRDP) | East       | Bihar          | Patna     | Shri S.K. Gupta           | State Director               |
| 8.      | State Nodal Officer (KRDP) | East       | Bihar          | Patna     | Dr. P. K. Gupta           | Asst. Director -II           |
| 9.      | State Nodal Officer (KRDP) | East       | Bihar          | Patna     | Shri Umesh Mandal         | ADO – Khadi                  |
| 10.     | State Nodal Officer (KRDP) | East       | West Bengal    | Kolkata   | Shri Suddertha Roy        | State Director               |
| 11.     | State Nodal Officer (KRDP) | East       | West Bengal    | Kolkata   | Shir Meity                | Executive (Khadi)            |
| 12.     | State Nodal Officer (KRDP) | Central    | Uttar Pradesh  | Lucknow   | Shri R.S. Pandey          | State Director               |
| 13.     | State Nodal Officer (KRDP) | Central    | Uttar Pradesh  | Lucknow   | Raj Bahadur Singh         | Executive (Khadi)            |
| 14.     | State Nodal Officer (KRDP) | Central    | Uttar Pradesh  | Gorakhpur | Shri Sri Ram Singh        | State Director               |
| 15.     | State Nodal Officer (KRDP) | Central    | Uttar Pradesh  | Gorakhpur | Shri Salauddin            | Executive (Khadi)            |
| 16.     | State Nodal Officer (KRDP) | Central    | Madhya Pradesh | Bhopal    | Shri A.V. Garveer         | State Director               |
| 17.     | State Nodal Officer (KRDP) | Central    | Madhya Pradesh | Bhopal    | Upendra Jugade            | Sr. Executive (Khadi)        |
| 18.     | State Nodal Officer (KRDP) | Central    | Madhya Pradesh | Bhopal    | Shri Ravindra             | Asst. Director               |
| 19.     | State Nodal Officer (KRDP) | Central    | Chhattisgarh   | Raipur    | Shri A.D. Kamle           | State Director               |
| 20.     | State Nodal Officer (KRDP) | Central    | Chhattisgarh   | Raipur    | Arindam Roy               | Executive (Khadi)            |
| 21.     | State Nodal Officer (KRDP) | Central    | Uttarakhand    | Dehradun  | Shri Kuldeep              | Executive (Khadi)            |
| 22.     | State Nodal Officer (KRDP) | North East | Manipur        | Imphal    | N Bahadur Singh           | Jr. Executive                |

| Sr. No. | Consultation Level         | Zone       | State          | District           | Name / Person / Institute  | Designation                |
|---------|----------------------------|------------|----------------|--------------------|----------------------------|----------------------------|
| 23.     | State Nodal Officer (KRDP) | North East | Manipur        | Imphal             | Smt. Saile Ashuli Pao      | Asst. Director II          |
| 24.     | State Nodal Officer (KRDP) | North East | Assam          | Guwahati           | Shri A.P. Modak            | State Director             |
| 25.     | State Nodal Officer (KRDP) | North East | Assam          | Guwahati           | Shri S.K.Bhuyan            | Asstt. Director-II         |
| 26.     | State Nodal Officer (KRDP) | North      | Rajasthan      | Jaipur             | Shri Kunj Bihari           | Dy. Director Incharge      |
| 27.     | State Nodal Officer (KRDP) | North      | Rajasthan      | Jaipur             | Shri Nandlal Tripathi      | Executive (Khadi)          |
| 28.     | State Nodal Officer (KRDP) | North      | Rajasthan      | Binaker            | Shri B L Meena             | Director                   |
| 29.     | State Nodal Officer (KRDP) | North      | Rajasthan      | Binaker            | Shri K C Mali              | Asstt. Director-II (Khadi) |
| 30.     | State Nodal Officer (KRDP) | North      | Haryana        | Ambala             | Shri Virendran             | Executive                  |
| 31.     | State Nodal Officer (KRDP) | North      | Chandigarh     | Chandigarh         | Shri V K Sharma            | Dy. Director               |
| 32.     | State Nodal Officer (KRDP) | West       | Gujarat        | Ahmedabad          | Shri Sanjay G Hedao        | State Director             |
| 33.     | State Nodal Officer (KRDP) | West       | Gujarat        | Ahmedabad          | Shri N A Mali              | Asstt. Director-I (Khadi)  |
| 34.     | State Nodal Officer (KRDP) | South      | Tamil Nadu     | Chennai            | Shri K.S. Lakshminarayanan | State Director             |
| 35.     | State Nodal Officer (KRDP) | South      | Tamil Nadu     | Chennai            | Shri S F Sheik             | Asst. Director (Khadi)     |
| 36.     | State Nodal Officer (KRDP) | South      | Tamil Nadu     | Chennai            | Shri Venkateshwaran        | Executive Khadi            |
| 37.     | State Nodal Officer (KRDP) | South      | Andhra Pradesh | Hyderabad          | Shri S L Masur             | Director / Field           |
| 38.     | State Nodal Officer (KRDP) | South      | Andhra Pradesh | Hyderabad          | Shri Subramaniam           | Asst. Director             |
| 39.     | State Nodal Officer (KRDP) | South      | Andhra Pradesh | Hyderabad          | Lakshman Rao               | Executive (Khadi)          |
| 40.     | State Nodal Officer (KRDP) | South      | Andhra Pradesh | Visakhapatnam      | Shri R K Choudhary         | Director                   |
| 41.     | State Nodal Officer (KRDP) | South      | Andhra Pradesh | Visakhapatnam      | G S R Subrahmanyam         | Sr. Executive (FBAA)       |
| 42.     | State Nodal Officer (KRDP) | South      | Andhra Pradesh | Visakhapatnam      | Shri R.S. Rao              | Asst. Director-II (Khadi)  |
| 43.     | State Nodal Officer (KRDP) | South      | Karnataka      | Bangalore          | D. Subash Chandra Bose     | Dy. Director Incharge      |
| 44.     | State Nodal Officer (KRDP) | South      | Karnataka      | Bangalore          | Shri K. Chandrabalu        | Asst. Director             |
| 45.     | State Nodal Officer (KRDP) | South      | Karnataka      | Bangalore          | Shri R. Govindarajan       | Executive (Khadi)          |
| 46.     | State Nodal Officer (KRDP) | South      | Tamil Nadu     | Madurai            | Shri P Nallamuthu          | Dy. Director I/C           |
| 47.     | State Nodal Officer (KRDP) | South      | Tamil Nadu     | Madurai            | M A Jayakannan             | Asst. Director -II (Khadi) |
| 48.     | State Nodal Officer (KRDP) | South      | Kerala         | Thiruvananthapuram | Smt K P Lalithamany        | State Director             |
| 49.     | State Nodal Officer (KRDP) | South      | Kerala         | Thiruvananthapuram | M.Beema Rao                | Asst. Director -II         |

Source: MM Field Survey

## A.2 Khadi Institutions

List of surveyed Khadi Institutions is provided hereunder.

