

Rajasthan Khadi and Village Industries Board

Jaipur



KHADI – INITIATIVE

For 5 Year Plan
(2007-2008 TO 2011-2012)

**A PROGRAMME FOR
FASHION FOR DEVELOPMENT**

OBJECTIVE

Rajasthan Khadi & Village Industries Board is presently implementing various schemes like Special programme for Women Development, Revolving Fund for additional employment for Village Industries, Revolving Fund for development of Khadi, Assistance for Development of Khadi and Village Industries etc. under the Plan Budget allocations. To promote, revive and develop Khadi into a "Fashion For Development" concept we have to make the traditional industries more productive, more competitive and market driven to facilitate their sustainable development. A scheme termed as Khadi Initiative has been formulated by replacing all above schemes. The financial assistance is being provided in form of revolving fund and grant. The output of all the said schemes need to be synchronized with supportive additional inputs further, for achieving the comprehensive net impact optimized.

The endeavour is to launch a **Composite scheme- Khadi-Initiative (Scheme For Revival & Revamping of Khadi sector in Rajasthan)**.

The main focus points are:-

- Increase in production, and skill upgradation.
- Product Quality Improvement, and new design development with upgraded techniques.
- Products would be modern with new designs, contemporary, competitive for their sustainable development, trendy with ethnic flavor and international trends.
- Reinvent marketing with adequate Support, and to make khadi popular amongst the youth.
- Additional employment generation and adoption of improved technology.
- Increase in wage and livelihood of the spinners and weavers, with better productivity.
- To provide a suitable working environment and ambience.

- To motivate Khadi Institutions to move gradually in the direction of Rebate Free regime by strengthening and making Khadi a self-sustainable movement. We will be able to generate additional employment, enhanced employment duration, more production and wages to the weavers and spinners, by implementing the proposed scheme.

A. EMPLOYMENT

- Existing Spinners/ Weavers etc. employed in the production of Khadi in the State are approximately 52000.
- Anticipated increase 2500 Annual

Direct employment to spinner and weavers in a year in 4 cluster 2100

Indirect/Related employment like workers involved in design 400

mercerising, warping, value addition, marketing etc. in 4 clusters in a year

The programme is proposed for 5 years and after completion of the said period the total employment is envisaged to be 12500.

B. PRODUCTION

- Existing annual production of Khadi is of app. 34 crores.
- Proposed Increase by approx Rs. 5 crore per annum at an average. i.e. $5 \times 5 =$ Rs. 25 core increase after a period of five year is envisaged.

C. EMPLOYMENT DURATION: -

Presently the weavers/spinners are not employed fulltime in Khadi production activity. They are employed only up-to an average of 120 days in a year.

The proposed scheme is likely to increase the employment period i.e. the working days range from of 250 to 300 days in a year, almost creating full time sustainable employment for spinners and weavers.

D. WAGES

At Present the average Wage is Rs. 2000 to 2400 per annum of Spinners & Weavers. Improvised equipments, training, modern facilities and by providing un-interrupted Raw Material, would ensure continuous employment, leading to increase in wages to Rs. 10,000 - Rs. 12,000 per spinner/weaver at an average in an year.

CONCEPT

The concept of the Scheme is: -

- (i) To develop **Clusters** of Khadi
- (ii) To strengthen the Clusters by clubbing/grouping approximately at an average of 1 to 4 Khadi Institutions and make them self-sustaining to undertake development initiatives.
- (iii) To make Khadi more competitive i.e. Market driven, productive and self sustainable. To ensure sustained employment for traditional industry artisans and rural entrepreneurs.
- (iv) To build up advanced processes, improved technologies, common facilities by establishing CFC i.e. COMMON FACILITY CENTERS at each cluster. It will provide preweaving and post weaving facilities to the workers involved in proposed clusters.
- (v) To establish a SFC i.e. STATE FACILITY CENTER at the state level for Business development, and marketing Quality improvement, Design Development, Fabric processing and Finishing facilities, Garment Fabrication, Marketing Research, Quality Standardisation & Certification, Marketing assistance, & training, by availing services of Experts and professionals.

SCOPE OF THE SCHEME

There are approximately 135 functional Khadi Institutions in the State. Out of these, 70 institutions are financed by KVIB and 65 institutions are financed by Khadi & Village Industries Commission.

