



कामये दुखतपानाम्।
प्राणिनाम् आतिनाशनम्॥

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CIRCULAR

Sub : Strengthening of Infrastructure of Existing weak Khadi institutions and Assistance for Marketing Infrastructure – regarding.

KVIC has made several initiatives in the last couple of years for all round development of the khadi sector. The Scheme of Fund for Regeneration of Tradition Industries (SFURTI) and the Enhancing Productivity and Competitiveness of Khadi Industry and Artisan are the two such schemes, which led to a new phase in khadi sector. The High Power Committee as well as Expert Committee indicated the absence of specific support for the weak institutions and emphasized the need to improve their position through a catalytic intervention of need based support. The Department related Parliamentary Standing Committee also commented about the obsolete sales infrastructure of the sector and their non-congenial setting for the customers.

2. In order to attend these aspects of the khadi programme, KVIC formulated a news scheme, know as – **‘Strengthening of Infrastructure of Existing Weak Khadi Institutions and Assistance for Marketing Infrastructure’** – which has been duly approved vide Ministry of MSME’s letter No.4(102)2007-KVI dated 14th July, 2009. A copy of the guideline of the scheme finalized in consultation with the IF Wing of the MoMSME and approved by Hon’ble Ministry of state (Independent charge) for Micro, Small and Medium Enterprises is enclosed herewith for ready reference (Annexure-I).

3. The scheme is a combination of two sub schemes namely “Strengthening of Infrastructure of Existing Weak Khadi Institutions” and “Assistance for Marketing Infrastructure”.

3.1 “Strengthening of Infrastructure of Existing Weak Khadi Institutions”

3.1.1 In order to facilitate implementation of the sub scheme – “Strengthening of Infrastructure of Existing Weak Khadi Institutions” on

a fast track, the Directorate of RID and New scheme have already approached the standing finance Committee seeking approval of target, allocation of fund and Action Plan. The targets allocated by the Standing Finance Committee in its May 29th 2009 meeting under resolution No. Khadi 2009-10/7 is placed at **Annexure-II & III**. The distribution of target for revitalization of weak khadi institutions has been made considering the state-wise list of institutions elevated from 'D' to 'C' category as well as sick/problematic institutions affiliated to KVIC/State KVIBs.

3.1.2 The scheme suggests that for revival, weak khadi institutions should start with a detailed study to be conducted through a professional institute / agency. An institute or agency preferably of the type of technical agency as in the case of SFURTI may please be immediately identified. A communication in this regard was sent by Director (RID&NS) on 5th May 2009 and the work should be completed in a prefixed time schedule on priority.

3.1.3 All State/divisional Directors are requested to prepare projects, in consultation with the Chief Executive Officer, State KVI Boards as well as Zonal dy. Chief Executive Officer, based on selection criteria mentioned in the scheme guideline and furnish to zonal committee seeking approval. Zonal Dy. CEOs are being requested to associate representatives of Ministry of MSME and Planning commission in the meetings of Zonal Committee considering sanction of the sub scheme. It should be finalized by 30.09.2009.

3.2 Sub Scheme "Assistance for Marketing Infrastructure"

3.2.1 In respect of sub scheme "Assistance for Marketing Infrastructure" the selection of sales outlet for assistance has to be done by a selection Committee comprising of CEO, FA, Director (Finance), Director (Marketing) and a professional Marketing Expert based on the recommendation of Zonal Committee of KVIC.

3.2.2 All State/Directors are requested to identify potential outlet of the institutions, in consultation with the State KVI Boards as per scheme guidelines and submit it to Zonal Committee. The projects recommended by Zonal Committees should be sent to Director (Marketing) seeking approval on top most priority so as to utilize the fund in this financial year itself.

4. All State / Divisional Directors of KVIC and Chief Executive Officers of State KVI Boards are requested to provide proactive leadership, brief their team about the procedure and other modalities and take all necessary steps for implementation of the scheme as per the guidelines.

5. It is also requested that appropriate publicity to the scheme may also be done in consultation with Director (Publicity) so that the institutions affiliated with KVIC/State KVI boards become aware of the scheme and submit their application to state/Divisional Offices or board Offices seeking assistance to implement the scheme. This will help KVIC to select institutions in transparent manner.

6. Kindly note that fund allocated is to be utilized before 31st March, 2010 and implementation of projects is to be ensured well within stipulated time. The programme will be reviewed in review meeting.

