



कामये दुःखतप्रानाम् ।  
प्राणिनाम् आर्तिनाशनम् ॥



Ministry of Micro Small and Medium Enterprises,  
Government of India

# Expression of Interest (EOI)

for

**Khadi Business Partners**

under

**Rozgar Yukta Gaon Scheme,**

**Ministry of MSME, Govt. of India**

**August 2020**

# Notice for Expression of Interest (EOI) for Khadi Business Partners to participate in Rozgar Yukta Gaon

**Last date of receipt of EOI: 30<sup>th</sup> September 2020 at 17.30 Hrs.**

## **1 Introduction**

The Khadi and Village Industries Commission (KVIC) is a statutory body created by an Act of Parliament (No.61 of 1956). In April 1957, KVIC took over the work of erstwhile All India Khadi and Village Industries Board. The original act of 1956 has been subsequently amended during the years 1987, 1989, 1994 and 2006. The administrative Ministry of the KVIC is a Ministry of MSME.

Khadi and Village Industries (KVI) programs are implemented through 33 State/U.T. Khadi & Village Industries Boards, more than 2000 Khadi Institutions, Bank/Financial institutions and more than 6 lakh entrepreneurial units under REGP & PMEGP.

The broad objectives for which the KVIC was established are:

- ❖ The social objective of providing employment
- ❖ The economic objective of providing saleable articles
- ❖ The wider objective of creating self-reliance amongst the people and building up of a strong rural community spirit.

Khadi & Village Industries Commission (KVIC) promotes Khadi and the Charkha as being eco-friendly, promoting sustainable development and a tool for poverty alleviation and generating employment. To fructify this vision, the Rozgar Yukta Gaon (RYG) document identifies a comprehensive roadmap to revitalize and improve the Khadi value chain. Details of the Scheme are available at [www.kviconline.gov.in/rozgar1/](http://www.kviconline.gov.in/rozgar1/).

### **1.1 Objective of Expression of Interest**

The objective of the scheme is to introduce enterprise led model replacing subsidy-led model. It has been envisaged to empower 50 villages selected from across the country, with 10,000 charkhas, 2,000 looms, 100 warping units, required professional skills and administrative framework support, creating nearly 18,265 employments opportunities in which 12,500 will be direct and 5,765 will be indirect and building a potential capacity of annual production turnover of value-added products to a tune of ₹261.00 crores.

The EOI is intended to bring the Rozgar Yukta Gaon Scheme to the attention of potential Khadi Business Partner. The KBP will run the enterprise in marketing both in domestic and overseas markets and KBP shall share 25% of the net profit with Khadi Gaon (Group of artisans) as a cash incentive through DBT. The KBP will infuse into the enterprise a business model as well as incremental skills of workers.

## 2 Overview

### 2.1 Background

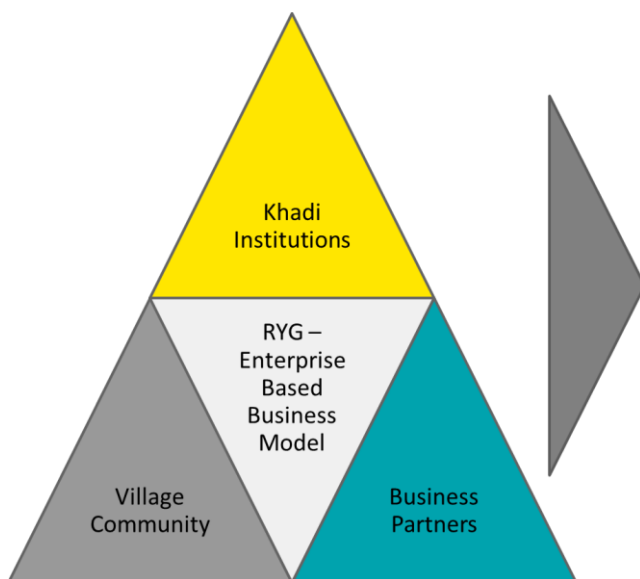
Rozgar Yukta Gaon (RYG) treats the artisans as partners in an enterprise and not as mere wage earners. RYG does not envisage any form of subsidy. It allows the village communities to build business partnerships, produce premium products and reach out to high end markets with a sense of ownership. The Government will only play the role of enabler, while the rural communities will transit into a state of empowered entrepreneurship.

