

**FORMAT OF AGREEMENT BETWEEN KVIC AND KHADI INSTITUTIONS**

**Agreement**

(Specimen Copy)

(To be executed between the State / Divisional Director, KVIC Reform Implementing Institution (RII) on the court stamp paper as per the Stamp Act Rules existing in the respective States)

THIS AGREEMENT is made at \_\_\_\_\_ on \_\_\_\_\_ day of \_\_\_\_\_ between the KHADI AND VILLAGE INDUSTRIES COMMISSION, a statutory body constituted under the Khadi and Village Industries Commission Act, 1956 and having its office at 3, Irla Road, Vile Parle (W), Mumbai-56 hereinafter referred to as "KVIC" (which expression shall unless it be repugnant to the context or meaning thereof be deemed to mean and include its successors and assigns) of the ONE PART and (wherever applicable) and \_\_\_\_\_, a \_\_\_\_\_ established/registered under \_\_\_\_\_ Act and having its registered office at \_\_\_\_\_ hereinafter referred to as the "Reform Implementing Institution" (which expression shall unless it be repugnant to the context or meaning thereof be deemed to mean and include its successors and assigns) of the OTHER PART.

**Preliminary:**

WHEREAS:

- A) KVIC has been constituted to devote itself to the development and propagation of Khadi and Village Industries in the country.
- B) The Government of India, with a view to making the Khadi sector more productive and competitive and facilitating their sustainable development, has formulated a Program for strengthening of Khadi sector. The Program shall be implemented by the Ministry of Micro, Small and Medium Enterprises (MMSME) and its organizations and

institutions in collaboration with State Government, their organization concerned, Non- Governmental Organizations, etc.

- C) KVIC would be the nodal implementing agency (IA) which in turn would identify Reform Implementing Institutions (RIIs) in a transparent manner with the guidance of the Reform Implementation Division (RID), constituted by KVIC as a separate cell overlooking the strategic and institutional reforms.
- D) The primary objectives of the Program are :
  - a. To provide improved implements and equipments for increased production capacity;
  - b. To make Khadi sector more competitive with increased market driven incentives as well as profitable and sustained employment for artisans and workers; and
  - c. To strengthen local governance system of Khadi Institutions;
- E) The Program, with a view to achieve the aforesaid objective, envisages the development of Khadi sector by developing marketing channels, strengthening of sales outlet, capacity building, IT support, design up-gradation etc.
- F) The KVIC, being the nodal IA, is desirous of implementing the said reform program through institutions registered under KVIC / State KVIB.

In case of State Board aided institutions, the Board has to recommend the name of the institution (after selection criteria are met) with an NOC for release of assistance to the institution and necessary monitoring of the implementation of the Program by KVIC.

- G) The RII, being actively involved in the activities for the development of Khadi/rural employment, possesses the requisite expertise to implement the said Program and desirous of undertaking the Program and accordingly approached KVIC for undertaking the Institutional reform under the said Program on the terms and conditions herein after appearing.

## **NOW THIS AGREEMENT WITNESSETH:**

### **1. Terms and Conditions:**

The assignment shall include and comprise the following:-

- a) The RII agrees to get the books audited and current operations reviewed by a chartered accountant acceptable to Asian Development Bank (ADB) or an officer / representative of KVIC as may be directed by KVIC and as agreed by ADB, to ascertain the current state of affairs of the RII.
- b) The RII shall, during the implementation of the said Program, be provided in kind and/or financial support, as required, for capacity building, mainly involving implements, work sheds for artisans, processing units, RTU units, raw material procurement, renovation of sales outlets (renovation of store layout, inventory management, staff rationalization, local publicity, and etc.), accounting and IT support (both hardware and software) for the purpose of its operations. The RII shall take proper care and account of these assets and keep them in good condition and in trust till the completion of the said Program and thereafter, as required. KVIC will facilitate centralized procurement of above-mentioned equipments and contracting of renovation works for the RII.
- c) That RII agrees to abide by and implement following key governance reforms:
  - RII to organize all artisans into Self Help Groups (SHGs): The agency to play a proactive role in providing necessary support to the artisans in establishing SHGs. KVIC would facilitate the process by monitoring and organizing training programs for independent functioning/management to enable the SHGs to constructively serve the purpose of the artisans;
  - At least 50% of the Governing Board of the RII to have representation from various SHGs;