Encl : Annexure-I, II & III

(J.S. MISHRA)
CHIEF EXECUTIVE OFFICER

To :

1. All State/Divisional Directors
2. All Chief Executive Officers/Secretaries/Managing Directors, State/UT KVI boards

Copy for favour of information :

1. All Members of the Commission
2. Chairman, Central Certification Committee
3. Chairman of the Zonal Certification Committees (North Zone, South Zone, Central Zone, East zone North-East and West zone)
4. Zonal Dy. Chief Executive Officers (North Zone, South Zone, Central Zone, East zone North-East and West zone)
5. Director (Marketing)
6. Directorates under Khadi Wing (KC/KPM/KD/KRM/CCC)
7. Secretary to Hon'ble Chairperson
8. O.S.D. to Chief Executive Officer
9. Accounts Officer to financial Advisor
10. P.A. to Chief Vigilance Officer
11. Director (Ec.R.)
12. Director (Finance)
13. Director (Audit)
14. Director (Information technology) for placing the circular on web site.
15. Director (Publicity) with a request to publish the same in the ensuing issue of 'Jagrati'.
16. Director (Hindi Vibagh) with a request to translate the circular in Hindi.
17. Director (Adm-II) for record
18. Circular file.

(Director (RID and NS))

Guidelines for strengthening of infrastructure of existing weak khadi institutions and assistance for marketing infrastructure

1. THE SCHEME

1.1 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. Many schemes have been introduced recently in khadi sector to enhance its employment generation potential. While the Scheme of Fund for Regeneration of Traditional Industries (SFURTI), and the scheme for Enhancing Productivity and competitiveness of Khadi Industry and artisans extend support to renew/replace the production infrastructure of the sector, the Work shed Scheme for Khadi artisans offers space and ambience conducive for hassle free working. However, here are some sick/problematic khadi institutions particularly in "D" category whose production, sales and employment have been declining while establishment cost has been rising leading to inefficiency in performance, accumulation of dead stock, eventually leading them into a debt trap resulting also in accumulated creditors, outstanding salaries to the workers, non-payment of wages to artisans, non-payment of statutory requirements like P.F. etc., non-payment of overdue installment to the Khadi and Village Industries Commission (KVIC) for Capital Expenditure Loan, non-settlement of rebate and such other assistance, crunch of funds for sheds, charkhas, looms etc.

1.2 In order to meet the need-based support of the Khadi sector to nurse some of the sick institutions which otherwise have potential to attain normalcy and support creation of marketing infrastructure in other identified outlets, a scheme namely **Strengthening of Infrastructure of Existing weak Khadi Institutions and assistance for Marketing Infrastructure** has been formulated to make support to Khadi activity comprehensive. The expected outcome of the scheme is the higher level of production, sales and employment along with the increased level of earning and employment in khadi production.

2. OBJECTIVES

The objectives of this scheme are as given below :

- (i) Assist identified weak khadi institutions (sick/problematic and 'D' category) so as to enable these institutions regain their status and revive their potential for employment generation.
- (ii) Make an effort to overcome the existing 'near stagnation' stage of the sector by strengthening the khadi institutional base.

- (iii) Bring in a transformation in the khadi sector and re-affirm its significance as a sustainable employment provider for rural artisans.
- (iv) Open up avenues of enhanced employment to rural artisans, majority of whom belong to Below Poverty Line (BPL) category and to help the rural artisans by providing them employment opportunities through khadi production programme.
- (v) Improve marketing of khadi products through development of marketing infrastructure, including renovation of selected sales outlets of khadi institutions, on a limited basis.

3. **TARGET BENEFICIARIES**

The scheme shall primarily target the following institutions for increasing the earning potential of rural artisans from khadi activities.

- (i) Up to 100 weak khadi institutions ('D' category or sick/problematic) affiliated to KVIC/State Khadi and Village Industries Board (KVIBs) identified by KVIC having requisite production infrastructure and willingness to work whole heartedly with zeal so as to improve the condition of the institution by running it effectively.
- (ii) Identified Departmental outlets of KVIC and retail sales outlets of State/Union Territory Khadi and Village Industries Board (KVIBs) and institutions, for improving their turnover by improving their marketing infrastructure through financial assistance. The number of sales outlets for providing assistance for marketing infrastructure during XI Plan period shall be as follows