The objectives of RYG are:

- ❖ Introduce enterprise led model replacing subsidy-led model
- ❖ Create an additional 12,500 direct employment opportunities in 50 villages, which are deprived of opportunities and sustainable livelihood support systems, in addition to spinning out secondary and ancillary opportunities of employment in a wider sense
- ❖ Develop a sustainable model of Khadi based business enterprise in the villages, setting forth a tripartite collaborative model of entities from the Government, Business and the Community to produce quality goods
- ❖ Facilitate the overall development of the selected villages in terms of infrastructure and amenities, making it easier for them to be in the mainstream of national life
- ❖ Develop skills where they don't exist, provide opportunities where they are not available, generates income where there is no present probability and build sustainable self-reliance to communities where such a possibility is currently a distant dream.

### 2.2 Broad Structure

There are three main stakeholders of the scheme – Khadi Institution Partner (KIP), Khadi Business Partner (KBP) and Khadi Gaon, who will collaborate to develop the Khadi Gaon Vikas Sansthan (KGVs) which will be a self-sustaining enterprise. The role of KVIC will be of a facilitator and will monitor the implementation of the projects from time to time.



#### **Expected outcome of RYG**

Empowering 50 Villages with 10,000 Charkhas, 2000 looms & 100 warping units with total scheme financial outlay of Rs 41 Crore.

### 3 Institutional Arrangement

#### 3.1 Central Level Committee (CLC)

CEO, KVIC will chair the Central Level Committee and Financial Advisor, KVIC will be the Vice Chairperson. The other members are as follows

S. No.	Particulars of members	Position
1	Dy. CEO (Khadi)	Member
2	Director (ECR)	Member
3	Director (Marketing)	Member
4	Director (Finance)	Member
5	Director (Khadi)	Member/Convener

##### 3.1.1. Functions of CLC

- ❖ Appraisal of applications submitted by the State Level Committee.
- ❖ The Central Level Committee shall appraise the proposals received from State Level Committees related to RYG and place before the Commission/SFC Meeting for approval and sanction.
- ❖ Monitoring and facilitating progress of RYG.
- ❖ Planning national level workshop to create awareness on RYG participation by private players as KBP.
- ❖ Publication of EoI for inviting KBP.
- ❖ Meeting shall be held once in a month to review all the activities and reports.
- ❖ Preparation of strategy and implementation plan.
- ❖ Set targets and approve Quarterly Targets & Monthly Plans.
- ❖ Any other matter related to RYG as desired by the Committee.
- ❖ The Committee can also advise and give its recommendations regarding smooth implementation of RYG.

##### 3.1.2. Role of Zonal Dy. CEO

- ❖ Monitoring the implementation of RYG in the Zone.
- ❖ Assess the capability to implement the RYG of the concerned State and if found difficult to implement, he can reallocate the target within the Zone.
- ❖ Guide State Directors for effective implementation of the program.

### 3.2 State Level Committee (SLC)

S. No.	Members	Position
1	State Director	Chairman
2	Assistant Director (Khadi)	Member convener
3	Asst. Director/Sr. executive (FBAA)	Member
4	Representative from Industries Department of State Govt.	Member
5	CEO of state KVIB or representative	Member
6	Secretary of Federation; if not available, Secretary of Major Khadi Institutions	Member

#### 3.2.1. Functions of SLC

- ❖ Appraisal and screening of applications for Identification of stakeholders involved in RYG (Khadi Gaon, KIP, KBP).
- ❖ Submission of applications to CLC.
- ❖ To facilitate implementation of the modalities involved, and to support the stakeholders for smooth functioning of RYG at State level.
- ❖ Meeting shall be held once in a month or as and when required to review all the activities and reports.
- ❖ Preparation of strategy and implementation plan.
- ❖ Set targets and approve quarterly targets and monthly plans.
- ❖ Asses the financial capabilities by scrutinizing the documents submitted by KBP and forward the proposal to CLC. SLC can ask for any additional documents required for assessment.
- ❖ Review overall progress of the State RYG activities.
- ❖ Any other matter related to RYG as desired by the Committee.