- Criteria for selection of the other members of the Governing Board (including owner representation) to include following guidelines - no blood relatives, restriction on number of offices per person and restriction on multiple offices of remuneration per person as specified by KVIC in this regard.
  - As per the Benefit Chart, the surplus to be distributed to the artisans to be routed through SHGs; thereafter, RII to guide SHGs to distribute the same within members on the basis of the total value of production during the year by each member.
- d) The artisans to be covered under the scheme should be brought under the umbrella of social security such as Janashree Bima Yojana and Artisans Welfare Fund Trust of the RII.
- e) The RII shall draw its raw material requirement from the nearest Central Sliver Plant of KVIC or its local Godown; or through captive production or KVIC specified sliver plants at Institutions. In case of silk, it should be obtained from the raw material bank operated by Central Silk Board and other Government or quasi -Government agencies.
- f) That RII agrees to be registered with the Marketing Organization. The marketing strategy, including product strategy, should be formulated under the guidance of the Marketing Organization. The RII also agrees to provide all necessary support to the Marketing Organization for the market/product survey, register the products under the product catalogue prepared by the Marketing Organization and provide necessary support, as may be required, to the branding initiatives of the Marketing Organization.
- g) The assets and renovation / construction work completed provided as aforesaid shall always be made available for inspection by any officials of Govt. of India, MMSME / it's authorized agents or agencies and KVIC.

- h) Assets like charkhas and looms would be given to the artisans and the institution should continue to extend all support to the artisans. The ownership of charkha to be transferred to the artisan may be made through a suitable tripartite agreement involving artisan, the RII and field office of KVIC. Given the large number of women engaged in the sector, transfer of assets to women should be undertaken where women are the primary artisans. The RII should not pass the cost of charkha and the loom to the artisan nor shall it build it in the cost chart. It will be imperative on the part of RII to provide all backward forward linkages such as raw material supply and finished goods procurement against proper compensation and arrangement for maintenance / overhauling of implements etc.
- i) The assets other than charkhas and looms provided under the Program shall be the property of the RII, operated, maintained and managed by the RII, unless otherwise specified in writing by the KVIC.
- j) The RII shall keep identification marks on the body of the assets and appropriate name boards for the said Program.
- k) The RII shall send quarterly reports and returns regularly regarding progress of the Program and operations of the Institution to the KVIC.
- l) The RII may use certain assets/units provided under the Program as Common Service Centres, such as RTU unit, processing units, etc. The RII may levy service charges for utilization of Common Facility Centre's assets at the rates fixed in consultation with KVIC. The services of the Common Facility Centre shall be prioritized to KVIC/State KVIB registered Institutions over any other Institution/entrepreneur.
- m) The RII shall ensure to implicate the strategies formulated / prescribed by KVIC / Marketing Organization (promoted by KVIC) from time to time or as finalized mutually.
- n) That RII shall jointly and severally be liable to KVIC for performance of the work including performance of services and its

obligations including that of its associates, contractors / sub-contractors under the agreement.

- o) The RII would adopt non-discriminatory wages to women artisans, ensuring equal wages for equal work.
- p) That RII would be evaluated on the following operating parameters, after {18} months of the date of the agreement:
  - Increase in utilization rate of implements by around {25-50%},
  - 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;
  - 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
  - Improvement in working capital position by around {20-25%}.

## **2. KVIC Assistance In Kind:**

- a) The assistance in kind from KVIC shall be in the form of provision for capacity building, including working sheds for artisans, processing units, RTU units, renovation of sales outlets (renovation of store layout, inventory management, staff rationalization, local publicity, and etc.), accounting and IT support (both hardware and software) for the purpose of its operations, setting up of Common Facility Centres (CFC) for processing and any other unit (as may be mutually decided between KVIC and the RII), and other infrastructure facilities within the budget approved by KVIC.
- b) The assistance in kind shall be procured by KVIC to RII.
- c) The assistance in kind sanctioned shall be released in suitable manner as per the approved action plan and as decided by KVIC.
- d) The RII shall maintain separate records of the details of the assets acquired from the assistance in kind under the Program.

