



KHADI AND VILLAGE INDUSTRIES COMMISSION
DIRECTORATE OF REFORM IMPLEMENTATION DIVISION
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No.RID/KRDP/MVofMDA(PI)/2010-11

Date: 28.04.2011

C I R C U L A R

Subj. Market linked pricing of Khadi and Khadi Products regarding.

Ref: No.DKC/MDC-POLICY/2010-11 dated 16-04-2010

Apropos to the Ministry's letter G-25020/35/2005-KVI-I dated 12th April 2010 guidelines for MDA was issued by KVIC vide circular referred above. The Ministry in the said letter also informed KVIC to take simultaneous action on 3 points. One of those was ensuring that Khadi institutions have the flexibility to fix the prices of Khadi and Polyvastra products and have freedom to devise methods to increase sale and liquidate stock. Accordingly, Khadi institutions are pricing Khadi and Polyvastra products in accordance with the trend of price of similar products in the market.

2. Commission in its Special meeting held on 15th March 2011 approved the concept notes of modified version of MDA Scheme (i.e. Production Incentive Plan) and Benefit Chart in place of Cost Chart in accordance with the Govt. of India approved Khadi Reform Package approving full flexibility in pricing of Khadi and Khadi Products.

3. All State / Divisional Directors are directed to inform all Khadi producing institutions to adopt market linked pricing for Khadi and Khadi Products ensuring increase in sale and liquidate stock.

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4. All State Directors are also requested to inform the content of the circular to CEO/MD/Member Secretary of concerned State/ UT KVI Boards and ensure implementation of price flexibility for Khadi and Khadi Products by the institutions implementing Khadi programme with affiliation to State KVI Boards.

CHIEF EXECUTIVE OFFICER

To,

All State /Divisional Directors, KVIC

Copy for information to:

- 1. All Members of the Commission.**
- 2. CEO/MD/Member Secretary of all State/UT KVI Boards.**
- 3. Secretary to Chairperson**
- 4. O.S.D. to CEO, KVIC**
- 5. AO (FA Cell), KVIC**
- 6. AO (CVO Cell), KVIC**
- 7. Sr.P.A. to Jt. CEO, KVIC**
- 8. All Zonal Dy.CEO's, KVIC**
- 9. All Directors of Khadi Wing in Central Office.**
- 10. All Directors in the Finance Wing.**
- 11. Director (Ec.R./PMC)**
- 12. Director (IT) for placing the same on KVIC web site**
- 13. Director(Publicity), with a request to publish the same in ensuing issue of Jagriti.**
- 14. Director(Hindi Cell), with a request to issue Hindi version for the same.**