SUBJECT: To raise funds to meet establishment expenditure of State Level Artisan Welfare Fund Trusts - regarding.

The annual review meeting of State Level Artisan Welfare Fund Trusts took place in the month of April 2004. In the annual review meeting issue of establishment expenditure of AWFTs also came up for discussions. Subsequently in the Commission's 528th meeting on 22nd April 2004 under agenda item No 2A a decision was taken as to contribution by Khadi Institutions for the purpose of meeting establishment expenditure. The decision of the Commission is as follows:

The Commission considered the note and decided that the contribution from institutions should be taken on annual basis and not on monthly basis. Following will be the amount of contribution to be made by the institutions annually:

<table>
<thead>
<tr>
<th>Major institution</th>
<th>Rs.2,000/- per annum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium institution</td>
<td>Rs.1,000/- per annum</td>
</tr>
<tr>
<td>Small institution</td>
<td>Rs.500/- per annum</td>
</tr>
</tbody>
</table>

The definition of Major, Medium and Small institutions remains unchanged as follows:

<table>
<thead>
<tr>
<th>Major</th>
<th>Institution having an annual turn-over (Production or sale) over Rs.1 crore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium</td>
<td>Institution having an annual turn-over (production or sale) above Rs.25 Lakhs but less than Rs. 1 crore</td>
</tr>
<tr>
<td>Small</td>
<td>Institution having an annual turn-over (production or sale) up to Rs.25 lakhs</td>
</tr>
</tbody>
</table>

The said rates will be applicable for the financial year 2004-05 onwards.

To
1. All the Directors of State/Divisional Offices under the Commission.
2. CEO/Secretary of all State/UT Boards.
4. All Dy. CEO, KVIC, in and outside Mumbai.
5. P.S. to Chairman KVIC, Mumbai.
8. Director, C.C.C.KVIC, Mumbai.
10. Dy. Director, In charge (DIT) for website.
11. Director (Publicity) with a request to publish the same in the ensuing issue of "Jaagrati"
12. Circular File
STANDING ORDER NO. 1622

Guidelines for operation of State Level Artisan Welfare Trust Fund

1. Source of the Fund:
   12% of the wages paid or payable to spinners & weavers at regular intervals at the prescribed rates plus 12% contribution as part of the cost of Khadi built into the cost chart.

2. Obligation:
   All Khadi & Polyvastra producing institutions whose headquarters/area of operation is located in the State.

3. Basis of Remittances to SLAWTF:
   Full accruals to the spinners & weavers without any deductions whatever, i.e., 24% of the wages.

4. Eligible Artisans:
   All spinners & weavers who have been working for the institution and are on the spinners’ register & weavers’ register. Artisans engaged at a pre-spinning and post-weaving stages who receive wages on piece rate basis shall also be treated as eligible artisans for the purpose of Membership to State Level Artisans Welfare Trust Fund.

5. Periodicity of Remittances:
   From the financial year 2003-04, the system of remittances to the SLAWTF will be:
   Once every quarter i.e., remittances to the Fund must be made by the Institution by 15th of July for the quarter April to June, by 15th of October for the quarter July to September, by 15th of January for the quarter October to December & by 15th of April for the quarter January to March & so on till the artisan breaks away from work and his/her name is struck off from the spinners’/weavers’ register. For the preceding years upto 2001-02, the Institutions shall remit the entire amount standing as Artisans Welfare Fund in the balance sheet as on 31.3.2002. The remittance shall be made by 30.6.2003 at the latest. A one-time grace period of 30 days prior to 31.7.2003 shall however, be allowed in genuine cases.


6. Default in Remittances to the Fund:
   A 30 days grace period will be allowed for quarterly remittances to the Fund, after the expiry of which the Fund will debit the Institution on the account at the rate of Rs 10/- per day per artisan, which the institution shall have to pay off its own alongwith late remittances. Failure to discharge the obligation as prescribed will lead automatically to suspension of Khadi Certificate in terms of the relevant clause of the Audit Code (Part I).
7. **Manner of Remittances**

All accruals not less than 24% of wages to Artisans shall be made accompanied by a list of spinners & weavers showing the following:

a) Name & address of the Spinner/Weaver.
b) Wages: (i) accruals (ii) disbursed (iii) 24% of accruals.