- e) The RII shall furnish the utilization certificate within {3} months from the receipt of assistance in kind and audited statement of accounts pertaining to assistance in kind received from the KVIC at the end of each financial year.

**3. Release of KVIC Assistance In Kind:**

- a) That assistance in kind to be released for the RII will be restricted to the sanction made by KVIC.
- b) That release of assistance in kind for replacement of Charkhas and looms, processing facilities, RTU facility and other equipment assistance, and renovation of sales outlets (renovation of store layout, inventory management, staff rationalization, local publicity, and etc.) will be made by KVIC after receiving confirmation of delivery of equipments/ machineries/ charkhas/ looms or the completion of renovation work at the destination.

**4. 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.

**5. Utilization of KVIC Assistance in Kind:**

- a) It is expressly agreed that the outlay sanctioned hereunder shall be utilized only for the purpose of the assignment and the assistance in kind, if any, shall not be diverted for any other industry, purpose, assignment or use.

**6. Program Monitoring Mechanism:**

- a) RII shall work in co-ordination with the KVIC and the Marketing Organization.
- b) The KVIC shall depute its representatives or officials to assess Program progress from time to time.

- c) In the event of unsatisfactory Program progress, the KVIC shall have the right to discontinue the Program. There upon the KVIC shall be at liberty to entrust the said activity to any other person or agency to conduct and carry the same afresh or to continue the same further from where the activity was discontinued and for this purpose KVIC shall be at liberty to utilize all data, reports and technique collected and developed by the RII on the termination of the activity as aforesaid.
- d) That in case of abandonment, or earlier termination of the Program / work without its completion, the assistance in kind advance, if any, to RII shall be returned forthwith to KVIC.

**7. Program Progress Report:**

RII shall give KVIC half-yearly progress report on the ongoing Program. This report shall cover (i) work done for the half-year (ii) planned activities and strategies (iii) details of financial expenditure incurred during the half-year under broad headings along with the supporting documents.

**8. End of Program Report and Certificates:**

At the end of the Program, RII shall send (i) a comprehensive Program report that outlines its achievements, and (ii) utilization certificate with relevant statements and enclosures for audit purposes, including a detailed statement of assets created.

**9. Completion of the Program:**

The Program shall be deemed to have been successfully completed on submission of the final report by RII and its acceptance by the Program Steering Committee/Reform Implementation Department of KVIC.

**10. Rectification of Defaults:**

If in the opinion of KVIC there is a major breach by RII of the terms herein contained or for any reason RII is not in a position to continue the assignment, KVIC shall have the right to bring to the notice of RII the breach or the fact of its inability to successfully continue the assignment



and upon the failure of RII to rectify the breach or successfully continue the assignment within 45 days thereof, this agreement shall be terminated by KVIC whereupon RII shall be removed from the assignment forthwith and shall refund the entire amount released by the KVIC.

**11. No Liability to KVIC:**

There shall be no principal and agent relationship between KVIC and RII. The KVIC shall not be held liable for acts of omissions or commissions of RII resulting in claims and damages from third party against KVIC.

The RII, at all times indemnify the KVIC against any claims in respect of any damages or compensation payable in consequences of any accident or injury sustained by its (RII) employee or the employee of the sub-contractors or by any other third party resulting from or by any transportation / conveyance or act or omissions conducted by or on behalf of the RII. The RII, shall all times indemnify KVIC against all claims / damages etc for any infringement of any intellectual property rights (IPR) while providing its services under the Program.

**12. Amendment to Agreement:**

RII and KVIC may make amendment to this Agreement, as per requirements, by mutual consent, in writing.

**13. Notification of Change:**

The RII shall notify the KVIC of any material change in their status, shareholding or that of any guarantor of the RII, in particular, where such change would impact on performance of obligations of RII under this agreement.

