No.S-03/2/2022-KVI (2)
Government of India
Ministry of Micro, Small and Medium Enterprises
(KVI Division)

Udyog Bhawan, New Delhi

Date: 19.10.2022

To,
The Chief Executive Officer,
Khadi and Village Industries Commission,
3, Irla Road, Vile Parle (W),
Mumbai -56

Subject: Approval of Operational revised guidelines of Khadi Vikas Yojana (KVY)- regarding

Madam,

The undersigned is directed to refer to KVIC's mail dated 29.08.2022 on the subject mentioned above and to convey the approval of the Competent Authority on the Operational revised guidelines of KVY (copy enclosed) for compliance and implementation. The instructions, if any, issued by KVIC in this matter, may be intimated to the Ministry.

2. Expenditure under Khadi Vikas Yojana may be incurred as per the revised guidelines keeping in view the approved budget by EFC for the period from FY 2021-22 to 2025-26. Further, all expenditure, on conducting/organizing workshops, exhibitions etc., may be incurred keeping in view the provisions of the GFRs and other instructions issued by the Ministry of Finance, Govt. of India from time to time.

Yours faithfully,

N. Rajaswamy 19/10/2022

(N. Raja Swamy)
Under Secretary to the Government of India
011-23063168
nraja.swamy@nic.in

Encl: Copy of the approved guidelines.

Revised Guidelines of Khadi Vikas Yojana

19/10/2022

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Revised Guidelines of Khadi Vikas Yojna (KVY)

Introduction

Gandhiji envisioned Gram Swaraj through the development of Khadi and Village Industries. Khadi and Village Industries Commission (KVIC), the nodal arm of Govt. of India in rural industrialization, strives to improve the socio-economic conditions of the rural population through a host of schemes providing support to the non-farm Sector for its all-round development. Such supports include financial assistance to enhance skills, upgrade technology, expand the market, augment the entrepreneurs/artisans' capacity and their group, and establish linkage with banks for availing requisite capital.

KVIC, as part of its commitment to rural industrialization, has been assessing rural resources and formulating plans, programmes, and schemes for their most effective and balanced utilization, thereby helping the rural workforce to earn a sustainable livelihood, either self-employment or wage employment, through establishing micro-industries in the hinterland of the country, at very low per capita investment. The growth of the Khadi and Village Industries (KVI) Sector has continued unabated, with the catalytic support of KVIC.

Govt. of India, Ministry of MSME, has formulated various developmental schemes for implementation through KVIC. These schemes primarily focus on employment generation, productivity, wage enhancement, and social welfare security of artisans.

Khadi Gramodyog Vikas Yojana:

In the past, the Khadi and Village Industries sector had various separate schemes developed to meet the Sector's needs. As a part of rationalization, the Ministry has merged different existing KVI schemes under a umbrella scheme of "Khadi Gramodyog Vikas Yojana" has two major components for the development of KVI programme.

I. Khadi Vikas Yojana- wherein the activities earlier carried out under Khadi are grouped and

II. Gramodyog Vikas Yojana-wherein the activities earlier carried out under different village industries are grouped.

Objectives of the Khadi Vikas Yojana:

- Increase productivity and wages of Khadi artisans & secure livelihood.
- Increase number of artisans
- Improve infrastructure for Khadi production
- Increase Khadi production and sales
- Renovate &modernize sales outlets
- Promote Marketing and Exports

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Components of Khadi Vikas Yojana:

1. Modified Market Development Assistance (MMDA)
2. Interest Subsidy Eligibility Certificate scheme (ISEC)
3. Work-shed Scheme for Khadi artisans
4. Strengthening of the infrastructure of existing weak Khadi institutions and assistance for marketing infrastructure
5. Centre of Excellence for Khadi
6. Khadi Quality Assurance
7. Marketing Promotion (Exhibitions)
8. Science & Technology (S&T) Scheme

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N. Rajadurai 19/10/2022

1. Modified Market Development Assistance

A. Introduction

Ministry of MSME introduced expand MPDA scheme in which MMDA was a part of it and implemented from 3rd Quarter of 2016-17. The MPDA was subsequently brought under Khadi Gramodyog Vikas Yojana (KGVY) from 2018-19 onwards.

B. Objectives

The MMDA aims for technology up gradation, engaging design consultants for developing the new products, value addition by adopting latest technologies in the post fabric stage/process, modernization &computerization of sales outlets, introduction of mobile sales van, engaging external marketing consultants, extension of sales discount, capacity building of the sales personnel and incentives to artisans & Karyakartas thereby improving production & sale of Khadi.

C. Eligible Entities for Mmda

The Khadi Institutions (KIs) affiliated/ registered with KVIC, State/UT KVIBs, State/UT KVIB units holding valid Khadi/Polyvastra and Khadi Mark Certificate and whose annual budget duly approved by KVIC.

D. Financial Assistance

i. Modified Market Development Assistance (MMDA) for Cotton/Muslin, Wool and Polyvastra shall be calculated @ 35% on Prime Cost (cost of raw material + conversion charges up to grey cloth + processing charges), excluding margin [establishment expenditure (25%) and trading (3%), insurance (1%) & bank interest (4%)].

ii. Modified Market Development Assistance (MMDA) for Silk Khadi shall be calculated @ 20% on Prime Cost (cost of raw material + conversion charges up to grey cloth + processing charges), excluding margin [establishment expenditure (25%) and trading (3%), insurance (1%) & bank interest (4%)].

iii. Production of Khadi and Polyvastra products for the purpose of Government supplies under Rate Contract (RC) to be made against the wholesale target approved by Standing Finance Committee (SFC) are not eligible for MMDA. However, only artisans and Karyakartas of those KIs engaged in production and supply in Govt. supply / Rate Contract will be eligible for MMDA incentive @ 17.15% on prime cost. (35÷100x49).

19.1.2022

iv. The MMDA will be paid on Prime Cost of regulated Cost Chart mechanism. Sale price of Khadi and Khadi products fully de-linked from the regulated cost chart mechanism and Khadi products can be sold at market linked prices.

v. The MMDA will be released on quarterly basis to KIs as per the approved target through online portal.

E. Disbursement of MMDA among Stakeholders

i. The quantum of MMDA shall be distributed to the KIs of Cotton/ Woolen Khadi & Polyvastra-(i) producing institutions (34%), (ii) Selling institutions (17%), (iii) Artisans (35%) & (iv) Karyakartas (14%). Where a Khadi institution is involved both in production and selling activities, the amount of assistance shall be 51% of the MMDA, which will be utilized for the purpose, enumerated under 1.1 and 1.2.

ii. The quantum of MMDA shall be distributed to the KIs of Silk Khadi- (i) producing institutions (40%), (ii) Selling institutions (20%), (iii) Artisans (30%) & (iv) Karyakartas (10%). Where a Khadi institution is involved both in production and selling activities, the amount of assistance shall be 60% of the MMDA, which will be utilised for the purpose as enumerated under 1.1 and 1.2.

F. Utilization of MMDA by various Stakeholders

1.1 Producing Khadi Institution (for production growth/increase in No. of Artisans):

i. The producing institutions shall utilize their entitled MMDA for procuring tools & equipment / up-gradation of technology.

ii. Engaging designers & consultants for improving the existing designs and introduction of new designs and latest fashion.

iii. Value addition to post fabric process.

iv. Engaging technicians for maintenance of Charkhas/ Looms/ and other equipment.

v. This is an indicative list and KIs may take up any other initiative activities related to Khadi Production.

