Action Plan for Khadi Reform and Development Programme under ADB Assistance

(Pl. fill-up relevant columns below. Before filling up the columns kindly read meticulously the guidelines of Direct Reform Assistance attached with the format)

A) GENERAL INFORMATION

1. Name of Reform Implementing Institution (RII):

Name :
Address :
Pin Code :
Phone No.:
Fax No.:
Email :
Website:
Name, designation and Cell no.
of Contact Person :

2. Certification Details:

Khadi Certificate No.	
Year of Khadi Certificate obtained first	
Renewed up to	

3. Status of Implementing Institution :

- RII aided by :   KVIC ☐   State KVI Board ☐
- Categorization status of RII : A+ ☐ A ☐ B ☐ C ☐ SC/ST ☐

4. Production and sales turnover per annum for the last three years

(Rs. in lakhs)

Year	Total Production	Major Production		Retail Sales
		Variety (Cotton/Woolen/Silk/Polyvastra)	Value	
2011-12				
2012-13				
2013-14				

5. Existing Employment:

(No. of persons)

S. No.	Particulars	Cotton	Muslin	Silk	Wool	Total Khadi	Poly vastra
1	Spinners						
	a) Full time						
	b) Part time						
	Total (A)						

S. No.	Particulars	Cotton	Muslin	Silk	Wool	Total Khadi	Poly vastra
2	Weavers						
3	Other artisans						
4	Supervisory and allied staff						
	Total (B)						
	Grand Total (A+B)						

6. Available Working Implements (In Nos. of Implements)

S. No.	Particulars	Cotton	Muslin	Silk	Wool	Total Khadi	Poly-vastra
A.	Spinning						
1	Charkhas–Traditional						
2	Charkhas-NMC						
3	Reeling Basins						
	Total Spinning Capacity (Yarn in Kgs)						
B.	Weaving						
1	Looms – Traditional						
2	Looms – Improved						
	Total Weaving Capacity (Cloth in meters)						

7. Available Support facilities

S. No.	Activity	Availability (Yes / No)	Annual Production		
			Particulars	Installed Capacity	Actual Production
1	Scutcher Card		Sliver/Roving (in Kgs.)		
2	Ready Warp Unit		Warp length (in metres)		
3	Dyeing & Printing		Cloth length processed (in metres)		
4	Readymade garment unit		No. of pieces		

B) PRODUCTION REFORM

1. Capacity Addition Requirement

S.No.	Particulars	Cotton	Muslin	Silk	Wool	Total Khadi	Polyvastra
1	Spinning (Yarn in Kgs)						
2	Weaving (Fabric in Metres)						

2. Implements and Common Facility Centre (CFC)

(Rs. in Lakhs)

S. No.	Activities	No. of implements	Cost per implement	Total cost
	New			
1	Charkhas – NMC			
2	Reeling Basins			
3	Looms			

S. No.	Activities	No. of implements	Cost per implement	Total cost
	Replacement			
1	Charkhas–Traditional			
2	Charkhas – NMC			
3	Reeling Basins			
4	Looms – Traditional			
5	Looms – Improved			
	CFC			
1	Ready Warp Unit (i) Cone winding (ii) Warping (iii) Beaming (iv) others (*pl.mention)*			
2	Yarn Dyeing			
3	Fabric Printing (i) Block (ii) Screen (iii) Others (*pl. mention)*			
4	Testing laboratory			
5	Readymade garment unit			
6	Others (*pl. mention)*			
	Total			

Note: May please furnish details in a separate sheet wherever necessary.

3. **Work shed for CFC etc.**

Funding for work shed shall be provided in such cases, where the existing facility is not sufficient for supporting the existing/planned activities. In case there is no requirement for investment in work shed, the allocated fund can be utilized for investment under other heads.

a) Floor Area Requirement (In sq. ft)

i)	Available floor area	
ii)	Required floor area	
iii)	Additional floor area required	

b) Activities Proposed in workshed

S. No.	Activities	Estimated cost (Rs. in lakhs)	Expected completion period

The Reform Implementing Institution needs to give activity wise estimated funding required for work shed, along with expected date of completion.