**14. Force Majeure:**

Neither party shall be held responsible for non-fulfilment of their respective obligations under this agreement due to exigency of one or more force majeure events, such as floods and fire, provided on the occurrence of such events the affected shall give one month notice within occurrence of such event.

**15. Resolution of Dispute / Interpretation:**

In case of any dispute between RII and KVIC, the same shall be settled mutually, and if any difference in opinion persists, the same shall be referred for arbitration to the Secretary, Ministry of Micro, Small and Medium Enterprise, Govt. of India, whose decision shall be final and binding on both parties.

In witness where of the parties to this Agreement have hereunto signed their respective names and affixed their respective seals the date and the year first here in above written.

Signed, Sealed and delivered by

Shri \_\_\_\_\_

For and on behalf of the

1<sup>st</sup> Party, in presence of Witness

1.

2.

Signed, Sealed and delivered by

Shri \_\_\_\_\_

For and on behalf of the

2<sup>nd</sup> Party in the presence of witness

1.

2.

## **Composition of Field Level Execution Committee and its Terms of Reference**

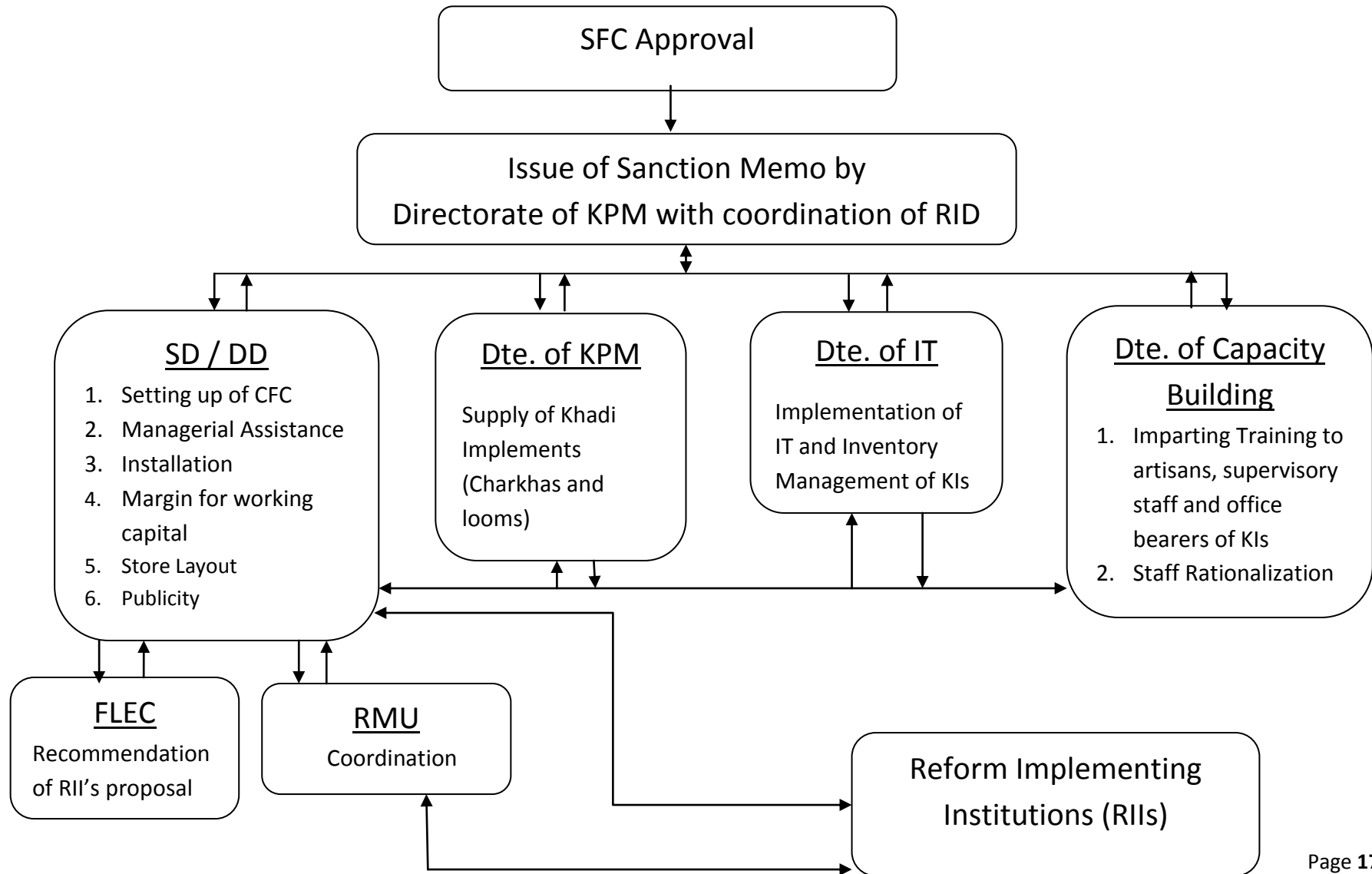
The Field Level Execution Committee (FLEC) for implementation of KRDP programme would consist of the following members:

