

# **KHADI REFORM AND DEVELOPMENT PROGRAMME**

## **COMPENDIUM**



**DIRECTORATE OF REFORM IMPLEMENTATION DIVISION**  
**KHADI AND VILLAGE INDUSTRIES COMMISSION**  
(Ministry of Micro, Small & Medium Enterprises, Govt. of India)  
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## **MESSAGE**

Khadi, the 'Fabric of Freedom', has been a source of empowering millions of spinners, weavers and other artisans spread across the country and making them self-reliant. Khadi is traditional, ethnic and artisan intensive. ***Gandhiji used 'Khadi' as a 'Livery of Freedom' and 'tool for self-reliance' during freedom movement. He had also foreseen Khadi as a tool for 'Economic Independence'.***

Introduction of 'New Model Charkhas' (NMC's) enlivened the scope of hand-spinning as a full time vocation. Khadi activity also offers excellent scope for sustainable earning opportunity to agricultural laborers during non-farm seasons.

During the first week of October 2006, I had requested Shri P. Chidambaram ji the then Hon'ble Finance Minister to provide additional financial support to the khadi Sector as the same was highly inadequate to rejuvenate the sector and needed financial reinforcement. ***It was on the insistence of Shri P. Chidambaram Ji, that the proposal was immediately considered on priority by the Department of Economic Affairs of the Ministry of Finance suggesting external assistance from 'Asian Development Bank'.***

The support available under Khadi Reform and Development Programme (KRDP) envisages holistic reform measures in order to realize the growth potential of the Khadi Sector in terms of employment generation, enhanced earnings and also positioning of khadi in consonance with current market need. This journey envisages a 'turn around' for the khadi sector.

I express my sincere thanks to the Government of India for offering such a unique assistance. All institutions who are regularly supported by KVIC and who avail the benefits provided by the Government under Khadi schemes like rebate, etc., should also take upon themselves the moral attitude of providing better wages and other initiatives like health insurance, scholarships, workshed scheme, artisan welfare trust etc., and ensure that the benefit of the schemes percolate to the poorest of the poor spinners, weavers and other artisans at the grass root level and make this reform a success.

The need of the hour is to make Khadi a 'National Fabric' and a tool of mass movement for achieving the objective of socio economic development of the most vulnerable section of the society thereby fulfilling the Gandhian objective of 'Antyodaya'. Implementation of KRDP will rejuvenate the capability of khadi to provide sustainable employment opportunities at very low per capita investment. The introduction of new implements and improved infrastructure will help increased earnings for artisans and fulfill the objectives of KVIC.

Khadi is geographically a wide spread economic activity encompassing all the States in the country. Given the high involvement of women and marginalized groups in the KVI sector this approach will consolidate the developmental efforts to promote inclusive growth.

My best wishes to you all.

**KUMUD JOSHI**  
**CHAIRPERSON**

**Mumbai**  
**30<sup>th</sup> January 2010**

# **FOREWORD**

**Rural Non-farm Sector plays a significant role in providing gainful employment in the rural areas. The sector engages over 90 million people, which is 18% of the total work force and around 25% of the rural work force. The sector contributes around 1/3<sup>rd</sup> of the total income of rural house holds.**

**2. The KVI sector is an important sub sector of Rural Non Farm Sector in India. Khadi and Village Industries grew steadily over the last five decades with the policy and financial support from the Govt. of India. It has played a noteworthy role as an employment provider with comparatively low per capita investment and adoption of simple technology.**

**3. Despite of overall slow down in the growth of the economy, the KVI sector registered a growth of around 4% during the year 2008-09 over the performance of the 2007-08. The Khadi Sector recorded better performance and registered growth rate of 7.70% in production and 10.38% in sales. The overall production of the KVI sector stood at Rs.173.39 billion and sales at Rs.227.48 billion. The sector also provided employment to 10.40 million people.**

**4. In general, products under this sector are in a disadvantageous position while facing the competition from the similar products of organized corporate sector. Some of the factors attributed to this situation are the scale of technology in use, inadequate financial base and comparatively less skilled artisanship and craftsmanship in KVI sector as compared to corporate world etc. In this backdrop, KVIC has been making persistent and determined efforts to bring improvement in quality of products and use better marketing strategy by adopting brand promotion, quality control and standardization through implementation of various schemes.**

**5. In order to fully realize the significant growth potential of KVI sector in terms of employment generation and enhanced earnings and also, to ensure that the positioning is in consonance with current market needs, holistic reform measures are required.**

**6. KVIC extends its gratitude to the Government of India for approving the package of Khadi Reforms for 150 million US dollars grant to KVIC through Asian Development Bank (ADB) towards total reform of the sector. The Khadi Reform Package aims at making Khadi sustainable with greater involvement, enhanced earning and improved quality of life for the spinners, weavers and other artisans. ADB support encompasses overall infrastructure support and**

**capacity building of 300 Khadi institutions, setting-up of Marketing Organization in PPP mode for marketing khadi and village industry products in a professional manner beside introduction of Khadi Mark and other related reforms.**

**7. The aim is to make Khadi industry more productive, competitive and also to strengthen its potential for creation of sustainable employment by extending an evenly balanced and need-based support in all areas of Khadi activities viz. production, distribution, promotion, capacity building and sales etc. Khadi institutions working in backward areas belonging to socially backward and weaker sections of the society are being given priority and preference in implementation of this scheme to ensure the objective of inclusive society.**

**8. Khadi and Village Industries Commission is grateful to the Government of India, Hon'ble Minister of MSME, Cabinet Committee on Economic Affairs (CCEA), Expenditure Finance Committee (EFC), Secretary of MSME for their continuous support and guidance to KVI sector for its development and growth. KVIC will continue to serve the artisans, particularly those living in rural India as well as strengthening of the rural economy for an all inclusive economic development of the Country. We are determined to usher in a new era of khadi in all respects.**

**Mumbai  
12<sup>th</sup> January, 2010**

**J.S. MISHRA I.A.S  
CHIEF EXECUTIVE OFFICER  
KHADI & V.I. COMMISSION**

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## KRDP AT A GLANCE

In order to fully realize the significant growth potential of KVI sector in terms of employment generation, enhance earnings of artisans and also to ensure positioning of Khadi in consonance with current market needs, holistic reform measures for Khadi sub sector are required. The Khadi reform and Development programme initiated by Asian Development Bank (ADB) with the support of Govt. of India is an effort in the direction. The 11<sup>th</sup> Five Year Plan notes khadi production has huge employment prospects, particularly for women and minorities. Revitalization of the khadi industry is expected to bolster employment opportunities in rural India.

The ADB loan, which will be released in four tranches over a period of three years, will help revitalize the khadi industry through a comprehensive reform package. The Khadi Reform Package envisages reform support in the following areas.

- **Marketing Organization**

A marketing organization will be set up with majority private partnership to bring the modern concept of marketing in the sector.

- **Khadi Mark Development**

KVIC will develop Khadi Mark for positioning khadi as a guaranteed hand spun and hand woven cloth ensuring specified base earning of artisans.

- **Raw material procurement and Production**

KVIC will disengage from production of sliver / roving through infusion of Public Private Partnership (PPP) by good khadi institution / federation etc.

- **Artisan Earnings and Empowerment**

Phased replacement of implements and improving the technology to make spinning and weaving implements more efficient and less prone to drudgery.

- **Skill Development through Quality Training Facilities**

Enabling participation in the management of khadi institution both existing and new khadi ventures providing frame work for artisan empowerment.

- **Market-linked pricing and introduction of Benefit Chart**

Khadi institutions will be encouraged to formulate pricing strategies as determined by market forces through a mechanism of benefit chart.

- **Production Incentives**

The present rebate scheme will be replaced by artisan oriented production incentive plan.

- **Reforms at Khadi Institution Level**

Direct reform assistance will be extended to 300 existing khadi institutions (KIs) to emerge as self reliant and organize khadi programme on their own without the assistance from government. These institutions will have to switch over to working in SHG mode, nominating representative of SHGs to the extent of 50% in the managing committees.

50 new khadi institutions will be assisted and those are to be organized and managed either on Entrepreneurship Model or on Producer Company Model.

In addition, Khadi and Village Industries Commission will also be restructured to enhance its development role and lead the revitalization of the khadi industry.

A \$2 million technical assistance (TA) will be provided by the Japan Special Fund, through ADB, to support the implementation of the Program. The TA Agreement letter was also signed by the Government on 22 December 2009.



# **KHADI REFORM AND DEVELOPMENT PROGRAMME (KRD)**

## **1. OBJECTIVES**

**Revitalizing the Khadi and Village Industries through Strategic / Policy level Reforms and Institutional Reforms to achieve the following objectives:**

- Sustainability of Khadi
  - Repositioning of Khadi and Linking to Market Needs
  - Selective Subsidy
- Artisan Welfare
  - Greater involvement
  - Better remuneration and quality of life.
- Thrust on Traditional Village Industries

## **2. COMPONENTS OF REFORM**

- Promoting & 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

## **3. DETAILS OF EACH COMPONENT**

### **3.1 Promoting & Marketing of Khadi**

#### **3.1.1 *Establishing identity of Khadi through Khadi Mark***

- Identity, Positioning, Awareness and Popularity of Khadi
- Guarantee “Hand Spun and Hand Woven”

- Link it to specified base earnings to Artisans as specified by KVIC
- IPR Protection, designing of logo
- Applicability for non-KVIC/KVIB registered institutions
- KVIC, as the promoter and guardian of the proposed Khadi Mark with suitable powers for enforcement

### **3.1.2 *Effective marketing through Private Sector participation***

- Set-up a marketing organization with majority shareholding of private partner (s)
- Commissioning Market Survey
- Facilitating marketing / product development and Formulation of Product Development Strategy
- Brand building and strategic tie-ups with multiple private sector retail organizations
- Management of KVIC's DSOs and PPP in DSOs
- Rejuvenating institutional sales outlets
- Facilitating opening and management of 20 new sales outlets

## **3.2 Realizing Procurement & Production Efficiencies**

### **3.2.1 *Facilitating Raw Material Procurement and Sliver Production***

- KVIC to disengage from production of sliver/roving through infusion of PPP in CSPs in phased manner over 3 years
- Identification of high performing Khadi Institution(s) with existing sliver capacity and augmentation of capacity
- KVIC to specify raw material quality norms and training of Khadi institutions to assist in right procurement – price & pick
- Facilitate linkages with external agencies for procurement and testing of cotton such as CCI & CIRCOT

### **3.2.2 *Artisan Earnings and Empowerment***

- Increase in Khadi consumption and price realization to increase annual earnings of spinners with suitable marketing reforms
- Phased replacement of implements and further improving the technology to make it more efficient as well as less prone to drudgery
- Enhance artisan empowerment using Self Help Groups (SHGs) concept in Khadi Institutions
- Introduction of 'Benefit Chart' to facilitate distribution of surplus to Artisans; 50% to SHGs and artisans and balance for provision of implements, bonus to workers and artisans welfare schemes

### **3.2.3 *Market-linked pricing to replace Cost based pricing introduction of benefit chart***

- Khadi Institutions encouraged to formulate pricing strategies, as determined by market forces

- Training to Khadi Institutions for product pricing and implementation
- Introduction of a Benefit Chart in respect of Khadi Institutions that are registered with KVIC / KVIBs
- Surpluses generated to be used for the benefit of the Khadi Artisans and workers
- KVIC to specify base earnings for artisans - linking with use of Khadi Mark

### **3.2.4 Rationalization of financial assistance in Khadi**

#### **3.2.4.1 Production Incentive plan**

- Replace Sales Rebate / MDA with Production Incentive (PI).
- KVIC to formulate PI plan.
- Suggested contours include:
  - Linked to Artisan wages / production value (lowering cost of production)
  - Periodicity – Quarterly in advance
  - PI in subsequent year to consider actual sales & stock pile-up in previous year
- Partial phase out of PI; continue PI for product category (category 'X') that competes with mill sector and target consumer is highly price-sensitive

#### **3.2.4.2 Interest Subsidy Eligibility Certificate (ISEC) scheme**

- Dialogue with RBI for greater flexibility in Norms
- Potential compressing of working capital cycle due to :
  - Financial assistance at production stage
  - Sliver production reforms
  - Market linked pricing
  - Marketing reforms
- Partial phase out of ISEC; in line with Production Incentive

### **3.3 Focus on Traditional Village Industries**

#### **Village Industries Program**

REGP/PMEGP: increased decentralization for implementation with pro-action to identify growth sector

#### **Thrust Areas:**

- Focus on 5 traditional VIs viz. Handmade Paper, Honey, Herbal Health and Cosmetic products, Leather and leather products and Agro food products - development through cluster approach
- KVIC to emerge as nodal organization for these Traditional VIs for information (statistics), research, training and promotion

### 3.4 Institutional Reforms

#### 3.4.1 Revitalizing Khadi Institutions

- KVIC to develop a comprehensive reform plan to empower and revitalize 300 Khadi institutions as part of the Khadi Reform and Development Programme (KRDP); coverage may be expanded subsequent to the performance under KRDP (as agreed by ADB)
- Coordinate production, marketing, governance and IT/MIS related reforms

Production Reform	Marketing Reform	Governance Reform	IT/MIS Reform
<ul style="list-style-type: none"><li>▪ Supply of implements etc.</li><li>▪ Working capital support</li><li>▪ Worksheds and Godowns</li></ul>	<ul style="list-style-type: none"><li>▪ Overall marketing reforms with expert input from MO</li><li>▪ Renovation of retail outlets</li></ul>	<ul style="list-style-type: none"><li>▪ Organize all artisans as SHGs</li></ul>	<ul style="list-style-type: none"><li>▪ Supply of basic IT infrastructure</li><li>▪ Networking of KI with KVIC</li></ul>

**Phase – I :** Implement in 50 institutions

**Phase – II :** Implement in another 250 institutions

- Re-categorize all Khadi institutions; identify weak units for restructuring
- Khadi institutions Restructuring Plan :
  - Selective sale of surplus land if financial duress is sole cause of distress
  - Merger with strong NGOs/absorption of salvage asset & artisans upon liquidation

#### 3.4.2 New Khadi Ventures

- Creation of new Khadi ventures under Producers Company Model comprising of primary artisans who will collectively appoint a Governing Board making it responsible for implementing decisions of the producer company.
- Establishment of Khadi institution under entrepreneur model by encouraging entrepreneurial participation without sacrificing artisans' welfare and authenticity of Khadi.

#### 3.4.3 Organizational Restructuring of KVIC and Capacity Building

##### 3.4.3.1 Capacity Building

Comprehensive plan based on assessment of existing training arrangements

- Demand driven training
- Linkages with external training
- Refurbish training infrastructure
- Skill enhancement of training staff

### 3.4.3.2 Organizational

- Restructuring of Directorates
- Reallocation of resource based on staffing norms

### 3.4.3.3 IT / Systems (including Accounting)

- Integrated Applications
- Integrated MIS

## 4. KRDP ASSISTANCE

### 4.1 Summary

Loan 2452-IND:	Khadi Reform and Development Program
Program Objective:	Income enhancement and employment growth for the RNFS and revitalize KVI Sector
Loan Amount :	US\$150 million (15 year term with 3 years grace period)
Program Period:	3 years program with four tranches
	1st tranche: \$20 million (loan effectiveness)
	2nd tranche: \$40 million (within 8 months of the 1st tranche release)
	3rd tranche: \$40 million (within 13 months of the 2nd tranche release)
	4th tranche: \$50 million (within 15 months of the 3rd tranche release)
TA 7142-IND:	Capacity Building for Reforming the Khadi and Village Industries
	<ul style="list-style-type: none"><li>• Strengthening the implementation and monitoring of the Khadi reform package and expediting commencement of the reform to revitalize Khadi</li><li>• US\$2 million grant from the Japan Special Fund</li></ul>

### 4.2 Overall Cost Estimates - Activity-wise

Activity	Cost		% of Total cost
	US\$ in million	Rs. in crore*	
Khadi Sector Reforms	20	95.60	13.34

Marketing	57	272.46	38.00
Capacity and Equipment	61	291.58	40.66
Contingency	12	57.36	8.00
<b>Total</b>	<b>150</b>	<b>717.00</b>	<b>100.00</b>

**US \$1 = Rs.47.80**

### **4.3 Detailed cost estimate of each activity**

#### **4.3.1 Khadi Sector Reforms**

Item	Amount	
	US \$ million	Rs crore
<b>Khadi Mark</b> Development of Marking protocol – logo designing and registration, testing of product through Textiles Committee lab – creation of testing facilities at KVIC for cross verification, distribution of mark and overseeing proper utilization of Khadi mark.	1	4.78
<b>Market linked pricing</b> Develop benefit chart, training for institution to introduce market based pricing. Arrangement for testing and overseeing preparation of costing scientifically.	1	4.78
<b>Rationalized support to Khadi</b> Development of PI plan, creation of awareness for PI against existing Rebate and MDA. Guiding institutions in its smooth implementation. Development of an appropriate WC formula and assist institution in mobilization of adequate WC from banks through sensitization programme.	1	4.78
Org. reforms, IT and associated capacity building Development of staffing norms, resource planning, R&D, skill augmentation, integrated MIS, creation of beneficiary data base, IT/e-governance infrastructure and linkage with IT/IS strategy.	4	19.12
<b>Raw material procurement</b> Fund for public-private partnerships in sliver production, augmentation of sliver production capacity three fold - through capacity enhancement of existing 6 CSPs, strengthening institutional facilities in 51 identified institutions and setting up of new CSPs for enhanced supply of quality sliver	12	57.36
<b>Assessment</b> Assessments, audits, review.	1	4.78
<b>Total</b>	<b>20</b>	<b>95.60</b>

### 4.3.2 Marketing

Item	Amount	
	US \$ million	Rs crore
<b>Marketing Organization (MO)</b> Government / KVIC equity Establishment cost, market development costs such as market survey, design inputs, brand building and Khadi mark promotion.	7	33.46
<b>20 New Sales Outlets under MO</b> A fund will be created with suitable share of private partner for establishing new sales outlets in metro and State capitals and other major cities to showcase khadi in a grand manner. The support includes capital expenditure as well as working capital.	20	95.60
<b>Up-gradation of 4 Sales Outlets in each of 300 Khadi institutions</b> For renovation of store layout, Inventory management, staff development, local publicity and sales outlet renovation.	30	143.40
<b>Total</b>	<b>57</b>	<b>272.46</b>

