

EOI for Rozgar Yukta Gaon

Feb 2020



Notice for Expression of Interest (EOI) for Khadi Business Partners to participate in Rozgar Yukta Gaon

**Last date of receipt of EOI : 45 days from the date of advertisement
i.e. 08.04.2020 at 1730 Hrs**

1. Invitation

The Khadi and Village Industries Commission (KVIC) is a statutory body created by an Act of Parliament (No.61 of 1956). In April 1957, KVIC took over the work of erstwhile All India Khadi and Village Industries Board. The original Act of 1956 has been subsequently amended during the years 1987, 1989, 1994 and 2006. The administrative Ministry of the KVIC is Ministry of MSME.

Khadi and Village Industries (KVI) programmes are implemented through 33 State/U.T. Khadi & Village Industries Boards, more than 2000 Khadi Institutions, Bank/Financial institutions and more than 6 lakh entrepreneurial units under REGP&PMEGP.

The broad objectives for which the KVIC was established are:

- a) The social objective of providing employment
- b) The economic objective of providing saleable articles
- c) The wider objective of creating self-reliance amongst the people and building up of a strong rural community spirit

1.1 Objective of EOI

It has been envisaged to empower 50 villages selected from across the country, with 10,000 charkhas, 2,000 looms, 100 warping units, required professional skills and administrative framework support, creating nearly 18,265 employments opportunities in which 12,500 will be direct and 5,765 will be indirect and building a potential capacity of annual production turnover of value-added products to a tune of ₹261.00 crores. The EOI is intended to bring the Rozgar Yukta Gaon Scheme to the attention of potential Khadi Business Partner. The KBP will run the enterprise in marketing both in domestic and overseas markets and KBP shall share 25% of net profit with Khadi Gaon (Group of artisans) as cash incentive through DBT. The KBP will infuse into the enterprise a business model as well as incremental skills of work.

2. Overview

2.1 Background

Rozgar Yukta Gaon (RYG) treats the artisans as partners in an enterprise and not as mere wage earners. RYG does not envisage any form of subsidy. It allows the village communities to build business partnerships, produce premium products and reach out to high end markets with a sense of ownership. The Government will only

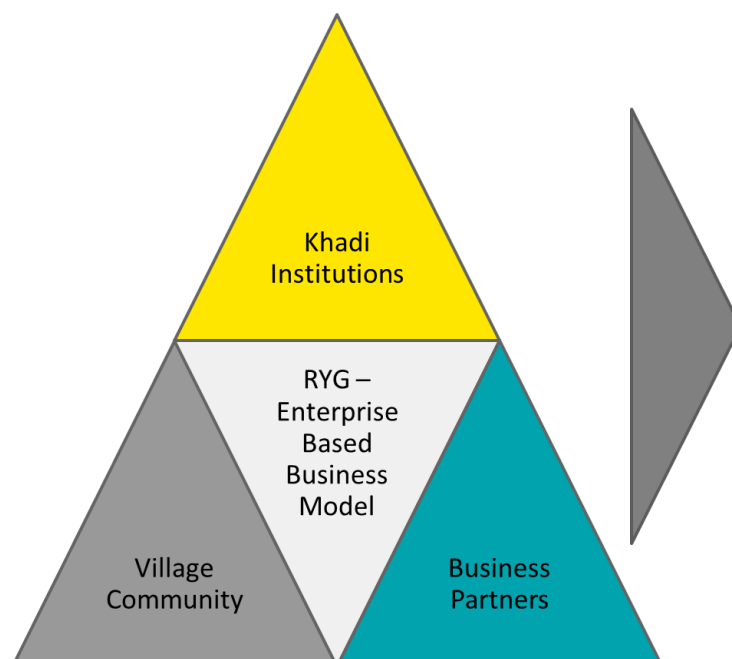
play the role of enabler, while the rural communities will transit into a state of empowered entrepreneurship.