### Pref 1: Khadi Institutions under KRDP

### Pref 2: Khadi Institutions other than KRDP

**Table 49: List of selected Khadi Institution & Implementing Agencies of VI for consultation**

| Sr. No. | Type of Institution | Category | Zone    | State          | State Office | Name of Institution  |
|---------|---------------------|----------|---------|----------------|--------------|--|
| 1       | KI                  | Pref 1   | Central | Chhattisgarh   | Raipur       | Baster Jilla Khadi Gramodyog Sangh, Jagdalpur  |
| 2       | KI                  | Pref 2   | Central | Chhattisgarh   | Raipur       | Gramin Vikas Pratistan   |
| 3       | KI                  | Pref 1   | Central | Madhya Pradesh | Bhopal       | Madhya Bharat Khadi Sangh, Po Jiwajiganj   |
| 4       | KI                  | Pref 2   | Central | Madhya Pradesh | Bhopal       | Khadi Gramodhyog Prathisthan   |
| 5       | KI                  | Pref 1   | Central | Uttar Pradesh  | Gorakhpur    | Kshetriya Shri Gandhi Ashram, Subhash Nagar, Gonda   |
| 6       | KI                  | Pref 1   | Central | Uttar Pradesh  | Lucknow      | Kshetriya Shri Gandhi Ashram, Barabanki - 225003   |
| 7       | KI                  | Pref 1   | Central | Uttar Pradesh  | Lucknow      | Kshetriya Shri Gandhi Ashram, Naipalpur, Khairabad, Sitapur - 261001                       |
| 8       | KI                  | Pref 2   | Central | Uttar Pradesh  | Gorakhpur    | Seva Niketan   |
| 9       | KI                  | Pref 2   | Central | Uttar Pradesh  | Lucknow      | Shree Gandhi Ashram  |
| 10      | KI                  | Pref 2   | Central | Uttar Pradesh  | Lucknow      | Tomar Khadi Gramodyog Sansthan   |
| 11      | KI                  | Pref 1   | Central | Uttarakhand    | Dehradun     | Kshetriya Shri Gandhi Ashram, Chanauda, Almora (Uttarakhand)                               |
| 12      | KI                  | Pref 1   | Central | Uttarakhand    | Dehradun     | Kshetriya Shri Gandhi Ashram, Gauchar, Chamoli (Uttarakhand)                               |
| 13      | KI                  | Pref 1   | Central | Uttarakhand    | Dehradun     | Pragatipath Laghu Utpadak Samiti, Mol Natha Singh, Jaspur                                  |
| 14      | KI                  | Pref 2   | Central | Uttarakhand    | Dehradun     | Khadi Gramodyog Niketan Mahuadawara  |
| 15      | KI                  | Pref 2   | Central | Uttarakhand    | Dehradun     | Bunker Audyogic Utpadan Sahakari Samitee Ltd.  |
| 16      | KI                  | Pref 2   | Central | Uttarakhand    | Dehradun     | Rao Computer Education Khadi Avam Gramodyog Sansthan                                       |
| 17      | KI                  | Pref 1   | East    | Bihar          | Patna        | Gopal Ganj Zilla Khadi Gramodyog Sangh, Arar Mode, Gopalganj                               |
| 18      | KI                  | Pref 2   | East    | Bihar          | Patna        | Swadesh Kambal Ashram  |
| 19      | KI                  | Pref 1   | East    | West Bengal    | Kolkata      | Kshetriya Shree Gandhi Ashram, Jalalpur, Malda   |
| 20      | KI                  | Pref 1   | East    | West Bengal    | Kolkata      | Jaluabada Khadi 'O' Resham Shilpa Samity, J B Malik Parada, Tq. Kaliachak-I, Malda-732 216 |
| 21      | KI                  | Pref 1   | East    | West Bengal    | Kolkata      | Gandhi Gram Bikas Samity, Vill Po Mokdumpur, Dist. Malda-732103 (Wb)                       |
| 22      | KI                  | Pref 1   | East    | West Bengal    | Kolkata      | Chaspara Silk Samity, Vill And Po Chaspara, Malda  |
| 23      | KI                  | Pref 1   | East    | West Bengal    | Kolkata      | Resham Kutir Shilpa, Vill & Post Bamongram, Malda-732 206                                  |

| Sr. No. | Type of Institution | Category | Zone       | State          | State Office   | Name of Institution  |
|---------|---------------------|----------|------------|----------------|----------------|--|
| 24      | KI                  | Pref 1   | East       | West Bengal    | Kolkata        | Resham Khadi 'O' Kutir Shilpa Samiti, Chota Sujapur, Tq. Sujapur Gram Panchayat, Malda-732 206 |
| 25      | KI                  | Pref 1   | East       | West Bengal    | Kolkata        | Gramin Kutir Shilpa Bhavan, Jiaganj, Murshidabad   |
| 26      | KI                  | Pref 2   | East       | West Bengal    | Kolkata        | Arjumand Khadi Unnayan Samity  |
| 27      | KI                  | Pref 2   | East       | West Bengal    | Kolkata        | Bharat Khadi Sevak Sangh   |
| 28      | KI                  | Pref 2   | East       | West Bengal    | Kolkata        | Khadi Vikash Samity  |
| 29      | KI                  | Pref 2   | East       | West Bengal    | Kolkata        | Diamond Silk Khadi Society   |
| 30      | KI                  | Pref 2   | East       | West Bengal    | Kolkata        | Mohanpur Silk Khadi Unnayan Samity   |
| 31      | KI                  | Pref 2   | East       | West Bengal    | Kolkata        | The Chaspara Khadi Samity  |
| 32      | KI                  | Pref 2   | East       | West Bengal    | Kolkata        | Gour Gramin Silk Unnayan Samity  |
| 33      | KI                  | Pref 1   | North      | Haryana        | Ambala Cantt   | Khadi Gramodyog Seva Sadan, Gurgaon (Haryana)  |
| 34      | KI                  | Pref 1   | North      | Haryana        | Ambala Cantt   | Khadi Gramodyog Sangh (Narar), Mirzapur, Kurukshetra   |
| 35      | KI                  | Pref 2   | North      | Haryana        | Ambala Cantt   | Gramodyog Samiti   |
| 36      | KI                  | Pref 2   | North      | Haryana        | Ambala Cantt   | Shri Durga Khadi Mandir  |
| 37      | KI                  | Pref 1   | North      | Rajasthan      | Bikaner        | Jaiselmer Jilla Khadi Gramodyog Parishad, Jaisalmer,   |
| 38      | KI                  | Pref 1   | North      | Rajasthan      | Jaipur         | Hadoti Khadi Gramodyog Samiti, Kota  |
| 39      | KI                  | Pref 2   | North      | Rajasthan      | Bikaner        | Seema Gram Swarajya Sangh  |
| 40      | KI                  | Pref 2   | North      | Rajasthan      | Jaipur         | Rajasthan Sarvodaya Sansthan   |
| 41      | KI                  | Pref 1   | North-East | Assam          | Guwahati       | Tamulpur Anchalik Gramdan Sangh, Tmulpur, Kuwarikata, Baksa-781 360                            |
| 42      | KI                  | Pref 2   | North-East | Assam          | Guwahati       | Mouman Seva Ashram   |
| 43      | KI                  | Pref 2   | North-East | Assam          | Guwahati       | Pragatishil Khadi Samiti   |
| 44      | KI                  | Pref 1   | North-East | Manipur        | Imphal         | Nirmal Khadi And Village Industries Association, Imphal  |
| 45      | KI                  | Pref 1   | South      | Andhra Pradesh | Hyderabad      | Rayalaseema Grameena Vikasa Mandali, Chittari Veedhi, Dist. Kurnool                            |
| 46      | KI                  | Pref 1   | South      | Andhra Pradesh | Hyderabad      | Kurnool Zilla Gramaparisramala Sangham, Vill. Kondapeta, Dist. Kurnool                         |
| 47      | KI                  | Pref 1   | South      | Andhra Pradesh | Hyderabad      | Khadi Gramodyog Sangh, Benganapally, Dist. Kurnool   |
| 48      | KI                  | Pref 1   | South      | Andhra Pradesh | Vishakhapatnam | S J N K Sangham, Srikakulam-532001, Ap   |
| 49      | KI                  | Pref 1   | South      | Andhra Pradesh | Vishakhapatnam | Swarajya Sangham, Kotananduru, Post Tuni-533401  |
| 50      | KI                  | Pref 2   | South      | Andhra Pradesh | Hyderabad      | Seva Samiti  |
| 51      | KI                  | Pref 2   | South      | Andhra Pradesh | Hyderabad      | Bharat Mata Khadi Silk Gramodyog Sangham   |
| 52      | KI                  | Pref 2   | South      | Andhra Pradesh | Vishakhapatnam | Andhra Fine Khadi Karmikabhivrudhi Sangham   |
| 53      | KI                  | Pref 2   | South      | Andhra Pradesh | Vishakhapatnam | Grama Swarajya Sangham   |
| 54      | KI                  | Pref 2   | South      | Andhra Pradesh | Vishakhapatnam | Gandhi Khadi And V.I. Prod And Sales Ics Ltd.  |