1.2 Selling Khadi Institutions (for sales growth/ reduction of Stock)

i. The selling Institutions shall utilize their entitled MMDA for all sales promotional activities by way of introduction of computerization/ bar-coding/ billing/ debit / credit card swiping machine, accounts, renovation of sales outlets.

ii. Introduction of mobile sales van, participation in domestic and international exhibitions.

iii. Extension of sales discount/ discount on whole sales for clearance of stock.

A. Rajeshwary 19/10/2022

iv. Capacity building of sales personnel.

v. This is an indicative list and KIs may take up any other innovative activities related to Khadi Sales.

1.3 Quantum of incentive to Artisans and Karyakartas

i. 35% of total MMDA amount shall be passed on to the spinners & weavers and 14% of total MMDA shall be passed on to Karyakartas engaged in the production/ sales activities of Cotton, Woolen, & Polyvastrain the form of incentive or bonus through their bank/ post office accounts.

ii. 30% of total MMDA amount shall be passed on to the reelers/ twister/ winders & weavers and 10% of total MMDA shall be passed on to 'Karyakartas or maximum ceiling of Rs. 10,000/- per quarter per Karyakartha, whichever is less under Silk Khadi, in the form of incentive or bonus through their bank/ post office accounts.

iii. The incentives of the Artisans as well as Karyakartas are to be paid through Aadhar seeded bank / post office accounts only through Direct Benefit Transfer (DBT) by Khadi and Village Industries Commission.

G. Monitoring and Evaluation

i. The KVIC will ensure proper, effective utilization of financial assistance under the scheme by applying necessary checks & balances from time to time. The Khadi Institutions has to furnish quarterly/ annual Utilization Certificate as per Annexure-I.

ii. An officer of Group-A/Class-1 of State/ Divisional Office / Zonal office/Central Office may conduct random verification.

iii. KVIC shall evaluate the scheme both at midterm and at the end of Finance Commission Cycle.

iv. KVIC maintains on-line portal for disbursement of MMDA through Direct Benefit Transfer (DBT) as per the procedure in vogue.

v. Nodal Officer / Directorate: Directorate of Khadi, KVIC, Mumbai-Phone no.022-26714325

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(ANNEXURE-I)

DETAILS OF UTILISATION STATEMENT OF MMDA GRANT

1.	Name of Institution/ Board		
	Code No.		
2.	Year of MMDA claim	:	
3.	Quarter	:	(I / II / III / IV)
4.	Receipt of total MMDA	:	
a)	MDA earned on prime cost	:	Rs.....
b)	MMDA earned on purchases	:	Rs.....
	Total	:	Rs.....

UTILIZATION OF MMDA

Sr. No.	Details of utilisation of MMDA Grant	Amount (Rs.)
I	Utilisation towards Product development (as per 3. 1 of OM dated ----------)	
II	Towards Market Development (as per 3. 2 of OM dated ----------)	
	Total	

(In case of composite institutions they may furnish U.C. for I & II and in case of marketing institutions they may furnish U.C. for II above).

Chartered Accountant **Signature of Secretary with seal**

Note: Quarterly UCs shall be furnished by KIs and annual UCs shall be furnished by Chartered Accountant (CA).

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N. Rajendra 19/10/2022

2. Interest Subsidy Eligibility Certificate

Introduction:

The Government of India vide their letter No.4 (47/75-KVI (I) dated 17-5-1977 have approved a comprehensive interest subsidy scheme for institutional financing of the Khadi and Village Industries Programme.

1. The Interest Subsidy Scheme shall be applicable to the following types of loans from institutional financing agencies.

(i) Loans raised by the Khadi and Village Industries Commission (KVIC) for disbursement as capital investment and working capital loans to:

(a) A State Khadi and Village Industries Board:

(b) A registered Institution: A registered institution means an institution registered under the Societies Registration Act 1860 (21 of 1860) or under any other law for the time being in force in any State.

(c) ACo-operative Society: A co-operative society means, a society registered under the Co-operative Societies Act 1912 (2 of 1912) or under any Co-operative law for the time being inforce in any State. This includes the industrial co-operative societies, the service co-operative Societies and the block level multi-purpose co-operative societies.

(d) A trust created for public purposes of a charitable or religious nature.

(ii) Loans raised by the Khadi and Village Industries Commission for purchasing, stocking and distribution of raw materials to registered institutions and co-operative societies and for the production and sales activity undertaken by the Commission departmentally.

(iii) Loans raised by the State Khadi and Village Industries Boards for disbursement of capital investment and working capital loans to institutions / co-operative societies / individual artisans or to meet requirements of its departmental activities connected with the production and sales of Khadi and Village Industries products.

(iv) Loans raised by the Registered Institutions to meet their capital investment and working capital needs.

(v) Loans raised by the co-operative societies to meet their capital investment and working capital needs.

2. The interest subsidy will be admissible on the funds raised for the development of Khadi and Village Industries, as specified in the schedule of village industries in the KVIC Act. The industries which may be specified from time to time in pursuance of Notification under Section 3 of the said Act also will qualify for the interest subsidy.

N. Rajasekaran 19/11/2020

3. Financial Institutions will include all the scheduled and non-scheduled banks (including the State Bank of India and its subsidiaries, nationalized banks and co-operative banks). State Financial Corporation, Industrial Development Bank of India and other financial institutions which are created / registered under Act of Parliament or State Legislatures.

4. The quantum of subsidy shall be limited to the difference between the actual rate of interest charged by the financing institutions and 4 (four) percent to be borne by the borrower. If at any stage interest rate charged by the Khadi and Village Industries Commission is modified, the quantum of subsidy shall be limited to the difference between the rate of interest charged by the financial institutions and such modified rate of interest.

5. The scheme shall be implemented in the following manner.

(i) At the time of sending budget proposals to the budget section of field offices under KVIC, the institution aided with State Khadi and Village Industries Boards will indicate separately funds likely to be made available to them from the banks industry-wise, purpose wise and also institution wise. As regards the directly aided institutions / co-operative societies, similar information will be sent by the concerned institutions / co-operative societies to the concerned State/ Divisional Directors of the Khadi and V.I. Commission, before the budget discussions are held.

(ii) After the receipt of the above information by the budget section of the Commission / State/ Divisional Directors of the Commission, discussions will be held at the time of Annual Budget discussions with the concerned State Boards / Institutions / co-operative societies and the programme for the institutional financing will be finalized. After the discussions are held by the State/ Divisional Directors or at the H.O. of the Commission proposals of directly aided institutions, co-operative societies as well as board aided institutions etc. will be sent to the Zonal Dy. CEO's approval and to concerned industry / programme directors who will place their proposals before SFC for its ratification.

(iii) After the proposals are approved by the Zonal Dy. CEO's, the Bank Finance Cell will receive copies of the approval of the Zonal Dy. CEO's, only such DAI's / BAI's whose names are included in the approval accorded by the Zonal Dy. CEO's will qualify for issuing interest subsidy eligibility from the Commission.

(iv) On the basis of the limits approved by the Zonal Dy. CEO's in respect of bank borrowings for different purposes the Bank Finance Cell in field offices under KVIC will issue interest subsidy eligibility certificates in favour of the concerned State Boards / Institutions / co-operative societies etc. aided by KVIC / KVIB as per format-I (B).