The objectives of RYG are:

- Introduce enterprise led model replacing subsidy-led model
- Create an additional 12,500 direct employment opportunities in 50 villages, which are deprived of opportunities and sustainable livelihood support systems, in addition to spinning out secondary and ancillary opportunities of employment in a wider sense
- Develop a sustainable model of Khadi based business enterprise in the villages, setting forth a tripartite collaborative model of entities from the Government, Business and the Community to produce quality goods
- Facilitate the overall development of the selected villages in terms of infrastructure and amenities, making it easier for them to be in the mainstream of national life
- Develop skills where they don't exist, provide opportunities where they are not available, generate income where there is no present probability and build sustainable self-reliance to communities where such a possibility is currently a distant dream

2.2 Broad structure

There are three main stakeholders of the scheme – Khadi Institution Partner (KIP), Khadi Business Partner (KBP) and Khadi Gaon who will collaborate to develop the Khadi Gaon Vikas Sansthan (KGVS) which will be a self-sustaining enterprise. The role of KVIC will be of a facilitator and will monitor the implementation of the projects from time to time.



Expected outcome of RYG

Empowering 50 Villages with 10,000 Charkhas, 2000 looms & 100 warping units with total scheme financial outlay of ₹41 Crore.

3. Institutional Arrangement

1. Central Level Committee (CLC)

CEO, KVIC will chair the Central Level Committee and Financial Advisor, KVIC will be the Vice Chairperson. The other members are as follows

S. No.	Particulars of members	Position
1	Dy. CEO (Khadi)	Member
2	Director (ECR)	Member
3	Director (Marketing)	Member
4	Director (Finance)	Member
5	Director (Khadi)	Member/Convener

1.1.1 Functions of CLC

- Appraisal of applications submitted by the State Level Committee or any other agency.
- Central Level Committee shall appraise the proposals received from State Level Committees related to RYG and place before the Commission/SFC Meeting for approval and sanction.
- Monitoring and facilitating progress of RYG.
- Planning national level workshop to create awareness on RYG participation by private players as KBP.
- Publication of EoI for inviting KBP.
- Meeting shall be held once in a month to review all the activities and reports.
- Preparation of strategy and implementation plan.
- Set targets and approve Quarterly Targets & Monthly Plans.
- Any other matter related to RYG as desired by the Committee.
- The Committee can also advise and give its recommendations regarding smooth implementation of RYG.

Role of Zonal Dy. CEO

- Monitoring the implementation of RYG in the Zone.
- Assess the capability to implement the RYG of the concerned State and if found difficult to implement, he can reallocate the target within the Zone.
- Guide State Directors for effective implementation of the programme.

1.2 State Level Committee (SLC)

S. No.	Members	Position
1	State Director	Chairman
2	Assistant Director (Khadi)	Member convener
3	Asst. Director/Sr. executive (FBAA)	Member
4	Representative from Industries Department of State Govt.	Member
5	CEO of state KVIB or representative	Member
6	Secretary of Federation; if not available, Secretary of Major Khadi Institutions	Member

1.2.1 Functions of SLC

- Appraisal and screening of applications for Identification of stakeholders involved in RYG (Khadi Gaon, KIP, KBP).
- Submission of applications to CLC.
- To facilitate implementation of modalities involved, and to support the stakeholders for smooth functioning of RYG at State level.
- Meeting shall be held once in a month or as and when required to review all the activities and reports.
- Preparation of strategy and implementation plan.
- Set targets and approve Quarterly Targets and Monthly Plans.
- Asses the financial capabilities by scrutinizing the documents submitted by KBP and forward the proposal to CLC. SLC can ask for any additional documents required for assessment.
- Review overall progress of the State RYG activities.
- Any other matter related to RYG as desired by the Committee.

1.3 Scheme Steering Committee (SSC)

Secretary, MSME will chair the SSC. The other members are as follows

S.no.	Particulars of members	Position
1	Secretary, MSME	Member
2	Chairman, KVIC	Member
3	CEO, KVIC	Member
4	FA, KVIC	Member
5	JS, ARI	Member

- 1.3.1 **Functions of SSC:** The SSC will be the apex body to sanction proposals for setting up such khadi clusters.