CLUSTER DETAILS :

A. CLUSTERS:

- Cluster formation would be done by grouping 1 to 4 Khadi institutions in a particular geographical area. The Scheme will have 20 clusters. Initially out of 20 cluster, 10 of cotton and 10 of woolen are proposed but this configuration may be reappropriated, if need be, after having appraisal of the scheme in second year.

A district level committee for monitoring and evaluation will be constituted comprising of following members.

1. DLO (Khadi), Dic of the concerned District Convener
2. Representative of Nodal Khadi Institution Member
3. Representatives of khadi Institution of cluster Member

- Modern and improved equipments such as Charkhas (spinning wheels), Kargha's, Warping machines, twisting machines, mercirising machines and facilities, other related small equipments, tools and services would be provided to each cluster, and at the cluster level a Common Facility Centre (CFC) will be established.
- The technological intervention of IIT, Delhi or other such institutions as a consultant and facilitator is proposed not only for implementing and executing the Scheme but also for improvising the equipment and facilities, marketing and over all management and guidance for enhancement of the production and productivity on a regular basis. Some independent consultant may also be engaged in the project to seek give their specialized services required for the project to drive.
- The parameters to select NKI and Khadi Institutions would be as follows:-

1. Should be self motivated and willing to participate in the scheme.
2. Sound financial position for NKI.
3. Institution to be financed by KVIC or KVIB.
4. Should be functional and in production.

(i) Cotton Cluster:

This would comprise of 200 Traditional improved Spinning Wheels, and 300 Amber Spinning Wheels fitted with cone winder.

The Cotton Cluster including Poly Khadi will be equipped with, Certain machinery & equipments mentioned hereafter. The approx.cost of Machinery & equipments is Rs 253.25 lacs as per Details at annexure I-A.

(ii) Wollen Cluster:

This would comprise of 300 Traditional improved Spinning Wheels, and 200 Amber Spinning Wheels fitted with cone winder.

The Wollen Cluster will be equipped with the following machinery and equipments having approx. cost of Rs. 131.25 lacs. Details is at annexure I-B.

The details of Machinery, equipments and facilities proposed in the Cotton & Wollen clusters are as under:-

- Spinning wheels
- Warping facility
- Weaving facility
- Twisting facility
- Mercirising facility
- Toolkit and spares etc.
- Other related services

The State Government would provide 75% financial assistance under the Plan Budget, in the form of grant, and 25% would be borne by the Khadi institutions

B. COMMON FACILITY CENTER (CFC)

- The proposal is to establish a CFC at each cluster. This would generally be located at the Nodal Khadi Institution (NKI) of each cluster, or at a place agreed upon by the member institutions of Khadi Cluster.
- CFC would provide the following facility to all institutions in the cluster: -

(1) Pre- weaving facility.

The activities in the pre-weaving facility will be:-

1.	Mercerizing machine, water tank, squeezing machine, baby boiler etc.	2.00 lac
2.	Dying tank' & squeezing machine, facility of water supply and equipments.	2.00 lac
3.	Ready warp- sizing tank, squeezing machine, drying Hanger, cone winding machine, warp winding, dram beam and a accessories, genrator and tolls (Complete ready warp unit)	6.00 lac
4.	Work Shed	4.50 lac
	Total	14.50 lac

(2) Post- weaving facility,

The activities in the post weaving facility will be:-

1.	Washing and dyeing facility with machine and calendering machine, finishing and folding machine and other accessories, tools etc.	15.00 lac
	Total	15.00 lac
	G.Total(1)+(2)	29.50 lac

(3) Value Addition

The Fabrication work, Value Addition/Local Crafting/Traditional Embroidery i.e. Fabric and made-ups, Packing/Packaging is proposed to be undertaken under "PRODIP" Scheme. The Director Khadi & Village Industries Commission, Jaipur along with member of Khadi & Village Industries Commission Board of Director, Shri Ram Das Sharma has already assured to Secretary S.S.I. & Khadi Gramodhyog during discussion that at a cluster level one PRODIP scheme unit shall allotted to one Khadi Institution. That way 16 PRODIP units shall be allotted @ Rs. 2 lac each financial assistance in 4 cluster having upto 16 Khadi Institution. In addition to PRODIP it has also been assured by KVIC representative that one quality control laboratory shall also be granted to each cluster with the financial aid of app. Rs. 3.5 lac each. KVIC will provide these facility without having any financial assistance from RKVIB.