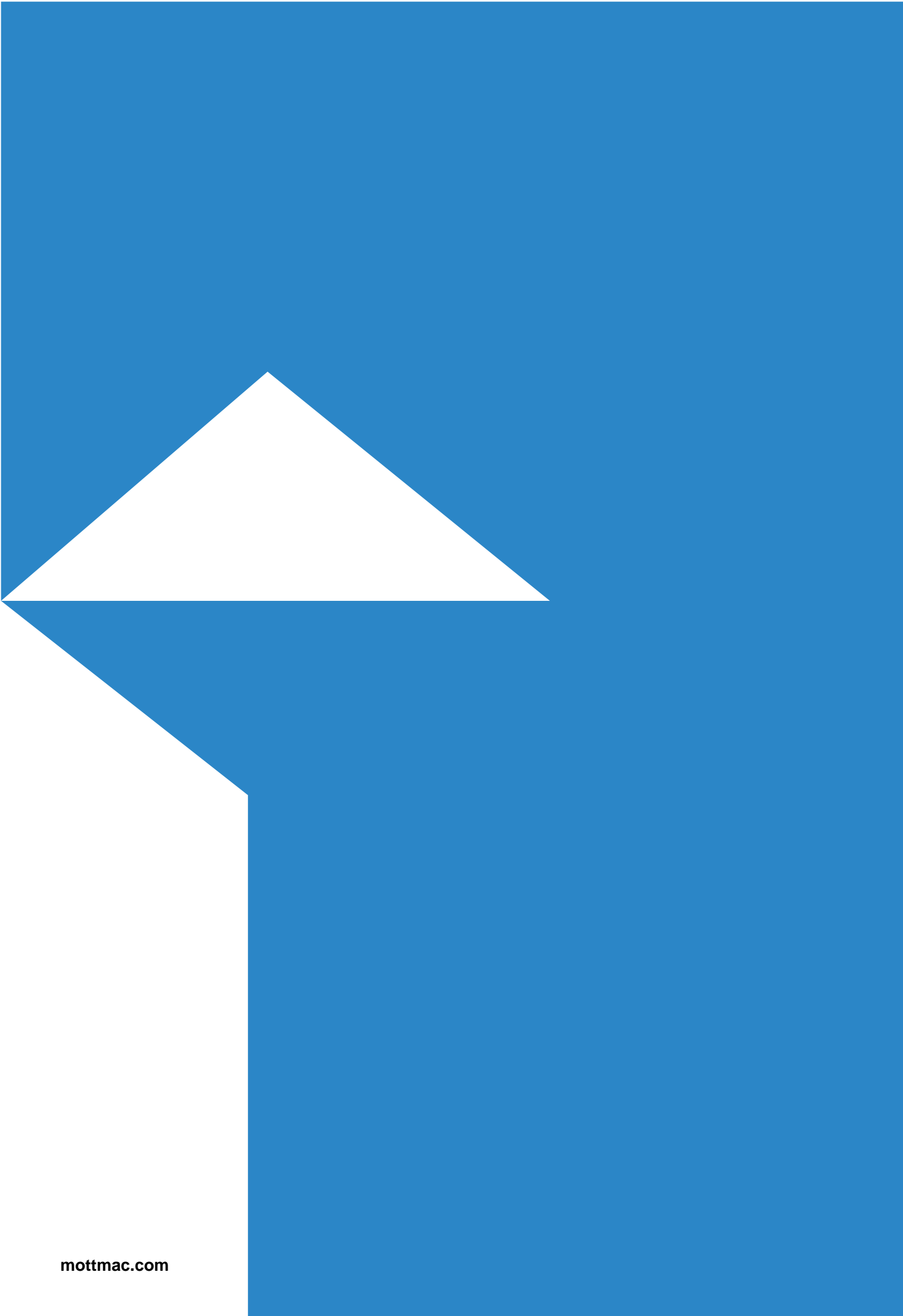
| Sr. No. | Type of Institution | Category | Zone  | State      | State Office | Name of Institution  |
|---------|---------------------|----------|-------|------------|--------------|--|
| 55      | KI                  | Pref 1   | South | Karnataka  | Bangalore    | Dharwad Taluka Garag Kshetriya Seva Sangh,Dharwad-580001,Karnataka                     |
| 56      | KI                  | Pref 1   | South | Karnataka  | Bangalore    | Belgaum Dist. Khadi Gramodyog Sangh,6, S.P.M. Road,Belgaum                             |
| 57      | KI                  | Pref 2   | South | Karnataka  | Bangalore    | Sri Sangoli Rayanna Gramabhivrudhi Sangh   |
| 58      | KI                  | Pref 2   | South | Karnataka  | Bangalore    | Sree Beereshwar Gramodyog Sangh  |
| 59      | KI                  | Pref 1   | South | Kerala     | Trivandrum   | Kerala Sarvodaya Sangh,Kozhikode-673020,Kerala   |
| 60      | KI                  | Pref 1   | South | Kerala     | Trivandrum   | Kerala Khadi And Vi Federation,Edappally,,Ernakulam -682024                            |
| 61      | KI                  | Pref 1   | South | Kerala     | Trivandrum   | Trivandrum Sarvodaya Sangh,Ooruttukala, Neyyattinkara,Thiruvananthapuram-695 121       |
| 62      | KI                  | Pref 2   | South | Kerala     | Trivandrum   | Kasturba Mahila Samajam  |
| 63      | KI                  | Pref 2   | South | Kerala     | Trivandrum   | Kozhikode Sarvodaya Sangh  |
| 64      | KI                  | Pref 2   | South | Kerala     | Trivandrum   | Trichur Dist.Khadi Co.Op.Society   |
| 65      | KI                  | Pref 1   | South | Tamil Nadu | Chennai      | Thanjavur West Sarvodaya Sangh,28 Giri Road, Srinivasapuram,Thanjavur                  |
| 66      | KI                  | Pref 1   | South | Tamil Nadu | Chennai      | Thanjavur Sarvodaya Sangh,8,9 K. V. Kovil Street, Kumbakonam,Thanjavur-612 001         |
| 67      | KI                  | Pref 1   | South | Tamil Nadu | Chennai      | Mulanur Sarvodaya Sangh,Mulanur,Tamilnadu  |
| 68      | KI                  | Pref 1   | South | Tamil Nadu | Chennai      | Gandhipuram Sarvodaya Sangh,7th Street, Cross Cut Road,Gandhipuram, Coimbatore-641 012 |
| 69      | KI                  | Pref 1   | South | Tamil Nadu | Chennai      | Coimbatore North Sarvodaya Sangh, Coimbatore   |
| 70      | KI                  | Pref 1   | South | Tamil Nadu | Chennai      | Tamilnadu Sarvodaya Sangh,Gandhinagar,Tirupur  |
| 71      | KI                  | Pref 1   | South | Tamil Nadu | Chennai      | Koduvai Sarvodaya Sangh,Vinobha Nagar, Koduvai, ,Trupur-638 660                        |
| 72      | KI                  | Pref 1   | South | Tamil Nadu | Chennai      | Padiyur Sarvodaya Sangh,Padiyur, Kangayam,Tirupur-638 701                              |
| 73      | KI                  | Pref 1   | South | Tamil Nadu | Chennai      | Tirupur Sarvodaya Sangh,Murugampalayam, Po. Iduvampalayam,Tiruppur-641 687             |
| 74      | KI                  | Pref 1   | South | Tamil Nadu | Madurai      | Sankarankoil Sarvodaya Sangh,Shankarankovil, ,Tirunelveli-627 756                      |
| 75      | KI                  | Pref 1   | South | Tamil Nadu | Madurai      | Gandhigram Khadi & Vipc Trust,Gandhigram, Tq. Authoor ,Dindigul-624 302                |
| 76      | KI                  | Pref 2   | South | Tamil Nadu | Chennai      | Avarampalayam Sarvodaya Sangh  |
| 77      | KI                  | Pref 2   | South | Tamil Nadu | Chennai      | Coimbatore Central Sarvodaya Sangh   |
| 78      | KI                  | Pref 2   | South | Tamil Nadu | Chennai      | Kangayam Sarvodaya Sangh   |
| 79      | KI                  | Pref 2   | South | Tamil Nadu | Chennai      | Vellakovil Sarvodaya Sangh   |
| 80      | KI                  | Pref 2   | South | Tamil Nadu | Chennai      | M.Kumarapalayam Sarvodaya Sangh  |
| 81      | KI                  | Pref 2   | South | Tamil Nadu | Chennai      | Nambiyur Sarvodaya Sangh   |
| 82      | KI                  | Pref 2   | South | Tamil Nadu | Chennai      | Palladam Sarvodaya Sangh   |
| 83      | KI                  | Pref 2   | South | Tamil Nadu | Chennai      | Puliampatty Sarvodaya Sangh  |
| 84      | KI                  | Pref 2   | South | Tamil Nadu | Chennai      | Sathyamangalam Sarvodaya Sangh   |
| 85      | KI                  | Pref 2   | South | Tamil Nadu | Madurai      | Kovilpatti Sarvodaya Sangh, Thoothukudi, Kalugumalai                                   |