(v) In respect of institutions and co-operative societies working under the State Boards, the State/ Divisional Directors will issue the Interest Subsidy eligibility certificates for borrowings by these agencies from banks within the limits indicated in the Interest Subsidy Eligibility Certificate issued in their favour by the commission under Para (iv) above.

N. Rajadasan 19/10/2022

(vi) The Interest Subsidy Eligibility certificate to be issued by the Commission would be signed by the Chief Executive Officer of the Commission or he/ she may delegate powers to the Dy. Chief Executive Officer (K), Dy. Chief Executive Officer (V.I.) or State/ Divisional Directors under KVIC, communicates that the Interest Subsidy Eligibility Certificate to be issued by the State Boards in respect of institutions and societies/working under them should be signed by their C.E.O./Secretary/Executive Officer/Administrator, otherwise State/ Divisional Directors issues ISEC for both DAI's/ BAI's as per format-1 (A) & 1(B)

(vii) On the strength of the Interest Subsidy Eligibility Certificate the State Board/institutions/co-operative societies etc., will negotiate with their bankers for the required financial accommodation.

(viii) The final decision to accept or reject any loan application from eligible borrowers will vest with the banks. However, in case the banks reject some applications they may indicate to the Commission/the State Board the reasons for rejecting the loan applications.

(ix) The Commission will have no liability of any kind either in respect of the principal amount of loan or payment of 4 per cent (or at revised rate) interest to be borne by the borrowers for which interest subsidy eligibility certificate has been issued by the Commission, or by KVIB. Its liability shall restricted only to the extent of payment of interest subsidy as per scheme.

(x) The concerned institutions/State Boards will inform the Commission about the amount sanctioned by the banks in each case, the terms and conditions (about the rate of interest, the tenure of loan etc.) on which such amount are sanctioned and the position about the release/drawl of funds against such sanctions as soon as the loans/limits are sanctioned by the banks and availed by the institutions/State Boards etc.

(xi) In respect of directly aided institutions (including State Boards) the banks shall advise the Commission about the sanction and disbursement of loans to the borrowers in respect of whom the interest subsidy eligibility certificates are issued by the Commission giving reference to the Interest Subsidy Eligibility Certificate issued by the Commission.

(xii) In respect of the institutions and co-operative societies whose loan applications have been recommended by the State Khadi & V.I. Boards, the banks shall advice regarding the sanction and disbursement of loans to such borrowers to the concerned State Khadi and V.I. Boards.

(xiii) The bank will advise to the Commission/State Boards sanction and disbursement of loans (vide Para xi and xii) in Form No.2.

(xiv) The State Khadi and V.I. Boards, the State/ Divisional Directors of the Commission and the Khadi and V.I. Commission, Mumbai will maintain interest subsidy claim register in Form No. 3, industry-wise.

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(xv) In respect of institutions (including State Boards) whose interest subsidy eligibility certificates are issued by the Commission, the banks shall submit their interest subsidy claims in Form No. 4 giving reference to the interest subsidy eligibility certificate No. and date and also the No. and date of bank's payment advices and release of funds. These claims may be sent to the Commission's concerned State Directors who will scrutinise the claims and send the same to the Bank Finance Cell of the Commission, for payment.

(xvi) In respect of institutions and co-operative societies whose interest subsidy eligibility certificates were issued by the State Khadi and V.I. Boards, the banks shall submit to the concerned State Boards their interest subsidy claims in form No. 4 giving reference to the interest subsidy eligibility certificate No. and date issued by the State Boards also the No and date of the bank payment advises of release of funds. The concerned State Khadi and V.I. Boards will scrutinise the claims and send the same to the Bank Finance Cell of the Khadi and V.I. Commission for payment.

(xvii) The claims received by the State/ Divisional Directorate of the Commission must be countersigned by an officer not below the rank of State/ Divisional Directors of the Commission.

(xviii) In respect of claims received by the State Khadi and V.I. Boards the claims must be countersigned by an officer not below the rank of Secretary/Chief Executive Officer/ Executive Officer / Administrator of the State and V.I. Boards.

Note: (i) For the loans raised by the State Boards, to meet the requirement of their department activities or for disbursement (vide para2 (iii) the procedure prescribed for the directly aided institution would be followed.

(ii) These payment being of a routine nature and of committed character like sales rebate etc. no specific sanction of the Standing Finance Committee would be necessary for individual payment. However, they would be covered by the budget allocation made for interest subsidy to be paid to the banks.

(iii) Directorate of Accounts in Central Office shall arrange payment of interest subsidy amount as per the instructions of the Bank Finance cell under advice to the section and the concerned State Director or the State Khadi and V. I. Board, who would make the note of such payments in their registers of claims.

(iv)It may be necessary to open a proper head in the monthly and annual accounts statements of the Commission, to indicate the disbursement of interest subsidy to the banks.

6. KVIC shall disburse Interest Subsidy through online portal directly to the concerned financed banks.

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N. Rajeshwary 19/10/2022

IS/BF/FORM NO.1 (A)

INTEREST SUBSIDY ELIGIBILITY CERTIFICATE

To be issued to the State Khadi and Village Industries Board

1)	Name of the State Board	:	
2)	Name of the Institutions/co-operative societies, whose budgets were approved by the Commission, alognwith the limits of bank's borrowings sanctioned by the Commission (Industry-wise, purpose-wise)	:	
3)	The Khadi and Village Industries Commission agrees to the State Board surrendering its first charge on the assets of the above institution in favour of the Banks	:	
4)	The State Boards should issue to the Banks Interest Subsidy Eligibility Certificate in respect of the above institution in Form No.1 (B)	:	
5)	The Commission would be liable to pay interest subsidy as per the scheme only for the period for which the loan is sanctioned by the bank and is not liable to pay such interest subsidy for the defaulted period	:	

Chief Executive Officer

Khadi and Village Industries Commission

To,

C.E.O./E.O./Secretary/Administrator

(Khadi and Village Industries Board)

19/10/2022

Copy to:

IS/BF/FORM No. 1 (B)

Address

(Of the State Office/State Board)

No. IS/

(State) (Industry) (Running No.)

Date:-.....

INTEREST SUBSIDY ELIGIBILITY CERTIFICATE

Full Name of the borrower	:	_____
Complete address of the borrower	:	_____
Industry	:	_____
Purpose	:	_____
Amount of loan (Rs.)	:	_____

The above mentioned (Institution) has applied to _____

(Name and address of the Bank)

For a loan of
Rs._____

for _____

(purpose and industry)

The above loan upto Rs. _____

Will be eligible for the interest subsidy payable by the Commission in terms of Govt. of India, Ministry of Industry (Dept. of Industrial Development) letter No.4 (47)/75-KVI(1) dated the 17th May, 1977.

The Commission agrees to surrender its first charge over the assets (moveable and immoveable) of the above institution in favour of the Banks.

The final decision to accept or reject any loan application from eligible borrowers will vest with the banks. However, in case the banks reject some applications they may indicate to the Commission/the State Boards the reasons for rejecting the loan application.

The Commission will have no liability of any kind either in respect of the principle amount of loan or payment of 4 per cent or revised rate of interest to be borne by the borrowers for which interest subsidy eligibility certificate has been issued by the Commission. Its liability shall be restricted only to the extent of payment of interest subsidy as per scheme.

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The Commission would be liable to pay interest subsidy as per the scheme only for the period for which the loan is sanctioned by the bank and is not liable to pay such interest subsidy for the defaulted period.