4. Implementation Methodology

- Khadi Gaon will be group of artisans till the formation of KGVS.
- Till such time the group of artisans are not in position to understand the whole process, to help a Decision-making committee will be formed which shall consist of one member from each stake holders i.e.- KBP, KGVS/Khadi Gaon (Artisans) and KVIC. The Committee will be responsible for taking day to days operational and other decisions about running KGVS/ Khadi Gaon.
- Artisans associated with KGVS shall receive 25% of profit share as incentive through DBT.

4.1 Role of KBP

Khadi Business Partner (KBP) will be the actual Business facilitator and will be drawn into the framework through a process of awareness and sensitization by publication of EoI, arranging zonal and state level workshops etc. The KBP will run the enterprise for marketing both in domestic and overseas markets and KBP shall share 25% of net profit with Khadi Gaon (Group of artisans) as cash incentive through DBT. The KBP will infuse into the enterprise a business model as well as incremental skills of work. As for a full-scale cluster, minimum **Rs 1.63 Crore of Working Capital** will be required which needs to be mobilised by KBP. The KBP will also progressively involve in process of, making the quality products and the type of value addition that the business should ensure. KBP will also ensure the actual marketing of the products through tie ups with vendors and outlets.

Role of KPB –

- Arranging working capital as required
- All day to day operation
- Assuring production of commercially viable products using own domain/ Business/ trade expertise
- KBP shall provide fair wages to the artisans
- Actual business facilitator
- Maintenance of equipment provided
- Providing Raw Material
- KBP will also support the marketing of Khadi Institution products

Rights of KBP-

- Taking decision about value addition of the products to be produced.
- Types of product to be produced
- Claim 75% of net profit/surplus
- Full flexibility for the pricing, product mix, marketing strategy, technology, value addition and sales of the product

4.2 Eligibility criteria

KBP can be a Private Limited Firm or a Public Limited Firm and the following criteria must be met along with the documentary evidence for the application to be processed:

S. No.	Pre-qualification Criteria	Reference/details / documentary evidence
1.	The applicant should be a private/ public limited firm	Certificate of incorporation / any other relevant documents
2	The applicant must have positive net worth in FY-2018-19, 2017-18, 2016-17	Copy of CA Certificate indicating net worth for FY-2018-19, 2017-18, 2016-17
3	In case of a Ltd. Company/Pvt. Ltd. Company/Partnership Firm or a Company Registered with Registrar of Firms/Registrar of Companies	Document should be MoA and Articles of Association
4	The applicant should be Income Tax assessee having filed its income tax returns for the last 3 financial years	Copy of Income Tax Returns
5	The applicant should have GST Registration	GST Registration Certificate
6	The applicant should not have been blacklisted by any of the PSUs for the last 2 years	Self-Declaration (As per Annexure – I of the EOI)
7	The applicant shall have sufficient and active professional on its pay role	Details of Human Resource issued by HR/Authorized signatory of the firm/entity

The respondents to the EOI are requested to fill in form at **Annexure 2**.

5. Project Interventions

Each of the 50 projects will have 200 Charkhas, 8 tool kits, 2 warping units and 40 looms the cost of which would be covered by KVIC. For a full-scale cluster, minimum 1.63 Crore of Working Capital will be required which needs to be mobilised by KBP.

KVIC will support KBP by issuing

- Khadi Mark Certificate
- Khadi certificate
- Application fee for above certificates shall not be charged, however renewal fees will be applicable as per KVIC norms.

- The funds will be released only after ensuring that KBP has mobilized working capital (Rs. 1.63cr) and DPR prepared.

The KBP will run the enterprise in marketing both in domestic and overseas markets and KBP shall share 25% of net profit with Khadi Gaon (Group of Artisans) as cash incentive through DBT The KBP will infuse into the enterprise a business model as well as incremental skills of work.

6. Project Coverage and Duration

The project will be spread across the country uniformly and will be operational till the establishment of the KGVS.