Note:-

- The approx. cost of establishing a CFC would be Rs. 29.50 lac
- The financial assistance (100%) under the plan budget in form of grant would be provided by the State Govt.
- The NKI in the cluster would ensure the running and maintenance of CFC.

(C) STATE FACILITY CENTER (SFC)

It is proposed to establish a State level Facility Center for providing following support to the cluster institutions, SFURTI clusters, and also to village industry units in the state: -

a. Revolving Fund at SFC:-

Revolving fund at SFC is proposed to be created to meet the Raw material requirement of Khadi Institutions. It is proposed that the State Govt. would provide grant to RKVIB which in turn will provide to Federation (Sanstha Sangh) (nodal agency) as for revolving fund after obtaining adequate security i.e. 2nd charge on

its assets as the first charge is already with KVIC. The Federation would set up a REVOLVING FUND, and would provide Raw material to the Khadi Institutions, charging 3% service charges per annum (For fund management). This fund would initially be for a period of 10 years, and can be further extended after ascertaining the production results.

It is pertinent to mention that KVIC has provided a fund of Rs. 118.00 lacs without interest & for indefinite period to Federation in 1989-90 for purchase of wool, and presently there is no fund for purchase of cotton (raw material). Federation is requesting to RKVIB time and again to provide funds for purchase of raw martial specially cotton.

The savings of Rs. 110.28 lacs (2006-07) under plan budget is proposed to be utilised for creation of REVOLVING FUND.

- b. Business and Marketing Center to organize regular interactive meeting amongst weavers, spinners, Khadi artisans, Khadi Institutions, participating in Exhibitions, organizing Seminars & Workshops, for providing interphase to the institutions and entrepreneurs, and to facilitate in marketing of goods. This center would function in co-ordination with similar nature of agencies including the Marketing Hub being setup by Government of Rajasthan.
- c. Fabrication Unit for Apparel and made ups
- d. Marketing Research and Intelligence unit
- e. Standardization and Certification facility for marketing of the Khadi.
- f. Services / Consultancy of National Institute of Design, N.I.F.T and I.I.T. (premiere GOI Institutions) and other reputed institutions and subject/work experts and professionals are proposed to be availed for design development, technological improvement, up gradation of skills and training of Khadi personnel, and marketing in Khadi and Village Industries Sector.
- g. The SFC would be located in the premises of Khadi Federation (an apex body of Khadi & Village Industries Units) at Bajaj Nagar, Jaipur. In addition to above activity other similar nature

facilities/activities if required during course of scheme, the same may also be taken up.

- h. The existing facilities with Khadi Federation, Jaipur of Finishing Plant etc. are proposed to be upgraded, modernized and utilized including for processing of fabric and value addition
- i. State Facility Center would be established by providing Non-recurring financial assistance in the form of grant of Rs. 50.00 lacs in the year, and for the recurring expenses Rs. 66.60 lacs (details at annexure C) are proposed to be provided for each year (2007-08 to 2011-12) to meet the functional requirement.

Administrative arrangements to run the Scheme

A **Empowered Committee (E.C.)** would be constituted headed by Chairman Rajasthan Khadi & Village Industries Board / Secretary KVI & SSI GOR for taking decisions on the policy issues concerning the the schemes. The empowered committee shall be vested with absolute authority and power to take all the decisions with regard to administrative and financial issues pertaining to the scheme.

The proposed Committee shall be constituted with following members:-

1. Chairman, Raj.Khadi & Village Industries Board/ Secretary, Khadi & S.S.I. GOR. Chairman
2. Secretary, Raj.Khadi & V.I.Board, Jaipur Member Secretary
3. President, Rajasthan Khadi Gramodhyog Sanstha Sangh Bajaj Nagar, Jaipur. Member
4. F.A. & C.A.O., Raj.Khadi & V.I.Board, Jaipur Member
5. Director, Khadi & Village Industries Commission Jaipur Member
6. Dy.Director(Marketing), Raj.Khadi & V.I.Board, Jaipur Member
7. Four representatives of NKI and out of which 50% would reties every year to give place to new over. Member
8. State Vovt. Representative (to be nominated by State Govt.) Member

The Empowered Committee shall be responsible for: -

1. Taking policy decisions, and ensure that implementation of the scheme is as per approved norms and targets.
2. Evaluate the physical and financial progress of the scheme.
3. Issue suitable directions/ guidelines and would be the final authority to decide and interpret all the financial and administrative aspects of the approved scheme.