### 3.3 Scheme Steering Committee (SSC)

The Scheme Steering Committee (SSC), constituted under the chairmanship of Secretary (MSME). The other members are as follows

S. No.	Particulars of members	Position
1	Secretary, MSME	Member
2	Chairman, KVIC	Member
3	CEO, KVIC	Member
4	FA, KVIC	Member
5	JS, ARI	Member

#### 3.3.1. Functions of SSC

The SSC will be the apex body to sanction proposals for setting up such khadi clusters.

## 4 Implementation Methodology

- ❖ There are three main stakeholders of the scheme – Khadi Institution Partner (KIP), Khadi Business Partner (KBP) and Khadi Gaon.
- ❖ The role of KVIC will be of a facilitator and will monitor the implementation of the projects from time to time.

### 4.1 Khadi Gaon

State/Divisional Offices in consultation with short listed KRDP KIs will have a list of potential villages which can be developed as Khadi Gaon based on the following criteria:

#### Selection of Khadi Gaon –

- Availability of artisans within the radius of 5 kilometers
- Proximity to promoter i.e. Khadi Institution Partner (KIP)
- Any other suitable criteria drafted by the Central Level Committee (CLC)

KBP may identify a Khadi Gaon out of the shortlisted villages or may select any other potential village which can be finalized based on consultation with State/Divisional Offices.

#### Role of Khadi Gaon –

- ❖ Khadi Gaon Vikas Sansthan (KGVS) formation.
- ❖ Day to day spinning, weaving, warping and processes involved in the process manufacturing through financial support of KBP.

#### Rights of Khadi Gaon –

- ❖ Receive training for skill upgradation
- ❖ 25% profit shares to the artisans from net profit from products over and above on their regular wages.

### 4.2 Khadi Business Partner (KBP)

Khadi Business Partner (KBP) will be the actual Business facilitator and will be drawn into the framework through a process of awareness and sensitization by publication of EoI, arranging zonal and state level workshops etc. The KBP will run the enterprise for across the value chain which includes arranging the raw material, production of commercially viable products and marketing of product produce by khadi gaon both in domestic and overseas markets. The KBP shall share 25% of net profit with Khadi Gaon (Group of artisans) as cash incentive through DBT. The KBP will infuse into the enterprise a business model as well as incremental skills of workers. As for a full-scale cluster, minimum Rs 1.63 Crore of Working Capital will be required which needs to be mobilized by KBP. The KBP will also progressively involve in the process of, making the quality products and the type of value added that the business should ensure. KBP will also ensure the actual marketing of the products through tie ups with vendors and outlets.

### Role of Khadi Business Partner –

- ❖ Arranging working capital as required
- ❖ Arranging land and workshed (CFC) as per the requirement
- ❖ All day to day operation
- ❖ Assuring production of commercially viable products using own domain/ Business/ trade expertise
- ❖ KBP shall provide fair wages to the artisans
- ❖ Actual business facilitator
- ❖ Maintenance of equipment provided
- ❖ Providing Raw Material
- ❖ Marketing of the products in domestic and international market.

### Rights of Khadi Business Partner –

- ❖ Taking decision about value addition of the products to be produced.
- ❖ Types of product to be produced
- ❖ Claim 75% of net profit/surplus
- ❖ Full flexibility in the pricing, product mix, marketing strategy, technology, value added and sales of the product.