| Sr. No. | Type of Institution | Category | Zone    | State         | State Office | Name of Institution   |
|---------|---------------------|----------|---------|---------------|--------------|---|
| 86      | KI                  | Pref 2   | South   | Tamil Nadu    | Madurai      | Tirunelveli Sarvodaya Sangh   |
| 87      | KI                  | Pref 1   | West    | Gujarat       | Ahmedabad    | Nav Jivan Khadi Gramodyog Sangh, Palanpur (Gujarat)                                   |
| 88      | KI                  | Pref 1   | West    | Gujarat       | Ahmedabad    | Jay Hind Khadi Gramodyog Sangh, Palanpur (Gujarat)                                    |
| 89      | KI                  | Pref 1   | West    | Gujarat       | Ahmedabad    | Udyog Bharati, Gondal, Rajkot   |
| 90      | KI                  | Pref 2   | West    | Gujarat       | Ahmedabad    | Mahashakti Khadi Gramodyog Seva Mandal, Surendranagar)                                |
| 91      | KI                  | Pref 2   | West    | Gujarat       | Ahmedabad    | Shree Bhagyodaya Seva Sangh, Ahmedabad)   |
| 92      | KI                  | Pref 2   | West    | Gujarat       | Ahmedabad    | Parimal Khadi Gramodhyog Sangh)   |
| 93      | KI                  | Pref 1   | West    | Maharashtra   | Nagpur       | Nag Vidharbha Charkha Sangh, Mul, Dist. Chandrapur                                    |
| 94      | KI                  | Pref 2   | West    | Maharashtra   | Mumbai       | Jalgaon Zilla Sarva Seva Samiti   |
| 95      | IA of VI            | VI       | Central | Uttar Pradesh |              | Abhishek Gramodyog Sewa Sansthan  |
| 96      | IA of VI            | VI       | East    | West Bengal   |              | Vivekanand Institute Of Bio Technology, Sri Ramkrishna Ashram,                        |
| 97      | IA of VI            | VI       | East    | Odisha        |              | Marigold International Educational Society, Jalandhar, Punjab                         |
| 98      | IA of VI            | VI       | North   | Punjab        |              | Kerala Khadi Village Industries Association, Avannisery                               |
| 99      | IA of VI            | VI       | South   | Kerala        |              | Association For Social And Health Awareness (Asha), Ramnagar, Gadchiroli, Maharashtra |

Source: KVIC, PwC and MM



## B. Comments



# Khadi Reform and Development Programme

*Identification of appropriate mitigation measures as per the feedback received during stakeholder consultations of Assessment of KRDP*

## Note on Mitigation Strategy

November 2017



कामये दुर्वत्प्रानाम् ।  
प्राणिनाम् आतिनाशनम् ॥

**Khadi and Village Industry Commission**

Ministry of Micro Small and Medium Enterprises,  
Government of India



MICRO, SMALL & MEDIUM ENTERPRISES

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## Background

In order to fully realize the significant growth potential of KVI Sector, in terms of employment generation, enhance with the earning of artisans and ensure positioning of Khadi in consonance with the current market needs, a comprehensive reform programme captioned Khadi Reform and Development Programme (KRDP) was approved by Government of India and is being implemented with the assistance from Asian Development Bank (ADB).