The Empowered committee shall generally hold a meeting at least once in a quarter and five member including Chairman shall form a quorum.

NODAL KHADI INSTITUTION (NKI) AT CLUSTER LEVEL

The Nodal Institution at the Cluster level will ensure implementation at the CFC and Cluster level, under the over all supervision of District Level Committee. MOU is proposed to be entered by RKVIB with NKI and cluster level Institutions. Sanstha Sangh to run the SFC as per the spirit of the Scheme.

Note: - The costs indicated in the scheme are estimated costs and their is possibility of its variation during the actual implementation. The variations/changes is the estimated costs during the course of its implementation are proposed to be made (within the overall ceiling) with the approval of Administrative Department.

Rajasthan Khadi and Village Industries Board, Jaipur

ANNEXURE -I

Total Cost of scheme (Year wise)

(Rs. in lakhs)

S.No.:	YEAR	CLUSTER		CFC				SFC		Total
		No. of Woolen Cluster	No. of Cotton Cluster	Cost		W	C	Non Recurring	Recurring	
				W	C	W	C			
1	2007-08	2	2	26.25*2 =52.50	50.65*2= 101.30	29.50*2 =59.00	29.50*2 =59.00	50.00	66.60	388.40
2	2008-09	2	2	26.25*2 =52.50	50.65*2= 101.30	29.50*2 =59.00	29.50*2 =59.00	-	66.60	338.40
3	2009-10	2	2	26.25*2 =52.50	50.65*2= 101.30	29.50*2 =59.00	29.50*2 =59.00	-	66.60	338.40
4	2010-11	2	2	26.25*2 =52.50	50.65*2= 101.30	29.50*2 =59.00	29.50*2 =59.00	-	66.60	338.40
5	2011-12	2	2	26.25*2 =52.50	50.65*2= 101.30	29.50*2 =59.00	29.50*2 =59.00	-	66.60	338.40
	Total	10	10	262.50	506.50	295.00	295.00	50.00	333.00	1,742.00

NOTE :-

.CLUSTER	COST	75% Grant	25% own contribution
.CFC	COST	100% Grant	
.SFC	COST (N/Rec)	50 lacs cost only one time	100% grant.
.SFC	COST (Recurring)	66.60 lacs p.a. for Recurring Expenses as 100% grant. For 5 years	For 10 years to be provided from the saving 2006-07
.Revolving Fund			Rs.110.28 lac.

Rajasthan Khadi and Village Industries Board, Jaipur

ANNEXURE -II

Financial Assistance- Requirement From Govt. of Rajasthan (Year Wise)

(Rs. in lakhs)

S.No.:	YEAR	CLUSTER		CFC				SFC		Total
		No. of Woolen Cluster	No. of Cotton Cluster	Cost		W	C	Non Recurring	Recurring	
				W	C	W	C			
1	2007-08	2	2	19.70*2 =39.40	38*2=76	29.50*2 =59.00	29.50*2 =59.00	50.00	66.60	350.00
2	2008-09	2	2	19.70*2 =39.40	38*2=76	29.50*2 =59.00	29.50*2 =59.00	-	66.60	300.00
3	2009-10	2	2	19.70*2 =39.40	38*2=76	29.50*2 =59.00	29.50*2 =59.00	-	66.60	300.00
4	2010-11	2	2	19.70*2 =39.40	38*2=76	29.50*2 =59.00	29.50*2 =59.00	-	66.60	300.00
5	2011-12	2	2	19.70*2 =39.40	38*2=76	29.50*2 =59.00	29.50*2 =59.00	-	66.60	300.00
	Total	10	10	197.00	380.00	295.00	295.00	50.00	333.00	1,550.00

NOTE :-

.CLUSTER	COST	75% Grant	25% own contribution
.CFC	COST	100% Grant	
.SFC	COST (N/Rec)	50 lacs cost only one time	100% grant.
.SFC	COST (Recurring)	66.60 lacs p.a.for Recurring Expenses as 100%grant.	For 5years
.Revolving Fund		For 10 years to be provided from the saving 2006-07	Rs.110.28 lac.