8. **Withdrawals by Artisans from the Fund**

Institutions may provide to the Artisans withdrawals charged to the Fund for such purposes as are obligatory for the artisans: religious-social-family occasions provided that such withdrawals do not exceed 75% of the credit held in his/her account at any point in time; provided further that there shall not be more than 2 withdrawals in a given financial year. Any artisan who has ceased work continuously for a period of 6 months should not be extended that facility & instead her/his account should be finally settled by the Institution. All withdrawals or final settlements from the Trust Fund shall at first be made by the Institution out of its own resources within 15 days of date of submission of application by the artisan member. The Institution should claim reimbursement from the SLAWTF which in each & every case shall make due reimbursement to the Institution within 30 days of the date of receipt of reimbursement claim from the Institution. Any delay of over 30 days on the part of the SLAWTF will attract a penalty of Rs.100/- per day, which shall be retained to the Institution involved in the transaction.

9. **Management of the SLAWTF**

The State Level Artisan Welfare Trust shall as soon as possible but not later than 31.7.2003 will lay down such procedures, documentation for proper maintenance of the Fund as it prescribes in a meeting of the Trust. It shall take the following areas in view:

(i) Appointing secretarial staff and prescribing their functions & duties with such service conditions as are necessary for the management of the Fund.

(ii) **To raise funds to meet establishment expenditure @ Rs.100/- per month per institution and to claim equal amount from KVIC and to authorize creation of a separate establishment account as distinct from SLAWTF;**

(iii) Appointing or nominating internal auditor to periodically inspect, scrutinize, observe & report on the operation of the Fund;

(iv) Appointing or nominating Chartered Accountant for mandatory annual verification and to prepare and certify as to the maintenance & operation of the Fund.
(v) Maintaining a master register of artisans under each institution;

(vi) Issuing a master annual statement to the Institution indicating:-

(a) Receipt during the year;
(b) Interest at the rate prescribed by the Trust;
(c) Balance.

Such a master annual statement shall be issued to the institution during the first quarter of the close of the previous financial year.

Such a master annual statement shall be issued to the institution during the first quarter of the close of the previous financial year.

(vii) Ensuring that the Trust issues instructions to the Institutions so that they as soon as make remittances on quarterly basis to the Fund shall simultaneously enter the contribution so remitted in the individual passbooks of each artisan.

For the purpose if the Trust so decides, a standard form of artisan passbook may be prescribed so as to accommodate the relevant entries in it by the Institution. In other words the obligation of the Trust will be to issue annual statement to the Institution and it will be the obligation of the Institution to make entries in the individual passbooks of the artisans - both at the time of quarterly remittances to the Fund and at the time of receiving annual statement from the Trust. The entries will depict the following details:

(A) At the time of quarterly remittances to the Trust Fund

(a) Accrual of gross wages during the quarter (Q1, 2, 3, 4);
(b) Contribution by artisan @ 12% of accrual;
(c) Contribution by Institution @ 12% of the accrual.
At the time of annual statement from the Trust Fund

(a) Accrual of gross wages during all the four quarters (Q1, 2, 3, 4),

(b) Contribution by artisan @ 12% of the wage accruals;
(c) Contribution by Institution @ 12% of the accruals;
(d) Interest credited by the Trust;
(e) Total;
(f) Withdrawals;
(g) Balance.

The passbook of the artisan in which monthly wage details are entered will have an additional page to contain these details.

1. Secretary, State Level Artisan Welfare Trust,
   C/O State Director (10 States)

2. State Director, Ex-officio,
   Vice Chairman,
   State Level Artisan Welfare Trust (10 States)

3. All State Directors

4. Zonal Dy.C.E.O (NEZ)

5. Directors (CCC)

6. P.S. to Chairman

7. Director (Publicity), KVIC, Mumbai for publication in the ensuing issue of Jagriti.

CIRCULAR

Sub: Creation of Khadi and Polyvastra Artisan Welfare and Pension Trust as a state level fund – reg.