- |    |  |                   |
|----|--|-------------------|
| 1. | State / Divisional Director  | - Chairman        |
| 2. | Representative of State Federation of KIs/<br>Parent body of RIIs              | - Member          |
| 3. | CEO of State KVIB or his representative  | - Member          |
| 4. | SLBC Convener / Lead District Manager  | - Member          |
| 5. | Accountant of State/Divisional Office  | - Member          |
| 6. | Secretary/Chairman of RII Concerned  | - Member          |
| 7. | Asstt. Director/Accounts Officer or<br>In-charge, RMU, State/Divisional Office | - Member/Convener |

### **Terms of Reference / Role of FLEC for KRDP:**

- (a) The Committee shall scrutinize the proposal of the RII in consonance with the scheme guidelines and sanction received from Central Office. Based on the recommendation of FLEC, State/Divisional Director will arrange for release/utilization of fund for undertaking the KRDP activities.
- (b) The Committee shall also finalize the Tender / Quotation for procurement of goods and services envisaged in the sanction memo and the terms and conditions of Tender / Quotation for execution of the contract and the terms of the payment to the party as per contract adhering to GFR.
- (c) The RII will place the work order recommended by FLEC for execution of the said work / procurement of goods.
- (d) Monitoring and review of the activities carried out by RII at least once in a month.

**ACTIVITY FLOW CHART FOR IMPLEMENTATION OF DIRECT REFORM ASSISTANCE TO KHADI INSTITUTIONS(KIs)**



**CONTOUR OF ROLE AND RESPONSIBILITIES OF THE PROGRAMME / STATE / DIVISIONAL DIRECTORS AND REFORM IMPLEMENTING INSTITUTIONS FOR OPERATING DRA UNDER KRDP**

Particulars	Requisition	Purchase Order	Delivery/ Implementation	Payment
<b>Production Reforms</b>				
<b>Implements</b>	RII	RII with KVIC's approved manufacturers	Delivered directly to RII after test run and testing of charkhas by KVIC or its approved technical agency in presence of RII at manufacturing place.	State / Divisional Director, KVIC
<b>Common Facility Centres &amp; Work sheds</b>	RII	RII	Delivered directly to RII after test check by the manufacturers	State/Divisional Director, KVIC
<b>IT</b>	RII	Director (IT), KVIC, Central Office	Hardware delivered directly to RII Implementation - Jointly by Dir(IT), State/Divisional Director and RII	Director (IT), KVIC, Central Office
<b>Managerial</b>	RII	Appointment of RIO and ITA by RII	RII	RII on reimbursement basis from State/Divisional Director, KVIC
<b>Training</b>	RII	Director (HRD/Capacity Building), KVIC, C.O.	Director (HRD/Capacity Building) and RII	Director (HRD/ Capacity Building), KVIC, C.O.
<b>Installation etc</b>	RII	As per RII requisition	Implementation by RII	State/Divisional Director to party/RII
<b>Working capital (MM)</b>	RII	N.A.	Implementation by RII	State/Divisional Director, KVIC to financial institution
<b>Marketing Reforms</b>				
<b>Store layout</b>	RII	RII with FLEC recommendation	Jointly by RII and State/ Divisional Office, KVIC	State/ Divisional Director, KVIC
<b>Inventory management</b>	RII	Along with IT MIS implementation by Director (IT)	Jointly by RII, Director (IT) through Approved Vendor	Director (IT), KVIC, C.O.
<b>Staff rationalization</b>	RII(*)	--	--	--
<b>Local publicity</b>	RII	RII with FLEC recommendation	Implementation by RII	State/Divisional Director, KVIC