### 4.3.3 Capacity and Equipment

Item	Amount	
	US \$ million	Rs crore
<b>Revitalizing Khadi institutions (Production equipments, capacity building, etc.)</b>		
Estimated expenses for (\$0.14 million x 300 khadi institutions) equipment - charkhas, warping machines, looms, yarn processing, spinning sheds, etc.	42	200.76
Estimated expenses for capacity building for artisans an those operating processing units	2	9.56
Others (installation etc)	1	4.78
<b>New Khadi ventures</b> Estimated expenses (\$0.10 million x 50 new khadi ventures) for equipment - charkhas, warping machines, looms, yarn processing, spinning sheds etc) Estimated expenses for capacity building	5	23.90
<b>Comprehensive Capacity Building of trainers and training institutions of KVIC</b> Up-gradation of physical infrastructure, enhancement of skill of training staff, tie-up with external agencies for training and development of Khadi institutional staff.	6	28.68

Synergies with Village Industries (5 V.I.s – Honey, Herbal Cosmetics, Leather, Agro Food and Handmade Paper are to be supported in cluster mode identifying thrust areas through market survey)	5	23.90
<b>Total</b>	<b>61</b>	<b>291.58</b>

#### 4.3.4 Contingency

Item	Amount	
	US \$ million	Rs crore
Provision for possible variations in actual expenditure on various heads against their estimated budget, administrative overheads, expenditure on reform management units at State and Divisional office level in KVIC and also Reform Implementation Division at Central Office, KVIC, Mumbai and other miscellaneous expenditure.	12	57.36

### 5. DIRECT REFORM SUPPORT FOR KIs

#### 5.1 Production Reforms (per institution)

Sr. No.	Particulars	Amount	
		US \$ Million	Rs. crore
1	Implements	0.074	0.35
2	Shed	0.042	0.20
3	Working capital	0.008	0.04
4	IT & Managerial	0.016	0.08
	<b>Sub Total</b>	<b>0.140</b>	<b>0.67</b>
5	Training	0.007	0.03
6	Installation etc	0.003	0.01
	<b>Grand Total</b>	<b>0.150</b>	<b>0.71</b>

#### 5.2 Marketing Reforms (per institution)

Sr. No.	Particulars	Amount	
		US \$ Million	Rs. crore
1	Store layout	0.04	0.19
2	Inventory management	0.02	0.10
3	Staff rationalization	0.03	0.14
4	Local publicity	0.01	0.05
	<b>Total</b>	<b>0.10</b>	<b>0.48</b>

**Fund requirement for 300 institutions = US\$ 30 million (Rs.144 crores)**



## 6. SUPPORT FOR MARKETING ORGANIZATION

Sr. No.	Particulars	Amount	
		US \$ Million	Rs. crore
1	Establishment costs	3.50	16.73
2	Market survey	0.70	3.35
3	Design inputs	0.70	3.35
4	Brand building	0.70	3.35
5	Product catalogue	0.50	2.39
6	Khadi mark promotion	0.90	4.30
	<b>Total</b>	<b>7.00</b>	<b>33.47</b>
1.	<b>Establishment cost for one sales outlets – Average area 5000 sq. ft. (approx.)</b>		
a.	Land	0.20	0.96
b.	Civil construction	0.50	2.39
c.	Furniture, fixture and interior decoration	0.30	1.43
d.	Working capital	1.00	4.78
	<b>Total</b>	<b>2.00</b>	<b>9.56</b>
2.	<b>20 Outlets</b>	<b>40.00</b>	<b>191.20</b>
	KVIC	20.00	95.60
	Other partner	20.00	95.60

## 7. SUPPORT FOR RAW MATERIAL REFORM

Sr. No.	Particulars	Amount	
		US \$ Million	Rs. crore
1	Expansion of existing CSPs	6.00	28.68
2	Establishment of 6 new CSPs – PPP mode	14.00	66.92
3	Renovation of Institutional CSPs	4.00	19.12
	<b>Total</b>	<b>24.00</b>	<b>114.72</b>
	KVIC	12.00	57.36
	Other partner	12.00	57.36

## 8. SUPPORT FOR NEW KHADI VENTURE (PER INSTITUTION)

Sr. No.	Particulars	Amount	
		US \$ Million	Rs. crore
1	Implements	0.036	0.17
2	Shed	0.010	0.05
3	Working capital	0.020	0.10
4	Sales outlet	0.024	0.11
5	Training & IT	0.010	0.05
	<b>Total</b>	<b>0.100</b>	<b>0.48</b>

**Fund requirement for 50 new institutions = US\$ 5 million (Rs.24 crores)**

## 9. EXPECTED OUTCOMES

Increase in number of artisans employed by Khadi institutions (KIs)	At least 15% over next three years
Increase in earnings of Khadi artisans over 2008 earnings	At least 20% over next three years
Implementation of Khadi Reform Programme	3 years
Increase in Sales on annual compounded basis	10% over next 3 years
Decrease in raw material (Slivers) production cost	15% over next 3 years

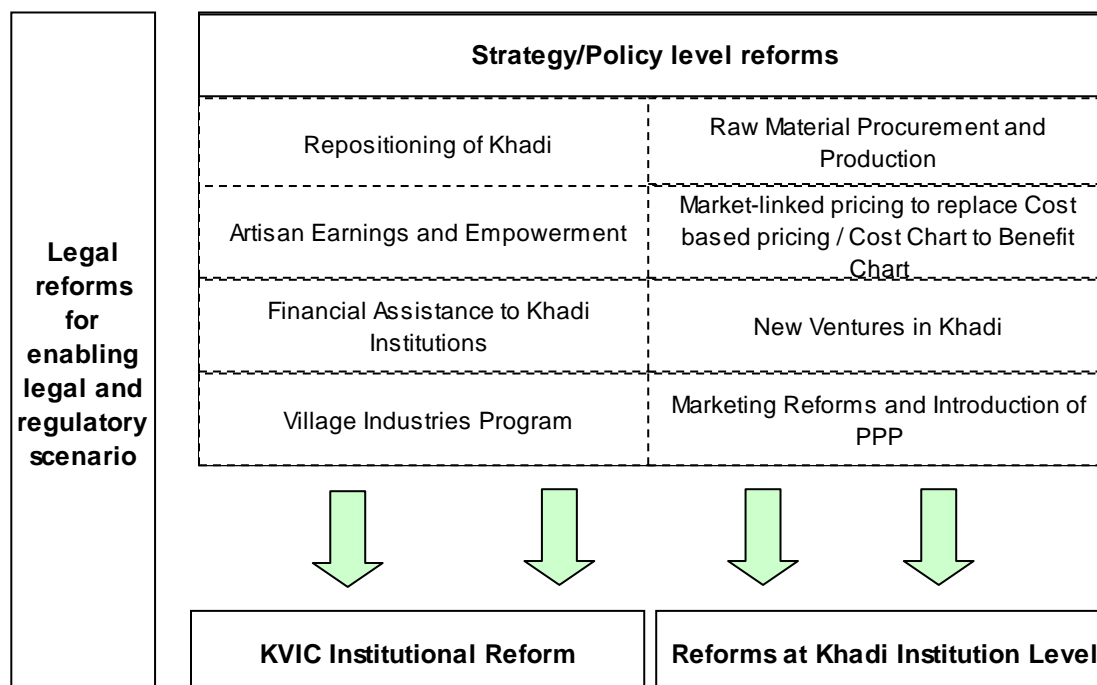
New Khadi ventures to be initiated preferably under Producer Company/Entrepreneurial model	50 nos.
Implementation of Comprehensive Reform Package in eligible KIs	300 nos.
IT and e-Governance systems strengthened	Over next 3 years
Development of traditional village industries clusters viz. Handmade Paper, Honey, Herbal Health and Cosmetic Products, Leather and Leather products and Agro-Food products	5 nos.
Establishment of new sales outlets	20 Nos.

## 10. MONITORING

- KVIC, being the Implementing Agency, through Reform Management Units (RMUs) at the State / Divisional offices will manage and monitor the Programme implementation at Khadi institution level. Such RMUs will be headed by an Assistant Director level officer and one D.O. (or) A.D.O. to support the RMU head.
- KVIC will monitor through its Reform Implementation Division (RID) headed by a Director and he will report to the Chief Executive Officer, KVIC. The RID shall have four sub-divisions:
  - Promotion and Monitoring
  - Raw material procurement and production
  - institutional reform
  - Programme co-ordination and administration
- MoMSME, being the Programme executing Agency (EA), through Reform Implementation Monitoring Committee (RIMC), chaired by Secretary, MSME and having representatives from DEA, Ministry of Textiles, KVIC, a marketing expert from the CII and a financial expert from banking sector, shall monitor the overall implementation of the Programme and undertake the following tasks.
  - Provide policy and technical guidance to the RID
  - Review the progress of Programme Implementation

- Monitor the performance of the RID and RMUs
- Ensure effective Programme coordination
- Quarterly monitoring and review by Department of Economic Affairs (DEA) through its Tripartite Portfolio Review Meetings (TPRM)

## REFORM FRAMEWORK



# **KHADI REFORM PACKAGE**

1. With nearly three fourths of the Indian population residing in rural areas, strengthening the rural economy for inclusive development is a key priority of the Government of India (the Government). The rural non-farm sector (RNFS) is critical for providing alternative livelihoods since the agriculture sector cannot absorb the rural work force in any significant number. While the Khadi and Village Industries (KVI) sub-sector of the RNFS has made progress, Khadi has yet to realize its employment generation and poverty reduction potential. A comprehensive Khadi Reform Package has been developed by the Government to revitalize the KVI sub-sector with enhanced sustainability Khadi, increased incomes and employment, increased artisan welfare, and development of selected village industries (VIs).

## **1. Promoting and Marketing of Khadi**

### **1A. Establishing identity of Khadi through Khadi Mark**

Creating a niche as a hand spun and hand woven fabric produced through fair trade practices is important for Khadi to become commercially viable in the highly competitive textiles market. A necessary condition for such a market niche to be sustainable is the creation of distinct identity of Khadi through a Khadi Mark:

- to lend an identity and help in positioning and awareness building of Khadi;
- to guarantee Khadi's 'hand spun and hand woven' nature; and
- to link Khadi to specified base earnings to artisans

The Khadi mark will be developed by the Khadi and Village Industries Commission (KVIC). As the promoter and guardian of the proposed Khadi Mark, KVIC will monitor, verify and enforce the genuineness of a product being sold as Khadi.

### **1B. Effective marketing through private sector participation**

Khadi will need to be marketed effectively keeping in view the evolving market dynamics and changing consumer preferences. While significant progress has been made in terms of creating decentralized production centers for Khadi and VIs products, the paradigm shift from supply-side focus to demand-side focus will need to be managed to assess as well as respond to markets with speed and flexibility. Accordingly, a Marketing Organization (MO) will be set up with majority private sector ownership in partnership with KVIC. Among others, the proposed MO will:

- Develop marketing strategies;
- Develop product strategy including identification of products for domestic and international markets;

- Introduce public-private partnerships (PPPs) in KVIC's direct sales outlets (DSOs);
- Rejuvenate sales outlets (or Institutional Sales Outlets) of Khadi Institutions (KIs); and
- Establish new direct sales outlets.

Establishment of new direct sales outlets by the MOs will be supported through a Khadi Market Extension Program. The MOs will also promote the use Khadi Mark. MO will be provided operating flexibility and policy support given its important role in revitalizing Khadi.

## **2. Realizing Procurement and Production Efficiencies**

### **2A. Facilitating raw material procurement and cotton sliver production**

Cotton procurement determines both the quality of end products and working capital requirements during the production process. KVIC presently has a limited role in procurement of cotton (and other raw materials) with most KIs procuring cotton either for direct consumption (in traditional charkhas or Institutional Sliver Plants) or for outsourced job work (from Central Sliver Plants). In addition, sliver production by KVIC operated Central Sliver Plants accounts for only 30% of total sliver production and is also costlier. In view of the above, the following actions will be taken for enhancing efficiency in raw material procurement and production of sliver:

- Quality norms for procurement of raw materials will be developed;
- KVIC will disengage from sliver/roving production in a phased manner through PPPs;
- Capacity of the Institutional Sliver Plants of KIs will be augmented; and
- A Fund (Rs.50 crore) will be created for facilitating sliver/roving capacity augmentation through PPPs.

### **2B. Market-linked pricing to replace Cost Chart; Introduction of Benefit Chart**

KIs that avail Sales Rebate under the KVIC programme are currently required to follow a Cost Chart for pricing of Khadi products. This arrangement does not provide the flexibility in product pricing for increasing the sales profile of Khadi. Accordingly the Cost Chart will be discontinued. The transition from centrally administered pricing to market-linked pricing will be accompanied with training and familiarization process.

Simultaneously, KVIC will introduce a system of 'Benefit Chart' for KIs registered with KVIC or Khadi and Village Industries Boards (KVIBs) as well as for the envisaged new Khadi ventures (2D). The Benefit Chart is intended to ensure that surpluses, generated by shift to market-linked pricing and expected increases in the price realization through proposed product and marketing reforms are used for the benefit of the Khadi artisans and workers.

## **2C. Rationalization of Financial Assistance in Khadi**

### ***Replacement of Sales Rebate with Production Incentive***

Currently, KIs receive Sales Rebate for the sale of Khadi products at the price specified by the Cost Chart. The Sales Rebate system has come to be characterised with lumping of sales during the special rebate period. Further, delays in release of Sales Rebate constrain the cash flows of KIs. In response to these, a Market Development Assistance (MDA) system based on production cost of Khadi was to be introduced from 1<sup>st</sup> April 2009. However, MDA is only a partial solution to the above issues. Accordingly, the Sales Rebate and MDA will be replaced with Production Incentive (PI) for KIs registered with KVIC or KVIB. Assessment will be made of the impact on sales of Khadi products as a result of the PI and product categories that can graduate out.

### ***Rationalization of Assistance with respect to Interest Subsidy Eligibility Certificate (ISEC)***

The working capital norms currently used by KVIC for ISEC was formulated in late 1980s. While there would be a gestation period, the Khadi Reform Package especially (i) sliver production reforms, (ii) market-linked pricing, (iii) Production Incentive, and (iv) marketing reforms are likely to ease working capital requirements of KIs. Accordingly, the ISEC will be partially phased out based on the outcome of the assessment of the impact of the PI.

## **2D. Creation of new Khadi ventures**

In order to spur growth in Khadi and empower artisans, KVIC will allow setting up of future ventures in Khadi, under two models, viz. Producer Company Model and Entrepreneur Model. While detailed model parameters would be prescribed at a later stage, key highlights are as follows.

- **Producer Company Model (PC)** will comprise of primary producers (artisans, spinners and weavers) who will collectively appoint a governing board, as specified by the Companies Act, which would be made responsible for all decisions to be made for the PC. The PC would form an equal joint venture with an entrepreneur for marketing of Khadi Products. The model endeavors to provide for adequate artisan representation and participation of entrepreneurs, boosting Khadi growth.
- **Entrepreneur Model.** The model is primarily aimed at promoting Khadi by encouraging entrepreneurial participation, without sacrificing artisan welfare and authenticity of Khadi. Two variants would be allowed within the entrepreneurial model (a) the venture would be allowed to avail assistance from KVIC under Rural Employment Generation Programme of assistance, and (b) no financial assistance would be provided by KVIC.

Both types of new ventures would be eligible to avail advisory assistance from the MO. KVIC will ensure monitoring of quality control and

minimum payment of specified base earnings to artisans, through applicability of Khadi Mark.

### **3. Institutional Reforms**

#### **3A. Revitalize Khadi Institutions**

##### ***Comprehensive Reform Plan for selected Khadi Institutions***

KIs play a vital role in production and marketing of Khadi. The Khadi artisans and workers are directly associated with KIs. Robust operations of KIs are important to ensure continued employment opportunities for artisans and enhancement of their earnings. However, most, if not all, KIs need improved implements, better working conditions for artisans, skills for high-value products, and sales and marketing support. Therefore, strengthening of KIs is an integral part of the Khadi Reform Package.

KVIC will develop a Comprehensive Reform Plan to be implemented in a phased manner for 300 KIs selected with due regard to regional balance and the inclusion of backward areas. Reform of these KIs could serve as model for other KIs. The elements of the Comprehensive Reform Plan to ensure viability of KIs and enhancement of artisan earnings and empowerment are as follows.

- Production reforms: To include supply of charkhas, looms, warping machine, yarn processing unit, spinning sheds and working capital support to cover the increase in working capital requirement due to capacity enhancement and other reform measures.
- Marketing Reforms: Linked to overall marketing reforms to enable expert inputs from the MO for product strategy including product processing, designing and local marketing strategy. Marketing reforms will also include renovation of sales outlets.
- Governance Reforms: Re-organization of artisans into Self Help Groups.
- System Reforms: Supply of basic information technology infrastructure (including accounting systems) and electronic networking of KIs with KVIC

##### ***Restructuring Plan for Weak Khadi Institutions***

As per the last categorization of KIs, 270 Institutions are categorized D, representing dismal performance in the area of financial management, marketing and production. For restructuring such KIs, the following measures will be taken:

- KIs will be re-categorized based on revised parameters that emphasize role of artisans, governance, human resources, finances, and products; and
- Customized restructuring plan will be developed for such KIs

### **3B. Restructuring KVIC**

Given the enormous inclusive development, employment, and income generating scope of Khadi, KVIC has significant responsibilities to discharge and a pivotal role to play as a nodal institution. KVIC role in strengthening KIs, enhancing the stake and role of artisans, facilitating flow of raw materials and finances, and creating a niche for Khadi through Khadi Mark are considered most important. Accordingly, KVIC needs to gradually disengage from direct commercial activities. Transition to the new role will be done through restructuring and devolution of KVIC including, (i) restructuring khadi, village industries, science and technology, and economic research directorates; (ii) strengthening human resource and administration directorate; (iii) realignment of reporting relationships; and (iv) devolution of powers and responsibilities to zonal offices. In addition, KVIC will rationalize its operating and business process including the certification process. An integrated management information system and e-governance will underpin the reforms.