The Commission in its meeting No.453 dated 29/30.6.1999 resolved in consideration of the resolution of the Central Certification Committee to set up Khadi and Polyvastra Artisan Welfare and Pension Trust. The Trust so formed is to be in lieu of the Artisan Welfare Fund currently in implementation at the end of individual Khadi and/or Polyvastra institutions certified by the Central Certification Committee. The proposed Trust is to operate on statewide basis. It implies that Khadi and/or Polyvastra institutions affiliated to Khadi and Village Industries Commission or State Khadi & Village Indu,tries Boards whose headquarters are located in any place of the State concerned are to be members of the proposed Trust.

2. The draft deed containing the material which shall form core of the proposed Trust has been finalised in consultation with the Directorate of Legal Affairs. A copy is attached to this communication not only for your ready reference but also for adoption. Wherever necessary suitable adaptation may be made in order to conform to the requirement of the registering authorities.

3. In accordance with the decision on the subject, the Trust would be formed in each State in phases. In the first phase the following States are to be covered:

(i) Andhra Pradesh
(ii) Gujarat
(v) Karnataka
(vii) Punjab
(ix) Tamilnadu

(ii) Assam
(iv) Jharkhand
(vi) Maharashtra
(viii) Rajasthan
(x) Uttar Pradesh

4. The State Directors posted in the Capital City of the above States are required to follow the following schedule so that implementation of the decision of the Commission is put into effect without loss of any further time.

(i) Date of despatch of required communication from H.O. to State Office 10.02.2003
(ii) Date of meeting of the institutions and formation of the Trust 25.02.2003
(iii) Registration of the Trust with the registering authority 15.03.2003
(iv) First meeting of the registered Trust 30.03.2003

5. Broad guidelines

(i) The General body of the Trust will consist of such Khadi & Polyvastra Institutions which are categorized as ‘A’, ‘B’ & ‘C’.
(ii) The registered Headquarters of the Trust shall be located conveniently. In no case shall it be housed in the premises of State Office.
(iii) The Trust Board or Managing Committee will initially be formed by the General Body of the Institutions on the basis of unanimity. However, as provided in the Trust Deed suitable arrangements as to the election of the Trust Board or Managing Committee may be made in due course of time.
(iv) The State Director of the State concerned will be the ex-officio Vice-Chairman of the Trust. The other members including the Chairman of the Trust are to be nominated/elected among from the General Body of the Trust.

(v) The Membership to the Trust shall be mandatory.

(vi) The Trust funds will come from the existing accumulations of Artisan Welfare Fund as on 1.4.2003 with the individual Khadi and Polyastra Institutions. Initially the institutions may be directed to remit the accumulations as on 1.4.2003 within three months of the closure of the financial year failing which suitable arrangements may be initiated to recover the accumulations from the rebate claims of the institutions concerned. The accumulations may be reckoned with reference to audited balance sheet of the individual Institution.

(vii) Thereafter the flow of remittances to the Trust may be regulated in such manner and at such periodicity as may be prescribed by the Trust in its Board meeting or as may be prescribed by the Central Certification Committee.

(viii) The manner, method and procedure for administration of the Fund shall be such as may be prescribed by the Trustee Board in consultation with the Central Certification Committee of the Commission.

(ix) Since a body of funds will be required to run day to day functions connected with the administration of the Trust a sum of Rs.100/- or such other sum not exceeding Rs.200/- per month may be collected from the member institutions. A matching contribution shall be made by the KVIC out of Khadi grant;

The manner, method and procedure in which the body of fund raised to meet the administrative expenditure such as remuneration of the hired employees of the Trust, rent, contingencies connected with operation of the Trust etc. shall be utilised, may be such as prescribed by the Trust Board and/or Central Certification Committee of the Commission.

(x) The remuneration of the managerial and other staff as paid employees of the Trust may be made by the Trust Board in such a manner as is prescribed by the Trust Board in this regard.

5. Since it is envisaged to create and operate a Pension Scheme for the Khadi artisans in the long run, the proposed Trust will initially create and operate a welfare fund purely as substitute for the existing Artisan Welfare Fund as defined in the Certification Code.