The program has been implemented in 3 tranches covering several reforms over a period of 9 years from 2008. As a part of Tranche 3 one of the conditions is to assess the effectiveness of the Khadi Reform Package and hold a consultation on the outcome of the assessment. An independent agency M/s Mott MacDonald has carried out an assessment study across the program elements and across various zones. The objective of the study was to evaluate reforms at the KI level as well as focus on challenges and gaps in implementation along with identifying measures to increase the effectiveness and strengthening of programmes.

The study was carried out by adopting qualitative and quantitative data collection techniques. The impact of KRDP was assessed at various levels of intervention such as at the KVIC level, KIs, VIs, Sales outlets, artisans and consumers. The sample size included 47 KIs covered under Direct Reform Assistance, 47 non-DRA KIs, 1,880 artisans, 94 managerial staff of KIs, over 500 consumers, 5 VIs and 50 KVIC officials at the zonal, state and field levels.

All the program components were namely: Institutional strengthening through Direct Reforms Assistance, impact on Village Industries Clusters, Artisans Earnings and Empowerment, Information Technology Reforms (Effectiveness of Management Information System), Marketing Reforms (such as the effective implementation of Khadi Mark and impact of market linked pricing and implementation of Benefit chart, gender mainstreaming, organizational restructuring and overall impact of capacity building.

### *National Stakeholder Consultation*

A National Stakeholder Consultation was organised with the purpose to share the findings of the study with all the stakeholders of KRDP on 28 October, 2017. The consultation was inaugurated and chaired by Mr. Vinay Kumar Saxena, Chairman, KVIC. The workshop had 135 participants which included representatives from ADB, Joint Secretary, MSME; Commission Members, Financial Advisor, KVIC; KVIC officials from Central, Zonal, State and Divisional offices, Chairman and Secretaries and artisans from around 20 KIs. A list of participants is attached at Annexure.



**Artisans sharing their views on how effective the KRDP interventions have been and the participants during the National Consultation held on 28 October 2017**

## Issues and Mitigation strategy

### 1. Promoting and Marketing Khadi

| Reform area under KRDP               | Feedback received  | Mitigation strategy   |
|--------------------------------------|--|---|
| <b>Khadi Mark</b>                    | <ul style="list-style-type: none"> <li>• Khadi Mark has been accepted by almost all the registered Khadi Institutions. While, they are using the mark on the products sold through the sales outlets, it is still not being used in all sales channels.</li> <li>• Uniformity in use of Khadi Mark tags is missing and mechanism to verify the source of production of the Khadi cloth needs to be made robust.</li> <li>• Further, it was found that the awareness of Khadi Mark is still relatively low among the consumers.</li> <li>• Aesthetic issues were raised such as that the seal does not print appropriately on the cloth, the size of tag was found to be too big, etc.</li> </ul> | <p>Khadi Institutions are widely dispersed across the country and hence monitoring of Khadi Mark implementation is a challenging task. It will require continuous effort by all the stakeholders especially the State and field offices.</p> <ul style="list-style-type: none"> <li>• KVIC will conduct reviews and audits and ensure that guidelines are being followed for proper implementation of Khadi Mark Regulations in their respective zones on continuous basis.</li> <li>• Further, introduction of barcodes and standardized license numbers on the khadi mark tags as well as on the KVIC website could help buyers and consumers verify the authenticity of the product purchased.</li> <li>• To generate awareness about Khadi Mark the state/central office shall provide for wider publicity through advertisements in the local news channels, regional newspapers and the radio channels to promote the Khadi Mark as being done by Ministry of Textiles for Handloom Mark/ Silk Mark.</li> <li>• MMSME is exploring partnership with Textile Committee to streamline the spot-audit and khadi mark verification process</li> <li>• KVIC is deliberating on the aesthetic issues brought up and share develop appropriate strategies to address the same</li> </ul> |
| <b>Improved marketing techniques</b> | <ul style="list-style-type: none"> <li>• KVIC is still engaged in traditional channels of marketing Khadi and VI products. KVIC should explore the model channels such as e-commerce, franchisee etc. to be visible in the market and attract</li> </ul>   | <ul style="list-style-type: none"> <li>• Efforts are being made by KVIC as well as KIs for leveraging the strengths of e-Commerce platform for marketing of KVI products. KVIC has also ventured into opening its franchisee stores in various cities and is exploring the possibilities to expand the horizon</li> </ul>   |

|  |  |  |
|--|--|--|
|  | <p>the younger generation towards Khadi.</p> | <p>through the franchisees. KVIC has partnered with brands such as Raymonds, Arvind Mills, Aditya Birla group to promote Khadi. KVIC has also tied up with well-known designers to introduce new designs to attract the youth.</p> <ul style="list-style-type: none"> <li>• Under KRDP KVIC has also conducted the Market survey and has arrived at a strategy to market Khadi and VI products in local as well as International markets and will implement the strategy for the benefit of the major stakeholders i.e. the artisans.</li> <li>• Further strategies to diversify in B2B and B2C channels through digital platforms shall be explored.</li> </ul> |
|--|--|--|

## 2. Realizing procurement and production efficiencies

| Reform area under KRDP                                    | Feedback received   | Mitigation strategy   |
|---|---|---|
| <p><b>Market linked pricing through Benefit chart</b></p> | <ul style="list-style-type: none"> <li>• KIs were slow in adopting financial reforms due to dependency on rebates and subsidies, low level of awareness and lack of technical competencies.</li> <li>• Further, it was observed from the survey that very few artisans and managerial staff of Khadi Institutions had awareness of the Benefit Chart scheme.</li> </ul> | <ul style="list-style-type: none"> <li>• KVIC shall continue to sensitize and clarify the concepts of financial reforms. It will provide technical support for introducing market linked pricing and adopting benefit chart and other financial reforms. Additionally workshops shall be conducted to acquaint them with the concept of market-linked pricing, and its benefits of distribution of benefits across the value chain, higher surplus, etc.</li> <li>• Capacity building of field offices shall be critical as they play a key role in this case, since they are in regular contact with the KIs through field visits, meetings, budget sessions, trainings, etc. The field offices shall be given instructions to provide KIs such capacity building support.</li> <li>• Success stories of KIs benefiting from financial reforms would be</li> </ul> |



|   |  |   |
|---|--|---|
|   |  | <p>widely disseminated so that the sector gains confidence in implementing these reforms.</p> <ul style="list-style-type: none"> <li>• Further, to ensure strong monitoring KIs KVIC shall strongly implement and follow the processes and guidelines as stated for the benefit chart. The monitoring and the reporting system should be strengthened and should be reviewed by the Zonal offices, State and Divisional Offices and KIs on a continuous basis.</li> </ul> |
| <b>Artisan Earnings and Empowerment</b> | <ul style="list-style-type: none"> <li>• Artisans expressed that their earnings have gone up due to new implements like NMC Charkhas and new looms from average Rs 60/day to around Rs 150/day, the increased earnings are still not commensurate to the effort put</li> </ul> | <ul style="list-style-type: none"> <li>• The shift to market linked pricing has been slow and therefore the artisans have only benefitted from the production increase. Increased in earnings and subsequent distribution of surplus as part of the financial reforms need to be accelerated to increase the artisan earnings in future.</li> <li>• The gradual increase of artisan representation in non-DRA KIs also shall be considered by KVIC and MMSME.</li> </ul>  |