### **3C. Strengthen the Capability of all KVIC, KIs, and Artisans**

Systemic and pervasive skills deficit persists at all levels in the set up for Khadi. Accordingly, KVIC will develop a comprehensive capacity building plan based on assessment of existing training arrangements - infrastructure, capacity of trainers, curriculum, and demand for training. The implementation of the comprehensive capacity building plan will be prioritized.

### **3D. Developing synergies with traditional VIs.**

There are inherent synergies between Khadi and traditional VIs, which are in line with the overall ethos of khadi – handmade, use of organic inputs/processes and/or socially aware. To systematically realize this synergy, KVIC will identify five traditional VIs through a market assessment study. Thereafter, a cluster development strategy will be developed by KVIC in consultation with the MO for each of the identified traditional VIs. The cluster development strategy will be implemented by drawing on the marketing and institutional reforms as well as the capacity building elements of the Khadi Reform Package.

## **4. Implementation**

Any reform is only as good as its implementation. KVIC, as the nodal agency, will implement the Khadi Reform Package under the overall guidance of the Ministry of Micro Small and Medium Enterprises. Implementation details will ensure increasing role of private sector to complement the base level production and marketing of Khadi undertaken by the KIs, which are private enterprises. Due care will be taken to phase the reforms to minimize disruptions if any and to provide capacity building support for facilitating a smooth transition.



## POLICY MATRIX

Objectives	First Tranche US\$20 million	Second Tranche US\$40 million (Within 8 months from 1st Tranche)	Third Tranche US\$40 million (Within 13 months from 2nd Tranche)	Fourth Tranche US\$50 million (Within 15 months from 3rd Tranche)
<b>I. Establishing a Policy Reform and Implementation Framework</b>				
<b>A comprehensive reform package for the development of khadi</b>	<p>Government of India (the Government) conducts a review of the performance of khadi sub-sector comprising KVIC and other subsidiary institutions and develops a khadi reform package to strengthen the khadi sub-sector. <b>(khadi reform package)</b></p> <p>KVIC agrees on the khadi reform package comprising – policy, legal, marketing, and institutional reforms for achieving sustainability of khadi and enhancing artisan welfare. <b>(KVIC letter indicating concurrence)</b></p> <p>KVIC, in consultation with MMSME, develops (i) criteria for selecting khadi institutions eligible for assistance under the khadi reform package, which will primarily be performance-based with due regard to regional balance and the</p>	<p>KVIC ensures the completion of the audit for 50 eligible khadi institutions by independent auditors. <b>(summary of audit findings)</b></p> <p>KVIC disseminates the khadi reform package nationwide through workshops. <b>(list of state-wide workshops)</b></p>	<p>KVIC undertakes the first independent assessment of the khadi reform package, holds a stakeholder consultation on the outcome of the assessment, and prepares appropriate measures to address the feedback. <b>(assessment report )</b></p> <p>KVIC ensures the completion of the audit of remaining 250 eligible khadi institutions by independent auditors. <b>(summary of audit findings)</b></p>	<p>KVIC undertakes the second independent assessment of the khadi reform package, holds a stakeholder consultation on the outcome of the assessment, and prepares appropriate measures to address the feedback. <b>(assessment report )</b></p>

Objectives	First Tranche US\$20 million	Second Tranche US\$40 million (Within 8 months from 1st Tranche)	Third Tranche US\$40 million (Within 13 months from 2nd Tranche)	Fourth Tranche US\$50 million (Within 15 months from 3rd Tranche)
	<p>inclusion of backward areas, and (ii) draft MOU between KVIC and khadi institutions on comprehensive reforms for khadi institutions, which will include performance benchmarks and sanctions for khadi institutions that fail to meet the performance benchmarks. <b>(eligibility criteria and MOU)</b></p> <p>KVIC selects 300 khadi institutions eligible for support under the khadi reform package. <b>(list of eligible khadi institutions)</b></p>			
<b>II. Promoting and Marketing of Khadi</b>				
<b>Establishing identity of khadi through khadi mark</b>	<p>KVIC agrees to undertake steps to develop khadi mark and link the artisan's base earnings to the use of khadi mark. <b>(khadi reform package)</b></p>	<p>KVIC develops the khadi mark, including designing its logo, and registers the khadi mark under the Trade Marks Act. <b>(registration certificate)</b></p> <p>KVIC undertakes (i) the formulation and execution of the MOU with the Ministry of Textiles for testing infrastructure, (ii) the formulation and execution of the model agreement for licensing the use of khadi mark; (iii) the development of the detailed plan</p>	<p>KVIC through the Khadi Directorate of KVIC prepares and maintains a list of the khadi institutions and other entities authorized to use khadi mark and publish this in its website. <b>(list on KVIC website)</b></p> <p>KVIC creates the basic testing infrastructure for the khadi mark. <b>(testing infrastructure)</b></p>	<p>KVIC through the Khadi Directorate of KVIC updates the list of the khadi institutions and other entities authorized to use the khadi mark. <b>(list on KVIC website)</b></p> <p>KVIC continues to conduct random spot audits of khadi institutions and other entities authorized to use khadi mark regarding their adherence to the licensing requirements for</p>

Objectives	First Tranche US\$20 million	Second Tranche US\$40 million (Within 8 months from 1st Tranche)	Third Tranche US\$40 million (Within 13 months from 2nd Tranche)	Fourth Tranche US\$50 million (Within 15 months from 3rd Tranche)
		<p>for the creation of basic testing infrastructure for khadi mark at KVIC; and (iv) the arrangement for managing khadi mark by KVIC State/Divisional offices. <b>(khadi mark procedural protocols)</b></p> <p>KVIC adopts procedures and assigns the Khadi Directorate to grant usage of khadi mark to khadi Institutions and other entities. <b>(notification)</b></p> <p>KVIC through its Khadi Directorate ensures that the khadi institutions registered at either KVIC or KVIB adopt the khadi mark. <b>(registration records)</b></p>	<p>KVIC conducts random spot audits of khadi institutions and other entities authorized to use khadi mark regarding their adherence to the licensing requirements for the use of khadi mark. <b>(spot audit report)</b></p>	<p>the use of khadi mark. <b>(spot audit report)</b></p>
<b>Effective marketing through private sector participation</b>	KVIC agrees to establish a new marketing organization with majority private sector ownership <b>(khadi reform package)</b>	<p>KVIC identifies potential private partners for the new marketing organization and ensures the incorporation of marketing organization. <b>(MOU and incorporation certificate).</b></p> <p>KVIC transfers the rights of promotion and usage of khadi mark to marketing organization under a licensing agreement. <b>(licensing agreement)</b></p> <p>MMSME issues a directive to allow</p>	<p>Marketing organization develops the framework for introducing PPP in the KVIC DSOs and introduces PPPs in 2 KVIC DSOs <b>(PPP framework and PPP agreements)</b></p> <p>Based on the outcome of the survey, the marketing organization identifies products for both domestic and international markets and develop marketing strategies</p>	<p>The Marketing organization introduces PPPs in at least 2 other KVIC DSOs. <b>(PPP agreements)</b></p> <p>Marketing organization continues to implement the Institutional Sales Outlets Rejuvenation Plan. <b>(progress report)</b></p> <p>Marketing organization formulates guidelines for the setting up of new sales outlets</p>

Objectives	First Tranche US\$20 million	Second Tranche US\$40 million (Within 8 months from 1st Tranche)	Third Tranche US\$40 million (Within 13 months from 2nd Tranche)	Fourth Tranche US\$50 million (Within 15 months from 3rd Tranche)
		<p>KVIC to provide capital contribution for the establishment of the joint-venture marketing organization. <b>(directive)</b></p> <p>Marketing organization commissions a product specific market survey of khadi and village industries products through a specialist firm. <b>(appointment letter)</b></p> <p>MMSME develops the Khadi Marketing Extension Program for incentivizing the establishment of new DSOs by the marketing organization. <b>(khadi marketing extension programme)</b></p>	<p>for all khadi related institutions and products. <b>(marketing strategy)</b></p> <p>Marketing organization prepares a product catalogue and sets up the market information system. <b>(product catalogue and marketing organization certification)</b></p> <p>Marketing organization develops and implements the Institutional Sales Outlets Rejuvenation Plan. <b>(institutional sales outlets rejuvenation plan and progress report)</b></p> <p>Marketing organization establishes three DSOs are opened under the Khadi Marketing Extension Program. <b>(establishment report)</b></p>	<p>by khadi institutions. <b>(guidelines)</b></p> <p>Marketing organization establishes at least 10 additional DSOs under the Khadi Marketing Extension Program. <b>(establishment report)</b></p>
III. Realizing procurement and production efficiencies				

Objectives	First Tranche US\$20 million	Second Tranche US\$40 million (Within 8 months from 1st Tranche)	Third Tranche US\$40 million (Within 13 months from 2nd Tranche)	Fourth Tranche US\$50 million (Within 15 months from 3rd Tranche)
<b>Facilitating raw material procurement and cotton sliver production</b>	<p>KVIC develops quality norms for raw material procurement by khadi institutions. <b>(quality norms issued by KVIC)</b></p> <p>KVIC initiates the creation of a fund to kick-start private sector participation in sliver/roving production. <b>(KVIC letter, which will incorporate the guidelines for utilization of the fund)</b></p>	<p>KVIC conducts training for the 300 eligible khadi institutions on quality testing of raw materials. <b>(trainings)</b></p> <p>KVIC executes PPP agreements, on pilot basis, in two CSPs. <b>(executed agreements)</b></p>	<p>KVIC assesses PPP in CSPs identifying the success factors and the issues to be resolved in the next phase of PPP. <b>(progress report)</b></p> <p>KVIC develops the sliver capacity augmentation plan for the khadi institutions. <b>(framework)</b></p>	KVIC executes PPP agreements in the remaining CSPs. <b>(progress report)</b>
<b>Market-linked pricing to replace cost-based pricing</b>	KVIC agrees to undertake steps to allow khadi institutions to set their khadi prices. <b>(khadi reform package)</b>	<p>KVIC issues a notification to allow khadi institutions to set market-linked prices. <b>(notification)</b></p> <p>KVIC formulates benefit chart. <b>(Benefit chart)</b></p>	KVIC notifies the benefit chart and the requirement for the benefit chart to be implemented by the 300 eligible khadi institutions. <b>(notification)</b>	KVIC monitors and assesses the effectiveness of the implementation of the benefit chart. <b>(assessment report)</b>
<b>Rationalization of financial assistance in khadi</b>	KVIC agrees to undertake steps for the khadi institutions to shift to the production incentive plan. <b>(khadi reform package)</b>	<p>KVIC formulates the production incentive plan and provides production incentive to all khadi products. <b>(production incentive plan)</b></p> <p>KVIC reassesses working capital requirement for khadi production. <b>(assessment of working capital requirement)</b></p>	In consultation with marketing organization, KVIC determines the product categories that can phase out of production incentives and commence its phasing out and assesses the impact on sales as a result of this. <b>(assessment report)</b>	In consultation with marketing organization, KVIC continues the phasing out of production incentives on other categories of products, and assesses the impact on sales as a result of this. KVIC continues phasing out of ISEC on other categories of products in line with production incentives

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		KVIC appoints a focal person to engage with the bankers to enhance access of the khadi institutions to working capital. <b>(appointment letter)</b>	KVIC commences phasing out of the ISEC, in line with the production incentives phase out. <b>(progress report)</b>	phase out. <b>(progress report)</b>
<b>Creation of new khadi ventures with greater entrepreneurial activity and enhanced artisan empowerment</b>	KVIC agrees to pursue the producer company model and enterprise model for new ventures in khadi. <b>(khadi reform package)</b>	KVIC develops the framework for producer company model and enterprise model for new ventures in khadi. <b>(framework for producer company model and entrepreneurial model)</b>	KVIC implements the producer company model for new ventures in khadi. <b>(progress report)</b>  KVIC implements the enterprise model for new ventures in khadi. <b>(progress report)</b>	KVIC continues the implementation of the producer company model for new ventures in khadi. <b>(progress report)</b>  KVIC continues the implementation of the enterprise model for new ventures in khadi. <b>(progress report)</b>
<b>IV. Institutional Reforms</b>				
<b>Organizational restructuring of KVIC for better focus on facilitative and developmental role</b>	KVIC adopts 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	KVIC (i) restructures khadi directorates, village industry directorates, science and technology directorates, and economic research directorates, (ii) strengthens human resource and administration directorates, (iii) realigns reporting relationships for efficiency, and (iv) devolves power to zonal offices. <b>(KVIC notification)</b>  KVIC reviews the existing structures and processes for certification of	KVIC reallocates resources based on the staffing norms and manpower planning. <b>(administrative order)</b>  KVIC implements the MIS. <b>(progress report)</b> KVIC implements the integrated application system. <b>(progress report)</b>  KVIC incorporates the Marketing Directorate as one	

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	<p>to zonal offices. <b>(restructuring devolution plan)</b></p> <p>KVIC creates the steering committee and users committee for the IT/IS planning and implementation. <b>(KVIC notification)</b></p>	<p>khadi institutions and to streamline the certification process including the directorates within KVIC the authority to make such certification <b>(review report)</b></p> <p>KVIC develops staffing norms consonant with the khadi reform package. <b>(staffing norms)</b></p> <p>KVIC develops integrated MIS. <b>(MIS)</b></p> <p>KVIC develops IT/e-governance roadmap, infrastructure requirements, and linkage of IT/IS strategy to the khadi reform package. <b>(integrated application system)</b></p> <p>MMSME reviews the functions of the Marketing Directorate of KVIC <b>(MMSME review report)</b></p>	<p>of the divisions within the Strategic Planning Cell. <b>(revised KVIC organization chart)</b></p> <p>KVIC issue procedural guidelines to delegate the certification of kahdi institutions to directorates within KVIC <b>(guidelines).</b></p>	
<b>Revitalize khadi Institutions</b>	<p>KVIC agrees to formulate the comprehensive reforms plan for the 300 eligible khadi institutions. <b>(khadi reform package)</b></p>	<p>KVIC modifies categorization norms for khadi institutions and re-categorize khadi institutions using the modified norms. <b>(list of re-categorized khadi institutions)</b></p> <p>KVIC adopts the comprehensive reforms plan to empower and revitalize the 300 eligible khadi institutions. <b>(comprehensive reforms plan)</b></p> <p>KVIC signs with 50 eligible khadi</p>	<p>KVIC ensures that the 50 eligible khadi institutions implement the comprehensive reforms plan. <b>(progress report)</b></p> <p>KVIC signs with 250 eligible khadi institutions the MOUs for comprehensive khadi institution reforms. <b>(MOUs)</b></p>	<p>KVIC ensures that the additional 250 eligible khadi institutions implement the comprehensive reforms plan. <b>(progress report)</b></p> <p>KVIC evaluates the performance of the 300 eligible khadi Institutions. <b>(evaluation report)</b></p>

Objectives	First Tranche US\$20 million	Second Tranche US\$40 million (Within 8 months from 1st Tranche)	Third Tranche US\$40 million (Within 13 months from 2nd Tranche)	Fourth Tranche US\$50 million (Within 15 months from 3rd Tranche)
		institutions the MOUs for comprehensive khadi institution reforms. <b>(MOUs)</b>		
<b>Strengthening the capability of all institutions</b>	KVIC agrees to develop a comprehensive capacity building plan covering KVIC, KVIBs, khadi institutions, and artisans.	KVIC completes (i) the assessment of existing training arrangements (infrastructure, capacity of trainers, curriculum, and demand for training), and (ii) based on the assessment, a comprehensive plan for (a) demand driven training delivery; (b) the creation of linkages with external training program; (c) the upgrade physical infrastructure; and (d) the enhancement of skills of training staff. <b>(comprehensive capacity building plan)</b>	KVIC implements the comprehensive capacity building plan. <b>(progress report)</b>  KVIC periodically publishes in its website the training calendar with inputs from marketing organization. <b>(training calendar in the KVIC website)</b>	KVIC continues the implementation of the comprehensive capacity building plan. <b>(progress report)</b>
<b>Develop synergies through traditional village industries</b>	KVIC agrees to identify around 5 village industries that are in line with the ethos of khadi – handmade, use of organic inputs processes, and socially aware. <b>(khadi reform package)</b>	KVIC identifies around five thrust traditional village industries based on the market survey by marketing organization. <b>(identified village industries)</b>  In coordination with the marketing organization, KVIC formulates cluster development strategy for the identified village industries. <b>(cluster development strategy)</b>	KVIC ensures the establishment of one cluster for each of the identified village industry. <b>(progress report)</b> .  KVIC ensures the implementation of the comprehensive capacity building plan in the identified clusters. <b>(progress report)</b>	KVIC monitors the performance of the clusters. <b>(progress report)</b>

CSP = central sliver plant, DSO = department sales outlets, ISEC = interest subsidy eligibility criteria, IT = information technology, IS = information system, KVIB = khadi Village Industries Board, KVIC = Khadi and Village Industries Commission, MIS = management information system, MOU = Memorandum of Understanding, PPP = private-public partnership.



## **ACTIVITIES TO BE UNDERTAKEN IN FIRST 8 MONTHS**

### **I. Establishing a Policy Reform and Implementation Framework**

1. Auditing of 50 eligible khadi institutions through independent auditors and assignment of reform programme.
2. Organization of nationwide workshops to disseminate the Khadi Reform Package.

### **II. Promoting and Marketing of Khadi**

3. Activities related to development of Khadi mark, such as designing of logo, registration of the Khadi Mark under the Trade Marks Act.
4. Formulation and execution of an MOU with the Ministry of Textiles for testing of khadi and khadi products, plan for creation of basic testing infrastructure and arrangement for managing Khadi mark by KVIC state/divisional offices.
5. Identification of potential private partners for the establishment of the new marketing organization and ensuring incorporation of the marketing organization.
6. Obtaining permission of Ministry to provide capital contribution for the establishment of the joint- venture marketing organization.
7. Commissioning of a product specific market survey of Khadi and village industries products through a specialist firm by Marketing Organization.