To
All State Directors

Copy to:
1. P.S. to Chairman
2. All Members of the Commission
KHADI AND POLYVASTRA ARTISANS WELFARE AND PENSION TRUST

THIS DEED OF DECLARATION OF TRUST is made at ---- on this ---- day of ------- by 1) Shri ------, Secretary of ------- 2) Shri -------, Secretary of ---- 3) Shri --------, Secretary of ------- 4) Shri ------, Secretary of ----- 5) Shri -----, Secretary of -------, all Indian inhabitants, hereinafter referred to as "the Trustees" (which expression shall be deemed to mean and include the Trustees of Trust hereby created, the survivors or survivor of them and heirs, executors and administrators of the last survivor of them) as follows:

1. Short title, extent and commencement:

This Trust shall be called Khadi and Polyvastra Artisans Welfare and Pension Trust. The scheme and rules framed under this Deed of Trust shall be applicable to all the registered and certified khadi institutions and shall come in to effect from ----

2. Definitions:

(a) "Artisan" means every person who is self-employed and has been working with or for any institution engaged in promoting or implementing various programmes of Khadi and Village Industries Commission and receives consideration from the institution for his work in accordance with the cost chart but does not include any employee of any institution and any person engaged for any work and in any capacity by any institution for fixed wages or on salary or is entitled to any or all the benefits of employment from any such institution;

(b) "Commission" means Khadi and Village Industries Commission as defined under Section 4 of the Khadi & Village Industries Commission Act 1956;

(c) "Certified" means certified by the Khadi and Village Industries Commission;

(d) "Certification Code" means the Certification code framed by the Commission in respect of Khadi and Polyvastra for issuance, renewal, cancellation of khadi certificate;

(e) "Category of institution" means the classification of the institutions made by the Commission on the basis of performance;
(c) 'Contribution' means amount payable under the scheme by the artisan and institution;

(g) 'Cost chart' means the table or the chart prescribing from time to time the value or consideration in terms of money payable to every artisan for the work done by him;

(h) 'Family' means spouse of artisan, sons, daughters and parents;

(i) 'Fund' means Khadi and Polyvastra Artisans Welfare Trust Fund;

(j) 'Institution' means every entity having subsisting Khadi/Polyvastra certificate issued by the Commission under the Certification rules and includes a registered cooperative Society, a Society registered under the Societies registration Act 1860 or the relevant state Acts, a Charitable Trust or any other registered body undertaking khadi and village industries activities and duly certified by the Commission;

(k) 'Khadi' means the khadi as defined under the Khadi and Village Industries Commission Act 1956;

(l) 'Member' means every institution and artisan defined under this deed who has worked for not less than 30 days in a year for any institution;

(m) 'Scheme' means the scheme framed under this deed for the purpose of welfare of the artisans.

3. The principal office of the Trust will be at ------ and it may open administrative offices at such other places in the State as it may necessary.

4. Objects:

(i) To create a welfare fund/s for the benefit of the artisans who are not the employees of the institutions but who are self employed and make livelihood by working for institution and in turn receive money for the work done by them in accordance with the cost chart;

(ii) To give the artisans security to their own contributions and the equal contribution from the institutions, so that their social and the monetary insecurity is ameliorated to some extent;

(iii) To create, regulate and manage the fund for the artisans so that they can avail of the same in case of
their need for their own benefit and benefit of their family;
(iv) To do such other activities for the benefit of the artisans.

5. Board of Trustees of Trust:

The Board of Trustees of the Trust shall consist of a Chairman and six other members chosen from Khadi and Village Industries institutions of 'A', 'B' and 'C' categories. The State Director of the Khadi and Village Industries Commission shall be the one of the Ex-officio members of the Trust, who shall act as the Vice-Chairman of the Trust. The remaining six members including the Chairman, Secretary and the Treasurer will be elected by the General Body of the Trust.