	2009-10	2010-11	2011-12	Total
KVIC Outlets	2	2	--	4
KVIB Outlets	2	2	2	6
Khadi Institution's Outlets	6	6	8	20
Total	10	10	10	30

4. SELECTION CRITERIA

4.1. Strengthening of infrastructure of existing weak Khadi institutions

The criteria for the selection of institutions for assistance under the scheme will be as follows :-

- (i) Institutions having adequate infrastructure as mentioned in the datasheet (selection criteria) given in Annex-A.
- (ii) Institutions which have submitted an Action Plan, clearly showing ways and means for revitalization of its activities which has been recommended by standing Performance Monitoring Committee (SPMC);
- (iii) Institutions which have made necessary changes in the Managing Committee by nominating a capable person as its Secretary and his credentials have been examined and assented to by SPMC;
- (iv) Institutions which have made arrangements for further requirement of working capital from bank(s).
- (v) Institutions which have negotiated a working partnership with the neighboring better performing institutions;
- (vi) Institutions which have made a commitment to take up other supporting schemes of KVIC viz., PRODIP, RISC, S&T, etc., and deliver desired results as envisaged in these schemes; and
- (vii) Institutions which have submitted clear assurance to observe financial discipline as prescribed by the financing agency i.e. KVIC, bank etc.

4.2 Assistance for marketing infrastructure

The criteria for selection of retail sales outlets of other institutions for renovation will be as follows :

- (i) The institution should be registered and/ financed by KVIC or State/UT KVI Boards belonging to A+/A/B/C category as per the norms enunciated by the KVIC and involved in marketing activities of khadi products.

- (ii) The institution should have valid certificate for khadi and polyvastra.

Also, the institutions desirous of receiving assistance under the scheme have to furnish an undertaking clearly giving commitment for its own contribution in advances (25% of the project cost with a ceiling of Rs. 6.25 lakh; 10% in case of NER. Such institutions have also to furnish a letter of commitment to achieve at least 20% annual increase in retail sales after renovation with a minimum sale of Rs. 1 lakh in the first year immediately succeeding renovation.

5. QUANTUM AND NATURE OF FINANCIAL ASSISTANCE FOR STRENGTHENING OF INFRASTRUCTURE OF EXISTING WEAK KHADI INSTITUTIONS

The item-wise project cost per institution for weak (sick, problematic and "D" category) institutions under the scheme will be follows :

Sr. No.	Component	Cost	Total Cost
I)	Preliminary and pre-operative expenditure		Rs. 0.25 lakh
1.	Conducting feasibility study, preparation of an action plan and other incidental charges	Rs.0.25 lakh	
II)	Capital Expenditure		Rs. 3.50 lakh
1.	Repairs and overhauling of implements and purchase of accessories and equipments	Rs. 0.50 lakh	
2.	Procurement of new implements – (Charkha & Loom)	Rs.2.00 lakh	
3.	Repair of work shed/office/godown/sales outlets including furniture fixtures to make them functional	Rs. 1.00 lakh	
III	Working fund		Rs.6.15 lakh
1.	Purchase of raw material	Rs.1.50 lakh	
2.	Payment to artisans	Rs. 2.40 lakh	
3.	Other production overheads such as Supervision, sales Distribution Expenditure, Procession and fabric conversion	Rs. 1.00 lakh	
4.	Payment of statutory dues such as P.F. etc., Payment of interest to the bank loan for renewal wherever required	Rs. 0.75 lakh	
5.	Provision for engaging profession expert	Rs. 0.50 lakh	
	TOTAL (I + II + III)		Rs. 9.90 lakh
			Say Rs. 10.00 lakh

Note : (i) The financial assistance under the strengthening of infrastructure of existing weak khadi institutions will be extended in 3 (three) installments. The first installment of 25% will be released initially for pre-operative expenditure by engaging a profession agency. The second installment of 50% will be released on approval of the revitalization package. The remaining fund will be released on submission of progress report along with utilization certificate clearly depicting utilization of funds as per the approved plan of action.

(ii) All costs mentioned above are indicative Funds would be sanctioned against specific need-based action plan with the maximum ceiling of assistance to the extent of Rs. 10.00 lakh.

6. QUANTUM AND NATURE OF FINANCIAL ASSISTANCE FOR MARKETING INFRASTRUCTURE

6.1 The maximum acceptable project cost will be 20% of the average annual turnover of retail sales of the institution during last three years. Any addition in the project cost over the accepted limit will be the responsibility of the agency.

