No: DK(K)/Sahyog Scheme/Revised/2018-19/     Date: 30.11.2018

CIRCULAR

Sub: Revised guidelines for extension of financial assistance from Khadi Sahyog Account for supply of all other equipments needed for KVI Sector – reg.

    ii) Commission decision taken in its 661st Meeting held on 1.10.2018 (Agenda Item No.8.9).

Sir,

Kindly refer to the Circular dated 11.01.2017 cited above, wherein the guidelines for Sahyog Project has been communicated regarding extension of financial assistance @ 13,500/- per 8 spindle NMC to the needy Artisans of KVI Sector.

The issue regarding providing of relief to the Artisans/ KVI Sector of Kerala State was discussed vide Agenda Item No.8.9 in the 661st Commission meeting held on 1.10.2018 and it was decided by the Commission that, "henceforth financial assistance from Khadi Sahyog Account of KVIC has to be extended, not only for supplying Charkhas, but also for supplying all other equipments needed for KVI Sector". A copy of the above said Commission decision is enclosed for ready reference.

All the State/ Divisional Directors are requested to bring the content of this Circular to the Khadi Institutions functioning under their jurisdiction and submit suitable proposal for sanction of financial assistance under the revised guidelines of Sahyog Scheme.

Further, it is to inform that the charkhas shall be supplied through the empanelled charkha manufacturers. The S.O./ D.O. has to make arrangements for procurement of other equipments such as Looms etc through tender process following GFR.

All other terms & conditions given in the Sahyog Scheme Guidelines Circular dt.11.01.2017 will remain unchanged.

This is issued with the approval of Competent Authority.

(S.P.Khandelwal)
Dy. Director l/c (Khadi)

To
All State/ Divisional Directors

#175029
Dt: 03.12.2018
Copy to:

1. Chairman Cell, KVIC, Mumbai
2. OSD, CEO Cell, KVIC, Mumbai
3. F.A. Cell, KVIC, Mumbai
4. All Zonal Dy. CEOs
5. Director (IT), KVIC, Mumbai - with a request to upload the Circular in the website of KVIC and send the Circular through email to all KIs.
6. Director (CSR), KVIC, Mumbai
7. Director (Accounts), KVIC, Mumbai

(S.P. Khandelwal)
Dy. Director I/c (Khadi)
BACKGROUND:

Khadi is a low capital intensive tool to generate employment in rural areas and has been providing employment opportunities to more than 11 lakh artisans in the country. The Khadi programme is being implemented through around 2000 Khadi institutions. However, a large number of villages and artisans remain uncovered by the reach of the Khadi institutions and Khadi programme. A large number of unemployed men and women could be provided employment at door steps through Khadi with an investment as low as Rs.13,500/= (cost of 8-spindle NMC charkha). Since this activity involves funds for providing charkhas and the budget resources provided by the Ministry are limited and linked with schemes and laid down terms and conditions it is not always possible to provide employment opportunity to the needy and hence is the requirement an alternative means of schemes for this purpose.

CONCEPT OF SAHYOG:

“Sahyog” means co-operation and the Sahyog scheme is means to derive co-operation from Corporates, PSUs and even individual for supporting the employment initiatives through donations from them. In fact Corporates and PSUs have to take up social welfare activities under CSR which is mandatory, 2% of their profit. Thus the concept of Sahyog is to provide employment opportunities through Khadi and covered additional unemployed men and women under this campaign who will be provided training and free 8-spindle NMC charkha for spinning Khadi and have gainful employment. These individual will be linked to nearby Khadi institutions or an interested NGOs for providing backward and forward linkages in terms of training, raw material, marketing support etc. The donations to KVIC are exempted under 80-G of Income Tax.
SOURCE OF FUNDS:

Under Section 17-A of the KVIC Act, the Commission can seek donations, gifts, grants. Under Sahyog Scheme KVIC shall seek funds from Corporate Houses, Public Sector Undertakings and from General Public who wish to donate funds magnanimously for the cause of development of khadi. The donor shall provide donation or money in favour of KVIC, which shall be kept under the dedicated Bank A/c as ‘KVIC Charkha A/c’, to be operated at Central Office by Directorate of Accounts. The donor can provide Donations in the form of Crossed Cheque/DD/RTGS/NEFT/any other digital payment mode also.