### 4.3 Eligibility Criteria to become Khadi Business Partner -

Khadi Business Partner (KBP) can be a Private Limited Firm or a Public Limited Firm and the following criteria must be met along with the documentary evidence for the application to be processed:

S. No.	Pre-qualification Criteria	Reference/details / documentary evidence
1.	The applicant should be a private/ public limited firm	Certificate of incorporation / any other relevant documents
2	The applicant must have positive net worth in FY-2018-19, 2017- 18, 2016-17	Copy of CA Certificate indicating net worth for FY-2018-19, 2017-18, 2016-17
3	In case of a Ltd. Company/Pvt. Ltd. Company/Partnership Firm or a Company Registered with Registrar of Firms/Registrar of Companies	Document should be MoA and Articles of Association
4	The applicant should be Income Tax assesses having filed its income tax returns for the last 3 financial years	Copy of Income Tax Returns
5	The applicant should have GST Registration	GST Registration Certificate
6	The applicant should not have been blacklisted by any of the PSUs for the last 2 years	Self-Declaration (As per <b>Annexure – 1</b> )
7	The applicant shall have sufficient and active professional on its pay role	Details of Human Resource issued by HR/Authorized

		signatory of the firm/entity
<b>Additional / Desirable Criteria's</b>		
8	Total year of experience and List of the project undertaken	Self – declaration (As per <b>Annexure -2)</b>
9	Experience relevant to this engagement.	Certificate of Completion (Certified by the Statutory Auditor); OR Work Order + Phase Completion Certificate (for ongoing projects) from the client
10	Number of relevant projects undertaken	Project Completion Certificate OR Work Order OR Phase Completion Certificate
11	Expertise of the Key person of the agency / firm	Attach a brief CVs/biodata; key personnel with domain expertise and having conceptual understanding and deep interest for innovation and entrepreneurship.

The respondents to the EOI are requested to fill in application form at **Annexure 3**.

#### 4.4 Khadi Institution Partner (KIP)

The Khadi Institution Partner within the enterprise will be a designated Khadi institution, selected preferably from the KRDP assisted list, which will be instrumental in training the groups of Artisans in Khadi Gaon. The Khadi institutional Partner (KIP) will provide required operational support. The KIP provide training to the Artisans i.e. weavers and spinners as directed by KVIC and can guide the Khadi Gaon regarding the processes of production and facilitate Khadi Gaon to run its activities smoothly. Now, KIP will ensure coordination between KBP and artisans of Khadi Gaon. KIP has no other right or say over day to-day functioning of KGVS or Khadi Gaon.

#### **Role of Khadi Institution Partner –**

- ❖ Training of the artisans at their own facility or at KVICS multi-disciplinary training centres (IVDTC) at proximity.
- ❖ Support in the formation of KGVS.
- ❖ Support in advance training of artisans in centres of excellence.

#### **Rights of Khadi Institution Partner –**

- ❖ The KIP has right to claim administrative expense occurred during fulfilment of the above role on actual up to the maximum limit of INR 4.5 lakhs.



#### 4.5 Khadi and Village Industries Commission (KVIC)

KVIC, as the patron and original promoter in the form of Capital Expenditure (CAPEX) provider, will ensure the smooth functioning of Khadi Gaon/ KGVs.

##### **Role of Khadi and Village Industries Commission (KVIC) –**

- ❖ Implementation and Monitoring of RYG scheme
- ❖ Provision CAPEX for procurement of Charkha, Looms and Warping Units
- ❖ Maintenance of newly developed artisan database and ensure contribution in AABY
- ❖ Facilitating fast track clearance of RYG issues
- ❖ Facilitate the training of Master Artisans through Centre of Excellence
- ❖ Ensuring minimum 25% surplus share with artisans through DBT
- ❖ Conflict resolution, if any

##### **Rights of Khadi and Village Industries Commission (KVIC) –**

- ❖ Residual Rights concerned to RYG
- ❖ Selection of KIP, KBP, Khadi Gaon

#### 4.6 Formation of Institution (KGVs/Khadi Gaon)

- ❖ Khadi Gaon will be group of artisans till the formation of KGVs.
- ❖ Till such time the group of artisans are not in a position to understand the whole process, to help a Decision-making committee will be formed which shall consist of one member from each stake holders i.e.- KBP, KGVs/Khadi Gaon (Artisans) and KVIC. The Committee will be responsible for taking the day to days operational and other decisions about running KGVs/ Khadi Gaon.
- ❖ Artisans of khadi gaon (till formation of KGVs) shall receive 25% of profit share as incentive through DBT.