### 3. Institutional Reforms

| <b>Reform area under KRDP</b>                           | <b>Feedback received</b>   | <b>Mitigation strategy</b>  |
|---|--|---|
| <b>Implementation of Direct Reform Assistance (DRA)</b> | <ul style="list-style-type: none"> <li>• There has been a significant delay in the implementation process of the DRA due to multiple process and approvals pending with various stakeholders at the KI, State and Central level. As a result 313 KIs have received the funding only in 2017</li> </ul> | <ul style="list-style-type: none"> <li>• As per the DRA Evaluation conducted in October 2017, findings for the 87 Khadi Institutions that implemented DRA in the first phase reveal several benefits of the programme that have become visible over 2-3 years of implementation. The results indicate increase in artisan earnings and improved production and sales through quality infrastructure, usage of efficient implements, steady adoption of IT and digital media, intensive capacity building of artisans and workers, strengthened management and governance capabilities of</li> </ul> |

|  |   |  |
|--|---|--|
|  |   | <p>KIs and strategic marketing and publicity. Learnings from 87 Khadi Institutions can be further strengthened to improve implementation for the next 313 Khadi Institutions.</p> <ul style="list-style-type: none"> <li>• A robust monitoring mechanism shall be put in place to ensure faster implementation of action plan for the balance 313 KIs.</li> <li>• Additionally, an end-term assessment shall be undertaken in 12 months' time to assess the impact of DRA on all 400 KIs.</li> </ul>   |
| <b>Promoting welfare measures for artisans</b>       | <ul style="list-style-type: none"> <li>• While, majority of the KIs have extended welfare scheme such as the Janashree Bima Yojana and the Artisan Welfare Fund for artisans. Artisans are typically unaware of the benefits of these schemes and of how to avail them.</li> </ul>  | <ul style="list-style-type: none"> <li>• KVIC shall facilitate building capacities of KIs to organise information dissemination sessions at the KI level for artisans and employee on various welfare schemes should be conducted periodically.</li> <li>• The schemes should not be limited to JBY and Artisan Welfare Fund, based on the target artisan population, information on other relevant welfare measures of the GoI should also be disseminated</li> </ul>   |
| <b>Organisational re-structuring and convergence</b> | <ul style="list-style-type: none"> <li>• The restructuring of programme directorates, formation of CCC, merging all Khadi related directorates as a single 'Khadi Directorate' and devolution of higher powers to zonal offices has helped in better functioning for the newly formed directorates. However, this needs to be further streamlined for seamless working of the commission.</li> <li>• When the program was started data keeping methods at all levels from Central office, State Offices and KI level were in paper form. With the help of the interventions under KRDP, KVIC has adopted and graduated to digital methods of not only data keeping but also for its day to day office procedure at Central Office. Further strengthening of the digital platforms is required to successfully migrate all KVIC and KI on it.</li> </ul> | <ul style="list-style-type: none"> <li>• KVIC shall further facilitate strengthening of the convergence mechanism developed.</li> <li>• <b>Implementation and Data Consolidation:</b> KVIC is also in final stages of digitization of day to day office procedures at State Office level. This will also address the issues of multiple levels of approvals. With the implementation of Integrated Financial Management System KVIC will move into a new era of Financial Management which will help to address the issue of financial data consolidation at Central and State Office level. With implementation of KIMIS at the KI level, KVIC has already tried to address the issues data consolidation and incorrect data at KI level for not only the 400 KIs supported under the program but for 2000+ registered KIs with KVIC. As this data will also be used identify beneficiaries for other schemes as well as monitoring the progress of these schemes implemented by KVIC.</li> </ul> |

|   |  |   |
|---|--|---|
| <p><b>Capacity building of key stakeholders</b></p> | <ul style="list-style-type: none"> <li>• The stakeholder consultations and field findings suggest that the managerial staff at majority of the sales outlet were not highly educated which is again a constraint as their understanding level, soft and hard skills are the major area of concern.</li> <li>• Requirement of regular skilling of KIs to develop market relevant product lines was expressed</li> </ul> | <ul style="list-style-type: none"> <li>• <b>Undertaking capacity building as continuous process:</b> The capacity building activities at all levels will be undertaken on consistent basis. Also, the staff or office bearers of Khadi Institutions would be provided handholding support for implementation activities post-training. Technical staff of KVIC Field Offices will be closely involved in the process to identify and report the need based training required for KIs and artisans.</li> <li>• <b>Training Diversification:</b> The trainings for KIs and office bearers should be diversified and more areas such as product design and development, marketing, financial management, and trainings related to implementation of schemes and programmes may be introduced. This will go a long way in strengthening the KIs and benefit the sector as whole.</li> </ul> |
| <p><b>IT &amp; MIS</b></p>                          | <ul style="list-style-type: none"> <li>• There are few KIs facing problems pertaining to server connectivity and loss of data and few of them also feel the system is not user friendly and changes are required to operate the same efficiently.</li> <li>• Maintenance issues in new hardware supplier are not resolved by the vendors</li> </ul>  | <ul style="list-style-type: none"> <li>• The KVIC MIS has been made operational for 1800 plus KIs, however closer handholding support in terms of capacity building shall be given to KIs to implement the IT interventions more robustly.</li> <li>• Further, a help desk at KVIC Central Office is planned to be set up for monitoring the MIS implementation</li> <li>• The maintenance support for the new hardware shall be ensured by KVIC IT Directorate</li> </ul>  |