ELIGIBLE ENTITIES FOR ACCEPTING CHARKHAS:

1. Existing Khadi institutions seeking to expand their area of operation or in their own jurisdiction for providing employment to additional artisans.

2. NGOs willing to take-up Khadi activities or propose to expand their activities are eligible to get assistance in the form of charkhas.

3. Individuals unemployed Men and Women willing to take up Khadi spinning as an self employment activity.

4. Any Khadi institutions / NGOs / Corporate / PSU or artisans identified by KVIC for taking up the work of employment generation through Khadi in a area/region as decided by KVIC will also be eligible.

5. Area, Institution or Group of people identified or specially recommended by the donor to the extent of his/her donation.

6. Special projects looking to their importance for Khadi development / creation of immediate employment by KVIC at the level of Chairman shall also be covered under this scheme.

ROLE OF THE KHADI INSTITUTIONS / NGOs

The Khadi institutions/ NGOs shall provide Backward and Forward Linkages like training, raw material, marketing support etc. to the artisans / individuals identified for taking up Khadi activities. While charkhas will be provided by KVIC, working capital, workshed facilities etc. will be provided by the Khadi institutions / NGOs and wage payment to the individual / artisans will also be their responsibility.
The Institution receiving the charkhas shall display the names of donors at the Institution and any other conditions that may be specified by the donors. The names of the donors shall be provided by KVIC.

**KHADI CERTIFICATE AND KHADI MARK:**

The Khadi institutions/ NGOs/ the artisans / individuals under this programme will obtain Khadi Mark and Khadi Certificate at a later stage.

**OPERATIONAL MODALITIES:**

The eligible entity shall submit an application seeking financial assistance for supply of charkhas through concerned State/Divisional Office. While furnishing the application for supply of charkhas, the khadi institutions/NGOs shall have to furnish the list of artisans with photo identity and Aadhaar number to SO/DO.

a) The sanction will be communicated by Director Khadi to the concerned Khadi institutions / NGOs and to concerned State/Divisional Directors, KVIC.

b) The order for charkhas will be directly placed by concerned State Director to the empaneled charkha manufacturing unit of the State / Zone and a copy of the order will be forwarded to the concerned Khadi institution/NGO and Director Khadi.

c) The payment of advance and also final payment to charkha manufacturer shall be released by Director Khadi on advice of concerned SO/DO.

**ROLE OF DIRECTORATE OF KHADI:**

On receipt of request for supply of charkhas under this scheme, the Directorate of Khadi shall process the request/proposals and look into funds position. Based on the availability of funds, the requests/offers shall be scrutinized as per eligible norms and placed before Chairman, KVIC for approval.

Preference will be given to KIs/NGOs who wish to take up khadi activities and who have not been provided with any financial assistance under any of the existing schemes of KVIC such as SFURTI/KRDP or under erstwhile pattern assistance.

The institution propose to start production activities in hill and border areas, left wing extremism affected areas, rehabilitation centers, prison, natural calamities areas etc. also shall be given preference.
Directorate of Khadi will also maintain data base of donations received under Sahl'og and also the releases of funds to Khadi institutions / NGOs and implementation of the activity. The list of Khadi institutions receiving the charkhas under this scheme shall also be displayed on the website.

The approved proposals shall be placed before Commission for ratification.

Zonal Incharges are requested to monitor compliance.

This is issued with the approval of competent authority.

To:
1) All State/Divisional Director
2) All KVIC/KVIB Institutions

Copy to:
1) Chairman Cell
2) OSD to CEO
3) F.A. Cell
4) All Dy.CEOs
5) All Members of KVIC
6) Director (IT) — with a request to send the circular through e-mail to all KIs.
7) Director (Accounts)

Director (Khadi)