(\*) will be decided later on

**DESCRIPTION OF ROLE AND RESPONSIBILITIES OF THE PROGRAMME / STATE / DIVISIONAL DIRECTORS AND REFORM IMPLEMENTING INSTITUTIONS FOR OPERATING DRA UNDER KRDP**

**I. PRODUCTION REFORM**

**Implements**

<p>Requisition</p>	<p>The RII shall intimate its requirement within two weeks of receipt of sanction for procurement of implements under KRDP to the State/Divisional Director under intimation to Director (KPM) and Director (RID). The intimation should contain the following details:</p> <ul style="list-style-type: none"> <li>• Type of implements;</li> <li>• Technical specifications;</li> <li>• Quantity and estimated cost</li> <li>• Time of delivery; and</li> <li>• Place of delivery (name of RII)</li> <li>• Order of preference of manufacturer / supplier</li> </ul>
<p>Purchase Order</p>	<p>The RII shall place orders for supply of implements with KVIC approved manufacturers with due recommendation of FLEC with following details under intimation to State / Divisional Director and Director (KPM)</p> <ul style="list-style-type: none"> <li>• Technical specification;</li> <li>• Quantity;</li> <li>• Time of delivery; and</li> <li>• Place of delivery (name of RII)</li> </ul>
<p>Delivery/ Implementation</p>	<p>The implements shall be delivered by the supplier directly to the RII after conducting a test run in the presence of the representative of RII and obtaining the test report from KVIC technical staff or the Technical Agency recognized by KVIC. On delivery, the supplier will obtain the delivery confirmation and conduct an onsite trial run at the RII premises.</p>

	The manufacturer/supplier should adhere to warranty and other service conditions stipulated by KVIC.
Payment	<p>On placing the order an advance shall be paid to the supplier as per the stipulated guidelines of KVIC. After delivery of the implements, original invoice shall be sent by the supplier to the RII with a copy to State/Divisional Director and Director (KPM) at the Central Office along with</p> <ul style="list-style-type: none"> <li>• Delivery confirmation;</li> <li>• Test report; and</li> <li>• Commissioning Certificate</li> </ul> <p>The payment shall be made by State / Divisional Director on the basis of the invoice forwarded by RII along with the supporting document as mentioned above with authorisation for payment to supplier.</p>

### Setting up of Common Facility Centre

Requisition	<p>RII shall propose a detailed project plan for setting up the CFC with the following details :</p> <ul style="list-style-type: none"> <li>• Description and number of the equipments to be procured;</li> <li>• Cost of each equipment; and</li> <li>• Utility of each equipment</li> </ul> <p>The requisition will be sent to State/Divisional Director with intimation to Director (KPM) and Director (RID). State/Divisional Director shall place the requisition received from RIIs before the Field Level Execution Committee (FLEC) for its scrutiny and recommendation.</p>
Purchase Order	<p>Based on the recommendation given by FLEC, RII shall initiate the process of procurement of equipment by inviting quotation / tenders as per GFR.</p> <p>Thereafter, State/Divisional Director shall place the tender/quotations received from the suppliers before FLEC for evaluating the tender/quotation.</p> <p>Once FLEC recommended for placing the order with suppliers for required machineries, RII shall issue letter of Award to</p>

	the qualified suppliers with intimation to State / Divisional Director with a copy Director (KPM) at the Central Office.
Delivery/ Implementation	The equipments shall be delivered and installed by the supplier directly to the RII. On installation the supplier will obtain the delivery confirmation and Commissioning Certificate from the RII.
Payment	<p>On placing the order an advance may be paid, if need be, to the supplier on the basis of the agreed terms. Copies of the invoice shall be sent by the supplier to the RII with a copy to State/Divisional Director along with:</p> <ul style="list-style-type: none"> <li>• Delivery confirmation;</li> <li>• Test Report (wherever applicable); and</li> <li>• Commissioning (erection) Certificate</li> </ul> <p>A copy of the invoice shall also be sent to Director (KPM) by the RII for information</p> <p>State/Divisional Office shall process the payment based on receipt of the invoice along with the supporting document as mentioned above from the RII and issue cheque/demand draft after deducting all statutory payments if any.</p>

