

KVIC had fulfilled 16 tranche conditions under the 1st Tranche conditions as follows:

1. Govt. of India to review of the performance of khadi sub-sector comprising KVIC and other subsidiary institutions and develops a khadi reform package.
2. KVIC to agree on the khadi reform package comprising – policy, legal, marketing, and institutional reforms for achieving sustainability of khadi and enhancing artisan welfare.
3. KVIC, in consultation with MMSME, to develop (i) criteria for selecting khadi institutions eligible for assistance under the khadi reform package (ii) draft MOU between KVIC and khadi institutions on comprehensive reforms for khadi institutions
4. KVIC to select 300 khadi institutions eligible for support under the khadi reform package.
5. KVIC to agree to undertake steps to develop khadi mark and link the artisan's base earnings to the use of khadi mark.
6. KVIC to agree to establish a new marketing organization with majority private sector ownership.
7. KVIC to develop quality norms for raw material procurement by khadi institutions.
8. KVIC to initiate the creation of a fund to kick-start private sector participation in sliver/roving production.
9. KVIC to undertake steps to allow khadi institutions to set their khadi prices.
10. KVIC to undertake steps for the khadi institutions to shift to the production incentive plan.
11. KVIC to pursue the producer company model and enterprise model for new ventures in khadi.

12. KVIC to adopt the restructuring devolution plan for (i) restructuring khadi, village industries, science and technology, and economic research directorates; (ii) strengthening of human resource and administration directorate; (iii) realignment of reporting relationships; and (iv) devolution of powers and responsibilities to zonal offices. (restructuring devolution plan)
13. KVIC to create the steering committee and users committee for the IT/IS planning and implementation.
14. KVIC to formulate the comprehensive reforms plan for the 300 eligible khadi institutions.
15. KVIC to develop a comprehensive capacity building plan covering KVIC, KVIBs, khadi institutions, and artisans.
16. KVIC to identify around 5 village industries that are in line with the ethos of khadi – handmade, use of organic inputs processes, and socially aware. (khadi reform package)