6. Powers and Functions of the Board of Trustees:

(i) To frame the scheme for achieving the objects laid down in this Deed and implement and administer the same for the benefit of the artisans;
(ii) To make appropriate provisions in the scheme for achieving its objects and to issue suitable directions and guidelines, in the form of rules and regulations from time to time, for proper implementation thereof;
(iii) To conduct the meeting of the Board of Trustees in accordance with the Scheme and pass resolutions for proper implementation thereof;
(iv) To administer the fund in accordance with the guidelines prescribed in the scheme;
(v) To appoint employees on such terms and conditions as it may deem fit for the proper and effective implementation of the scheme;
(vi) To constitute any committee or sub-committee for the proper and effective implementation of the scheme and to give such powers to any committee as the Board of Trustees may deem fit;
(vii) To receive donations or gifts in money or in kind on such conditions as the Trustees may agree upon and which are not inconsistent with the objects of this Trust;
(viii) To acquire any immovable or movable property, required for carrying out the objects of the Trust, by
way of purchase, lease, gift, construction or on leave and licence basis or otherwise whatsoever;

(ix) To sell any movable property or any part thereof or give on lease any property or any part or parts thereof not required for carrying out the objects of the Trust, subject however with the permission of any authority if required by law;

(x) To keep and maintain proper and regular accounts of the Trust fund and of the income and expenditure and shall get the accounts audited by a duly qualified auditor to be appointed by the Trustees and also by the auditors of the Commission;

(xi) To sanction the recurring and non-recurring expenditure for the proper functioning of the Trust;

(xii) To institute, defend or compromise legal proceedings on behalf of the Trust, if and when necessary;

(xiii) To invest, dispose of, transfer or otherwise deal with the funds of the Trust subject to provisions of any law to that effect in such manner as the Trustees shall deem fit, so as to enable them to carry out the objects of the Trust effectively;

(xiv) To borrow and raise money with or without security for the furtherance of the objectives of the Trust

(xv) To take immediate steps after the execution of these presents to register the Trust with authority appointed by any Act.

(xvi) And generally to do any other acts or act not mentioned above that may be necessary in the discharge of their duties and execution of powers vested in the Trustees.

7. Amendment or modification of the scheme:

The Board of Trustees may modify or amend any provisions of the scheme for the purpose of furthering its objects or to remove difficulties, which may arise in giving effect to the provisions of the scheme. However, no amendment which is in any manner contrary or prejudicial to the objects of this Deed shall be made in the scheme.

8. Delegation:
The Board of Trustees may delegate to any committee which may be formed for the efficient administration of the scheme all or any of its powers subject to such conditions and limitations which it may deem fit.

9. Vesting of property:

The property of the Trust shall be vested in the Board of trustees.

10. Dissolution:

For any reason whatsoever if the activities of the Trust come to a stand still or to be wound up, the Board of Trustee by a resolution shall recommend this to the General Body of the Trust, who in turn at its meeting specially convened, by giving 30 days notice, for the purpose may decide by not less than ¾ majority to dissolve the Trust.

On dissolution of the Trust if after satisfaction of all its debts and liabilities any property remains (Movable or immovable), the same shall be dealt with in consultation with the Commission and it should not be disposed of /transferred or distributed amongst the members of the Trust.
THE KHADI AND POLYVASTRA
ARTISANS WELFARE AND PENSION TRUST SCHEME

In pursuance of the powers vested in Clause 6(i) of the
Trust Deed, the scheme for the benefit of the artisans is framed
as under. The scheme may be amended for extending some other
benefits like pension, insurance etc. on a later date:

1. Short title, extent and commencement:

The Scheme shall be known as the Khadi and Polyvastra
Artisans Welfare and Pension Trust scheme. The same shall
apply throughout the State of _______ to all the
institutions and artisans defined under the Deed of Trust
And shall come into effect on and from _______2003.

2. Definitions:

The words and expressions used in this scheme shall
have the same meaning as defined in the Deed of Trust.

3. Trust Fund:

The Trust fund shall consist of:

(i) the amount standing to the credit of the credit of the
Artisans Welfare Fund maintained by the institutions in
pursuance of the Khadi & Polyvastra Certification
Rules;
(ii) contributions made by the artisans who are members of
the Trust;
(iii) contributions made by the institutions who are members
of the Trust;
(iv) donations received from individuals, organizations and
other government bodies;
(v) grants received from the Commission, Central /State
Governments and other organizations.
(vi) Contributions from the surplus fund or any other fund
maintained by the institution.

3-A. Board of Trustees:

The Board of Trustees shall consist of the Chairman and
six other members. The State Director of the Commission
shall be an Ex-officio member of the Trust, who shall act as the Vice-Chairman of the Trust. The first Board of Trustees, excluding the Ex-officio member, shall hold office for a period of one year and the subsequent Board of Trustees shall be elected by the General Body of the Trust from among the 'A', 'B' and 'C' categories of institutions.