This is issued for the year .....

To,

State/ Divisional Director

19/10/2022

IS/BF/FORM NO.2

_____Bank_____

(Name & Address)

No. _____ Date:_____

To:

_____

(Address of the State Office/State Board/institution/Cooperative Society)

Sub:- Advice about payment of

_____

_____

Sub:- Advice about payment of Loan of Rs._____ to _____

for _____ under the Interest Subsidy Scheme of the KVIC.

Ref:- Your Interest Subsidy Eligibility Certificate No. _____ date _____

Sir ,

With reference to your above mentioned Interest Subsidy Eligibility Certificate,

I am to advise you that our bank has sanctioned/disbursed a loan for Rs._____ to _____for _____ on _____

(Date)

The loan carries an interest at _____% and is repayable in _____.

Yours faithfully,

( )

Agent / Manager

_____ Bank

Copy to: The Director (Bank Finance)
Khadi and V.I.Commission,
MUMBAI- 400 056.

IS/BF/FORM No.3

Industry

INTEREST SUBSIDY CLAIMS REGISTER

Date	Full name of the borrower	Complete address	Amount of loan applied for	Purpose of the loan	Interest Subsidy Eligibility Certificate			
					Number	Date	Amount	Name of the Bank
1	2	3	4	5	6	7	8	9

Bank's Payment Advice						Interest subsidy claims							
No. & date of advice	Amount of loan	Date of payment	Tenure	Rate of Interest	Mode of recovery of interest	Date of receipt	Period	Amount	Sent to head office		Payment Advice		Remarks
									No.	Date	Amount Paid	Date of Payment	
10	11	12	13	14	15	16	17	18	19	20	21	22	23

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IS/BF/FORM NO. 4

BANK

(Name and Address)

No._____ Statement of Interest Subsidy payable by Khadi and Village Industries Commission

In respect of advances to Khadi and Village Industries Institutions/Co-operatives for _____

(period)

Sr.No	Name & Address of the borrower	Amount of Loan disbursed (Industry wise)*	Amount of interest at the Normal lending rate of the Bank			Amount of interest at 4% recoverable from the borrower
			Rate	Period	Amount	
1	2	3	4	5	6	7

Difference to be paid by the KVIC (6) – (7)	Interest subsidy Eligibility Certificate			Banks's Disbursement Advice		Remarks
	Issuing authority	Number	Date	Number	Date	
8	9	10	11	12	13	14

This is to certify that the amount of interest subsidy claimed herein has not been received from the KVIC so far by the Bank

* Statement of Accounts to be enclosed:

Agent

State office KVIC official State Khadi & V.I. Board official Bank

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3. Workshed Scheme for Khadi Artisans:

A. Introduction

Khadi activity is a source of livelihood for about 5.00 lakh artisans engaged, as spinners, weavers, other artisans etc., spread across rural India. Khadi sector represents the continuity of age-old Indian heritage of hand spun and hand woven cloth, reflecting socio-cultural-tradition of the country. The Work shed Scheme for Khadi Artisans (WSKA) encourages artisans to spend more time on Khadi activities, with a congenial atmosphere for their sustainable earnings by possessing their own work place. KVIC is implementing the Work shed Scheme for Khadi Artisans (WSKA) since 2008-2009.

B. Objectives

i. To provide a better work place to Khadi Artisans to carry out their spinning and weaving activities efficiently.

ii. To provide storage space – for raw material, implements, accessories, semi-finished, finished goods, etc.

C. Eligibility

i. The artisans working with KIs affiliated to KVIC/State KVIBs, including their departmental activities shall be eligible for the scheme. The artisans covered under AWFT, MMDA incentive, worked at least 100 days in a year – preference shall be given to BPL category.

ii. The title of the land should be in the name of the artisan and or his /her spouse.

Or

Any ancestral/ family property for which consent is obtained legally can be considered for construction of workshed.

Or

The land allotted by the State Govt./Panchayat etc. to the artisans will also qualify for construction of workshed.

iii. The Group Work shed may be constructed on the land owned by the KIs and it must be leased out to the artisans for a period of minimum 10 years.

iv. Artisan availed similar benefit previously from KVIC/Central/State Govt. will not be eligible. However, if such work shed are damaged/ destroyed due to natural calamities but did not receive any compensation, shall be considered for the scheme after obtaining desired Certificate from the concern Local Authority.

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v. The construction cost if increased, the beneficiary need to bear the additional cost by withdrawing from the available AWF credit. In case of BPL category additional requirement of fund, the sponsoring KI shall arrange without insisting from the artisan.

D. Financial Assistance

i. The financial assistance for construction of Individual as well as Group work shed w.e.f. 01.04.2022 is as under:

Component	**Area per unit**	**Amount of Assistance**
Construction of Individual work shed including toilet	20 Square meters	Rs.1, 20,000/- or 75% of the cost of the work shed including toilet, whichever is less. For North-Eastern region Rs.1, 20,000/-or 90% of the actual cost of the work shed including toilet whichever is less.
Construction of Group work shed including toilet (Minimum 5 Artisans & Maximum 15 Artisans)	10 Square meters per Artisan	Rs.80,000/- Per Artisan or 75% of the cost of the work shed, including toilet whichever is less. For North-Eastern region Rs.80,000/- Per Artisan or 90% of the actual cost of the work shed including toilet, whichever is less.

ii. Cost of land will not be part of project cost. Financial assistance will be for the purpose of construction of work shed only.

iii. Financial assistance will be released in two (2) equal installments – one on clearance of proposal by the Committee and the other one after physical verification progress.

iv. A Work shed Committee shall be constituted with one member having civil engineering background.

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E. Workshed Committee:

The proposal for Workshed received from the KI's shall examine and recommend by the Committee comprising of the following members:

1. State/ Divisional Director - Chairman
2. CEO/ Representative of State KVI Board - Member
3. Chairman/ Secretary of State Level Khadi Federation or Parent body of Khadi Institution Viz. TNSSm Tirupur, Shri Gandhi Ashram, Lucknow/ Major Khadi Institution. - Member
4. Accounts officer, SO/ DO of KVIC - Member
5. An engineer not below the rank Of Asst. / Executive Engineer Of State KVIB/ State Govt.Agencies. - Member

F. Monitoring and Evaluation Of Scheme

- The KVIC shall ensure proper, effective utilization of financial assistance under the scheme by applying necessary checks & balances for which KVIC shall issue detailed modalities for monitoring of the scheme for its effective implementation.
- KVIC shall arrange to conduct physical verification through their technical staff while & after construction of Workshed.
- An officer of Group-A/Class-1 of State/ Divisional Office / Zonal Office / Central Office may conduct random physical verification of work sheds.
- The State/Divisional Directors shall furnish utilization certificates in GFR 12A format on both the occasions of 1st and 2nd installment as per the procedure in vogue.
- KVIC shall evaluate the scheme both at midterm and at the end of Finance Commission Cycle.
- Nodal Officer / Directorate: Directorate of Khadi, KVIC, Mumbai-Phone no.022-26714325

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4. Strengthening of Infrastructure of Existing Weak Khadi Institutions (SIEWKI) and Assistance for Marketing Infrastructure

A. Introduction

Production of Khadi, the handcrafted textile, is an artisan intensive activity. Most of the artisans work from their dwelling places paving the way for engagement of a large number of women artisans. The Khadi institutions were working since inception of the Commission with large infrastructure, passage of time for various reasons the financial condition and the infrastructure have gradually been deteriorated, resulted in dilapidated condition, tools & equipment were in obsolete condition requires repairs and renewals for which financial assistance felt essential.