4. **IT & Managerial**

   a) IT intervention

Sr.no.	Particulars	Qty.	Rate	Amount (in lakhs)
1.	**Production activity**			
a)	Non-recurring Budget			
b)	Recurring Budget			
2.	**Marketing activity (central vastragar, sales outlet etc.)**			
a)	Non-recurring Budget			
b)	Recurring Budget			

   b) Managerial

S.No.	Staff Category	No.	Expenditure for 3 years (Rs. In Lakhs)
1	RIO	1	
2	IT Officer	1	
3	Mobility Allowance		
	Total		

5. **Training**

S. No.	Category	Name of Institution/ Expert/ Trainer	Persons to be trained (Nos)	Cost / person	Total Cost	Justification (indicative)
1	Office bearers					On management Development with reference to KRDP
2	Staff					Salesmanship & computer application
3	Artisans					
a)	Spinners (New)					Operational training
b)	Weavers and other artisans					Skill development
	Total					

6. **Installation**

S. No.	Particulars	Estimated Installation Expenses (Rs. in lakhs)			Remarks
		Physical	Electrical	Others	
1	Charkhas				
2	Looms				
3	Reeling Basins				
4	Common Facility Centre				
a)	Ready warp unit				
b)	Testing laboratory				
c)	Garment / made-up unit				
d)	Dyeing				
e)	Printing				
f)	Others				
	Total				

7. **Working Capital Requirement**

a) Existing

(Rs. in lakhs)

Variety	Production	Sales	W.C. Requirement	Working Capital Available	Short fall in requirement / Surplus
Cotton				KVIC:	
Silk				Bank	
Wool				Finance:	
Polyvastra					

b) Proposed

(Rs. in lakhs)

Variety	Production	Sales	W.C. Requirement	Working Capital Available	Requirement of W.C.
Cotton				KVIC:	From KRDP:
Silk				Bank :	
Wool				Finance:	
					From Bank:

8. **Abstract of Financial Requirement for Production Reform**

S. No.	Activity Heads	Total Fund Requirements (Rs. In Lakhs)
1	Implements	
2	Common Facility Centre	
3	Workshed	
4	IT & Managerial	
5	Training	
6	Installation	
7	Working Capital	
	Total	

C) MARKETING REFORM

1. **Store Layout**

S. No.	Sales outlet	Ownership (Own/Rented/Lease)	Available floor area (in sq. ft.)	Approx. expenditure for modernization (Rs. in lakhs)
1				
2				
3				
4				
	Total			

2. **Inventory Management**

The component has been dealt under Para B.4(a) as IT intervention.

3. **Local Publicity**

Plan for Local Publicity Campaign : Activities Proposed

S. No.	Activities	Cost (in Rs.)	Estimated period of completion

4. **Abstract of Financial Requirement for Marketing Reforms**

S. No.	Activity Heads	Total Fund Requirements (Rs. In Lakhs)
1	Store Layout	
2	Inventory Management	
3	Local Publicity	
	Total	

D) CONTRIBUTION OF RII

Any capacity above the sanctioned KVIC assistance in kind required by the RII for the reforms/capacity building shall be contributed solely by the RII.

E) OUTCOME OF THE PROGRAMME

1. Expected Outcome

Particulars	Pre Intervention	Post Intervention	% increase
a) Production (Rs. In Lakhs)			
b) Sales (Rs. In lakhs)			
c) Employment (No. of persons)			
d) Artisan's Average Earnings / day			

2. Target Beneficiaries proposed to be covered under the project: (No. of persons)

S. No.	Year	Spinners		Weavers		Other artisans	Supervisory and allied staff / worker
		Full Time	Part Time	Full Time	Part Time		
1	2014-15						
2	2015-16						
3	2016-17						

3. Target Beneficiaries - category-wise details: (No. of persons)

S. No.	Year	Scope for Total No. of employment	Total No. of employment will include		
			Women	SC,ST,OBC	Others
1	2014-15				
2	2015-16				
3	2016-17				

Secretary
Institution Name with Seal

GUIDELINES OF DIRECT REFORM ASSISTANCE EXTENDED TO KHADI INSTITUTIONS UNDER KRDP

KVIC has developed a Comprehensive Reform Plan to be implemented in a phased manner for 300 KIs selected with due regard to regional balance and the inclusion of backward areas. Reform of these KIs could serve as model for other KIs. The elements of the Comprehensive Reform Plan to ensure viability of KIs and enhancement of artisan earnings and empowerment are as follows.