Term of office:

The term of office of the Board of Trustees, excluding the Ex-officio member, shall be for a period of three years. The retired Trustee shall also be entitled to be re-elected to the Board of Trustees. Any member intending to resign before the expiry of his term may do so by giving 30 days notice of his intention to do so.

Cessation:

a) Every Trustee who remains consecutively absent from three Board meetings shall cease to be on the Board of Trustees and in such case the Chairman of the Board of Trustees or the institution may appoint a new Trustee in the place of such Trustee who has ceased to be on the Board provided however that the Chairman of the Board of Trustees may restore the Trusteeship if he satisfactorily explains his absence from the three consecutive Board meetings.

b) If any Trustee is convicted by any competent court for any criminal offence while being on the Board of Trustees, he shall automatically cease to be the Trustee under this scheme notwithstanding any appeal pending against such conviction.

Disqualification of the Trustee:

No person shall be nominated on the Board of Trustees if:

a) he is of unsound mind;
b) he is undischarged insolvent;
c) he is convicted by the competent court for any offence.
7. Honorarium of the Trustees:

Every Trustee shall be entitled to the sitting fee of Rs... for every meeting of the Board attended by him. Besides being entitled to the said sitting fee, every Trustee shall also be entitled to get reimbursement of all expenses which they may reasonably have to incur in and about the execution of the trusts and powers herein contained and administration of the Trust property.

8. Appointment of employees of the Trust:

Board of Trustees shall appoint such employees, as it may deem necessary for the efficient management of the affairs of the Trust and the efficient management of fund. The employees shall work under the supervision and control of the Secretary. The terms and conditions of employment of all the employees of the Trust shall be decided by the Board of Trustees.

The Secretary elected by the General Body of Trustees shall act as full time Secretary for attending the work of the Trust. The Secretary shall be responsible for managing the affairs of the Trust in accordance with the decisions taken by the Board of Trustees from time to time and is answerable to the general Body as well as Governing council.

9. Constitution of committees:

The Board of Trustees may form committees or sub-committees from time to time consisting of such number of Trustees, as it may deem necessary for the purpose of carrying out its objectives or for the administration of its funds. Any such committee or sub-committee may take help from any expert or professional, as it may deem necessary for the purpose of carrying out its objectives. Such committee or sub-committee shall fix terms and conditions on which it may take help of any such professional or expert.

10. Meetings:

The Board of Trustees shall hold a meeting at least once in every calendar month. The notice for every meeting shall be given to every Trustee by the secretary of the Trust intimating therein the date, place and time of such meeting. The meetings of the Board of Trustees shall,
as far as possible be held in the office of the Trust. However the same may be held at any other place for the sake of convenience and for the reasons reordered by the Secretary in writing in the notice.

11. Notice of the meeting:

Every notice of the meeting shall also contain the nature of business to be transacted in the meeting and the resolutions circulated by any member of the Board of Trustees. After every meeting of the Board of Trustees the Secretary shall prepare the minutes of the meeting making a concise statement of business transacted in the meeting and the same shall be signed by the Chairman of the meeting after such modifications, if any as may be considered and passed in the next meeting. After signing of the minutes of every meeting the same shall be recorded or pasted in the minutes book of the Trust, which shall be maintained by the Secretary and the same shall remain open for inspection of all Trustees.

12. Quorum of the meeting:

No business at any meeting may be transacted unless at least 3/4th of the Members of the Board of Trustees are present in the meeting.

13. Chairman of the meeting:

The Chairman of the Board of Trustees shall preside over the meetings of the Trust and in his absence the Vice-Chairman shall act as Chairman to preside over the meeting of the Trust. In absence of both, the Trustees present may choose one among them to be the Chairman of that particular meeting and such Trustee selected as Chairman shall preside over that meeting and also sign the minutes thereof in his capacity as the Chairman of that particular meeting.

14. Transaction of business:

Every resolution or issue considered in the meeting shall be decided by the majority of the Trustees remaining present in the meeting and voting. The Chairman of the Board of trustees shall not ordinarily vote. However he may
exercise the casting vote in case of deadlock or if equal number of votes are casted in favour of or against any resolution or issue.