KRDP

NATIONAL STAKEHOLDERS  
CONSULTATION MEET

ON -

28TH OCTOBER 2017

AT IMA, JUHU, MUMBAI,

KHADI INSTITUTIONS

AND

KHADI ARTISANS

| Sr.No | Name of the person   | Designation | Sign |
|-------|--|-------------|------|
| ①     | ✓ 1. Shik.P. Gopala poduval<br><u>Kerala Gandhi mand. v.i. Federation</u><br><u>Centre</u> | Secretary   |      |
| ②     | ✓ 2. Rajash, <u>weaver</u> - do -  | Weaver      |      |
| ③     | ✓ 3. Shoba R - do -  | Spinner     |      |
| ④     | ✓ 4. Thankamma K. - do -   | Spinner     |      |
| ⑤     | ✓ 5. K.G. Jagadeesan, Secretary<br><u>Kerala Gandhi Smanu Mithi</u><br><u>Kerala.</u>      |             |      |
| ⑥     | ✓ 6. Sheela - S - do -   | spinner     |      |
| ⑦     | ✓ 7. Subochana - do -  | spinner     |      |
| ⑧     | ✓ 8. Sheela - T - do -   | weaver      |      |
| ⑨     | ✓ 9. Ravikant Pandey<br><u>Kshetris shree</u><br><u>Gandhi</u>                             | Secretary   |      |
| ⑩     | ✓ 10. Al Seena Saini   | Spinner     |      |
| ⑪     | ✓ 11. Suman Saini  | "           |      |
| ⑫     | ✓ 12. Sallu Saini  | Weaver      |      |
| ⑬     | ✓ 13. Dike nell - Sipl X<br><u>Bhujaj Sema Sansthan</u>                                    | Mgnr pr     |      |
| ⑭     | ✓ 14. K.L. Dikar   | weaver      |      |
| ⑮     | ✓ 15. Mohanlal   | weaver      |      |
| ⑯     | ✓ 16. Ashok Kumar  | worker      |      |

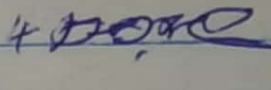
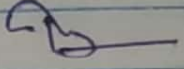


| Sr. No. | Name of the Person  | Designation | Sign          |
|---------|---|-------------|---------------|
| 17      | S. RAJU Madurai West S. Sang. Tirumangalam                    | Secretary   | [Signature]   |
| 18      | P Alagesan<br>Tanjore West. S Sang.                           | "           | P Alagesan    |
| 19      | S. PAUL RAG.<br>Madurai West<br>Sawadhaya Sang.               | Weaver      | S. Paulraj    |
| 20      | A. Senthil Nathan<br>Secretary, Tamil Nadu<br>Sawadhaya Sang. | Secretary   | [Signature]   |
| 21      | Vishwanathan  | Weaver      | [Signature]   |
| 22      | Ananthi   | Spinner     | P. Ananthi    |
| 23      | Kavitha   | Spinner     | A. Ananthi    |
| 24      | M. Kupusamy   | Secretary   | [Signature]   |
| 25      | Dhandapani  | Weaver      | P. Dhandapani |
| 26      | S. K. Vinami<br>Padiyan S. Sang.                              | Spinner     | [Signature]   |
| 27      | Vijaya  | Spinner     | T. Vijaya     |
| 28      | P. P. G. Swami  | Spinner     | S. Vijaya     |
| 29      | Padmavathi<br>Tanjore West. S. Sang.                          | Weaver      | A. Padmavathi |
| 30      | Satpal Singh  | Secretary   | [Signature]   |
| 31      | Kavitha   | Spinner     | [Signature]   |
| 32      | ASIR ALI  | Weaver      | [Signature]   |
| 33      | OM Prakash<br>Khadi (Gr. Sangh, Narad<br>Kalusudra, Haryana)  | Weaver      | [Signature]   |

| Sl. No. | Name of the Person/Designation        | Designation | Sign |
|---------|---------------------------------------|-------------|------|
|         | <u>Shri Gandhi Seva Sadan Bagan.</u>  |             |      |
|         | <u>Exhibitions (P.A.T)</u>            |             |      |
| 20      | Nasendra Sharma.                      | IC R.ADP.   |      |
| 21      | Rakesh Gupta.                         | RIO.        |      |
|         | <u>Hudori Khadi Gaur Sam.</u>         |             |      |
|         | <u>Kota (Raj)</u>                     |             |      |
| 26      | Ramesh Kishor Sharma                  | seam        |      |
| 27      | RUBINA                                | spinner     |      |
| 28      | VISNU BAN                             | spinner     |      |
| 29      | man Khatun                            | weaver      |      |
|         | <u>Khadi G.S. Seva Sadan</u>          |             |      |
|         | <u>Gaurgaon, Haryana</u>              |             |      |
| 30      | Shri Wamma Sharma                     | Secretary   |      |
| 31      | -/- Rakesh Kumar                      | Spinner     |      |
| 32      | -/- Shri Khan.                        | Weaver      |      |
|         | <u>Ajmer Merwara Gram Sevya Ajmer</u> |             |      |
| 33      | Seema Koli                            | IT          |      |
| 34      | Dharm-prigya Verma.                   | RIO.        |      |
|         | <u>Candhigran Khadi + VI PCTNY</u>    |             |      |
|         | <u>T.N</u>                            |             |      |
| 43      | C. Krishna Rao                        | seam        |      |
| 46      | Kaitha                                | Spinner     |      |
| 47      | Nalathy                               | Spinner     |      |
| 48      | Pitchai Jamal                         | Weaver      |      |
|         | <u>Nairkanda</u>                      |             |      |
|         | <u>Sakhawati Khadi Gaur Seva</u>      |             |      |
|         | <u>Sarh</u>                           |             |      |
| 49      | Sunil Kumar -                         | RIO         |      |
| 50      | Sarita Sharma                         | Spinner     |      |
| 51      | Roopam Aiyya.                         | Spinner     |      |



| Sr. No.  | Name of the person                                     | Designation                | Sign                 |
|----------|--|----------------------------|----------------------|
|          | MADURAI WEST SARVODAYA SANGH                           |                            |                      |
| ✓ 1 (52) | K. Guruvannal  | Spinner                    | K. Guruvannal        |
| ✓ 2 (53) | S. Pashpavathi   | Spinner                    | S. Pashpavathi       |
| ✓ 3 (54) | B. Shankar   | Spinner                    | B. Shankar           |
|          | Dharwad District Khadi<br>Gr. Sangh, Dharwad           |                            |                      |
| ✓ 1 (55) | K. K. G. ...   | Chairman                   | K. K. G. ...         |
| ✓ 2 (56) | V. V. ... (Dalit M. G. ...)                            | Spinner                    | V. V. ...            |
| ✓ 3 (57) | D. ... (D. ...)  | "                          | D. ...               |
| ✓ 4 (58) | SHANTHA CHANDRAPPA                                     | Weaver                     | Shantha Chandrappa   |
|          | Kshatriya Shri Gendhulcham Jalpur, Malda (W.B)         |                            |                      |
| ✓ 1 (59) | Jai Prakash  | Secretary                  | Jai Prakash          |
| ✓ 2 (60) | Gudli Devi   | Spinner                    | Gudli Devi           |
| ✓ 3 (61) | Sujata Razak   | Spinner                    | Sujata Razak         |
| ✓ 4 (62) | Vishwanath Pramanik                                    | Weaver                     | Vishwanath Pramanik  |
| 63       | Satish Sarbadaya Varali                                |                            |                      |
| 1        | Pralay Saha Choudhry                                   | Secretary                  | Pralay Saha Choudhry |
| 2        | Sujata Mandal  | Spinner                    | Sujata Mandal        |
| 3        | Rasmoni Sutarachar                                     | Do                         | Rasmoni Sutarachar   |
| 4        | Ratan Dasmath  | Weavers                    | Ratan Dasmath        |
|          | Nazvidakha Charche Sangh - NACTON                      |                            |                      |
| 67 (1)   | Bander. G. B. ...                                      | President                  | Bander. G. B. ...    |
| 68 (2)   | Babun. S. ...  | Sec.                       | Babun. S. ...        |
| 69 (3)   | Laxmi M. ...   | Spinner                    | Laxmi M. ...         |
| 70 (4)   | Povning. D. ...  |                            | Povning. D. ...      |
| 71 (5)   | Mod. Khushid   | Weaver                     | Mod. Khushid         |
| 72       | R. Ganesan. Thangava west<br>Thangava. Sarvodaya Sangh | Instructor<br>Perti to pet | R. Ganesan           |