- **Production reforms**: To include supply of charkhas, looms, warping machine, yarn processing unit, spinning sheds and working capital support to cover the increase in working capital requirement due to capacity enhancement and other reform measures.

- **Marketing Reforms:** Linked to overall marketing reforms to enable expert inputs from the MO for product strategy including product processing, designing and local marketing strategy. Marketing reforms will also include renovation of sales outlets.

- **Governance Reforms:** Re-organization of artisans into Self Help Groups.

- **System Reforms:** Supply of basic information technology infrastructure (including accounting systems) and electronic networking of KIs with KVIC

The proposed Direct Reform Assistance (DRA) has to bring in improvement in the institution in the form of

(i)   Increase in utilization rate of implements (**by around 25-50%**)
(ii)   Increase in earnings for artisans (**by around 50-75%**) due to
       (a) increase in days of employment and
       (b) surplus distributed to artisans under Benefit Chart;
(iii) Increase in annual sales realization per Institution (**by around 20-25%**) due to replacement of cost chart with benefit Chart and production of higher value added products; and
(iv)   Improvement in working capital position (**by around 20-25%**). In order to achieve those, the following plan of action is submitted.

Pattern of support available under DRA

Under Khadi Reform and Development Programme (KRDP) funded by Asian Development Bank (ADB), KVIC is required to develop a comprehensive reform plan to empower and revitalize 300 Khadi institutions. The reform programme is divided into two major heads viz. Production Reforms and Marketing Reforms. The fund available under various heads has been given in the table below:

Production Reforms

S.No.	Particulars	Rs. in lakhs
1	Implements [Charkhas + looms]	25.00
2	Common Facility Centre (CFC) [Ready warp, yarn dyeing, fabric printing, ready made garment facilities, testing laboratories, services and maintenance etc.]	15.00
3	Work shed for CFC etc.	5.00
4	IT and Managerial (*) [Computer and remuneration to Reform Implementation Officer]	8.00

S.No.	Particulars	Rs. in lakhs
5	Training	3.00
6	Installation	1.00
7	Margin money for Working Capital	14.00
	Total	**71.00 (**)**

Marketing Reforms

S.No.	Particulars	Rs.in lakhs
1	Store layout	19.00
2	Inventory management (*)	10.00
3	Staff rationalization	14.00
4	Local publicity	5.00
	Total	**48.00**

(*)   Since IT intervention in production reform and inventory management in marketing reform is interrelated, those have been taken together while preparing the detailed action plan.

(**)   Note : This is maximum limit. Action Plan should be need based.

IT & MANAGERIAL

Information Technology (IT)

Generally Khadi Institutions (KI's) consists of Production Centers, Central Vastragar (Central Store), Sales outlets and Administrative office (for accounts and consolidations). Also these branches functions in a distance from Head office in utmost rural areas. All the branches will be sending **daily** transactions details like Production, Sales and stock received/sent every **week** to the head office. **Every month** these **branches** will prepare Trial balance and send to the head office. Taking into consideration all these environment/operations the following indicative IT solution is proposed.

Requirement:

A common software for all kinds of KIs i.e., Cotton khadi producing KIs, Silk Khadi Producing KIs, Woolen Khadi Producing KIs and Village Industries producing institutions has to be designed. And the tentative Hardware to support the software is as follows. The solution has to be implemented in two phases. Design/develop in one time the software compatible with the two phases of Implementation.

> **PHASE-I   :   Centralized DATA processing**
> **PHASE II   :   De-centralized DATA processing**

PHASE - I:

All the data that comes to institution from their centres / branches in the form of hard copies are fed in the administrative office. Only Central Vastragar (Central Store) and sales outlets are to be provided with Hardware/software on need base.