Provided that no major policy decisions can be taken in any meeting unless both the Chairman and the Vice-Chairman remain present in that meeting.

15. Membership of the Fund:

Every institution as defined in the Deed of Trust and every artisan who has worked for any institution for not less than 30 days in a year shall become the member of this fund.

Provided that any member whose association with the institution ceases shall automatically ceases to be a member of the Trust.

16. Registration of member: Every institution and every artisan who has become the member of this scheme shall be registered with the Trust and shall be issued photo identity giving his name, address and the account number with the Trust.

Every artisan shall be entitled to a single membership in the Trust irrespective of the number of institutions with which he is associated.

17. Account number:

The Trust shall give account number to every institution and the artisan who is the member of this fund.

18. Expulsion of a member: The Board of Trustees may expel any member if it is found that his or its activities are prejudicial or detrimental to the objectives of the Trust. However before effecting such expulsion, the Board of Trustees shall give 15 days notice to such member calling for the explanation from him. If the explanation given by such member is found to be unsatisfactory then the Board of Trustees may thereafter without any further notice to such member expel him permanently or for such period as it may deem fit.

19. Contributions to the fund:
(a) Every artisan who is the member of this fund shall be liable to deposit 12% of his earnings. This deposit of 12% from the artisan shall be deducted directly by the institution at the time of paying the money to every artisan for the work done by him. It is always the duty of the institutions to ensure that the proper deductions are made from the money payable to the artisans for the work done by them for the institution irrespective of the quantum of amount payable to the artisan and whether such amounts are paid weekly, monthly or for each work done.

(b) Every institution shall deposit the amount deducted by it from the artisans, which should be 12% of the amounts disbursed or paid by it to all the artisans every month into this fund.

(c) Every institution shall also contribute to the fund an amount equal to 12% of the amounts disbursed or paid by it to all the artisans every month into this fund.

20. Establishment expenses of the Trust:

(a) Every institution shall, in addition to the amount mentioned at 19(c) above, contribute to the Trust an amount ranging from Rs100/- to Rs200/- per month depending upon the number of artisans engaged by them for meeting the administrative and other expenses of the Trust.

(b) The KVIC may consider to contribute some amount to the Trust towards the administrative expenses of the Trust.

21. Returns: Every institution by or before the 10th day of every month shall file a return stating therein the various amounts disbursed or paid by it to the artisans for the work done by them during the previous month, the amount of contribution deducted by it from such various amounts paid by it to the artisans which shall be 12% and the amounts deposited by it towards its own share which shall also be 12% of the total amount paid by it to all the artisans. Every return shall also contain the account numbers of all the artisans in respect of whom the institution has made the deductions and the quantum of deductions made in respect of every artisan.
Withdrawal of money from the fund: The artisan may withdraw the entire amount standing to his credit with the fund after five years from the date of his membership. Before the completion of five years, the artisan may withdraw up to 1/2 of the amount accrued to his account with this fund. However, the amount can be withdrawn by the artisan only for the following purposes:

a) for his own marriage;
b) for his own medical treatment or the medical treatment of his spouse, children, parents or other dependents;
c) for education of his children;
d) for the marriage of his children;
e) for construction of a dwelling house;
f) for purchasing any property;
g) if the artisan leaves the State of and becomes the member of a similar fund in another State.

Notwithstanding anything contained in this clause, the Board of Trustee may allow any artisan to withdraw the amount from his account if it is satisfied that the same is required for any other bona fide purpose not mentioned in this clause.

Application for withdrawal:

The artisan for the purpose of withdrawing the amount from his account shall make an application in writing in the prescribed form to the Trust stating therein clearly the purpose for which the amount is required by him. The Trust shall pay the amount to the artisan within 30 days from the date of receipt of such application together with the interest accrued thereon unless the same is rejected in writing by the Trust for the reasons recorded therein. The interest which the artisan shall be entitled to upon the contributions deposited to his account from time to time shall be the simple interest at the rate prescribed by the nationalized banks on the saving account from time to time.