## 5 Project Interventions

Each of the 50 projects will have 200 Charkhas, 8 tool kits, 2 warping units and 40 looms the cost of which would be covered by KVIC. For a full-scale cluster, minimum 1.63 Crore of Working Capital will be required which needs to be mobilized by KBP. KVIC will support KBP by issuing

- ❖ Khadi Mark Certificate
- ❖ Khadi certificate
- ❖ Application fee for above certificates shall not be charged, however renewal fees will be applicable as per KVIC norms.
- ❖ The funds will be released only after ensuring that KBP has mobilized working capital (Rs. 1.63cr) and DPR prepared.
- ❖ Khadi Gaon/KGVs will be eligible to avail benefits under existing KVIC schemes (i.e. workshop, Renovation of Bhawans etc.) except ISEC and MMDA.

The KBP will infuse into the enterprise a business model as well as incremental skills of work.

## 6 Project Coverage and Duration

The project will be spread across the country uniformly and will be operational till the establishment of the KGVS. The programme shall be implemented within twelve months from the date official sanction of SFC. If the utilization of fund goes beyond twelve months, the approval of Commission through SLC and CLC is necessary.

<b>Zone wise Distribution of Khadi Gaon</b>	
South	9
East	9
North – East	5
Central	9
North	9
West	9
<b>All Zones</b>	<b>50</b>

## 7 Submission of Expression of Interest (EOI)

- ❖ Interested parties are required to submit complete information in all respects as per the EOI with relevant documents.
- ❖ The responses will be carefully examined and evaluated by the KVIC, which will decide on a suitable way forward on the submitted proposals. The directorate, after due evaluation of the received proposals, may call selected respondents for further discussion/presentation.
- ❖ Prospective parties may submit their 'Expression of Interest' duly signed by the authorized signatory along with relevant details as sought in the data sheet, latest by 30<sup>th</sup> September 2020 till 17:30 hours in a cover super scribing "Expression of Interest (EOI) for Khadi Business Partners under Rozgar Yukta Gaon" or by registering online through the website [kviconline.gov.in/khadi.jsp](http://kviconline.gov.in/khadi.jsp).

The Director (Khadi),  
Khadi Village and Industries Commission (KVIC), Gramodaya 3, Irla Road, Ville Parle (West),  
Mumbai - 400056,  
Telephone – 022 -26715860  
Email: [khadi.kvic@gov.in](mailto:khadi.kvic@gov.in)

- ❖ Subsequently, KVIC may notify through the website about the decisions taken with respect to the EOI.

## 8 Disclaimer

- ❖ The document should be considered in conjunction with the RYG guidelines.
- ❖ KVIC has issued this Expression of Interest with the intention to explore the market for eligible and interested Khadi business Partner and has no compulsions to enter into definitive contractual agreements. This EOI does not guarantee conversion of this EOI into any definitive contractual agreements. The KVIC may select respondent(s) based on its evaluation and call them for a presentation or discussion on their EOI response and related matters.

- ❖ KVIC may reject any and all proposals made by the respondent(s) and may cancel this EOI at any time, after obtaining due approval.
- ❖ KVIC will have no obligation or liability to the respondent(s) in the event of cancellation of EOI.
- ❖ Prospective respondent(s) shall understand that the response to the EOI is purely voluntary action on their part, and any expenditure on this account shall be borne by them only.

**Note:** Respondents are requested to keep themselves updated with the website [www.kvic.org.in](http://www.kvic.org.in) on regular basis for any addition / deletion / modification / clarification or notification in respect of this, at EOI stage.