There are some sick/weak/problematic/"D" category khadi institutions spread throughout the country with strong artisan base and good landed properties with infrastructure requires renovation, repairs, renewal. The Commission has adopted a system of evaluating institutions in terms of turnover and performance as to "A+", "A", "B", "C" & "D" and "D" category is considered as an institution requires nursing fund for restoration to its normal functioning at the earliest. In order to revive/restart the Khadi activities by such KIs, a scheme was formulated and in implementation since 2009-10.

B. Objectives

i. To bring the sick/ weak/ problematic/ D-Category Khadi institutions into normal, having adequate infrastructure and landed property, but structure requires repairs – unused condition of tools and equipment, possessing sufficient skilled artisans.

ii. Make an effort to overcome the existing 'near stagnation' to normalcy and bring transformation of Khadi artisans to provide sustainable employment.

iii. Make use of infrastructure after renovation, repair, renewal etc.

iv. Improve marketing of khadi products by renovation of sales outlets and introduction new designs and producing ready to use products.

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C. Eligibility

i. Khadi Institutions having adequate infrastructure which are sick/weak/problematic/"D"category institution requires renovation, repairs, renewal – having experienced skilled artisans, needs funds for procurement of raw material and payment of wages.

ii. Khadi Institutions ready to negotiate for working partnership with parent body/ neighboring institutions to achieve better performance.

iii. Khadi Institutions desires to avail bank finance under ISEC scheme for further requirement of working capital.

D. Financial Assistance

(Rs. in lakh)

Sr. No	Component	Cost	Total Cost
(I)	**Capital Expenditure**		**Rs.5.75**
1.	Repairs, overhauling of implements, purchase of accessories and spare parts	Rs. 0.75	
2.	Repair of work sheds/godown/sales outlets/office including furniture-fixtures to make those functional	Rs.1.50	
3.	Procurement of new implements (Charkha & Loom/ Readymade Garment Unit etc.)	Rs.3.50	
(II)	**Working fund**		**Rs.9.25**
1.	Purchase of raw material	Rs. 4.00	
2.	Payment to artisans	Rs. 3.00	
3.	Other production overheads such as Supervision, Sales Distribution Expenditure, Processing, fabric conversion	Rs.1.50	
4.	Payment of statutory dues such as P.F., Municipal Tax etc., Payment of interest to the Bank loan for renewal etc.	Rs.0.75	
	TOTAL (I + II)		**Rs. 15.00**

i. All costs mentioned above are indicative and interchange of heads is permitted subject to ceiling of Rs.15.00 lakh.

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ii. The institution will submit comprehensive revival plan. The Khadi technical officials visits and furnishes technical feasibility report. The revival committee constituted by KVIC clears the proposal. The financial assistance will be released in two installments. The State/Divisional Director releases 50% as 1st installment and the 2nd installment will be released based on physical verification report.

iii. The State/Divisional Directors furnishes utilization certificates in GFR 12A format on both the occasions of 1st and 2nd installments as per the procedure in vogue.

iv. On completion of the scheme, the institution shall furnish scheme completion report.

II. Assistance for Marketing Infrastructure (AMI) – Sub Scheme

A. Objective

The sub scheme will aim at achieving higher sales in the assisted outlets of KIs so as to bring sustainability in the process of production in Khadi sector and will emphasize on improving the usage of common logo/ signage, the brands, sales of products of assured quality, improved shop ambience through better décor, visual merchandising and functional improvement through computerization/ bar coding etc.

B. Eligibility

i. Khadi Institution registered and/financed by KVIC or State/UT KVI Boards with target/budget from KVIC/KVIB. The KIs must possess valid Khadi Certificate & Khadi Mark certificate.

ii. Sales outlets owned/Rented/Leased Outlet by the KIs. In case of Rented/Leased sales outlets an agreement for minimum five (5) years while or after the renovation of sales outlets of Khadi Institutions is required.

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C. Financial Assistance for Marketing Infrastructure

i. The assistance under Marketing Infrastructure Scheme for the selected institutions will be as follows:-

(Rs. in Lakh)

Sr. No	Component	Funding Pattern	Govt. Grant	Inst's Contr.	Total
a)	Departmental Sales Outlets of KVIC	Govt. Grant – 100%	25.00	0.00	25.00
b)	Departmental Sales Outlets of KVIBs	Govt. Grant – 85% Inst. Contr. – 15%	21.25	3.75	25.00
c)	Institutional Sales outlets (Metro cities)	Govt. Grant – 75% Inst. Contr. – 25%	18.75	6.25	25.00
(d)	Institutional outlets (Non- Metro cities)	Govt. Grant – 75% Inst. Contr. – 25%	15.00	5.00	20.00

ii. 40% of the aggregate annual turnover of retail sales of the Institution during the last three years may be reckoned for extending financial support under the scheme. Any additional cost over & above the sanctioned limit will be borne by the KIs. The maximum assistance shall be @Rs. 2500/- per sq. feet for renovation of the sales outlets of KIs subject to the maximum limit prescribed in the above table.

NEZ notified hilly areas, A&N Islands, Lakshadweep etc. will be eligible for 90% of the assistance considering the topographical areas.

iii. The institution's own contribution as proportion of the accepted project cost will be as follows:

Departmental Sales Outlets of KVIC	:	--Nil--
Departmental Sales Outlets of State / UT Boards	:	15% of the project cost
Institutions registered and financed by KVIC or State / UT KVI Boards.	:	25% of the project cost

(**Note:** Institutions are permitted to mobilize their contribution through Bank also.)

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Note: The average project cost has been worked out at Rs.25 lakh per sales outlet of which 15% and 25% will be contributed by the KVIB and Khadi institutions respectively while the assistance will be 100% in respect of 4 outlets managed by KVIC. In case of outlets, other than the departmental outlets of KVIC and KVIBs, the maximum assistance provided will be Rs.18.75 lakh for outlets located in metropolitan cities and Rs.15.00 lakh in other places which is further subject to a maximum of 40% of the aggregate annual turnover of retail sales of the Institution during the last three years. Any additional cost over & above the accepted limit will be borne by the KI.

D. Release of Fund

i) The funds will be released in three instalments of 40%+40%+20% by Sos/DOs.

ii) The full Contribution of the KIs to be utilized along with the first two instalments. The final instalment will be released to the KIs on completion of entire work as per the approved proposal.

iii) Departmental KGBs of KVIC will receive the funds in two equal instalments.

E. Committees for consideration of proposal of renovation Sales Outlet at Zonal Level

The committee comprising Dy. CEO (Zone), Concerned SO/DO Director as Convener, Representatives from KVIB & KI, FBAA Officer as members; will assess the Renovation proposals and recommend to the KVIC, Mumbai for approval.

F. Monitoring and Evaluation of Scheme

The KVIC shall ensure proper, effective utilization of financial assistance under the scheme by applying necessary checks & balances from time to time.

i. The Khadi Technical officials conduct visits periodically for effective monitoring of programme.

ii. KVIC shall evaluate the scheme both at midterm and at the end of Finance Commission Cycle.

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5. Centre of Excellence for Khadi (CoEK):

Introduction

KVIC under its Khadi Vikas Yojna (KVY) has decided to set up 'Centre of Excellence for Khadi' in association with National Institute of Fashion Technology (NIFT) to develop new Khadi Products of high end domestic and international market and to strengthen khadi brand.