### **III. Realizing Procurement and Production Efficiencies**

8. Training of institutions for quality testing of raw materials.
9. Execution of PPP agreements, on pilot basis, in two CSPs.
10. Issue of notification allowing Khadi institutions to set market- linked prices.
11. Formulation of benefit chart replacing cost chart.
12. Formulation of production incentive plan and extension of production incentive to all Khadi products.
13. Reassessment of working capital requirement for Khadi production.
14. Appointment of focal person to engage with the bankers to enhance access of the Khadi institutions to working capital.

15. Development of framework for producer company model and enterprise for new ventures in Khadi.

#### **IV. Institutional Reforms**

16. Restructuring of Directorates in KVIC, strengthening of human resource and administration, realignment of reporting relationship to increase efficiency.
17. Review of existing certification system and issue of guidelines empowering a Committee within the directorates of KVIC with the authority for the certification of Khadi institutions, under the guidance and advice of the central certification committee.
18. Development of staffing norms consistent with the Khadi Reform Package.
19. Development of an integrated management information system.
20. Modification in the system of categorization / grading of Khadi institutions.
21. Study of existing training facilities and development of revitalization plan.
22. Identification of five thrust traditional village industries based on the market survey by the marketing organization and formulation of development strategy under cluster mode.

# **ACTIVITIES TO BE UNDERTAKEN IN NEXT 13 MONTHS**

## **I. Establishing a Policy Reform and Implementation Framework**

1. (a) Independent assessment of the Khadi Reform Package (b) hold stakeholder consultation on the outcome of the assessment, and (c) preparation for appropriate measures to address the feedback.
2. Completion of the audit of remaining 250 eligible Khadi institutions by independent auditors.

## **II. Promoting and Marketing of Khadi**

3. Preparation and maintenance of list of Khadi institutions and other entities authorized to use Khadi mark and publish this in its website.
4. Creation of basic testing infrastructure for the Khadi mark.
5. Conducting random spot audits of Khadi institutions and other entities authorized to use Khadi mark regarding their adherence to the licensing requirements for the use of Khadi mark.
6. (a) Development of framework for introducing PPP in DSOs operated by KVIC, and (b) introduction of the same in 2 DSOs operated by KVIC.
7. Identification of products for both domestic and international markets and developing marketing strategies for all Khadi related institutions and products.
8. Preparation of product catalogue and set up the market information system.
9. Implementation of the plan to rejuvenate the institutional sales outlets.
10. Establishment of three DSOs under the Khadi markets extension program.

## **III. Realizing Procurement and Production Efficiencies**

11. PPP in CSPs and identification of success factors and to resolve those issues in the next phase of PPP.
12. Notification of the benefit chart and the requirement for the benefit chart to be implemented by the Khadi institutions.
13. Implementation of producer company model and the enterprise model for new ventures in Khadi.

**IV. Institutional reform**

14. Implementation the management information system and implementation of integrated application system.
15. Incorporation of the marketing directorate as one of divisions within the strategic planning cell.
16. 50 eligible Khadi institutions implement the comprehensive reforms plan.
17. Signing of MOU with Khadi institutions for comprehensive Khadi institution reforms.
18. Implementation the comprehensive capacity building plan.
19. Publishing of training calendar with inputs from the marketing organization.
20. Establishment of one cluster for each of the identified village industry.
21. Implementation of the comprehensive capacity building plan in the identified clusters.

# **ACTIVITIES TO BE UNDERTAKEN IN NEXT 15 MONTHS**

## **I. Establishing a Policy Reform and Implementation Framework**

1. Second independent assessment of the Khadi Reform Package, (b) hold a stakeholder consultation on the outcome of the assessment, and (c) preparation for appropriate measures to address the feedback.

## **II. Promoting and Marketing of Khadi**

2. Updating the list of Khadi institutions and other entities authorized to use the Khadi mark.
3. Conducting random spot audits of Khadi institutions regarding the adherence to licensing requirements for the use of Khadi mark.
4. Introduction of PPPs in at least two other willing DSOs operated by KVIC, in consultation with KVIC.
5. Continue implementation of the plan to rejuvenate the institutional sales outlets.
6. Formulation of guidelines for the setting up of new sales outlets by Khadi Institutions.
7. Establishment of minimum of 10 DSOs under the Khadi marketing extension program.

## **III. Realizing Procurement and Production Efficiencies**

8. Execution of PPP agreements in the remaining CSPs.
9. Assessment of effectiveness of the implementation of the benefit chart.
10. Phasing out of production incentives on other categories of products and assessment of impact on sales as a result of this.
11. Phasing out of ISEC on other categories of products in line with production incentives phase out.
12. Implementation of producer company model and the entrepreneurial model for new ventures in Khadi.

## **IV. Institutional Reforms**

13. Examination and review of role and relevance of the central

certification committee in the certification process of the Khadi institutions.

14. Ensure implementation of comprehensive reform plan by an additional 250 eligible Khadi institutions.
15. Evaluation of performance of the 300 eligible Khadi institutions.
16. Continue implementation of the comprehensive capacity building plan.
17. Monitoring of performance of the clusters.

## **DIRECTORATE WISE ACTIVITIES**

All activities will be implemented by Directorate of RID in collaboration with Directorate(s) in Central Office as mentioned herein below.

### **1. Directorate of Khadi Coordination**

<b>Sr. No.</b>	<b>Activity</b>
<b>1<sup>st</sup> Part</b> <i><b>Duration: 8 months [01.01.2010 to 31.08.2010]</b></i>	
1	Auditing of 50 eligible khadi institutions through independent auditors and assignment of reform programme.
2	Activities related to development of Khadi mark, such as designing of logo, registration of the Khadi Mark under the Trade Marks Act.
3	Issue of notification allowing Khadi institutions to set market- linked prices.
4	Formulation of benefit chart replacing cost chart.
5	Formulation of production incentive plan and extension of production incentive to all Khadi products.
6	Development of framework for producer company model and enterprise for new ventures in Khadi.
7	Modification in the system of categorization / grading of Khadi institutions.
<b>2<sup>nd</sup> Part</b> <i><b>Duration: 13 months [01.09.2010 to 30.09.2011]</b></i>	
1	Completion of the audit of remaining 250 eligible Khadi institutions by independent auditors.
2	Preparation and maintenance of list of Khadi institutions and other entities authorized to use Khadi mark and publish this in its website.
3	Creation of basic testing infrastructure for the Khadi mark.
4	Conducting random spot audits of Khadi institutions and other entities authorized to use Khadi mark regarding their adherence to the licensing requirements for the use of Khadi mark.
5	Notification of the benefit chart and the requirement for the benefit chart to be implemented by the Khadi institutions.
6	Implementation of producer company model and the enterprise model for new ventures in Khadi.
<b>3<sup>rd</sup> Part</b> <i><b>Duration: 15 months [01.10.2011 to 31.12.2012]</b></i>	
1	Updating the list of Khadi institutions and other entities authorized to use the Khadi mark.
2	Conducting random spot audits of Khadi institutions regarding the adherence to licensing requirements for the use of Khadi mark.
3	Assessment of effectiveness of the implementation of the benefit chart.
4	Phasing out of production incentives on other categories of products and assessment of impact on sales as a result of this.
5	Implementation of producer company model and the entrepreneurial

	model for new ventures in Khadi.
6	Examination and review of role and relevance of the central certification committee in the certification process of the Khadi institutions.
7	Ensure implementation of comprehensive reform plan by an additional 250 eligible Khadi institutions.

## 2. Directorate of Khadi Programme and Monitoring & Bank Finance

Sr. No.	Activity
<b>1<sup>st</sup> Part</b>	<b>Duration: 8 months [01.01.2010 to 31.08.2010]</b>
1	Reassessment of working capital requirement for Khadi production.
2	Appointment of focal person to engage with the bankers to enhance access of the Khadi institutions to working capital.
<b>2<sup>nd</sup> Part</b>	<b>Duration: 13 months [01.09.2010 to 30.09.2011]</b>
1	50 eligible Khadi institutions implement the comprehensive reforms plan.
<b>3<sup>rd</sup> Part</b>	<b>Duration: 15 months [01.10.2011 to 31.12.2012]</b>
1	Phasing out of ISEC on other categories of products in line with production incentives phase out.
2	Ensure implementation of comprehensive reform plan by an additional 250 eligible Khadi institutions.

## 3. Directorate of Khadi Raw Material

Sr. No.	Activity
<b>1<sup>st</sup> Part</b>	<b>Duration: 8 months [01.01.2010 to 31.08.2010]</b>
1	Execution of PPP agreements, on pilot basis, in two CSPs.
<b>2<sup>nd</sup> Part</b>	<b>Duration: 13 months [01.09.2010 to 30.09.2011]</b>
1	PPP in CSPs and identification of success factors and to resolve those issues in the next phase of PPP.
<b>3<sup>rd</sup> Part</b>	<b>Duration: 15 months [01.10.2011 to 31.12.2012]</b>
1	Execution of PPP agreements in the remaining CSPs.

## 4. Directorate of Khadi Development

Sr. No.	Activity
<b>1<sup>st</sup> Part</b>	<b>Duration: 8 months [01.01.2010 to 31.08.2010]</b>
1	Formulation and execution of an MOU with the Ministry of Textiles for testing of khadi and khadi products, plan for creation of basic testing infrastructure and arrangement for managing Khadi mark by KVIC state/divisional offices.



2	Training of institutions for quality testing of raw materials.
<b>2<sup>nd</sup> Part</b> <b>Duration: 13 months [01.09.2010 to 30.09.2011]</b>	
1	Nil
<b>3<sup>rd</sup> Part</b> <b>Duration: 15 months [01.10.2011 to 31.12.2012]</b>	
1	Nil

#### 5. Directorate of Central Certification Committee

Sr. No.	Activity
<b>1<sup>st</sup> Part</b> <b>Duration: 8 months [01.01.2010 to 31.08.2010]</b>	
1	Issue of notification allowing Khadi institutions to set market- linked prices.
2	Formulation of benefit chart replacing cost chart.
3	Review of existing certification system and issue of guidelines empowering a Committee within the directorates of KVIC with the authority for the certification of Khadi institutions, under the guidance and advice of the central certification committee.
<b>2<sup>nd</sup> Part</b> <b>Duration: 13 months [01.09.2010 to 30.09.2011]</b>	
1	Notification of the benefit chart and the requirement for the benefit chart to be implemented by the Khadi institutions.
<b>3<sup>rd</sup> Part</b> <b>Duration: 15 months [01.10.2011 to 31.12.2012]</b>	
1	Conducting random spot audits of Khadi institutions regarding the adherence to licensing requirements for the use of Khadi mark.
2	Assessment of effectiveness of the implementation of the benefit chart.
3	Implementation of producer company model and the entrepreneurial model for new ventures in Khadi.
4	Examination and review of role and relevance of the central certification committee in the certification process of the Khadi institutions.

#### 6. Directorate of Marketing

Sr. No.	Activity
<b>1<sup>st</sup> Part</b> <b>Duration: 8 months [01.01.2010 to 31.08.2010]</b>	
1	Identification of potential private partners for the establishment of the new marketing organization and ensuring incorporation of the marketing organization.
2	Obtaining permission of Ministry to provide capital contribution for the establishment of the joint- venture marketing organization.
3	Commissioning of a product specific market survey of Khadi and village industries products through a specialist firm by Marketing Organization.
<b>2<sup>nd</sup> Part</b> <b>Duration: 13 months [01.09.2010 to 30.09.2011]</b>	
1	(a) Development of framework for introducing PPP in DSOs operated by KVIC, and (b) introduction of the same in 2 DSOs

	operated by KVIC.
2	Identification of products for both domestic and international markets and developing marketing strategies for all Khadi related institutions and products.
3	Preparation of product catalogue and set up the market information system.
4	Implementation of the plan to rejuvenate the institutional sales outlets.
5	Establishment of three DSOs under the Khadi markets extension program.
6	Incorporation of the marketing directorate as one of divisions within the strategic planning cell.
<b>3<sup>rd</sup> Part</b> <b>Duration: 15 months [01.10.2011 to 31.12.2012]</b>	
1	Introduction of PPPs in at least two other willing DSOs operated by KVIC, in consultation with KVIC.
2	Continue implementation of the plan to rejuvenate the institutional sales outlets.
3	Formulation of guidelines for the setting up of new sales outlets by Khadi Institutions.
4	Establishment of minimum of 10 DSOs under the Khadi marketing extension program.

## 7. Directorate of Legal Affairs

Sr. No.	Activity
<b>1<sup>st</sup> Part</b> <b>Duration: 8 months [01.01.2010 to 31.08.2010]</b>	
1	Activities related to development of Khadi mark, such as designing of logo, registration of the Khadi Mark under the Trade Marks Act.
2	Identification of potential private partners for the establishment of the new marketing organization and ensuring incorporation of the marketing organization.
3	Obtaining permission of Ministry to provide capital contribution for the establishment of the joint- venture marketing organization.
4	Development of framework for producer company model and enterprise for new ventures in Khadi.
<b>2<sup>nd</sup> Part</b> <b>Duration: 13 months [01.09.2010 to 30.09.2011]</b>	
1	(a) Development of framework for introducing PPP in DSOs operated by KVIC, and (b) introduction of the same in 2 DSOs operated by KVIC.
2	PPP in CSPs and identification of success factors and to resolve those issues in the next phase of PPP.
3	Implementation of producer company model and the enterprise model for new ventures in Khadi.
4	Signing of MOU with Khadi institutions for comprehensive Khadi

	institution reforms.
<b>3<sup>rd</sup> Part</b>	<b>Duration: 15 months [01.10.2011 to 31.12.2012]</b>
1	Nil

#### 8. Directorate of Khadi Audit

<b>Sr. No.</b>	<b>Activity</b>
<b>1<sup>st</sup> Part</b>	<b>Duration: 8 months [01.01.2010 to 31.08.2010]</b>
1	Auditing of 50 eligible khadi institutions through independent auditors and assignment of reform programme.
<b>2<sup>nd</sup> Part</b>	<b>Duration: 13 months [01.09.2010 to 30.09.2011]</b>
1	Completion of the audit of remaining 250 eligible Khadi institutions by independent auditors.
<b>3<sup>rd</sup> Part</b>	<b>Duration: 15 months [01.10.2011 to 31.12.2012]</b>
1	Nil

#### 9. Directorate of Publicity

<b>Sr. No.</b>	<b>Activity</b>
<b>1<sup>st</sup> Part</b>	<b>Duration: 8 months [01.01.2010 to 31.08.2010]</b>
1	Organization of nationwide workshops to disseminate the Khadi Reform Package.
<b>2<sup>nd</sup> Part</b>	<b>Duration: 13 months [01.09.2010 to 30.09.2011]</b>
1	Nil
<b>3<sup>rd</sup> Part</b>	<b>Duration: 15 months [01.10.2011 to 31.12.2012]</b>
1	Nil

#### 10. Directorate of Finance

<b>Sr. No.</b>	<b>Activity</b>
<b>1<sup>st</sup> Part</b>	<b>Duration: 8 months [01.01.2010 to 31.08.2010]</b>
1	Obtaining permission of Ministry to provide capital contribution for the establishment of the joint- venture marketing organization.
<b>2<sup>nd</sup> Part</b>	<b>Duration: 13 months [01.09.2010 to 30.09.2011]</b>
1	(a) Development of framework for introducing PPP in DSOs operated by KVIC, and (b) introduction of the same in 2 DSOs operated by KVIC.
<b>3<sup>rd</sup> Part</b>	<b>Duration: 15 months [01.10.2011 to 31.12.2012]</b>
1	Nil

#### 11. Directorate of Programme Monitoring Cell

<b>Sr. No.</b>	<b>Activity</b>
<b>1<sup>st</sup> Part</b>	<b>Duration: 8 months [01.01.2010 to 31.08.2010]</b>

1	Development of an integrated management information system.
<b>2<sup>nd</sup> Part</b>	<b>Duration: 13 months [01.09.2010 to 30.09.2011]</b>
1	Implementation the management information system and implementation of integrated application system.
<b>3<sup>rd</sup> Part</b>	<b>Duration: 15 months [01.10.2011 to 31.12.2012]</b>
1	Nil

## 12. Directorate of Capacity Building (present HRD Dte)

Sr. No.	Activity
<b>1<sup>st</sup> Part</b>	<b>Duration: 8 months [01.01.2010 to 31.08.2010]</b>
1	Study of existing training facilities and development of revitalization plan.
<b>2<sup>nd</sup> Part</b>	<b>Duration: 13 months [01.09.2010 to 30.09.2011]</b>
1	Implementation the comprehensive capacity building plan.
2	Publishing of training calendar with inputs from the marketing organization.
<b>3<sup>rd</sup> Part</b>	<b>Duration: 15 months [01.10.2011 to 31.12.2012]</b>
1	Continue implementation of the comprehensive capacity building plan.

## 13. Directorate of Village Industries Coordination

Sr. No.	Activity
<b>1<sup>st</sup> Part</b>	<b>Duration: 8 months [01.01.2010 to 31.08.2010]</b>
1	Identification of five thrust traditional village industries based on the market survey by the marketing organization and formulation of development strategy under cluster mode.
<b>2<sup>nd</sup> Part</b>	<b>Duration: 13 months [01.09.2010 to 30.09.2011]</b>
1	Establishment of one cluster for each of the identified village industry.
2	Implementation of the comprehensive capacity building plan in the identified clusters.
<b>3<sup>rd</sup> Part</b>	<b>Duration: 15 months [01.10.2011 to 31.12.2012]</b>
1	Monitoring of performance of the clusters.