6.2 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)

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

Sr. No.	Component	Funding Pattern	Govt. Grant	Inst's Contr.	Total
	Common logo, signage, visual merchandising, computerization including billing and bar-coding, training of sales staff, furniture and fixture including civil works incidental to renovation etc.				
a)	Departmental Sales Outlets of KVIC	Govt. Grant - 100%	25.00	0.00	25.00
b)	Departmental Sales Outlets of KVIBs	Govt. Grant - 85% Instt. 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

Note : (i) 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 20% of the average annual turnover of the retail sales of the institutions during last three years. Institutional outlets in the NE states will receive govt. grants to the extent of 90%. Remaining 10% will be mobilized by the institution.

- (iii) The funds will be released in 4 installments, the first being 25% of the grant amount, after sanction of the project. This fund will be utilized along with the internal contribution of the outlet/institution and the rest of the grant will be released in next three installments after ascertaining the progress.

7. SCHEME MANAGEMENT

7.1 The scheme Management arrangements are envisaged as follows :

(i) Revitalization of Khadi Institutions – Sub

- (a) The selection of institutions for sanctioning revitalization package will be made by the Zonal committee of KVIC. Representatives of Ministry of MSME and Planning Commission will be associated with the Zonal Committees in the process of selecting of the institutions to be covered under the scheme. The institution selected for assistance under the scheme will be to sign a 'tripartite agreement' as mentioned in Annexure-B and shall have to abide by the same till it shows positive financial results for at least three consecutive years.
- (b) The first component of the scheme for reviving a weak institution should start with a detailed study to be conducted, through a professional institute /agency, for ascertaining the reason behind their sickness. The institute/agency, would also suggest corrective action to be taken as per the findings/suggest recommendation of the study.
- (c) If the institution proposed to be extended assistance had borrowed funds from banks for khadi activities and these loans have not yet been fully repaid. Consent of banks concerned for its revitalization may also be obtained, so that the banks may extend some concession to such institution during the process of revitalization.
- (d) The state/Divisional Director will identify an Officer of KVIC (by name) preferably a Development Officer (Khadi/Asstt. Development Officer (Khadi) and assign him the task to act as a 'Nodal Officer' for implementation of the revitalization package in respect of each of the institution or a group of institutions. The Nodal Officer She will be responsible for the outcome of the assistance.

- (e) While the rehabilitation package will be implemented in the identified institutions having potential for revival, the remaining institutions which are beyond revitalization should be wound up and action under section 19(B) of the KVIC Act, 1956 for recovery of dues should be initiated immediately. KVIC will furnish status report after appropriate action under section 19(b) of the KVIC Act, 1956 to the Ministry in their monthly report hereafter.
- (f) The assisted institution will be tied up with a local major khadi institution of 'A' or 'A+' category for extending backward-forward linkages required to start production and sales activities. KVIC should explore opportunities for merger of weak institutions with successful khadi institutions so that the activities of the weak institutions can get strengthened by the financial and managerial strength of the major institutions.
- (g) The impact of intervention extended to the institutions will be monitored and reviewed in KVIC i.e. at the State/Divisional Office level by the State/Divisional Directors, at Zonal level by the Dy. Chief Executive Officer of the zone and the Zonal Committee and at the central Office level by the Chief Executive Officer and the Commission. The detailed report about the outcome of the monitoring intervention will also be furnished to the Ministry every quarter, by KVIC.

(ii) Strengthening the Marketing Infrastructure of Khadi Institutions – Sub Scheme

- (a) The sub scheme will aim at achieving higher sales in the assisted outlets/institutions so as to bring sustainability in the process of production in khadi sector and will emphasize on improving the usage of common logo, signage and as far as possible, the brands, sales of products of assured quality, improved shop ambience through better décor and display and functional improvement through computerization. A MoU will be signed between KVIC and the outlet concerned/institution, selected for the purpose, to this effect.
- (b) For strengthening of marketing infrastructure of khadi institutions, the selection of the sales outlets for assistance for renovation under the scheme will be done by Selection Committee comprising of (i) Chief Executive Officer, KVIC, (ii) Financial Advisor, KVIC, (iii) Director (Finance), KVIC, (iv) Director (Marketing), KVIC and (v) a professional Marketing Expert based on the recommendation of Zonal Committees of KVIC of the respective Zones on the basis of criteria mentioned in para 4.2

- (c) The Scheme will also be managed at the apex level by the Commission and detailed quarterly reports will be submitted to the Ministry appraising about the status of implementation of the scheme.