### **Work Shed**

Requisition	<p>The RII shall submit a plan for constructing the work shed, duly certified by Chartered Engineers/Registered Architect/Registered Civil Engineer, together with plan approved by respective local authorities. The plan shall necessarily contain the following details:</p> <ul style="list-style-type: none"> <li>• Approved blue print of the proposed construction</li> <li>• Cost estimate for construction of proposed work shed including material and labour cost</li> </ul> <p>The plan will be sent to the State/Divisional Director with intimation to Director (KPM) for placing before Field Level Execution Committee (FLEC) for its recommendation.</p>
Work Order	Based on the recommendation of FLEC, the RII shall initiate the process of procurement of services through RMU. Thereafter, work order shall be placed to the CPWD/empanelled/registered contractor as per GFR with a copy to Director (KPM).



Delivery/ Implementation	<p>The construction shall be done by the selected contractor under the supervision of the RII and periodic supervision by the technical staff of the RMU/KVIC State/Divisional Office.</p> <p>On completion, the contractor will submit a completion report to the Sate/Divisional Office through RII. KVIC will conduct a joint inspection on construction of the work shed along with the representative of the RII and RMU.</p>
Payment	<p>No advance payment will be made. However, based on the actual progress of work, running payment may be made. After completion a copy of the invoice shall be sent to the State/Divisional office along with Joint Inspection and Completion Report.</p> <p>The payment shall be made by State/Divisional Director after duly scrutiny of the work bill with reference to actual measurement of different items of works by a competent authority to the contractor after deducting all statutory payments if any.</p>

#### **IT and Inventory Management intervention in Production & Marketing Reform**

Requisition	<p>The RII shall submit a plan in accordance to the Action Plan approved by SFC (in consultation with approved IT vendor) as advised by Directorate of IT as briefed hereunder:</p> <ul style="list-style-type: none"> <li>• Requirement of hardware for Production and Sales Centres;</li> <li>• Software requirement as suggested by Directorate of IT;</li> <li>• Place of installation of the hardware; and</li> <li>• Requirement of training input to the staff of RII</li> </ul> <p>Directorate of IT has prepared a comprehensive plan for integrated MIS system covering KVIC Central Office, State / Divisional office and RIIs.</p> <p>The RII component of the MIS system will be modified by Director (IT) based on the specific requirements of respective RII</p>
Purchase Order	<p>Director (IT) with the support of approved MIS vendor initiate tendering process for design, development, implementation and maintenance of software application for MIS System.</p>

Delivery/ Implementation	The hardware items shall be delivered by the KVIC's approved vendor directly to the RII and install them at the RII premises.
Payment	The payment for design, development, implementation and maintenance of MIS application will be made centrally by Director (IT). Payment for hardware will be made by Director (IT) after receiving the confirmation from RII through State/Divisional Office regarding delivery of the hardware items as well as satisfactory installation details.

### Managerial

Requisition	The RII will appoint RIO and IT Assistant as per the norms of the institutions (RII). The RII will be responsible for appointing experienced and qualified RIO and IT Assistant as per criteria prescribed by Director (RID). The responsibility of KVIC shall be confined and limited to the quantum of financial grant agreed by the SFC and communicated to the respective RII.
Selection Order	Selection of RIO and IT Assistant shall be done by a competent Selection Committee of RII with representative from State/Divisional office of KVIC. Preference may be given for the successful Cluster Development Executives (CDEs) worked in the Khadi Clusters under SFURTI programme.
Implementation	KVIC and RII jointly review and monitor the work of RIO and IT Assistant periodically
Payment	The payment of salary to the RIO and IT assistant shall be made by the RII as per the agreed terms. State/Divisional Director shall reimburse the amount of salary paid to RIO and IT assistant to the RII subject to the amount sanctioned by SFC.