#### 14. Directorate of Information Technology

Sr. No.	Activity
<b>1<sup>st</sup> Part</b>	<b>Duration: 8 months [01.01.2010 to 31.08.2010]</b>
1	Development of an integrated management information system.
<b>2<sup>nd</sup> Part</b>	<b>Duration: 13 months [01.09.2010 to 30.09.2011]</b>
1	Implementation the management information system and implementation of integrated application system.
<b>3<sup>rd</sup> Part</b>	<b>Duration: 15 months [01.10.2011 to 31.12.2012]</b>
1	Nil

#### 15. Directorate of Administration and HR

Sr. No.	Activity
<b>1<sup>st</sup> Part</b>	<b>Duration: 8 months [01.01.2010 to 31.08.2010]</b>
1	Restructuring of Directorates in KVIC, strengthening of human resource and administration, realignment of reporting relationship to increase efficiency.
2	Development of staffing norms consistent with the Khadi Reform Package.
3	
<b>2<sup>nd</sup> Part</b>	<b>Duration: 13 months [01.09.2010 to 30.09.2011]</b>
1	Incorporation of the marketing directorate as one of divisions within the strategic planning cell.
<b>3<sup>rd</sup> Part</b>	<b>Duration: 15 months [01.10.2011 to 31.12.2012]</b>
1	Nil

#### 16. Directorate of Economic Research

Sr. No.	Activity
<b>1<sup>st</sup> Part</b>	<b>Duration: 8 months [01.01.2010 to 31.08.2010]</b>
1	Nil
<b>2<sup>nd</sup> Part</b>	<b>Duration: 13 months [01.09.2010 to 30.09.2011]</b>
1	(a) Independent assessment of the Khadi Reform Package (b) hold stakeholder consultation on the outcome of the assessment, and (c) preparation for appropriate measures to address the feedback.
<b>3<sup>rd</sup> Part</b>	<b>Duration: 15 months [01.10.2011 to 31.12.2012]</b>
1	Second independent assessment of the Khadi Reform Package, (b) hold a stakeholder consultation on the outcome of the assessment, and (c) preparation for appropriate measures to address the feedback.
2	Evaluation of performance of the 300 eligible Khadi institutions.

## 17. Marketing Organization

Sr. No.	Activity
<b>1<sup>st</sup> Part</b>	<b>Duration: 8 months [01.01.2010 to 31.08.2010]</b>
1	Nil
<b>2<sup>nd</sup> Part</b>	<b>Duration: 13 months [01.09.2010 to 30.09.2011]</b>
1	Nil
<b>3<sup>rd</sup> Part</b>	<b>Duration: 15 months [01.10.2011 to 31.12.2012]</b>
1	Introduction of PPPs in at least two other willing DSOs operated by KVIC, in consultation with KVIC.
2	Continue implementation of the plan to rejuvenate the institutional sales outlets.
3	Formulation of guidelines for the setting up of new sales outlets by Khadi Institutions.
4	Establishment of minimum of 10 DSOs under the Khadi marketing extension program.

## SELECTION CRITERIA FOR KHADI INSTITUTIONS

Khadi activities are highly decentralized and scattered countrywide and the products manufactured under Khadi are also highly diversified. Accordingly, selection of institutions is a critical task for the capacity building program to ensure that the number of institutions for the Pilot & Scale up program is adequately representative of the population and different kinds of institutions, considering various parameters as illustrated hereunder, are covered so that the selection process is effective.

### 1. **Selection Criteria:**

- (i) The selected institution (Reform Implementing Institution) is to be a directly aided institution of KVIC, registered either with the KVIC or the State Khadi & V.I. Board (KVIB). In case of State Board aided institutions, the Board is to recommend the name of the institution with an NOC for release of assistance to the institution and necessary monitoring of the implementation of the program by KVIC.
- (ii) The Reform Implementing Institution (RII) is to implement the Khadi program in a composite manner, i.e., spinning, weaving and marketing of Khadi.
- (iii) The RII is to satisfy either the 'A+' or 'A' or 'B' categorization norm based on the re-categorization undertaken by KVIC.
- (iv) The selection of Khadi institutions will primarily be performance-based with due regard to regional balance and the inclusion of backward areas.
- (v) Institutions which are availing financial support from KVIC under any other capacity building scheme, such as SFURTI and Scheme for Enhancing Productivity and Competitiveness of Khadi Industry and Artisans, will not be eligible for any financial support under this Program.
- (vi) The RII will collectively represent production and marketing of three different kinds of khadi, viz. Cotton, Wool and Silk.
- (vii) The scale of the activities of the RII in the selected Program will be as follows:
  - a. Production and/or average sales turnover will be at least of Rs.{50} lakh per annum in the last three years. In the case of North-East states – Rs.{25} lakh per annum in the last 3 years;
  - b. Number of artisans associated: a minimum of 200 artisans will be registered with the RII;

- c. The RII will be engaged in the production of khadi for at least 3 years at the point of selection.
- d. Number of sales outlets managed by the RII: Not less than {4} sales outlets; and
- e. Adequate land or building will be available with the RII so as to accommodate the infrastructure envisaged in the Program.

**2. The selected 300 RII will subject itself to prescribed audit procedures.**



# **FORMAT OF AGREEMENT BETWEEN KVIC AND KHADI INSTITUTIONS**

## **Agreement**

(Specimen Copy)

(To be executed between the State / Divisional Director, KVIC Reform Implementing Institution (RII) on the court stamp paper as per the Stamp Act Rules existing in the respective States)

THIS AGREEMENT is made at \_\_\_\_\_ on \_\_\_\_\_ day of ..... between the KHADI AND VILLAGE INDUSTRIES COMMISSION, a statutory body constituted under the Khadi and Village Industries Commission Act, 1956 and having its office at 3, Irla Road, Vile Parle (W), Mumbai-56 hereinafter referred to as "KVIC" (which expression shall unless it be repugnant to the context or meaning thereof be deemed to mean and include its successors and assigns) of the ONE PART and (wherever applicable) and ....., a .....established/registered under.....Act and having its registered office at ..... hereinafter referred to as the "Reform Implementing Institution" (which expression shall unless it be repugnant to the context or meaning thereof be deemed to mean and include its successors and assigns) of the OTHER PART.

### **Preliminary:**

WHEREAS:

- A) KVIC has been constituted to devote itself to the development and propagation of Khadi and Village Industries in the country.
- B) The Government of India, with a view to making the Khadi sector more productive and competitive and facilitating their sustainable development, has formulated a Program for strengthening of Khadi sector. The Program shall be implemented by the Ministry of Micro, Small and Medium Enterprises (MMSME) and its organizations and institutions in collaboration with State Government, their organization concerned, Non- Governmental Organizations, etc.
- C) KVIC would be the nodal implementing agency (IA) which in turn would identify Reform Implementing Institutions (RIIs) in a transparent manner with the guidance of the Reform Implementation Division (RID), constituted by KVIC as a separate cell overlooking the strategic and institutional reforms.
- D) The primary objectives of the Program are :

- a. To provide improved implements and equipments for increased production capacity;
  - b. To make Khadi sector more competitive with increased market driven incentives as well as profitable and sustained employment for artisans and workers; and
  - c. To strengthen local governance system of Khadi Institutions;
- E) The Program, with a view to achieve the aforesaid objective, envisages the development of Khadi sector by developing marketing channels, strengthening of sales outlet, capacity building, IT support, design up-gradation etc.
- F) The KVIC, being the nodal IA, is desirous of implementing the said reform program through institutions registered under KVIC / State KVIB.

In case of State Board aided institutions, the Board has to recommend the name of the institution (after selection criteria are met) with an NOC for release of assistance to the institution and necessary monitoring of the implementation of the Program by KVIC.

- G) The RII, being actively involved in the activities for the development of Khadi/rural employment, possesses the requisite expertise to implement the said Program and desirous of undertaking the Program and accordingly approached KVIC for undertaking the Institutional reform under the said Program on the terms and conditions herein after appearing.

## **NOW THIS AGREEMENT WITNESSETH:**

### **1. Terms and Conditions:**

The assignment shall include and comprise the following:-

- a) The RII agrees to get the books audited and current operations reviewed by a chartered accountant acceptable to Asian Development Bank (ADB) or an officer / representative of KVIC as may be directed by KVIC and as agreed by ADB, to ascertain the current state of affairs of the RII.
- b) The RII shall during the implementation of the said Program provide in kind and/or financial support, as required, for capacity building, mainly involving implements, work sheds for artisans, processing units, RTU units, raw material procurement, renovation of sales outlets (renovation of store layout, inventory management, staff rationalization, local publicity, and etc.), accounting and IT support (both hardware and software) for the purpose of its operations. The RII shall take proper care and account of these assets and keep them in good condition and in trust till the completion of the said Program and thereafter, as

required. KVIC will facilitate centralized procurement of above-mentioned equipments and contacting of renovation works for the RII.

- c) That RII agrees to abide by and implement following key governance reforms:
- RII to organize all artisans into Self Help Groups (SHGs): The agency to play a proactive role in providing necessary support to the artisans in establishing SHGs. KVIC would facilitate the process by monitoring and organizing training programs for independent functioning/management to enable the SHGs to constructively serve the purpose of the artisans;
  - At least 50% of the Governing Board of the RII to have representation from various SHGs;
  - Criteria for selection of the other members of the Governing Board (including owner representation) to include following guidelines - no blood relatives, restriction on number of offices per person and restriction on multiple offices of remuneration per person as specified by KVIC in this regard.
  - As per the Benefit Chart, the surplus to be distributed to the artisans to be routed through SHGs; thereafter, RII to guide SHGs to distribute the same within members on the basis of the total value of production during the year by each member.
- d) The artisans to be covered under the scheme should be brought under the umbrella of social security such as Janashree Bima Yojana and Artisans Welfare Fund Trust of the RII.
- e) The RII shall draw its raw material requirement from the nearest Central Sliver Plant of KVIC or its local Godown; or through captive production or KVIC specified sliver plants at Institutions. In case of silk, it should be obtained from the raw material bank operated by Central Silk Board and other Government or quasi - Government agencies.
- f) That RII agrees to be registered with the Marketing Organization. The marketing strategy, including product strategy, should be formulated under the guidance of the Marketing Organization. The RII also agrees to provide all necessary support to the Marketing Organization for the market/product survey, register the products under the product catalogue prepared by the Marketing Organization and provide

necessary support, as may be required, to the branding initiatives of the Marketing Organization.

- g) The assets and renovation / construction work completed provided as aforesaid shall always be made available for inspection by any officials of Govt. of India, MMSME / its authorized agents or agencies and KVIC.
- h) Assets like charkhas and looms would be given to the artisans and the institution should continue to extend all support to the artisans. The ownership of charkha to be transferred to the artisan may be made through a suitable tripartite agreement involving artisan, the RII and field office of KVIC. Given the large number of women engaged in the sector, transfer of assets to women should be undertaken where women are the primary artisans. The RII should not pass the cost of charkha and the loom to the artisan nor shall it build it in the cost chart. It will be imperative on the part of RII to provide all backward forward linkages such as raw material supply and finished goods procurement against proper compensation and arrangement for maintenance / overhauling of implements etc.
- i) The assets other than charkhas and looms provided under the Program shall be the property of the RII, operated, maintained and managed by the RII, unless otherwise specified in writing by the KVIC.
- j) The RII shall keep identification marks on the body of the assets and appropriate name boards for the said Program.
- k) The RII shall send quarterly reports and returns regularly regarding progress of the Program and operations of the Institution to the KVIC.
- l) The RII may use certain assets/units provided under the Program as Common Service Centers, such as RTU unit, processing units, etc. The RII may levy service charges for utilization of Common Facility Centre's assets at the rates fixed in consultation with KVIC. The services of the Common Facility Centre shall be prioritized to KVIC/State KVIB registered Institutions over any other Institution/entrepreneur.
- m) The RII shall ensure to implicate the strategies formulated / prescribed by KVIC / Marketing Organization (promoted by KVIC) from time to time or as finalized mutually.
- n) That RII shall jointly and severally be liable to KVIC for performance of the work including performance of services and its obligations including that of its associates, contractors / sub-contractors under the agreement.

- o) The RII would adopt non-discriminatory wages to women artisans, ensuring equal wages for equal work.
- p) That RII would be evaluated on the following operating parameters, after {18} months of the date of the agreement:
  - Increase in utilization rate of implements by around {25-50%},
  - Increase in earnings for artisans by around {50-75%} due to a) increase in days of employment and b) surplus distributed to artisans under Benefit Chart;
  - Increase in annual sales realization per Institution by around {20-25%} due to replacement of cost chart with benefit Chart and production of higher value added products; and
  - Improvement in working capital position by around {20-25%}.

## **2. KVIC Assistance In Kind:**

- a) The assistance in kind from KVIC shall be in the form of provision for capacity building, including working sheds for artisans, processing units, RTU units, renovation of sales outlets (renovation of store layout, inventory management, staff rationalization, local publicity, and etc.), accounting and IT support (both hardware and software) for the purpose of its operations, setting up of Common Facility Centres (CFC) for processing and any other unit (as may be mutually decided between KVIC and the RII), and other infrastructure facilities within the budget approved by KVIC.
- b) The assistance in kind shall be procured by KVIC to RII.
- c) The assistance in kind sanctioned shall be released in suitable manner as per the approved action plan and as decided by KVIC.
- d) The RII shall maintain separate records of the details of the assets acquired from the assistance in kind under the Program.
- e) The RII shall furnish the utilization certificate within {3} months from the receipt of assistance in kind and audited statement of accounts pertaining to assistance in kind received from the KVIC at the end of each financial year.

## **3. Release of KVIC Assistance In Kind:**

- a) That assistance in kind to be released for the RII will be restricted to the sanction made by KVIC.

- b) That release of assistance in kind for replacement of Charkhas and looms, processing facilities, RTU facility and other equipment assistance, and renovation of sales outlets (renovation of store layout, inventory management, staff rationalization, local publicity, and etc.) will be made by KVIC after receiving confirmation of delivery of equipments/machineries/charkhas/looms or the completion of renovation work at the destination.

**4. Contribution of RII:**

Any capacity above the sanctioned KVIC assistance in kind required by the RII for the reforms/capacity building shall be contributed solely by the RII.

**5. Utilization of KVIC Assistance In Kind:**

- a) It is expressly agreed that the outlay sanctioned hereunder shall be utilized only for the purpose of the assignment and the assistance in kind, if any, shall not be diverted for any other industry, purpose, assignment or use.

**6. Program Monitoring Mechanism:**

- a) RII shall work in co-ordination with the KVIC and the Marketing Organization.
- b) The KVIC shall depute its representatives or officials to assess Program progress from time to time.
- c) In the event of unsatisfactory Program progress, the KVIC shall have the right to discontinue the Program. There upon the KVIC shall be at liberty to entrust the said activity to any other person or agency to conduct and carry the same afresh or to continue the same further from where the activity was discontinued and for this purpose KVIC shall be at liberty to utilize all data, reports and technique collected and developed by the RII on the termination of the activity as aforesaid.
- d) That in case of abandonment, or earlier termination of the Program / work without its completion, the assistance in kind advance, if any, to RII shall be returned forthwith to KVIC.

**7. Program Progress Report:**

RII shall give KVIC half-yearly progress report on the ongoing Program. This report shall cover (i) work done for the half-year (ii) planned

activities and strategies (iii) details of financial expenditure incurred during the half-year under broad headings along with the supporting documents.

**8. End of Program Report and Certificates:**

At the end of the Program, RII shall send (i) a comprehensive Program report that outlines its achievements, and (ii) utilization certificate with relevant statements and enclosures for audit purposes, including a detailed statement of assets created.

**9. Completion of the Program:**

The Program shall be deemed to have been successfully completed on submission of the final report by RII and its acceptance by the Program Steering Committee/Reform Implementation Department of KVIC.

**10. Rectification of Defaults:**

If in the opinion of KVIC there is a major breach by RII of the terms herein contained or for any reason RII is not in a position to continue the assignment, KVIC shall have the right to bring to the notice of RII the breach or the fact of its inability to successfully continue the assignment and upon the failure of RII to rectify the breach or successfully continue the assignment within 45 days thereof, this agreement shall be terminated by KVIC whereupon RII shall be removed from the assignment forthwith and shall refund the entire amount released by the KVIC.

**11. No Liability to KVIC:**

There shall be no principal and agent relationship between KVIC and RII. The KVIC shall not be held liable for acts of omissions or commissions of RII resulting in claims and damages from third party against KVIC.

The RII, at all times indemnify the KVIC against any claims in respect of any damages or compensation payable in consequences of any accident or injury sustained by its (RII) employee or the employee of the sub-contractors or by any other third party resulting from or by any transportation / conveyance or act or omissions conducted by or on behalf of the RII. The RII, shall all times indemnify KVIC against all claims / damages etc for any infringement of any intellectual property rights (IPR) while providing its services under the Program.

**12. Amendment to Agreement:**

RII and KVIC may make amendment to this Agreement, as per requirements, by mutual consent, in writing.

**13. Notification of Change:**

The RII shall notify the KVIC of any material change in their status, shareholding or that of any guarantor of the RII, in particular, where such change would impact on performance of obligations of RII under this agreement.

**14. Force Majeure:**

Neither party shall be held responsible for non-fulfillment of their respective obligations under this agreement due to exigency of one or more force majeure events, such as floods and fire, provided on the occurrence of such events the affected shall give one month notice within occurrence of such event.

**15. Resolution of Dispute / Interpretation:**

In case of any dispute between RII and KVIC, the same shall be settled mutually, and if any difference in opinion persists, the same shall be referred for arbitration to the Secretary, Ministry of Micro, Small and Medium Enterprise, Govt. of India, whose decision shall be final and binding on both parties.

In witness where of the parties to this Agreement have hereunto signed their respective names and affixed their respective seals the date and the year first here in above written.

Signed, Sealed and delivered by  
Sri .....  
For and on behalf of the

Signed, Sealed and delivered by  
Sri .....  
for and on behalf of the

1<sup>st</sup> Party, in presence of Witness

2<sup>nd</sup> Party in the presence of witness

1.

1.

2.

2.