8. MONITORING & EVALUATION MECHANISM OF THE SCHEME

- 8.1 KVIC will monitor implementation of the schemes through its field level outfits and inform the same in the quarterly progress report, to be submitted to the Ministry. KVIC will also maintain the database of all the details of institutions receiving benefits of the scheme, which will be reviewed by KVIC every quarter.
- 8.2 The scheme will be evaluated through an independent reputed agency after two years of its commencement and will be continued in the subsequent plan period after its appraisal and review by competent authority.
- 8.3 The proformas for monitoring the physical and financial progress of scheme on a monthly and quarterly basis are enclosed.

9. OUTCOME

It is expected that the assisted 'D' category institutions would move to 'c' category and the health of sick/problematic institution would improve substantially as a result of implementation of scheme, taking them out of the near-stagnation state to a more vibrant functioning. It is also expected that the implementation of the scheme would result in an additional production of khadi over the existing figure to the tune of Rs. 10 crore per annum. For the renovated sales outlets, it is expected that in 5 years, the sales figure would be double the highest sales figure in the last 5 years, registering an average increase of at least 20% per annum over the base year i.e. 2008-09. The assisted institutions and renovated outlets are expected to eventually emerge stronger with creation of employment to the tune of 4000 and 750 respectively by 2011-12.

Data sheet (selection criteria) for sick/weak/D category institutions:

1	Name and address of the institution				
2	Khadi Certificate renewed upto				
3	Financed by	KVIC/KVIB			
4A)	Khadi loan outstanding including polyvastra as per latest balance sheet as on 31.03.....	KVIC	CBC	BANK	TOTAL

	a) Capital Expenditure Loan b) Working fund					
4.B)	Total V.I. loan to than Polyvastra		KVIC	CBC	BANK	TOTAL
		CE				
		WE				
5.	Details of fixed assets a) Land b) Building	Rs.				
6.	Details of floating asset a) Cash in hand b) Cash in Bank c) Debtors(Minus Creditors)	Rs. Rs. Rs.....				
7.	Value of Stocks a) Raw Material b) Yarn c) Unprocessed Khadi d) Processed Khadi	Rs. Rs. Rs..... Rs.				
8.	Spinning Equipment a) Traditional Charkhas b) New Model CharkhasSpinnersSpinners				
9.	Weaving Equipment a) Pit looms b) Improved loomsWeaversWeavers				
10.	Registered artisans a) Spinners b) WeaversNosNos				
11.	Artisans Welfare Fund available as per balance sheet as on	Rs.				
12.	Workers (Karyakartas) a) Honorary i) Trained ii)Untrained b) Salaried i) Trained ii)Untrained					
13.	Status of immovable properties a) Value of total property b) E.M. created	Rs. YES/NO – Amount Rs.				
14.	Pending Rebate Claims up to a) KVIC b) KVIB	Rs. Rs.				
15.	Reasons of sickness:					
16.	Action plan for revival: (This may include					

	mobilization of finance from Banks for revitalization of the institution.)	
17.	Comments of banker(s): (In case the institution has availed Bank Finance)	
18.	Recommendations of the Committee:	

Note :

- (i) Recommendations may include strength of the institution such as specialty productions, location of sales outlets at a prominent place, availability technically and marginally qualified personnel, availability of infrastructure for further improvement with better facility such as modern implements, work sheds, CFC, etc.
- (ii) If the institution had availed CBC loan it is to be studied how CBC loan was utilized.
- (iii) It should be enquired from the financing branch of bank whether any proper of the institution has been attached and/or sold etc. when the account of the institution slipped into NPA.

OUTLINE FOR SIGNING OF A TRIPARTITE AGREEMENT BY WEAK KHADI INSTITUTIONS DESIROUS OF TAKING REVIVAL PACKAGE UNDER THIS SCHEME

Implementation of Revival Package will be successful only if there is commitment from all the stakeholders primarily institutions and then the support agencies like KVIC and Banks from where the institutions have received bank Finance. Following are institution's duties/responsibilities of the participants/beneficiary institutions/Banks/KVIC/KVIBs.