NIFT is a premier institute of design, management and technology with 17 campuses across India and it has emerged as a Centre of excellence and innovation with a distinctly conscious concern for social responsibility. KVIC has set up of Centre of Excellence for Khadi in Hub and Spokes model in five NIFT Campuses viz NIFT Delhi, NIFT Kolkata, NIFT Gandhinagar, NIFT Shillong and NIFT Bengaluru & the project period is for three years.

Areas of Association:

i. The CoEK will work on creating benchmarked design process of global standards for Khadi.

ii. Create new fabric and products based on the season-wise colour forecast and fashion trends.

iii. Disseminate quality standards for fabrics and clothing for high-end domestic and international market.

iv. Branding and publicity by creating interesting narratives around new Khadi.

v. Creative visual merchandising and packaging for new Khadi products.

vi. Increase the global reach of Khadi by organizing National & International Khadi fashion shows and exhibitions.

vii. Any other activity that may be mutually agreed upon between NIFT & KVIC.

Budget

Operative Head	Budget/Financial Sanction			
	1st Year	2nd Year	3rd Year	Total
OPEX	662.20	695.20	695.20	2052.60
CAPEX	165.00	0.00	0.00	165.00
Total Direct Expense	**827.20**	**695.20**	**695.20**	**2217.60**
NIFT Administrative & Infrastructure Overheads (AIO) 20%	165.44	139.04	139.04	443.52
Total Amount	**992.64**	**834.24**	**834.24**	**2661.12(*)**
(*) Additional expenses of Rs. 6 – 7 Cr will be met out from Internal Revenue Generated (IRG) from the operations.				

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Evaluation of Monitoring:-

Coordination Committee for CoEK comprising of DG-NIFT, CEO-KVIC, FA-KVIC and Director-CoEK for coordination and regular interaction on the matter related to CoEK.

Advisory Committee under the Chairmanship of Secretary (MSME) and comprising of JS (ARI), MSME (Co Chairman), JS- Ministry of Textiles, CEO- KVIC & Director-CoEK, NIFT and other members from 5 various categories.

Expected outcome of the project

- Build a new narrative around Khadi fabrics and design for branding, packaging, product positioning of new Khadi fabrics, apparels and products developed by CoEK.
- Make Khadi fashionable for youth.
- Participation in fashion shows and Exhibitions.
- Specialized training of trainers for pattern masters and tailors at NIFT.
- Help selective KIs to increase their business through the assistance of designs and quality of finished product.
- Improve Khadi footprints nationally and globally.
- Strengthen Brand Khadi.

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i. Roles and Responsibilities of Accredited Agency

Following are the role and responsibilities of the accredited agency:

- Draw the samples of Khadi and Khadi products as part of onsite verification and carry out laboratory testing of drawn samples for the use of natural fiber along with other agreed test parameters.
- Submit to KVIC its verification report along with recommendation for registration and Khadi Mark Tag and label entitlement of the persons and certified Khadi Institutions applying for Khadi Mark registration.
- It has to inspect the Khadi Production process through physical inspection at applicants production centers as per the format prescribed by KVIC
- An indicative list of items that needs to be verified randomly during the physical inspection at the premises of person/ organizations are as follows:
    1. Details of Khadi activities; Production/ Sales/ Exporrt,
    2. Number of production centre
    3. Number of Sales Outlets
    4. Number of Spinners
    5. Number of Weavers
    6. Number of Artisans
    7. Number of Staff
    8. Products manufactured as per the list provided by the applicant.
    9. Adherence to process of Khadi Production i.e. 'Hand Spinning on Charkha and Weaving on Handlooms'.
- Undertake 'Khadi Mark Tag and label management' including planning, printing and stock maintenance of tags and labels and issuance of tags and labels to persons and Certified Khadi Institutions registered under the Khadi Mark Scheme.
- Carry out annual verification registered persons and certified Khadi Institutions draw samples as part of annual verification and carry out laboratory testing of drawn samples to ensure the continued compliance to Khadi Mark criteria and continued suitability of label entitlement.
- In addition to the sample drawn and tested as part of onsite verification and annual verification, Textiles Committee shall carry out laboratory testing of Khadi and Khadi product samples for the agreed test parameters as and when sent by KVIC to Textiles Committee.

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D. Scheduled of Charges for Activities Under Khadi Mark Scheme

i. Operational Fee:-

Sr. No.	Item	Charges
1	Annual Operational Fee/ Grant	Rs. 98,00,000/- +GST

ii. Verification Fee:-

Type of Verification	Khadi Institutions			
	Turnover up to 1 Cr.	Turnover 1 Cr. to 5 Cr.	Turnover above 5 Cr.	Marketing KI's
Onsite verification Fee	Rs. 12,500/- +GST	Rs. 20,000/- +GST	Rs. 30,000/- +GST	Rs. 30,000/- +GST
Annual Verification	Rs. 12,500/- +GST	Rs. 20,000/- +GST	Rs. 30,000/- +GST	Rs. 30,000/- +GST

Note:

- The annual operational fee/ grant, onsite verification fee and Annual verification fee are valid for 3 years from the date of signing of MoU.
- The test charges will be as per the schedule of test charges notified by the textiles committee from time to time.
- Textiles Committee will prefer to receive the funds as Grant in aid.

iii. Testing Charges

Sr.No.	Parameters	Test Charges (in Rupees)
1	Fiber Composition	Rs. 550/-+GST*
2	Direction of Twist and twists per inch of yarn in the Khadi Fabric/ product (Warp & weft)	Rs. 500/-+GST**
3	Count of yarn in the Khadi Fabric/ product (warp & weft)	Rs. 200/-+GST***
4	Ends per inch and picks per inch in the khadi fabric/ product	Rs. 200/-+GST
5	Total testing charges per sample	Rs. 1450/-+GST

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* The charges is meant for upto two component fibers in the sample. In case of the more than two fibers, additional charges of Rs. 250/- will be charged for each additional component fiber.

** The charges is meant for single yarn/ resultant twist of piled yarn. In case of twists of singles of piled yarn, the charges will be Rs. 650/-

***The charges are for testing of count of yarn as revised. In case of testing of count of yarn after removal of added matter will be Rs. 300/-

E. On site verification, sample drawing and testing:

a. KVIC on its part shall send the application for registration to Textiles Committee within the agreed time frame and Textiles Committee on its part shall deploy adequate qualified and trained staff for onsite verification as well as drawing and testing of samples and complete the verification, testing and reporting process within the agreed time frame.

b. Carryout onsite verification upon receipt of the application for registration from KVIC.

c. The onsite process verification shall cover

   (i) Verification of hand spinning and hand weaving process at the production centers

   (ii) Evaluation of production capacity and label entitlement

d. If found satisfactory in the onsite verification, samples will be drawn and the drawn samples will be tested in Textiles Committee's laboratories for the required parameters.

e. Textiles Committee shall submit onsite verification report to KVIC along with recommendation within agreed time frame for registration and Khadi Mark tag and label entitlement of the persons and certified Khadi institutions applying for Khadi Mark registration. In case of any discrepancy Textile Committee should clearly state nature of discrepancy.