# TENTATIVE LIST OF 300 KHADI INSTITUTIONS

## NORTH ZONE

Sr. No.	Name and address of the institution	Cat.	KVIC/ KVIB
<b>DELHI</b>			
1	Adarsh Gramodyog Samiti, 2554-A, Lekhu Nagar, Tri Nagar, Delhi-35	A	KVIC
2	Khadi Ashram Kamla Nagar , Delhi	B	KVIC
3	Khadi Gramodyog Samiti, X-35, West Patel Nagar, Delhi-8	B	"
4	Janta Gramodyog Samiti Nangloi, Delhi	B	"
<b>RAJASTHAN - JAIPUR / BIKANER</b>			
<b>JAIPUR</b>			
1	Alwar Jilla Khadi Gr. Sangh, Near Sabji Mandi, Alwar	A+	KVIC
2	Kshetriya Khadi Gramodyog Samiti, Dausa	A+	"
3	Rajasthan Adim Jati Sevak Sangh, Jaipur	A+	"
4	Sri Gandhi Sewa Sadan Society, Bayana, Bharatpur	A+	"
5	Udyog Mandir, Amer	A+	"
6	Hadoti Khadi Gr. Samiti, Chonga Ki Baodi, Kota	A	"
7	Nav Nirman Sangh, Bhupalpura, Gandhi Dham, Udaipur	A	"
8	Rajasthan Khadi Sangh, Chomun, Khadi Baug, Jaipur	A	"
9	Tonk Jilla Khadi Gr. Samiti, Tonk – 304 001	A	"
10	Iras Khadi Gramodyog Utpadak Sahakari Samiti Ltd., Rayala, Dist. Bhilwara	B	"
11	Khadi Gramodyog Samiti, Sikandara, Dausa	B	"
12	Rajasthan Khadi Gramodyog Sanstha Sangh, Jaipur	B	"
13	Sewa Sadan, Bhilwara	B	"
14	Rajsthan Sarvodaya Sansthan, Jaipur	A	"
15	Khamor Khadi Gramodyog Utpadak Sah. Samity Ltd. Bhilwada	A	"
16	Lok Seva Samity, Nagar, Bharatpur	A	"
17	Gramodyog Samiti, Ratitalai, Banswara	A	KVIB
18	Kshetriya Khadi Gramodyog Samiti, Dausa , Lalsot	B	"
19	Kshetriya Khadi Gramodyog Samity, Bandipur, Dausa	B	"
20	Dhaulpur Zilla Khadi Gr. Samity, Dhaulpur	B	"
21	Lok Seva Sansthan, Bajanagar, Jaipur	B	"
22	Gramodyog Vikas Mandal, Devgarh (Rajsamand)	B	KVIB
23	Khadi Gramodyog Mandal, Amarsar (Jaipur)	B	"
<b>BIKANER</b>			
1	Khadi Gramodyog Pratisthan, Rani Bazar, Bikaner (Raj)	A	KVIC
2	Khadi Mandir, Near Public Park, Bikaner, (RAJ.)	A	"
3	Shekhawati K.G.Sangh, Jhunjhnu,(RAJ.)	A	"
4	Uni Khadi Gramodyog Sansthan, Rani Bazar, Bikaner	B	"
5	Nokha Khadi Gramodyog Sangh, Nokha	A	"
6	Gram Vikas Gramodyog Samity, Alsisar, Jhunjhun	A	"
7	Shikar Zilla Khadi Gramodyog Samity, Ringas, Sikar	B	"

**RAJASTHAN KVIB**

1	Kshetriya Samagra Lok Vikas Sangh, Bikaner	A+	KVIB
2	Ajmer Merwara Gram Sewa Mandal, Ajmer	A	"
3	Bhanswara Zilla Sewa Sangh, Paratatur, Bhanswara	A	"
4	Jaisalmer Zilla Khadi Gramodyog Parishad, Jaisalmer	A	"
5	Gram Swaraj Samiti, Chaper, Churu	A	"
6	Khadi Udyog Utpadak Sahakari Samiti, Balotra (Badmer)	A	"
7	Nagor Zilla Khadi Gramodyog Sangh, Nagor	A	"
8	Shri Themederay Kshetriya Saghan Vikas Samiti, Kotadi, Jaisalmer	B	KVIB

**PUNJAB - CHANDIGARH**

1	Doraha Kasturba Khadi Gramodyog Karya Karta Sangh, Timber Market, Doraha – 141421	A	KVIC
2	Gramodyog Karya Karta Sangh, Derra Bassi – 140 507	A	"
3	Khadi Gramodyog Mandal, Court Road, Patti – 143416.	A	"
4	Sutlej Khadi Mandal, PO Nakodar – 141310	A	"
5	Kshetriya Punjab Khadi Mandal, PO Kharar – 140 301.	B	"
6	Punjab Khadi Mandal, PO Adampur, Doaba – 144102.	B	"
7	Khadi Ashram Chandigarh	A	"
8	Majitha Khadi Gramodyog Mandal, Majitha	B	"
9	Kshetriya Punjab Khadi Mandal, Sujanpur	B	"

**JAMMU & KASHMIR**

1	Shri Gandhi Sewa Sadan, Jammu	B	KVIC
2	Chanderbhaga Khadi Vikass Pratishthan, 407, Ambphalla, Jammu	A	"
3	Khadi Gramodyog Sewa Sansthan, 268, Sarwal Colony, Jammu	A	"
4	Kashmir Jehlum Khadi Institution, Rajbagh, Srinagar (Kashmir)	B	"
5	Shalimar Khadi Gramodyog Sangh, Bota Kadal, Srinagar	A	"
6	Kashmir Valley Khadi & V.I. Institution, Gole Market, Srinagar	B	"

**HIMACHAL PRADESH - SHIMLA**

1	Himachal Khadi Ashram, Shimla (HP)	A	KVIC
2	Himachal Khadi Mandal, Akhara Bazar, Kullu, Distt. Kullu (HP)	A	"
3	Khadi Gramodyog Samiti, Nerwa (Chaupal), Distt. Shimla (HP)	A	"
4	Shivalik Khadi Ashram, Santokh Garh, Unna	B	"

**HARYANA - AMBALA**

1	Dist Mahendragarh Khadi Gr. K.K. Sangh, Quilla Road, Narnoul	A	KVIC
2	Khadi Gr. Sangh (Narar), H.O. Mirjapur Via Gurukul, Thanesar, Kurukshetra	A	"
3	Rohtak Khadi Ashram, Rohtak	A	"
4	Sarswati Khadi Gramodyog Sangh, Hansi Road, Jind.	A	"
5	Ambala Khadi Ashram, Ambala City	B	"
6	Hissar Khadi Ashram, Hissar	B	"

**Total No. of Institutions in North Zone****67**

### EAST ZONE

Sr. No.	Name and address of the institution	Cat.	KVIC/ KVIB
<b>BIHAR - PATNA</b>			
1	Gopal Ganj Zilla Khadi Gramodyog Sangh, Arar Mode, Gopalgunj.	A	KVIC
2	Sitamarhi Zilla Khadi Gramodyog Sangh, Sitamarhi.	A	"
3	Bhabua Anumandaliya Khadi Gr. Sangh, Bhabua	A	"
4	Saharsa Zilla Khadi Gr. Sangh, Saharsa	A	"
5	Saran Zilla Khadi Gr. Sangh, Salimpur, Chhapra, Saran	A	"
6	Nalanda Zilla Khadi Gr. Sangh Biharsarief , Nalanda	B	"
7	Resham Bunkar Khadi gr. Sangh, Nathnagar, Bhagalpur	B	"
8	Madhubani Zilla Khadi Gr. Sangh, Madhubani	B	"
9	East Champaran Zila Khadi Gra. Sangh, East Champaran	B	"
<b>ORISSA - BHUBANESHWAR</b>			
1	Sambalpur Silk & Gramodyog Samity, Kharumunda, Tainsar, Deogarh	A	KVIC
2	Adarsh Khadi Utpadak Sangh, Nuapatna, Cuttack	B	"
3	Gram Vikas Parishad, Nuapatna, Cuttack	A	"
4	Nilachal Exportable Khadi & gr. Sangh, Nuapatna, Cuttack	A	"
<b>JHARKHAND – RANCHI</b>			
1	Mahadev Smarak Khadi Gramodyog Mandal, Namkum, Ranchi	A	KVIC
2	Khadi Gramodyog Sangh, Dhanbad	B	"
3	Khadi Gramodyog Sangh, Ravindra Patha, Hazaribagh	B	"
4	Khadi Gramodyog Sangh, Singhbhum, Jamshedpur	B	"
5	Raneshwar Samagra Vikas Parishad, Dumka	B	"
6	Santhal Paragana Gramodyog Samiti, Deoghar	B	"
<b>WEST BENGAL - KOLKATA</b>			
1	Chandrakanta Lalit Mohan Resham Khadi Samity, Khagra, Murshidabad	A+	KVIC
2	Gramin Kutir Silpa Bhawan, Jiaganj, Murshidabad.	A+	"
3	Kshetriya Shree Gandhi Ashram, Jalalpur, Malda	A+	"
4	Noor Resham Khadi Samity, Vill. & PO Chaspara	A+	"
5	Chaspara Silk Samity, Vill. & PO Chaspara, Dist. Malda.	A	"
6	Satish Sarvodaya Bharati, 137, B. B. Sen Road, Berhampur, Murshidabad	A	"
7	Sujapur Resham Khadi Sangha, Malda	A	"
8	Tenya Barahatty Kete Matka Tantubaya S. Samity Ltd.	A	"
9	Nagar Resham Shilpa Samabaya Samiti Ltd., Nagar, Murshidabad	B	"
10	Natraj Khadi Shilpa Samiti, Kakatia, Malda	B	"
11	Purshottam Resham Khadi Gramodyog Sangh, Kandi, Murshidabad	B	"
12	Resham Khadi O Kutir Shilpa Samiti, Chota Sujapur, Malda	B	"
13	Silk Khadi Organization, Khagra, Murshidabad	B	"
14	Nabadwip Kutir Silpa Pratishthan , Nabadwip, Nadia	A	"
15	Mohanpur Silk Khadi Unnayn Samity, Chaspara, Malda	A	"

16	Resham Kutir Silpa, Malda	A	"
17	Jaluabadal Khadi O Resham J.B. Malik Parada, Malda	B	"
18	Gayeshbari Khadi O Gram Seva Kendra, gayeshbari, Malda	B	"
19	Silk Khadi Sewa Mandal, Bishnupur, Bankura	B	"
20	Akhtari Resham Silpa Khadi Samiti, Jalalpur, Malda	B	"

#### **WEST BENGAL KVIB**

1	Jhargram Khadi and V.I. Association, Paschim Mednapur	A+	KVIB
2	Palli Unnayan Sansthan, Kaladanga, Murshidabad	A	"
3	Annapurna Resham Khadi Bayana Sewa Samiti, Sanmati Nagar, Murshidabad	B	"
4	Baswa Resham Shilpi Samabaya Sangha Ltd., Birbhum	B	"
5	Das Silk Khadi Samiti, Savanti Nagar, Murshidabad	B	"
6	Modern Resham Khadi Samiti, Savanti Nagar, Murshidabad	B	"
7	Murshidabad Silk Weavers Cooperative Society Ltd., Islampur, Murshidabad	B	"
8	Sonamukhi Resham Shilpi Samiti Sangha Ltd., Sonamukhi	B	"

**Total No. of Institutions in East Zone**

**47**

#### **NORTH-EAST ZONE**

<b>Sr. No.</b>	<b>Name and address of the institution</b>	<b>Cat.</b>	<b>KVIC/ KVIB</b>
<b>ASSAM – GUWAHATI</b>			
1	Kasturba Seva Mandir, P.O. Tezpur Dist. Sonitpur	A	KVIC
2	Tamulpur Anchalik Gramdan Sangh, Kuwarikata	A	"
3	Katigora Gram Unnayan Parishad	B	"
4	Pragatishil Khadi Samiti	B	"
5	Bogidol Khadi & V.I. Development Society, Bogidol	B	"
6	Mouman Seva Ashram, P.O. Boko Dist. Kamrup	B	"
<b>ARUNACHAL PRADESH – ITANAGAR</b>			
1	Arunachal Pradesh Sewa Sangh, Doimukh	A	"
<b>No. of Institutions in Northeast Zone</b>		<b>7</b>	

**SOUTH ZONE**

<b>Sr. No.</b>	<b>Name and address of the institution</b>	<b>Cat.</b>	<b>KVIC/ KVIB</b>
<b>TAMILNADU - CHENNAI / MADURAI</b>			
<b>CHENNAI</b>			
1	Annur Sarvodaya Sangh, 7/34, Nehru Street, Annur, Coimbatore Dt.-641653	A+	KVIC
2	Arni Sarvodaya Sangh, Arni, Thiruvennamalai	A+	"
3	Avarampalayam Sarvodaya Sangh, 129, Appusamynaidu Layout, Red Field, Coimbatore – 641 045.	A+	"
4	Chennai Sarvodaya Sangh, 199, Linghi Chetty Street, Chinnai-600 001	A+	"
5	Chingleput District Sarvodaya Sangh, 40, Arnedupudi Street, Little Kancheepuram – 631503, Kancheepuram Dist.	A+	"
6	Coimbatore North Sarvodaya Sangh, Coimbatore	A+	"
7	Erode Sarvodaya Sangh, Erode	A+	"
8	Gandhipuram Sarvodaya Sangh, 7 <sup>th</sup> Street, Cross Cut Road, Gandhipuram, Coimbatore – 641012	A+	"
9	Kadar Mangalam Sarvodaya Sangh, Chinnadharabram	A+	"
10	Kangayam Sarvodaya Sangh, Agraharam Street, Kangayam – 638701, Erode District.	A+	"
11	Karur Sarvodaya Sangh, 14, Vaiyapuri Nagar, Karur – 639 001	A+	"
12	Kethanur Sarvodaya Sangh, Vinobha Nagar, Udammalpet Main Road, Kethanur – 641 671, Coimbatore Dist.	A+	"
13	Khadi Gramodyog Sangh, Chennai	A+	"
14	Koduvai Sarvodaya Sangh, Vinobha Nagar, Pongalur (via), Koduvai – 638 660, Coimbatore District.	A+	"
15	Mulanur Sarvodaya Sangh, Mulanur – 638 106, Erode District	A+	"
16	Nambiyur Sarvodaya Sangh, 12 Puliampatti Main Road, Nambiyur – 638453, Erode – District.	A+	"
17	North Arcot Sarvodaya sangh, Vellore	A+	"
18	Padiyur Sarvodaya Sangh, Padiyur – 638701, Erode District	A+	"
19	Pollachi Sarvodaya Sangh, 36 Venkatramana Street, Pollachi – 642001, Coimbatore District	A+	"
20	Puliampatti Sarvodaya Sangh, Puliampatti, Erode	A+	"
21	Sathyamangalam Sarvodaya Sangh, 9/467, Main Road, Sathyamangalam – 638401, Erode Dist.	A+	"
22	Thanjavur Sarvodaya Sangh, Kumbakonam	A+	"
23	Thanjavur West Sarvodaya Sangh, 28, Giri Road, Srinivasapuram, Thanjavur – 613009	A+	"
24	Tiruchirapalli North Sarvodaya Sangh, Tiruchirapalli	A+	"
25	Tiruppattur Sarvodaya Sangh, 87, Gandhi Road, Tiruppattur – 635601, Vellore Dist.	A+	"
26	Tirupur Sarvodaya Sangh, Tirupur	A+	"
27	Uttukuli Sarvodaya Sangh, Uttukuli	A+	"
28	Vellakoil Sarvodaya Sangh, Uddupalayam Road, Vellakoil-638 111, Erode Dt.	A+	"
29	Tamilnadu Sarvodaya Sangh, Gandhi Nagar, Tirupur-641603.	A	"
30	Bhartiya Khadi Gr. Sangh, Coimbatore	A	"

31	Chidambaram Sarvodaya Sangh, Cuddalore	A	"
32	Cuddalore Sarvodaya Sangh, Vadalur Cuddalore	A+	"
33	Kundadam Sarvodaya Sangh, Kundadam, Erode	A+	"
34	Pondicherry Sarvodaya Sangh, Pondicherry	A+	"
35	Salem Dist Sarvodaya Sangh, Bhartipuram, Salem	A+	"
36	Tiruchirapalli Sarvodaya Sangh, J.P. Nagar Tirichi	A+	"
37	Udamalpet Sarvodaya Sangh, Coimbatore	A+	"

#### **MADURAI**

1	Ambasamudram Sarvodaya Sangh, Ambasamudram.	A+	KVIC
2	Aruppukottai Sarvodaya Sangh, Aruppukottai – 626 101.	A+	"
3	Madurai West Sarvodaya Sangh, Tirumangalam- 625 709	A+	"
4	Madurai District Sarvodaya Sangh, 26 Town Hall Road, Madurai 625001.	A+	"
5	Madurai North Sarvodaya Sangh, H.O.158, Old Dharapuram Road, Palani-624 601	A+	"
6	Periyakulam Sarvodaya Sangh, Periyakulam, Theni Dist.	A+	"
7	Ramanathapuram Central Sarvodaya Sangh, Sivakashi.	A+	"
8	Ramnathapuram East Sarvodaya Sangh, Paramakudi	A+	"
9	Shankarankoil Sarvodaya Sangh, Shankarankoil	A+	"
10	Tuticorin Sarvodaya Sangh, Tuticorin	A+	"
11	Virudhunagar Sarvodaya Sangh, H.O. Virudhunagar – 626 001	A+	"
12	Kanyakumari Sarvodaya Sangh, Nagarcoil	A	"
13	Kovilpatti Sarvodaya Sangh, Kovilpatti	A	"
14	Madurai East Sarvodaya Sangh, H.O. Kamarajar Salai, Madurai-625009	A	"
15	Ramanathapuram District Sarvodaya Sangh, 66-67 Kandhadai Street, Srivilliputhur –626125.	A	"
16	Tiruchendur Sarvodaya sangh, Tiruchendur	A	"
17	Tirunelveli Sarvodaya Sangh, South Car Street, Tirunelveli – 6	A	"
18	Gandhigram Khadi & VIPC Trust, Gandhigram- Dindigul.	B	"
19	Nanguneri Sarvodaya Sangh, Seva Sangar, Tirunelveli	A	"
20	Puliangudi Sarvodaya Sangh, Tirunelveli	A	"
21	Tamilnadu Gandhi Smarak Nidhi, madurai	A	"

#### **KERALA - TRIVENDRUM**

1	Alleppy Sarvodaya Sangh, Pallarimangalam, Mavelikara, Alleppy	A+	KVIC
2	Cannanore Sarvodaya Sangh, Chettankunnu, Thalasseri, Kannur – 670101	A+	"
3	Kerala Gandhi Smaraka Nidhi, Thycadu, Trivendrum	A+	"
4	Palaghat Sarvodaya Sangh, Ottapalam, P. B. No. 101, Palakkaad – 679 101	A+	"
5	Trivandrum Sarvodaya Sangh, Gramodaya, M.G. Road, Trivandrum	A+	"
6	Kerala Khadi & V.I. Federation, Padivattom, Cochin, Ernakulam	A	"
7	Kerala Sarvodaya Sangh, Gandhi Ashram, Civil Station Road, Kozhikode – 20	A	"