Zone wise Distribution of Khadi Gaons	
South	9
East	9
North – East	5
Central	9
North	9
West	9
All Zones	50

7. Submission of EOI

- Interested parties are required to submit information complete in all respects as per the annexed format.
- The interested parties will also need to submit the preferable location for operation and Present sectors of operation of the firm.
- The responses will be carefully examined and evaluated by the KVIC, which will decide on a suitable way forward on the submitted proposals. The directorate, after due evaluation of the received proposals, may call selected respondents for further discussion/presentation.
- Prospective parties may submit their 'Expression of Interest' duly signed by the authorized signatory along with relevant details as sought in the data sheet, latest by 08.04.2020 till 17:30 hours in a cover super scribing "Expression of Interest (EOI) inviting Khadi Business Partners under Rozgar Yukta Gaon" or by registering online through the website kviconline.gov.in/khadi.jsp.
Director (Khadi),
Khadi Village and Industries Commission (KVIC),
Gramodaya 3, Irla Road, Ville Parle (West),
Mumbai - 400056,
Telephone – 022 -26715860

Email: khadi.kvic@gov.in

- E. Subsequently, KVIC may notify through the website about the decisions taken with respect to the EOI.

8. Disclaimer

- A. The document should be considered in conjunction with the RYG guidelines.
- B. KVIC has issued this Expression of Interest with the intention to explore the market for eligible and interested Khadi business Partner and has no compulsions to enter into definitive contractual agreements. This EOI does not guarantee conversion of this EOI into any definitive contractual agreements. The KVIC may select respondent(s) based on its evaluation and call them for a presentation or discussion on their EOI response and related matters.
- C. KVIC may reject any and all proposals made by the respondent(s) and may cancel this EOI at any time, after obtaining due approval.
- D. KVIC will have no obligation or liability to the respondent(s) in the event of cancellation of EOI.
- E. Prospective respondent(s) shall understand that the response to the EOI is purely voluntary action on their part, and any expenditure on this account shall be borne by them only.

Note: Respondents are requested to keep themselves updated with the website www.kvic.org.in on regular basis for any addition / deletion / modification / clarification or notification in respect of this, at EOI stage.

Under taking by KBP

(To be submitted on Applicant's company letter head)

Date:

Director (Khadi)
KVIC
Gramodaya, 3 Irla Road,
Vile Parle (West), Mumbai – 400056,
Maharashtra, India
Telephone: +91 22 26715860

Dear Sir,

Sub - Selection of Khadi Business Partner

EOI Date: 23.02.2020

We, the undersigned entity, having read and examined the aforesaid documents, issued by KVIC do hereby covenant, warrant and confirm as follows:

We hereby agree to comply with all the terms and conditions / stipulations as contained in the EOI and the related addendums and other documents including the changes made to the original agreement documents issued by KVIC, shall form a valid and binding part of the aforesaid EOI document.

KVIC is not bound by any other extraneous matters or deviations, even if mentioned by us elsewhere either in our proposal or any subsequent deviations sought by us, whether orally or in writing, and KVIC's decision not to accept any such extraneous conditions and deviations will be final and binding on us and persons claiming through us.

We further declare that I / we are eligible and competent as per criteria given by KVIC and the information submitted by the company/firm is true and correct and able to perform this contract as per EOI document.

I/We hereby declare that I/we has/have not been debarred/ black listed by any Public-Sector undertakings, or any other Government Institutions or associated entities or any other Government / Semi Government organizations in India during last 05 years from the date of EOI. I/we further certify that I/we are competent officer in my company to make this declaration that our EOI and its terms & conditions is binding on us and persons claiming through us and that you are not bound to accept a EOI you receive.

Thanking you,

Yours sincerely,

Date Signature of Authorized Signatory ...

Place Name of the Authorized Signatory ...

Designation ...

Name of the Organization ...

Seal ...

Annexure 2

Name of the firm	
Name of contact person	
Telephone no. & Email of contact person	
Type of firm registration	
No. of employees in the firm	
Net worth in FY 2018-19, FY 2017-18 and FY 2016-17 *	
Copies of IT return attached (last 3 years)	
GST registration no.	
Firm's present business	
Preferable location for operation	
Present sectors of operation of the firm	

* Audited Financial Statement for the last 3 years and certificate from the statutory auditor

** Attach documentary proof wherever required while submitting the application (Table 4.2)