### Training

Requisition	The RII will send the request for training and capacity building requirement to Director (Capacity Building)
Purchase Order	The arrangement for training will be done by Director (Capacity Building) either in the KVIC Departmental Training Centre or outside training agencies
Delivery/ Implementation	As per need.
Payment	In case the training is conducted by outside training agencies/institute, the payment will be made by the Director (Capacity Building) directly to such agencies on the basis of reports from the agency. In case the training is conducted in KVIC departmental training centre, payment may be made to the training centres concerned.

## Working Capital

Requisition	The working capital requirement should commensurate with the proportionate production or proportionate to the implement provided under KRDP subject to the ceiling of working capital approved by SFC. RII will send the request for working capital to the State / Divisional Director.
Alternative / second option	If sliver is required from CSP, the State / Divisional Director will recommend the indent of RII to the concerned CSP. Taking this assistance as margin money the RII shall ensure for mobilising working capital from the financial institutions under the KVIC's ISEC scheme.
Implementation	Jointly by State/Divisional Director and RII
Payment	By the state / Divisional Director

## II. MARKETING REFORM

### Store Layout

Requisition	<p>The RII shall submit a plan for store layout, signage, façade, interior decoration and incidental civil works duly certified by Chartered Engineers/Registered Architect/Registered Interior Decorator. The plan shall necessarily contain the following details:</p> <ul style="list-style-type: none"> <li>• Approved blue print of the proposed refurbishment</li> <li>• Cost estimate for incidental Civil Works for proposed area including material labour cost.</li> </ul> <p>The plan received from RIIs shall be placed before the Field Level Execution Committee (FLEC) for its recommendation by the State/Divisional Director. The proposal for renovation of sales outlet in rented / leased premises shall be considered only if those exists in a rent / lease agreement for next 10 years.</p>
Work Order	<p>After recommendation of FLEC, the RII shall place the work order to the qualified contractor by following the GFR provisions as is the provision prescribed for construction of work shed under CFC.</p> <p>A copy of the work order shall be sent to State / Divisional Director with a copy to Director (KPM/Marketing)</p>
Implementation	<p>The work shall be done by the qualified contractor under the supervision of the RII and periodic supervision by the technical staff of the RMU/KVIC State/Divisional Office.</p> <p>On completion, the contractor will submit a completion report to the Sate/Divisional Office through RII.</p>

	KVIC will conduct a joint inspection of the refurbishment of store layout along with the representative of the RII and RMU.
Payment	<p>No advance payment will be made. However, based on the actual progress of work, running payment may be made.</p> <p>After completion a copy of the invoice shall be sent to the State/Divisional office along with Joint Inspection and Completion Report.</p> <p>The payment shall be made by State/Divisional Director after duly scrutiny of the work bill with reference to actual work done by the contractor after deducting all statutory payments if any.</p>

**Local Publicity**

Requisition	<p>The RII shall prepare an Action Plan for local publicity, as envisaged in the Action Plan approved by SFC and submit to FLEC through State/Divisional Director. After due deliberations a detailed media wise plans is to be got prepared with recommendation of FLEC. The plan will include the –</p> <ul style="list-style-type: none"> <li>• Mode of publicity,</li> <li>• activities required and activity wise cost estimate; and</li> <li>• quotations from select reputed agencies etc.</li> </ul>
Work Order	Based on the recommended plan and estimate for local publicity, the RII may engage with agencies directly, place the work order for publicity to the suitable agencies adopting due formalities or directly as the case may be.
Implementation	The publicity shall be done under the supervision of the RII. RII shall periodically apprise the State/Divisional Director about the publicity activities conducted under the plan.
Payment	After receiving the invoices from the agencies, RII shall send the invoices to State/Divisional Directors. State/Divisional Director shall make the payment directly to the agencies/service providers after deducting all statutory payments if any.

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