**KERALA KVIB**

1	G.S.G.S. Kendram, Nanthiattukunnam, Ernakulam	A+	KVIB
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**KARNATAKA – BANGALORE**

1	Azara Silk Khadi Gramodyog Samiti, Katripalya, Kolar- 563101	A+	KVIC
2	Karnataka Sarvodaya Sangh, 78, Ranga rao Road, Shankarpuram, Bangalore- 4.	A+	"
3	Belgaum district Khadi Gram. Sangh, 6, S.P.M. Raod, Belgaum – 590 001	A	"
4	Dharwad Taluka Seva Sangh, Battepati Building, Near M.G.Bank, P.B. Road, Dharwad–8	A	"
5	Dharwad Taluka Garag Kshetriya Seva Sangh, Mangalwarpet, Dharwad : Dt.	B	"
6	DD Khadi Gr. Sangh, Hubli	A	"
7	Astadevata Khadi Gramodyog Sangh, Kolar	A	"
8	Y.T. Khadi Gr. Sangh, Kukanoor	A	"
9	Khadi Gr. Sangh, Bidar	A	"

**KARNATAKA KVIB**

1	Chitra Durga District Khadi Coop Society, Dist. Chitradurga.	A+	KVIB
2	Harihara Charkha & Gramdoyog Sahakara, Sangh, Harihara, Dist. Davangere	A+	"
3	Khadi Workers Cooperative Producers Society, Rong, Dist. Gadag	A+	"
4	Nazneen Khadi Gramodyoga Sangha, Upparpet, Dist. Kolar	A+	"
5	Sri Nandi Khadi Gramodyoga Sangha, Malamachanahalli, Dist. Kolar	A+	"
6	Tazeen Silk Industries Association, Kolar, Dist. Kolar	A+	"
7	Bellary Ambar Charaka Craft Co.op. Society, Millerpet, Bellary	A	"

**ANDHRA PRADESH - HYDERABAD / VISHAKHAPATNAM  
HYDERABAD**

1	Grama Parisramala Sangham, Dharmavaram	A+	KVIC
2	Resham Khadi Gramodyog Sangham, Dharmavaram.	A+	"
3	Sri Satya Sai Gramodaya Khadi Silk Parisramala-Sangham, Puttaparthi.	A	"
4	Bhagyanagar Khadi Samity, Hyderabad	A	"

**VISHAKHAPATNAM**

1	SJNK Sangham, Srikakulam	A	KVIC
2	Swarajya Sangh, Tuni	A	"
3	Swarajya Sangh, Kotananduru	A	"
4	Swarajya Sangh, Krishnapuram	A+	"
5	Swarajya Sangh, Vemulapudi	A+	"

**Total No. of Institutions in South Zone****91**

### WEST ZONE

Sr. No.	Name and address of the institution	Cat.	KVIC/ KVIB
<b>MAHARASHTRA - NAGPUR</b>			
1	Gram Sewa Mandal, Gopuri, Wardha	A+	KVIC
2	Nag Vidharbha Charkha Sangh, Mul, Dist. Chandrapur	A+	"
3	Nagpur Khadi Mandal, Nagpur	B	"
<b>GUJARAT KVIB</b>			
1	Bhalnalkantha Khadi Gramodyog Mandal, Ranpur, Dist. Ahmedabad	A+	KVIB
2	Jari Resham Khadi Gram. Sangh, Khapatia Chakla, 9/1452-5359, Surat	A+	"
3	Mehata Khadi Udyog Gruh, C/O Vikas Vidyalaya, Wadhwan City, Dist. Surendranagar.	A+	"
4	Udyog Bharti, Gonadal, Rajkot-360311	A+	"
5	Sri Bapunagar Samaj Seva Sangh, Opp. Nandi Apartment, India Colony, Thakkarbapa Nagar Raod, Ahmedabad.	A	"
6	Gujarat Khadi Gramodyog Mandal, Gandhi Ashram, Ahmedabad	A	"
7	Gujrat Khadi Gramodyog Trust, Ambapur Darwaja, Dhandhuka, Dist. Ahmedabad.	A	"
8	Sri Halwad Dhrangadhra Ta. Gram Seva Mandal, Rajastipur, Dist. Surendranagar	A	"
9	Saghan Kshetra Yojna, Patdi- 382765, Dist. Surendranagar. Near Bus Stand.	A	"
10	Saghan Kshetra Yojana, Vanda, Amreli	A	"
11	Sarvodaya Ashram, Madhi, Vijaipur, Dist. Mehsana	A	"
12	Sarvodaya Ashram, Valam, Dist. Mehsana	A	"
13	Saurashtra Gandhiji Gramodyog Trust, Gadhada, Dist. Bhavnagar	A	"
14	Shri Mahila Khadi Gramodyog Pratishthan. 9, Shop. Sharda Society, Jintan Mad, Surendranagar- 363001.	A	"
15	Surendranagar Zilla Sarvodaya Vikas Mandal, Joravar Nagar, Dist. Surendranagar	A	"
16	Swami Vivekanand K. G. Trust, Jeevraj Park, Ahmedabad	A	"
17	Yogikrupa Khadi Gramodyog Vikas Sangh, 22, Laxmikrupa Society, Modasa. Dt. Sabarkantha.	A	"
18	Bharat Khadi Gramodyog Sangh, A/6, Marin Drive, Flats, Sterling Society, Drive in Cinema, Memnagar, Ahmedabad – 52.	B	"
19	Lok jagruti Seva Sangh Trust, Po. Jawaraj, Tal. Dholka, Dt. Ahmedabad. Pin. 382230	B	"
20	Navjeevan Khadi Gramodyog Sewa Sangh, Palanpur, Dist. Banskantha.	B	"
<b>GUJRAT KVIC</b>			
1	Gaurav Rachnatmak Samity, Surendranagar	A	KVIC
<b>Total No. of Institutions in West Zone</b>			<b>24</b>



## CENTRAL ZONE

Sr. No.	Name and address of the institution	Cat.	KVIC/ KVIB
<b>UTTARAKHAND - DEHRADUN</b>			
1	Parvatiya Gram Swarajya Mandal, Kunj, P.O. Jayanti, Almoda.	A	KVIC
2	Pragati Path Laghu Utpadak Gramodyog Samiti, Badridwar, Birhi, Dist. Chamoli.	A	"
3	Kshetriya Shree Gandhi Ashram, Chanauda, Almoda	B	"
4	Kshetriya Shree Gandhi Ashram, Chandranagar, Dehradun	B	"
5	Kshetriya Shree Gandhi Ashram, Gauchar Chamoli	B	"
6	U.P. Gramodyog Samiti, Mori, Uttarkashi	B	"
<b>UTTAR PRADESH - LUCKNOW / MEERUT / VARANASI / GORAKPUR</b>			
<b>LUCKNOW</b>			
1	Bhuraj Seva Sansthan, Maholiya Shivpar, Sitapur Road, Hardoi.	A	"
2	Ganesh Seva Ashram, 128/40-C, Kidvai Nagar, Kanpur	A	"
3	Shree Gandhi Ashram, 9, Shajanf Road, Hajarat Ganj, Lucknow.	A	"
4	Gandhi Sewa Niketan, Raibareli	B	"
5	Kshetriya Shree Gandhi Ashram, Azaratganj, Lucknow	B	"
6	Kshetriya Shree Gandhi Ashram, Barabanki	B	"
7	Kshetriya Shree Gandhi Ashram, Farukhabad	B	"
8	Kshetriya Shree Gandhi Ashram, Jhansi	B	"
9	Kshetriya Shree Gandhi Ashram, Pilibhit	B	"
10	Kshetriya Shree Gandhi Ashram, Sitapur	B	"
11	Gram Swaraj Ashram, Lahapur, Sitapur	B	"
12	Gramin Vikas Ashram, Naipalapur, Sitapur	B	"
<b>MEERUT</b>			
1	Gramoday Kshetra Vikas Samiti, Datiyana, Ghaziabad	A	KVIC
2	Khadi Gramodyog Vikas Samiti, Salakna, Muradabad	A	"
3	Kshetriya Shree Gandhi Ashram, Saharanpur	A	"
4	Kshetriya Shri Gandhi Ashram, Moh. Sarai Nahar Khan, Dist. Badaun	A	"
5	Kshetriya Shree Gandhi Ashram, Bannadevi, Aligarh	B	"
6	Kshetriya Shree Gandhi Ashram, Civil Lines, Muradabad	B	"
7	Kshetriya Shree Gandhi Ashram, Etawah	B	"
8	Kshetriya Shree Gandhi Ashram, Garh Road, Meerut	B	"
9	Kshetriya Shree Gandhi Ashram, Hapur, Ghaziabad	B	"
10	Kshetriya Shree Gandhi Ashram, Kambal Vibhag, Muzaffarnagar	B	"
11	Kshetriya Shree Gandhi Ashram, Kamla Nagar, Agra	B	"
12	Kshetriya Shree Gandhi Ashram, Railway Road, Bulandsahar	B	"
13	Kshetriya Shree Gandhi Ashram, Shikohabad, Firozabad	B	"
14	Kshetriya Shree Gandhi Ashram, Subhash Market, Bareilly	B	"

15	Saghan Kshetra Vikas Samiti, Singhpurshani, Muradabad	B	"
16	Sewa Niketan, Agra Road, Etah	B	"
17	Khaim Sewa Ashram, Naya Bans, Santinagar Etah	A	"
18	Shanti Niketan, Nagia Popi, Abagrh House, P.O. Road, Etha	A	"
19	Sarvodaya Ashram, Sahawar Road, Etah	A+	"
20	Shiv Navchetna Khadi Gramodyog Sansthan, Vill. Asadpur, PO Khandhala Dehat, Muzaffarnagar	A	"
21	Panchal Sewa Sansthan, Dhanwa, H.O. 75, Brijesh Nagar	A	"

#### **VARANASI**

1	Kambal Gruh Udyog Sahakari Samiti Ltd., Deva Bairanpur, Ghazipur	B	KVIC
2	Khadi Gramodyog Vikas Samiti, Marui, Varanasi	B	"
3	Kshetriya Shree Gandhi Ashram, Akbarpur, Ambedkarnagar	B	"
4	Kshetriya Shree Gandhi Ashram, Ratanpura, Camp Jangipur, Ghazipur	B	"
5	Kshetriya Shree Gandhi Ashram, Saidpur, Ghazipur	B	"
6	Kshetriya Shree Gandhi Ashram, Sigra, Varanasi	B	"
7	Khadi Kambal Udyog Sansthan, Andharipur, Ghazipur	B	"

#### **GORAKHPUR**

1	Kshetriya Shree Gandhi Ashram, Gonda	B	KVIC
2	Kshetriya Shree Gandhi Ashram, Mohammadabad, Mau	B	"
3	Kshetriya Shree Gandhi Ashram, Phepna, Balia	B	"

#### **MADHYA PRADESH - BHOPAL**

1	Kshetriya Shree Gandhi Ashram, Damoh	A+	KVIC
2	Madhya Bharat Khadi Sangh, Gwalior.	A	"
3	Mahtma Gandhi Seva Ashram, Jaura, Gwalior	A	"
4	Khadi Gramodyog Pratisthan, 24 Malviyanagar, Bhopal	A	"
5	Madhya Pradesh khadi Sanstha Sangh, Bhopal	A	"

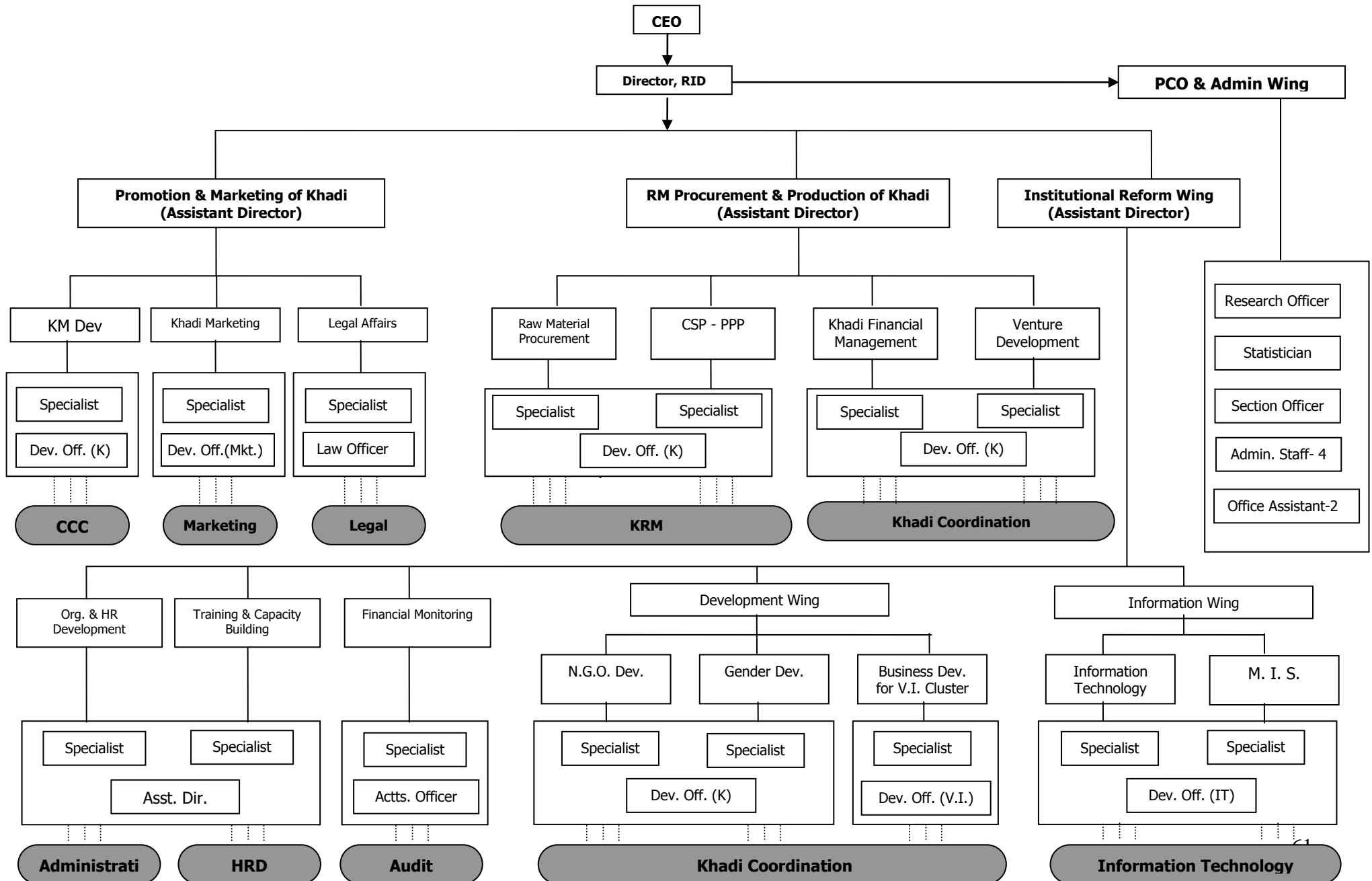
#### **CHATTISGARH - RAIPUR**

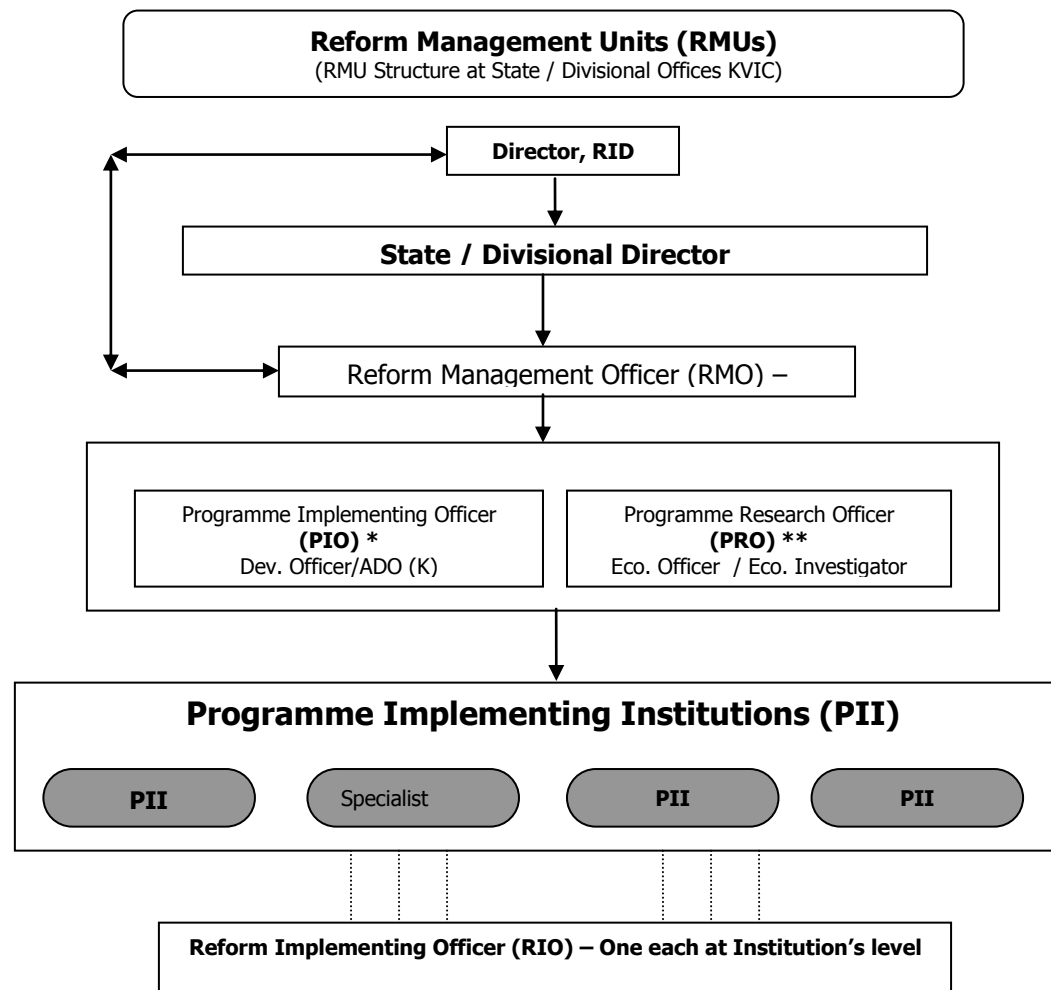
1	Bastar Zilla Khadi Gramodyog Sangh, Mayamunda, Warel, Jagadapur	A	KVIC
2	Sarvodaya Samiti, Sarguja, Ambikapur, Dist. Sarguja	A	"
3	Champa Khadi Gramodyog Mandal, Champa, Dist. Jhanjgir	B	"
4	Mahamaya Khadi Ashram, Bilaspur	B	"
5	Mahila Hastshilpa Sansthan, Katghora, Korba	B	"
6	Gram Seva Samiti, Implipara, Bilaspur	A	"
7	Gramin Vikas Pratisthan, Sasaholi, Neora, Tilba	A	"
8	Chhattisgarh Khadi Gr. Sansthan, Naila, Janjgir	A	"
9	Gram Seva Samity, Kachaheri Chowk, Raipur	B	"
10	Zilla Kosa Bunkar Sah. Samiti, Nayaganj, Kostapara, Raigarh	B	"

**Total No. Of Institutions in Central Zone**

**64**

**Reform Implementation Division (RID)**  
(Organizational Structure in Central Office, KVIC, Mumbai)





\* PIO is responsible for Institutional Reform and Capacity Building

\*\* PRO is responsible for Information, Monitoring and Reporting

# REFORM IMPLEMENTATION DIVISION

## Objectives

The ADB Program focuses on comprehensive reforms in the Khadi sector. The reform program cover aspects related to policy, procedural, marketing and legal issues. Besides Khadi, the reform program enhances developmental role of KVIC in the Village Industries sector. The reform program also includes institutional reforms at KVIC and selected Khadi Institutions level. It is, therefore, imperative that utmost importance is accorded for effective implementation of the reform program to ensure program objectives are fulfilled.