F. Khadi Mark tag and label management:

a. KVIC provided the specification for Khadi Mark tags and labels.

b. Textiles Committee shall plan and get printed the required quantity of Khadi Mark tags and labels and maintain sufficient stock.

c. Upon the receipt of request for Khadi Mark tags and labels from persons and certified Khadi institutions registered under the Khadi Mark Scheme, Textiles Committee shall issue appropriate Khadi Mark tags and labels according to their entitlement under intimation to Directorate of Khadi Certification.

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d. Textiles Committee shall maintain the records for issuance of Khadi Mark tags and labels to persons and certified Khadi institutions registered under the Khadi Mark Scheme.

e. Textile Committee shall submit monthly report to KVIC in respect of issuance Khadi Mark tags and labels to persons and certified Khadi institutions.

G. Annual verification visits

a. Textiles Committee shall carry out annual verification visits, as may be mutually decided and agreed upon, to persons and certified Khadi institutions registered under the Khadi Mark Scheme.

b. During the annual verification visit the production process shall be verified for continued compliance to the requirement of hand spinning and hand weaving process.

c. The production capacity will be verified to evaluate the continued suitability of label entitlement.

d. Samples will be drawn and tested to ensure the use of natural fibre and other agreed parameters.

e. Textiles Committee shall submit the annual verification report to KVIC.

f. The annual verification report shall include any deviation, deficiency, change in the production process or label entitlement.

g. The annual verification visits shall be carried out in accordance with the procedure to be outlined separately.

H. Procedure for onsite verification, evaluation of label entitlement, drawing and testing of samples, Khadi Mark tag and label management and annual verification visit:

a. It has been agreed between the parties that the onsite verification, evaluation of label entitlement, sample drawing, testing, reporting, Khadi Mark tag and label management and the annual verification visits shall be carried out in accordance with the mutually agreed procedure to be outlined separately.

b. The procedure shall include methodology for onsite verification, sampling criteria, verification parameters, testing parameters, test standards, evaluation of label entitlement, formats for onsite verification and annual verification visit, reporting and time frame for onsite verification, sample drawing, testing and report submission as well as annual verification visit.

c. The procedure shall also include planning, printing and issuance of Khadi Mark tags and labels and submission of periodical statement to KVIC on issuance of Khadi Mark tags and labels to persons and certified Khadi institutions.

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d. Any amendment in the procedure shall be mutually discussed and agreed upon between KVIC and the Textiles Committee.

e. Textile Committee and its officials shall maintain full confidentially in respect of any information including production technology, market strategy etc. gained during the drawing and testing samples and shall, under no circumstances, divulge the information so gathered/acquired to any other person or organization.

f. The KVIC shall have full rights to supervise witness and monitor the process, assess the reports and to reject any report as submitted by Textile Committee. Rejection shall also be communicated to Textile Committee.

g. In case, at any point of time, it is established that an official engaged by Textile Committee has indulged in any practice which is not ethical, or has behaved in a manner uncalled for, the KVIC shall bring the same in to the notice of Secretary, Textiles Committee, for necessary action.

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7. Marketing Promotion (Exhibitions)

Introduction/ Objectives: KVIC is playing a role in creating marketing opportunities for KVI products i.e. organic, natural, pure, eco-friendly, bio-degradable and skin friendly products. The potential of Khadi to make strong inroads into the consumer domain has also attracted unscrupulous elements and profit oriented corporate to benefit from its strength. Linked to this is the increasing popularity of Khadi around the world, in addition to domestic markets. Thus, marketing of products of Khadi and Village Industries are important stepping stones of rural development which ultimately constitutes our developmental goal.

KVIC continued its marketing strategy of popularizing KVI products through exhibitions to accelerate at large in the domestic and international markets, which proved as a cost effective medium for publicity as well as opening marketing opportunities to the KVI products and also as an instrument for creating awareness.

1. Domestic Exhibition Pattern under Marketing:

SN	Level of the Exhibition	Minimum Duration	Minimum Stalls	Minimum State/District /Institutions	Maximum Grant to be provided by KVIC (Rs. in Lakhs)	Sales Target (Rs. in Lakhs)
1.	National	25 Days	150	15 States	75.00	500.00
2.	Zonal	15 Days	75	4 States	40.00	270.00
3.	State	10 Days	50	40 Institutions	20.00	100.00
4.	District	7 Days	20	10 Institutions	7.50	15.00

2. Eligibility Criteria for Organizers:

1. National, Zonal, State and District level exhibition will be organized by SO/ DO of KVIC or State KVIB. However SO/DO's can organize District level exhibitions through Khadi Institutions / Khadi Federation also

3. Release of funds:

1. 35% along with work order against Bank Guarantee of adequate value.

2. 50% on completion of erection of stalls and other arrangement to be certified by an Officer authorized by the Organizing Committee.

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3. 10% on receipt of report of completion of Exhibition including photos and other formalities prescribed by the Organizing Committee /State /Divisional Director duly recommended by the Organizing Committee.

4. 5% after receipt of complete report and payment accounts with item-wise Statement of Expenditure, refund of IRG amount and unspent balance, etc., duly verified by the Accountant.

4. Stall Distribution Particulars:

S N	Particulars	% Coverage
1.	Khadi	60%
2.	REPG/PMEGP Units	30%
3.	Others	10%

5. Stall Rent:
Maximum Rental for Standard stall Size (Amount in Rs.)

Particulars	3mtr. X 3mtr.	3mtr. X 2mtr.
National Level	Rs 10,000+GST	Rs 5,000+GST
Zonal Level	Rs 5,000+GST	Rs 2,500+GST
State Level	Rs 3,000+GST	Rs 1,500+GST
District Level	Rs.2,000+GST	Rs 1,000+GST

1. Allocation of Stalls: On the basis of Lots / First come First Serve basis on the basis of Online Payment receipt of registration.
2. Scope of Work to be clearly mentioned in the RFP

(a) Participants from N.E. States & Aspirational Districts Concessions : 50%

(b) Departmental Sales Outlets KVIC/KVIB : Free

(c) Training and other Administrative Institutions etc. : Free

6. Internal Revenue Generation (IRG) :

1. Entry Fees to visitors : Nil for all levels of Exhibition
2. Stall rent collection
3. Local Sponsorships from Banks etc
4. Sale of Stall space to Food/Entertainments stall etc

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No	Level of Exhibition	Food/Entertainment Stall Charges (Amount in Rs.)	Proposed Entry Fee (Amount in Rs.)
1	National Level	25000	NIL
2	Zonal Level	10000	NIL
3	State Level	5000	NIL
4	District Level	2000	NIL

7. Distribution of IRG:

(a) To cover the excess expenditure Over and above sanctioned funds : 50%

(b) Remittable to KVIC, CO : 50%

8. Eligible Items for Expenditure:

No	**Particulars**	**Indicative %**
1.	Ground rent/Hall rent	15
2.	Erection of Pavilion/Stalls (3x3)	25
3.	Decoration of Stalls	
4.	Theme Pavilion	
5.	Electricity charges	
6.	Transportation, Conveyance charges	
7.	Back-up support like Insurance, Security, First-Aid, etc.	5
8.	Buyer-Seller Meets in National & Zonal Level Exhibition	5
9.	Fashion Shows (compulsory in National/Zonal/State level Exhibitions) and cultural events	20
10.	Publicity including Press Conference	
11.	Printing & Stationery	
12.	Leaflet & Presentations at the Trade Inquiry Stall	
13.	Inaugural & Valedictory function	
14.	Shields & Trophies for participation/performance	
15.	Technical Demonstrations	5
16.	Data collection and Survey of visitors	
17.	Miscellaneous/Contingency	5
	TOTAL (Interchangeability of heads permitted)	**100**

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9. Monitoring and Evaluation:

i. The KVIC will ensure proper, effective utilization of financial assistance under the scheme by applying necessary checks & balances from time to time.

ii. KVIC shall evaluate the scheme both at midterm and at the end of Finance Commission Cycle.

iii. Directorate of Marketing will be the Nodal Directorate (Phone No. 022-26716680)

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8. Science & Technology (S&T) Scheme

Introduction

Under the S&T Scheme, Research and Development programs are implemented focusing on to enhance the quality of products, increase the productivity and earning of artisans, reduction in human drudgery, Development of new products and diversification as per market demand and efficient use of local raw materials. Keeping in view of the above and to a give new dimension to Khadi and Village Industries, the following type of projects are supported under the S&T scheme.