Opening of bank account and the investment of funds:

The Board of Trustees shall open one or more accounts for the three different purposes envisaged under the Trust Deed in any one or more nationalized or scheduled bank i
the name of the Trust. The amounts accumulated to its account/s shall be invested by the Board of Trustees in government securities only. If the Board of Trustees desires to invest the Trust funds in any private investment for higher interest or returns then the same can be done only by unanimous decision passed in the General Body meeting by 2/3 majority of the members and only after obtaining the opinion in writing from the reputed investment consultant. However the Board of Trustees shall always ensure that the aggregate private investment of the Trust at any time shall not exceed 1/4th of the amount invested by it in government securities from time to time.

25. Remittance to the Fund:

Every institution shall punctually remit to the Trust by or before the 10th day of every month its own share of the contributions together with the contributions deducted by it from the artisans in the previous month.

26. Penalties:

If for any reason any institution fails to remit the amounts in the name of the Trust as prescribed in clause (19) and (24) above, the Trust shall be entitled to charge 15% interest on the amounts which have remained to be so remitted. The trust shall be further entitled to recover from every institution all such amounts which have remained to be remitted by it as prescribed in clause (19) and (24) above together with accrued interest directly from the amounts which may have fallen due for payment by the Commission to such institution.

27. Borrowings:

The Trust may borrow the funds only to achieve its objectives and for no other purpose. However the same can be done only by a unanimous decision passed in the Board meeting which shall be attended by all the Trustees. All the administrative expenses of the Trust shall be met from the funds of the Trust only and no borrowings shall be made by the Trust to meet its administrative expenditure.

28. Maintenance of accounts:
The Board of Trustees shall maintain the accounts in the proper manner. For maintaining the accounts the Trust shall maintain such registers as it may deem fit and necessary. The registers maintained by the Trust shall contain particulars as regards the institutions and the artisans who are the members of the Trust, the account number of every member and the amount accrued to the credit of every artisan together with accrued interest. The Trust shall inform to the artisan on demand the amount accrued to his account. Besides, the Trust shall also furnish at the end of every year to every member a statement showing the details of the fund standing to the credit of a member in the trust fund.

29. Audit:

The financial year of the Trust shall close at the end of March every year. The accounts of the Trust shall every year be audited by such auditors as may be decided by the General Body of the Trust. The cost and expenses of such audit shall be to the administrative account of the Trust. The accounts of the Trust shall also be audited by the auditors appointed by the Commission at any time even without prior intimation and the Board of Trustees are bound to furnish all the records and accounts to such auditor or auditors.

30. Annual report:

The Board of Trustees shall every year prepare and publish along with the audited accounts the report containing the details of the activities of the Trust and the progress made by it for achieving its objectives. Every such report shall be signed by any two members of the Board of Trustees and shall be placed before the General Body for its approval.

31. Nomination:

Every artisan who is the member of this fund shall make nomination of any one or more of his family member by filling in the prescribed form. No nomination which is not in the name of the family member shall be valid for the
purposes and under the scheme of this fund. Upon the death of a member artisan the amount standing to his credit with the fund shall be paid to the nominee if there is the valid nomination made by the member.

12. Delegation of powers:

The Board of Trustees may delegate its powers to the secretary or to any committee or sub committee, which may be constituted by the Board. The Secretary shall conduct the affairs of the Trust in accordance with the scheme. The Secretary shall ensure the proper maintenance of accounts and may take help of such persons or employees to efficiently manage the affairs of the Trust.

33. Power to give directions:

The Board of Trustees shall be fully empowered to take all the decisions, which it may think necessary for the purpose of achieving the objectives of this scheme and for efficient and proper management of the fund. The Board of Trustees shall also be fully entitled to give all suitable directions or lay down the guidelines or change or amend the same for the said purpose.

34. Closure of account:

If any member is permanently expelled by the Trust his account shall be closed by the Trust. If any member is associated with the Trust for 25 years, he may opt out of the fund by withdrawing the entire amount accrued to his account till then together with the accrued interest and instruct the Trust to close his account permanently. Upon such instructions from the member the Trust shall close his account permanently.

35. Execution of documents:

All the agreements and documents executed by the Trust shall be signed by the Chairman of the Trust and any one more Trustees.