KVIC will form a Reform Implementation Division (RID) that will be assigned the overall responsibility of coordinating the entire project. RID will be directly responsible to the Reform Implementation Monitoring Committee (RIMC) and will function under the RIMC's guidance. The objectives of RID would be following:

- Ensure effective implementation of the reform program thereby providing integrating link between various stakeholders;
- Provide effective MIS channel for periodic updates to the RIMC and ADB for project review and monitoring.
- Facilitate establishment of strategic focus at the KVIC organizational level for continued developmental and facilitative role of KVIC in the Khadi and Village Industries sector post the reform program.

## Constituents of RID

RID will be formed as a separate Division within KVIC. It will be headed by a KVIC Director who will report directly to the CEO, KVIC. The Director-RID will be supported by a dedicated team comprising adequate KVIC staff and external consultants/specialists contracted for implementation of reforms under the ADB program. The list of specialists is shown at **Annexure - III (A)**. The RID will also assist the RMUs to be set up at the field implementation level. The RMUs will work as extension of RID so as to ensure implementation and monitoring of KRDP at the field office level of KVIC as well as KIs. The structures of RID and RMU are shown at **Annexure-III (B&C)**.

## Terms of Reference

Broadly the Terms of Reference (TOR) for the RID would be following:

*Program Implementation and Coordination*

- Plan, detail and develop a comprehensive work plan for program implementation;
- Actively engage stakeholders and address their concerns to ensure smooth implementation of all aspects of the proposed program;
- Initiate and implement various strategic/policy level amendments, organizational and IT reforms at KVIC level to enhance sustainability of the KVIC;
- Handholding support KVIC and affiliated bodies (State KVIBs, registered KVI Institutions/entrepreneurs) through various operational and technical aspects of the implementation plan;
- Commission various studies such as working capital assessment, sliver plant capacity at Khadi Institutions, training infrastructure, and others as required under the Program;
- Initiate signing of Memorandum of Understanding (MoU) with departments/ agencies of other Ministries for establishing linkages to leverage their infrastructure for Khadi and VI activities;
- Implement institutional strengthening measures as per agreed plans, monitor progress and carry out course corrections as required;
- Coordinate and facilitate the institutional reform support efforts through appropriate technical and financial inputs;
- Evaluate success of proposed pilots (reforms at Khadi Institution level, PPP in sliver plants);

#### *Program Monitoring*

- RID will establish and maintain a program performance management system that will include a database on the status of policy measures and program indicators based on the policy matrix. This will be linked with the project performance management system.
- RID would facilitate setting up a web-enabled interface for dissemination of reform program status and updates on a regular basis.
- Prepare and disseminate background information and progress reports for review of the RIMC.
- Maintain records and accounts to identify all goods and services financed by the loan proceeds; submit Annual Accounts and financial statements to Ministry of Micro, Small and Medium Enterprises (MoMSME).

- RID will prepare quarterly progress reports and submit them to ADB within 20 days of the end of the applicable period. The reports will be prepared in a format acceptable to ADB and will include (i) project progress in each states and components, (ii) the status of institutional development activities, (iii) delays and problems encountered and actions taken to resolve them, (iv) compliance with loan covenants, and (v) expected progress during the next 6 months.



**KHADI AND VILLAGE INDUSTRIES COMMISSION**  
**DIRECTORATE OF ADMINISTRATION**  
**3, Irla road, Vile Parle (West), Mumbai – 56.**

No: Adm-II/ADB/09-10/(411)/

Date: 07.10.2009

**NOTIFICATION**

**Sub: Khadi Reform and Development Programme – Setting up of  
'Reform Implementation Division' and Appointment of Director.**

In order to implement the Khadi Reform and Development Programme (KRDP) the Khadi and Village Industries Commission by virtue of this notification, hereby establish the Reform Implementation Division (RID). The organization chart of RID is as per attached.

Mr. S. K. Sinha is hereby appointed as the Director of RID. As the RID Director, Shri S. K. Sinha will report to the Chief Executive Officer of KVIC.

The RID will have four subdivisions: (a) promotion and marketing, (b) the raw material procurement and production, (c) institutional reform and (d) program coordination and administration. For this purpose, KVIC hereby assigns the following 14 officers to RID.

**Four Sub-divisions**

**a) Promotion and Marketing**

1	Asst. Director	Overall Supervision	Mr. J.M. Gupta Senior Scientific Officer
2	D.O. (Khadi)	Khadi Mark Development	Mr. R. Siddharthan, Dev. Officer (Khadi)
3	D.O. (Marketing)	Khadi Marketing	Mr. D.S. Bhati, Assistant Director (Marketing)
4	L.O. (Legal)	Legal Affairs	Mr. Sunil Kumar, Legal Assistant

**b) Raw-material Procurement and Production**

1	Asst. Director	Overall Supervision	Mr. Sunil Kamble, Asstt. Director
2	D.O. (Khadi)	Raw material Procurement & CSP PPP	Mr. R. Govindrajan, Asst. Dev. Officer (Khadi)
3	D.O. (Khadi)	Khadi Financial Management and Venture Development	Mr. Y. K. Dekate, Asst. Dev. Officer (Khadi)

Contd....2



**c) Institutional Reform**

1	Asst. Director	Overall Supervision	Mr. P. Nallamuthu, Asstt. Director
2	Asst. Director	Org. & HR Development	Mr. P. Radhakrishnan, Asst. Director (HRD)
3	Accounts Officer	Financial Monitoring	Mr. V.K. Sharma, Accounts Officer
4	D.O. (Khadi)	NGO & Gender Development	Mr. W. D. Burde, Asst. Dev. Officer (Khadi)
5	D.O. (V.I.)	Business Development for VI Cluster	Dr. Kiran R. Uikey, Asst. Director
6	D.O. (IT)	Information Wing	Mrs. Y. L. Kotian, Asst. Dev. Officer (IT)

**d) Program Coordination & Administration Wing**

1	Research Officer Dy. Director (Having EcR background)	Mr. V. S. Bagul, Dy. Director
<b>Total</b>		<b>14 officers</b>

This is issued with the approval of Chief Executive Officer.

Encl : As above

  
(L. G. Israni)  
Director (Administration)

**To**  
**All concerned (through concerned directorate)**

**Copy to:**

1. Director (RID)
2. Director (Marketing)
3. Director (Legal Affairs)
4. Director (FBI)
5. Director (HRD)
6. Director (KC/KPM)
7. Director (KD/KRM)
8. Director (V.I.)
9. Director, S.O., KVIC, Ranchi
10. Director, D.O., KVIC, Madurai



**KHADI AND VILLAGE INDUSTRIES COMMISSION**  
**DIRECTORATE OF ADMINISTRATION**  
**3 IRLA ROAD, VILE PARLE (WEST), MUMBAI - 56.**

No.Adm-II/ADB/2009-10/(411)/128

Date: 15.12.2009.

**ADDENDUM**

Sub: Khadi Reform and Development Programme – Setting up of "Reform Implementation Division" – regarding.


Ref: Notification bearing even no. dated 07.10.2009.

This is in continuation to notification dated 07.10.2009 issued on the subject cited above. In the said notification posting of administrative staff in the Reform Implementation Division (RID) at KVIC, Mumbai was not indicated. However, the position of administrative staff already posted as mentioned hereunder may please be noted.

Sr.No.	Name	Designation
1	Mrs. S.V. Bhatnagar	Superintendent
2	Mrs. M.D. Metar	Stenographer
3	Mr. S.S. More	Upper Division Clerk
4	Mrs. J.S. Bhat	Upper Division Clerk
5	Mr. N.S. Shetty	Lower Division Clerk
6	Mrs. S.S. Talasikar	Peon
7	Mrs. V.H. Kewale	Peon

This is issued with the approval of Chief Executive Officer, KVIC

This is for information of all concerned.

  
(L.G. Israni)  
Director (Administration)

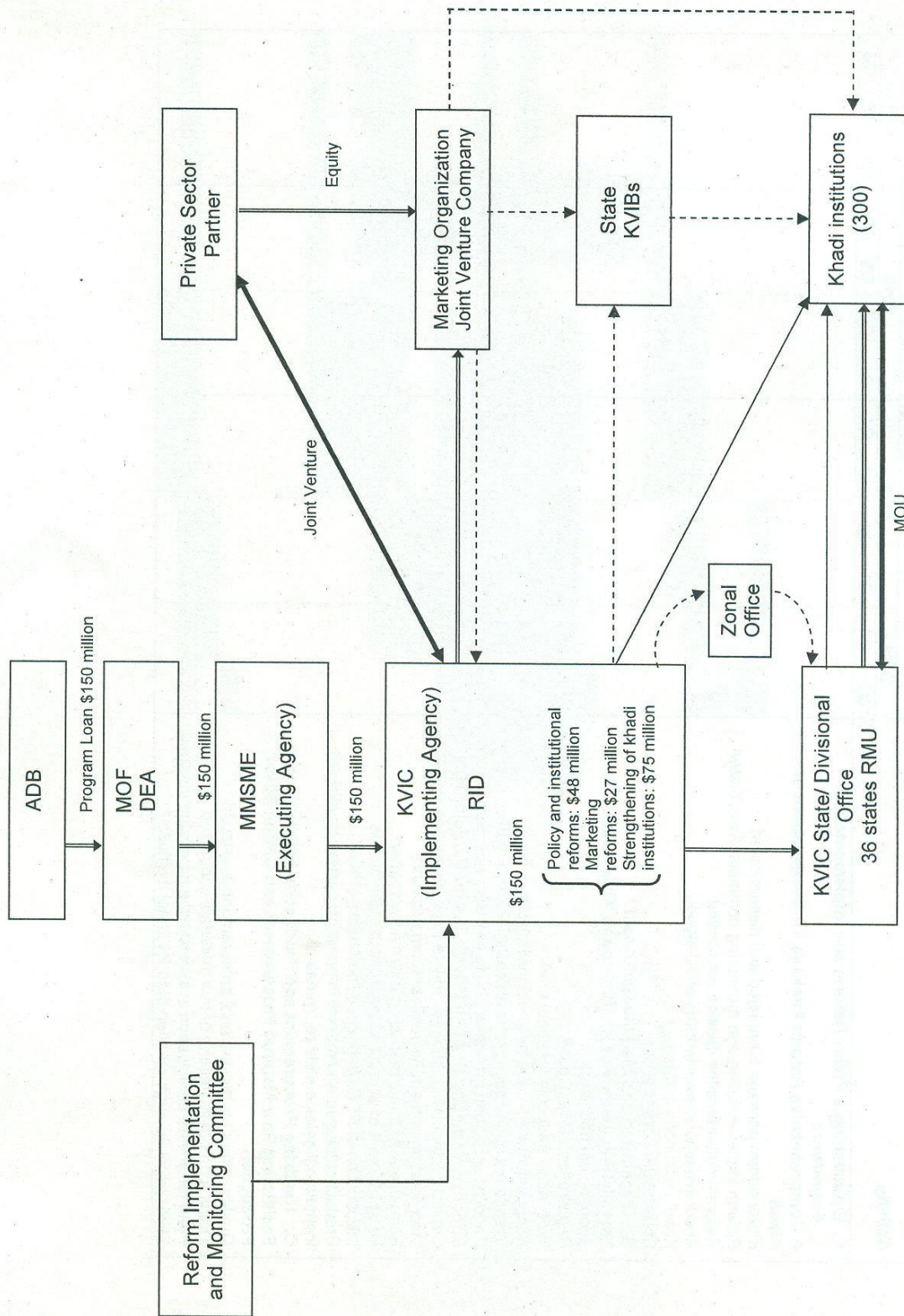
To  
All staff concerned

Copy to:

1. Director (RID)
2. Director (Marketing)
3. Director (Legal Affairs)
4. Director (FBI)
5. Director (HRD)
6. Director (KC/KPM)
7. Director (KD/KRM)
8. Director (VIC)
9. Director, S.O., KVIC, Ranchi
10. Director, D.O., KVIC, Madurai



# PROGRAM MANAGEMENT CHART



→ = line of authority, - - - -> = information flow, → = adjustment cost fund flow, → = agreement / MOU

ADB = Asian Development Bank; DEA = Department of External Affairs; KVIB = Khadi and Village Industries Board; KVIC = Khadi and Village Industries Commission; MMSME = Ministry of Micro, Small and Medium Enterprises; MOF = Ministry of Finance; MOU = memorandum of understanding; RID = reform implementation division; RMU = reform management unit.  
Source: Asian Development Bank.

All communication should be addressed to the Secretary to the Government of India, Ministry of MSME, by title, NOT by name.

Telegram : INDMINISTRY  
Fax : 011-23062626  
011-23063726

संख्या / No.

File No. 4 (141)/2006-KVI

भारत सरकार

सूक्ष्म, लघु और मध्यम उद्यम मंत्रालय  
उद्योग भवन, नई दिल्ली - 110 011

GOVERNMENT OF INDIA

MINISTRY OF

MICRO, SMALL AND MEDIUM ENTERPRISES  
UDYOG BHAWAN, NEW DELHI - 110 011

दिनांक / Dated..... the 29<sup>th</sup> September 2008

**ORDER**

Subject: **Khadi Reform and Development Programme – Setting up of the 'Reform and Implementation Monitoring Committee (RIMC)**

In accordance with the requirements of Policy Matrix (1<sup>st</sup> Tranche conditions) of the Asian Development Bank (ADB) – Khadi Reform Package and in order to implement the Khadi Reform and Development Programme (KRDP), the Government in the Ministry of Micro, Small and Medium Enterprises, by virtue of this order, hereby establishes a Committee, namely, Reform and Implementation Monitoring Committee (RIMC), with the following composition:-

- (1) Secretary, Ministry of Micro, Small and Medium Enterprises : Chairperson
- (2) Additional Secretary & Financial Adviser, Ministry of Micro, Small and Medium Enterprises
- (3) Joint Secretary (ADB & INFRA), Department of Economic Affairs, Ministry of Finance
- (4) Joint Secretary, Ministry of Textiles (To be nominated by Secretary, Ministry of Textiles) : Member
- (5) Chief Executive Officer, Khadi and Village Industries Commission, Mumbai : Member
- (6) A Marketing Expert (To be nominated by Confederation of Indian Industries) : Member
- (7) Financial Expert from the Banking Sector [To be nominated by Secretary (Financial Services), Ministry of Finance] : Member
- (8) Senior Adviser / Principal Adviser, VSE Division, Planning Commission : Member
- (9) Financial Adviser, Khadi and Village Industries Commission : Member
- (10) Joint Secretary, Ministry of Micro, Small and Medium Enterprises : Member - Secretary

CEO / 1209  
Dt. 14/10/08

D.C. (P.O.)

**J. S. Mishra**  
C.E.O., K.V.I.C.



GA

-2-

2. The Terms of Reference (ToR) of the Committee shall be as under:
  - (i) to provide policy and technical guidance to the Reform and Implementation Division (RID) at KVIC;
  - (ii) to review the progress of programme implementation;
  - (iii) to monitor the progress of the RID, and Reform Management Units at State and Divisional Offices of KVIC; and
  - (iv) to ensure effective programme coordination;
  - (v) any other matter.
3. The headquarters of the Committee will be at Delhi and, ordinarily, its meetings shall be held in Delhi.
4. The Committee may decide its own procedures for holding its meetings and recording the proceedings thereof.

*M.K. Mishra*

(M.K. Mishra)  
Under Secretary to the Government of India  
Tel No. 23062573/Fax No.23062886

To

1. The Chairperson and all Members of the Committee
2. Secretary, Ministry of Textiles, New Delhi
3. Secretary, Department of Financial Services, Ministry of Finance, New Delhi
4. Secretary, Department of Economic Affairs, Ministry of Finance, New Delhi
5. Confederation of Indian Industries, New Delhi.
6. Chief Executive Officer, Khadi and Village Industries Commission, Mumbai.
7. Economic Adviser, Ministry of Micro, Small and Medium Enterprises, New Delhi.
8. APS to Minister (MSME).
9. Senior PPS to Secretary (MSME).
10. Asian Development Bank (Ind. Aff. Mr. Sanyal, Mr. Sanyal, Senior Social Economic Officer, Resident Mission, New Delhi).