| S.No. | Name of the person   | Designation   | Sign  |
|-------|--|---------------|---|
|       | Yogi Karpur K.G. Vikas<br>Sangh modagos                      | Jaswant Singh |  |
| 73    | 1) Karpur bhai   | }             |  |
| 74    | 2) Hajar bhai  |               |   |
| 75    | 3) Arjun bhai  |               |   |
| 76    | 4) Ramesh Bhai   |               |   |
| 77    | Suhmaniam<br><u>Tamilnad Samodaye</u><br><u>Tumkur</u> Sangh | Principal     | BHS-Suh   |



# KVIC OFFICIALS, PWC & VIAT/VIDE.

ADB

| Sr.No.       | Name   | Designation             | Sign     |
|--------------|--|-------------------------|----------|
| 1            | K. P. LALITHAMANIAN, KVIC, Kerala            | Director                |          |
| 2            | M. Beemaroo, KVIC, Tiruvandur Kerala         | A.D.-II (Kerala)        |          |
| <del>3</del> | <del>Ranjit Prasad</del>                     |                         |          |
| 3            | Rajbahadur Singh, Lucknow                    | Executive (K)           |          |
| 4            | M. A. Jayakannan - Madurai                   | A.D.-II (K)             |          |
| 5            | H. P. Kiruba. Executive. S.O. B'lore         | Executive (K)           |          |
| 6            | R. GOVINDARAJAN S.O. B'lore                  | Executive (K)           | Ry 28/10 |
| 7            | Kunj' Bitani S.O. Vijay                      | Dy. Director / IK       |          |
| 8            | Haridul Rajendran S.O. Vijay                 | Exe. (Kerala) Marketing |          |
| 9            | S. F. Shate AD - II CB                       | ADK BDP                 |          |
| 10           | V. K. Nagar State Director Ambala            | Director.               |          |
| 11           | Virender Kumar KVIC Ambala                   | Executive (Kerala)      |          |
| 12           | P. N. Manikandan Dy. Director KVIC Madurai   | Dy. Director            |          |
| 13           | K. Anuraj AD, B'lore                         | AD                      |          |
| 14           | Lakshmi Dayanem, State Director, KVIC Kerala | State Director          |          |
| 15           | Sidhar Roy, State Director KVIC Madurai      | State Director          |          |
| 16           | K. C. Madi' Do KVIC B'lore                   |                         |          |
| 17           | S. C. Hoode State Director KVIC Gujarat      | State Director          |          |



| Sl. No | Name                    | Designation        | Sign        |
|--------|-------------------------|--------------------|-------------|
| 18     | Puneet Suri             | Business head.     | [Signature] |
| 19     | Ronak Soni              | Sr Project Manager | [Signature] |
| 20     | Bhanik Agnihotri        | Consultant         | [Signature] |
| 21     | Satyajit Ghosh          | Sr. Consultant     | [Signature] |
| 22     | S.P. Kharfelwal         | Dy Dir.            | [Signature] |
| 23     | U.S. Maity,             | Asst. Dir. (K)     | [Signature] |
| 24     | M.C. Sagar              | Executive Prod     | [Signature] |
| 25     | U.P. Babel              | PCM                | [Signature] |
| 26     | Pradeep Bhatt           | EES                | [Signature] |
| 27     | P.S. Bala Krishna       | Asst. Dir. (K)     | [Signature] |
| 28     | Y.T. Lakshman           | Publ               | [Signature] |
| 29     | M. A. Mali              | Sr. Ahmedabad      | [Signature] |
| 30     | Savitri S Talankar      | RID                | [Signature] |
| 31     | Dr. D.H. Keny           | RID                | [Signature] |
| 32     | Y.L. Kotham             | Executive RID      | [Signature] |
| 33     | K. C. Pant              | — — —              | [Signature] |
| 34     | S. S. Paril             | EES                | [Signature] |
| 35     | R. Asthana              | Dir. of HMPFI      | [Signature] |
| 36     | D. Dhanpal              | Dy. CEO            | [Signature] |
| 37     | Satyajit                | Jr. CEO            | [Signature] |
| 38     | J.K. Gupta              | Dir. (K)           | [Signature] |
| 39     | J.S. Chopra             | Dy. Dir            | [Signature] |
| 40     | Vijay Ramesh            | Jr. CEO            | [Signature] |
| 41     | Shri. Nivedita          |                    | [Signature] |
| 42     | Shri. Manoj             |                    | [Signature] |
| 43     | Hariharan               |                    | [Signature] |
| 44     | YASHWANT DOKAR          |                    | [Signature] |
| 45     | N.L. Pipalkoti (2 days) | CEO Cell           | [Signature] |
| 46     |                         | Chairman Cell      | [Signature] |

| Sr no | Name                     | Designation             | Sign        |
|-------|--------------------------|-------------------------|-------------|
| 44    | R. Hanuman               | AD / AD (47)            | [Signature] |
| 45    | Dr. Shela Rao            | Expert Member KVIC (48) | [Signature] |
| 46    | Pinki Bhanu              | PMEL/KVIC (49)          | [Signature] |
| 47    | R. S. AGARWAL, EXECUTIVE | AD/DIT (50)             | [Signature] |
| 48    | Prheena Shad, member     | (51)                    |             |
| 49    | F.A. Cell. (2 Bags)      | (52)                    |             |
| 50    | F.S./CEO Cell. (1 Bags.) | (53)                    |             |
| 51    | R. A. Gajbhare           | AD/DIT (54)             |             |
| 52    | A.K. Shrotriya Chairman  | Director (55)           | [Signature] |
| 53    | LNK/AD/CEO               | AD/DIT (56)             | [Signature] |
| 54    | R. R. Gajbhare Director  | D.O. Nagar (57)         | [Signature] |
| 55    | Shyam Singh              | AD-DCR (58)             | [Signature] |
| 56    | K. J. Shobale            | Director/HMPZ (59)      | [Signature] |
| 57    | Ardevor. AD.             | AD (60)                 | [Signature] |
| 58    | R. Sahakumar, AD-II (61) | Kc (62)                 | [Signature] |
|       | N. S. Shetty             | A.I.D (63)              | [Signature] |
|       | Dineshwar Singh.         | Adm                     | [Signature] |
|       | M. L. Kandel             | A.I.D.                  | [Signature] |
|       | Anil Das.                | AD B.                   |             |