1. The institution will place an efficient person to work as Secretary. If the present incumbent is not proficient enough, to carry out the reactivation work the development Officer or Asstt. Development Officer, under the guidance of State/Divisional Director, will arrange to nominate an efficient person as Secretary.
2. In order to make the process of reactivation plausible, absolute support from artisans and workers of the institution is required. The institution will make all artisans and workers as members of its general body. The artisans as well as workers will have to swear to work for the benefit of the institution and will not indulge in any sort of activity which may lead to disruption of work till the process of turn around is complete which will be reasonably

evidenced by achievement of positive financial results for three consecutive years.

3. The institution will observe financial austerity measures restricting all avoidable expenditure. The institution should make significant reduction in the establishment and miscellaneous expenditure. At the same time, workers will have to abide by the norms that their wages and salaries will be mutually negotiable so that there may not be any extra financial burden on the institution.
4. The institution will assign specific realistic target for the performance of all staff members who shall strive to achieve these. If they fail to do so the institution may disengage them assigning proper reason.
5. The operation of accounts maintained by the institution should be watched very closely and all sale proceeds must be deposited in the bank. If the institution received bank finance under ISEC, deposits should be routed through Cash Credit Account only. The financing bank under ISEC scheme will also ensure need-based capital funding to the institutions extending possible relief measures available under the Banking norms for reactivation of the institution.
6. Recovery of working capital and capital expenditure loan would be deferred for at least 3 years by the concerned bank.
7. State/Divisional Directors may release sliver/roving against dues of the Commission and help the institution to recover fund from its debtors.
8. The institution will participate in the exhibitions organized by KVIC wherever possible. State/Divisional Directors will also ensure that the institutions receive preferential treatment to take part in the exhibitions and showcase their products.

ANNEXURE – II**STRENGTHENING OF INFRASTRUCTURE OF EXISTING WEAK KHADI INSTITUTIONS ACTION
PLAN FOR 2009-10**

Zone	Sr. No.	State/Divisional Office	Elevated from 'D' to 'C' (No. of Inst.)	Action Plan 2009-10	
				Physical Target (No. of Inst.)	Financial Target (Rs. in Lakhs)
1	2	3	4	5	6
North	1.	Delhi	0	0	0
	2.	Haryana	4	1	10.00
	3.	Himachal Pradesh	0	0	0
	4.	Jammu & Kashmir	0	0	0
	5.	Punjab	0	0	0
	6.	Jaipur (Rajasthan)	0	0	0
	7.	Bikaner	7	2	20.00
East	8.	Bihar (Patna)	0	0	0
	9.	Jharkhand	0	0	0
	10.	Orissa	0	0	0
	11.	West Bengal	13	4	40.00
South	12.	Hyderabad	13	4	40.00
	13.	Visakhapatnam	0	0	0
	14.	Karnataka	0	0	0
	15.	Kerala	1	1	10.00
	16.	Chennai	0	0	0
	17.	Madurai	0	0	0
	West	18.	Goa	0	0
19.		Gujarat	5	2	20.00
20.		Maharashtra	1	0	0
21.		Nagpur	2	1	10.00
Central	22.	Madhya Pradesh	0	0	0
	23.	Raipur	3	1	10.00
	24.	Lucknow	12	5	50.00
	25.	Gorakhpur	6	2	20.00
	26.	Meerut	11	5	50.00
	27.	Varanasi	5	2	20.00
	28.	Uttarakhand	0	0	0
	North East	29.	Assam	0	0
30.		Arunachal Pradesh	0	0	0
31.		Manipur	0	0	0
32.		Meghalaya	0	0	0
33.		Mizoram	0	0	0
34.		Nagaland	0	0	0
35.		Sikkim	0	0	0
36.		Tripura	0	0	0
		TOTAL		83	30

Note : The scheme is yet to be notified. Distribution of fund from allocated Rs. 5.00 Cr. has been made between weak institution i.e. Rs. 3.00 Cr and renovation of marketing outlets i.e. Rs. 2.00 Cr as per DPR & SFC of the Ministry. Separate proposal for renovation of sales outlets is being prepared in consultation with Marketing.

ANNEXURE-II

DETAILED ACTION PLAN FOR STRENGTHENING OF INFRASTRUCTURE OF EXISTING WEAK KHADI INSTITUTIONS AND ASSISTANCE FOR MARKETING INFRASTRUCTURE

The scheme consists of 2 sub-schemes, yet to be notified by the Ministry in fact the financial implications for these two sub schemes were to the tune of Rs. 17.50 crores as per the DPR. For weak institutions, support was envisaged @ Rs. 10.00 lakhs per institution and Rs. 10.00 crores was indicated to support 100 institutions. Which is @ Rs. 25.00 lakhs for 30 sales outlets. Accordingly, the govt. allocation of Rs. 5.00 Cr available under the scheme has been distributed between 2 sub-schemes- Rs. 3.00 Cr for Strengthening of Infrastructure of Existing Weak Khadi Institutions and Rs. 2.00 Cr for Assistance for Marketing Infrastructure.