1. Administrative Office:
   One High-End Computer + Laser printer with Accounts/Artisan Module software.

   a) All the accounts/budget data will be processed.
   b) All the consolidation of Production data.

c) All the consolidation of Sales data

d) All the Artisan wages, AWF etc., maintenance

2. **Central Vastragar:**

One High-End Computer + Barcode Printer + Barcode Scanner + Laser printer with Inventory Module software.

a) All the semi-finished products and final products are bar-coded.

b) All government supply/whole sales are recorded

c) Goods dispatches/receive to branches are recorded and monitored.

3. **Sales Outlet:**

Computers + laser printer + barcode scanner for each Bhavan with sales/accounting module.

a) All the sales activities are recorded with computerized billing.

b) All the discounts to the ultimate consumers are captured in the system.

A software linking module for collecting all the data from these locations to centralized database has to be designed and developed.

PHASE - II:

All the branches will be computerized by installing the Hardware in all the locations. The same software which has been designed in PHASE I will be extended in these locations.

Budget for Design /Develop/ Implement the solution.

While implementing this solution Non-recurring and recurring budgets has to be considered for successful implementation.

Administrative office /Accounts

(Rs. in lakhs)

Production Reforms			
Non-Recurring Budget		Qty.	Cost
	At Head Office of Reform Implementing Institution		
	Total KI Data Storage Server (For Batch Processing)	1	1.00
	Printer + Copier + Scanner + Fax	1	0.40
	HDD External / Pen Drive for DATA Backup	1	0.05
	UPS-Three hour Backup	1	0.30
	Computers		
	Production DATA Maintenance	1	0.35
	LAN-Broadband		
	Router with Firewall	1	0.05
	Switch-16 Port	1	0.07
	CAT Cable + Networking Laying	1	0.05
	Broadband	1	0.05
	Site Preparation		
	Partition/Sealing/Electricity	1	0.25
	Furniture	1	0.05
	Misc.	1	0.05
	Software		
	Production	1	0.24

	Artisan/Accounts	1	0.24
	Total – Non – recurring (A)		**3.15**
Recurring Budget	Broadband (0.02 X 12 X 3) (HO)	1	0.72
	Consumables/Stationary (0.15 X 12 X 3)		0.54
	Total – Recurring (B)		**1.26**
	Grand Total (A+B)		**4.41**

Note : Expenditure on sub heads are interchangeable within the overall limit of Rs.3.15 lakhs

Central Vastragar/Sales Outlet

(Rs. in lakhs)

Marketing Reforms - Inventory Management			
Non-Recurring Budget		Qty.	Cost
	At Central Vastragar		
	Bar-coding Computer	1	0.50
	Barcode Scanner	1	0.08
	Barcode Printer	1	0.25
	Laser Printer + copier + scanner + Fax	1	0.40
	UPS- three Hour Backup	1	0.30
	Software Bar-coding with DATA pooling to Server	1	0.50
	Sub total – Non – recurring (A)		**2.03**

	At one Sale outlet		
Non-Recurring Budget	Computer for Billing	1	0.50
	Barcode Scanner	1	0.08
	Laser Printer (For bill printing and reports)+copier	1	0.40
	Software for Billing	1	0.24
	Sub-total		**1.22**
	For four outlets - Non – recurring (B)		**4.88**
	Sub Total (A+B)		**6.91**
Recurring Budget			
	Broad band @ 2000 X 12 X 3 X4	1	2.88
	Stationary / Misc. (0.005 X 12 X 3)	1	0.18
	For 4 outlets – recurring (C)		**3.06**
	Grand Total (A+B+C)		**9.97**

Note: The above estimates are indicative and may go for actual / need based within overall budget allocation under this head.

Managerial: Engagement of Reform Implementing Officer (RIO)

This head would include cost involved for recruitment of additional staff for managing the reform programme during the reform implementation period.

S.No.	Staff Category	No.	Expenditure for 3 years (Rs. in lakhs)	Justification
1	RIO	1	4.00	Average monthly salary of Rs. 10000/- with annual increment of 10%
2	IT Officer	1	1.20	
3	Mobility Allowance		1.05	20% of monthly emoluments
	Total		**6.25**	

Note: RIOs service for 3 years and IT officer service for one year.