1. Research and Development (R&D) projects for Khadi and Village Industries (KVI).
2. Demonstration/Field trails/ Dissemination of the developed technologies by the Research/Technical Institutions to Khadi and Village Industries Sector.
3. ISO 9001- Quality Management System Certification for the KVIC establishments.
4. Strengthening of Product/Process standardization, Intellectual Property Right in the KVI sector through Grant for Patent registration, and organizing Technology Upgradation programs.

Objectives of Scheme

1. To reduce the drudgery of the workers and the artisans in the operation of tools and implements.
2. To enable the artisans/village industries units/entrepreneurs to increase their earning capacity.
3. To enable artisans/village industries units/entrepreneurs to produce quality goods in comparison with the products of other sectors.
4. To enable artisans/village industries units/entrepreneurs to use raw materials available locally so that they may not be required to migrate in search of raw materials outside their familiar region.

Eligible Institution to undertake S&T Projects

1. Any Premier Technical Institutes/ Universities/ R&D organizations / Govt. organization engaged in R&D activities, design development/ Directly Aided Institution of KVIC/KVIB and reputed NGOs registered under Darpan Portal.
2. An individual engaged in research in Khadi and Village Industries.

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Budget provision of Scheme of S&T Proposals

- A grant or subsidy to an individual should not exceed Rs.5,00,000/- (including all charges & taxes, etc.) in any case and to an institution, it should not exceed Rs.50,00,000/- (including laboratory trials and field trials, etc.).
- Project costing above Rs. 50,00,000/- for Institutions are subject to approval of the Ministry.
- The above ceiling limits are subject to revision, time to time, with the approval of the Ministry.
- The budget provision for S&T Programme shall be up to 2% of Annual budget allocation under the Khadi Vikas Yojana (KVY) Scheme and Gramodyog Vikas Yojana (GVY) Scheme each.

Procedure of Implementation and Monitoring of the project

1. On sanction of S&T projects, the Implementing Agency shall execute an agreement in prescribed format.
2. Release of funds will be made through the respective State/Divisional Director in phased manner.
3. The Implementing Agency shall be required to submit Periodical Progress Report in the prescribed format with details of the activities completed to the Director (S&T) under intimation to the respective State/Divisional Director. The Director (S&T) will review the progress/ achievement with the support of the Concerned Programme Directorate, and if required, suggestions/opinions of concerned Experts may be obtained. The suggestions may be communicated to the Implementing Agency for incorporation in the research work.
4. On Completion of the project, the Implementing Agency shall be required to submit the Final Progress Report in the prescribed format, including details of Quarter-wise Dissemination Plan/ Dissemination activities to be carried out along with Utilization certificate to the Director (S&T) through the concerned State/Divisional Director.
5. The duration of the project shall be as per the sanction and may be extended as per the request of IA with proper justification with the approval of the Competent Authority. While enhancing the tenure of the project, the extension accorded should be very clearly identified with reasons and with accountability on the Implementing Agencies to ensure that the project must be completed within the extended period.

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F. Procedure on Project completion & Dissemination of the project

1. After completion of the R&D work, all implements/equipment used/involved in the projects will be the property of KVIC and the State Director/ Divisional Director will be the custodian.

2. The Project Investigator should protect the outcome of each R&D project through the suitable provisions of IPR, i.e., patent, brand name, copyright, trademark, etc. The patent, copy right will be jointly filed in the name of the CEO, KVIC, Mumbai and the Head of Implementing Agency. The Project Investigator and Co-Project Investigator will be inventors of the technology.

3. Tentative plan for multi-location field trial/ Dissemination should be essentially submitted with each R&D project report of technology/ prototype development. After successful development of technology/ prototypes, the S&T Committee may approve the proposed budget for field trial subsequently, if required.

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List of Abbreviations

KVIC	Khadi and Village Industries Commission
KVIB	Khadi and Village Industries Board
SO	State Office of KVIC
CEO	Chief Executive Officer
DIT	Directorate of Information Technology
FBAA	Finance Budget Audit and Accounts
ZLC	Zonal Level Committee
SLC	State Level Committee
CLC	Central Level Committee
EcR	Economic Research
SFC	Standing Finance Committee
CA	Chartered Accountant
MoU	Memorandum of Understanding
GST	Goods and Services Tax
DBT	Direct Benefit Transfer
CFC	Common Facility Centre
AWFT	Artisans Welfare Trust
CoEK	Centre of Excellence for Khadi
KI	Khadi Institution
DAI	Directly Aided Institution
BAI	Board Aided Institution
MoMSME	Ministry of Micro, Small, Medium Enterprises
ISEC	Interest Subsidy Eligibility Certificate
NIFT	National Institute of Fashion Technology

N. Rajasekaran 19.01.2022

Glossary

KVIC – Means Khadi and Village Industries commission constituted under section 4 of the Khadi and Village Industries Commission Act, 1956 (61 of 1956).

Khadi Institutions – Means a certified khadi institution which is enlisted with Khadi and Village Industries commission (KVIC) or Khadi and Village Industries Board (KVIB) for financial and technical support and is issued valid khadi certificate under a code for such certification issued by KVIC under clause (K) of sub section (2) of Section 15 of the act read with sub regulation (1) of regulation 24 of KVIC regulation 2007.

Stock – Means the goods or merchandise kept on the premises of a shop or warehouse and available for sale or distribution.

AWFT – Means Artisan Welfare Fund Trust provides financial help required by the artisans in their hours of need. Amount accruing to Artisan Welfare Fund (AWF) is kept in fixed deposits in nationalized Banks.

Artisans – Means individual involved in spinning/reeling and weaving of Khadi products also includes other Karyakartas involved in wet processing i.e. bleaching, dying, mercerizing, finishing, printing and processes involved in Khadi.

Sales – Retail sales and wholesales including Government supply, Franchisee, Bulk sales to end customer for a particular year. Wholesale excludes the sectoral sale i.e.- from one KI to another KI.

Escrow – An escrow account is a temporary pass through account held by a third party during the process of a transaction between two parties. This is a temporary account as it operates until the completion of a transaction process, which is implemented after all the conditions between the buyer and the seller are settled.

Khadi Artisans- Khadi artisansare those persons, who are involved in the process of production activities such as; spinning, warping, twisting, weaving, dyeing/printing etc.

Khadi Karyakartas- Khadi Karyakarta means persons involved in production & post-production activities such as; Salesmen, Sales-women, cashier, accountant, marketing executives, helper, tailoring staff, store-keeper, godown-keeper etc.

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