## Annexure 1 – Undertaking by Khadi Business Partner (KBP)

(To be submitted on Applicant's company letter head)

Date-

The Director (Khadi) KVIC,  
Gramodaya, 3 Irla Road,  
Vile Parle (West), Mumbai – 400056,  
Maharashtra, India  
Telephone: +91 22 26715860

Dear Sir,  
Sub - Selection of Khadi Business Partner  
EOI Date:

We, the undersigned entity, having read and examined the aforesaid documents, issued by KVIC do hereby covenant, warrant and confirm as follows:

We hereby agree to comply with all the terms and conditions / stipulations as contained in the EOI and the related addendums and other documents including the changes made to the original agreement documents issued by KVIC, shall form a valid and binding part of the aforesaid EOI document.

KVIC is not bound by any other extraneous matters or deviations, even if mentioned by us elsewhere either in our proposal or any subsequent deviations sought by us, whether orally or in writing, and KVIC's decision not to accept any such extraneous conditions and deviations will be final and binding on us and persons claiming through us.

We further declare that I / we are eligible and competent as per criteria given by KVIC and the information submitted by the company/firm is true and correct and able to perform this contract as per EOI document.

I/We hereby declare that I/we has/have not been debarred/ blacklisted by any Public-Sector undertakings, or any other Government Institutions or associated entities or any other Government / Semi Government organizations in India during last 05 years from the date of EOI. I/we further certify that I/we are competent officer in my company to make this declaration that our EOI and its terms & conditions is binding on us and persons claiming through us and that you are not bound to accept an EOI you receive.

Thanking you,

Yours sincerely,

Date Signature of Authorized Signatory ...

Place Name of the Authorized Signatory ...

Designation ...

Name of the Organization ...

Seal ...

## Annexure 2 – Format to Project Citation

Total year of experience -

S.No.	Particulars	Details	Attachment Reference Number
1	Name of the Project		
2	Date of the work order		
3	Client details		
4	Scope of work		
5	Contract value		
6	Completion date		

*Note: The Bidder is required to use above formats for all the projects referenced by the bidder for the eligibility criteria*

## Annexure 3 – Application Form for Selection of Khadi Business Partners (KBP)

S.No.	Particulars	Details			
1	Name of agency/ business partner/firm				
2	Address				
3	State				
4	Zone				
5	Type of firm (Public/Private Limited)				
6	GST registration number				
7	Financial condition of the agency*  (Note – Please attached authorized Net worth certificate and balance sheet clearly specifying turnover, net worth, current assets and current liabilities)	Year	2016-17	2017-18	2018-19
		Turnover (in crore)			
		Profit (in crore)			
		Net worth (in crore)			
		Current Assets (in crore)			
		Current Liabilities (in crore)			
8	Is the net worth being adequate to arrange working capital amount of 1.63 crore?				
9	Present sector of operation				
10	Preferable location for operation/ Firm Business				
11	Years of experience				
12	Recognition and Name of Projects Undertaken				

13	Scale of the project implemented (Small/Medium/Large)	
14	Number of government projects undertaken	
15	Number of private projects undertaken	
16	Notable activities	
17	Whether Khadi Business Partner (KBP) has identified the village? i) If yes, location of the village.	
	ii) If no, KBP is ready to accept the village identified by KRDP KIs?	
18	Whether artisans have been identified by KBP? i) If yes, enclose the details of statement of the artisans with Aadhar Card No., Bank a/c No., etc.	
	ii) If no, KBP is ready to accept the artisans identified by KRDP KIs	
19	Name of the KRDP assisted institution or any other suitable institutions to support Khadi Business Partner (KBP)	
20	Proposed plan of action for marketing (including forward and backward linkages) of Khadi business partner (KBP)	
21	Source of raw material for the khadi gaon	
22	Proposed business plan	

23	Value chain mapping	
24	Cluster products	
25	Name of the concern person and contact details (Telephone number and Email ID)	
26	No. of employees in the firm	
27	Remarks (if any)	

- ❖ Audited Financial Statement for the last 3 years and certificate from the statutory auditor
- ❖ Copies of IT return attached (last 3 years)
- ❖ Attach documentary proof wherever required while submitting the application (clause 4.2)