A. Strengthening of Infrastructure of Existing Weak Khadi Institutions

- a) An outlay of Rs. 3.00 Cr. Is sanctioned in the year 2009-10 under **Strengthening of Infrastructure of Existing Weak Khadi Institutions.**
- b) 30 institutions, selected by the Zonal Committees of KVIC based on the detailed study to be conducted through a professional institute/agency, will be supported during 2009-10. The first emphasis will be to generate as many numbers of projects as possible from among the institutions elevated from 'D' to 'C' category so that the State/Divisional Offices can select good projects for implementation.
- c) Efforts will be made by the Zonal Committees to select the institutions as mentioned at (b) above and the sanction of all the projects will be done before expiry of the 2nd quarter so as to offer field offices sufficient time to implement programme and report progress within the year itself.
- d) Based on the allocation sought from SFC(K) 52.5% (2 ½ % for conducting study) of the allocated fund will be released to the offices concerned. This will help the field offices to release fund in turn to the institution concerned to arrange for study of the institutions by the professional agency immediately after the receipt of approval as communicated by Programme Directorate in

the central Office and subsequently release of 1st installment as per scheme guidelines.

- e) In the 3rd quarter field office will concentrate more on the implementation of the scheme, and also arrange to release the balance 47.5 % fund to the institutions(s) concerned.
- f) In the last quarter State/Divisional Offices will totally devote to the implementation of the project and report progress to Central Office.

B. Assistance of Marketing Infrastructure

- a) An outlay of Rs. 2.00 cr. Is sanctioned in the year 2009-10 under **Assistance for Marketing Infrastructure**. The NER component is Rs. 0.75 Cr.

As far as the other sub-scheme i.e Assistance for Marketing Infrastructure is concerned, a chart has been prepared distributing the number of 30 outlets among the State/Divisions giving at least one outlay in each State. The list also takes care of the agencies i.e. KVIC DSOs, Outlets of KVIB and Institutional Outlets. Director (Marketing) has been requested **to develop a full-fledged proposal indicating institution/ agency-wise with necessary technical input and SFC will be approached by either Director (RID & NS)or Director (Marketing), so as to obtain specific approval/allocation of fund.**

ANNEXURE-III**ASSITANCE FOR MARKETING INFRASTRUCTURE****TENTATIVE ACTION PLAN FOR XI-PLAN**

Zone	Sr. No.	State/Divisional Office	Institutional Outlets	DSOs	
				KVIB	KVIB
1	2	3	4	5	6
North	1.	Delhi	1	-	-
	2.	Ambala	1	-	-
	3.	Shimla	-	-	1
	4.	Jammu & Kashmir	1	-	-
	5.	Chandigarh	1	-	-
East	6.	Jaipur	1	-	-
	7.	Patna	1	-	-
	8.	Ranchi	-	-	1
	9.	Bhubaneswar	1	-	-
South	10.	Kolkata	1	-	-
	11.	Andaman & Nicobar	-	-	1
	11.	Hyderabad	1	-	-
	13.	Visakhapatnam	-	-	-
	14.	Bangalore	-	-	1
	15.	Thiruvananthapuram	-	-	1
West	16.	Chennai	1	-	-
	17.	Madurai	1	-	-
	18.	Panaji	-	1	-
	19.	Ahmadabad	2	-	-
	20.	Mumbai	-	1	-
Central	21.	Nagpur	1	-	-
	22.	Bhopal	-	1	-
	23.	Raipur	1	-	-
	24.	Lucknow	1	-	-
	25.	Meerut	1	-	-
	26.	Varanasi	1	-	-
	27.	Dehradun	1	-	-
North East	28.	Guwahati	1	-	1
	29.	Itanagar	-	-	-
	30.	Imphal	-	-	-
	31.	Shilong	-	-	-
	32.	Izwal	-	-	-
	33.	Dimapur	-	-	-
	34.	Gangtok	-	-	-
	35.	Agartala	-	1	-
		TOTAL	20	4	6