



सर्वोच्च न्यायालय
Government of India

बजट निदेशालय

खादी और ग्रामोद्योग आयोग

सुब्रह्म, लघु एवं मध्यम उद्यम मंत्रालय, भारत सरकार,
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DIRECTOR OF BUDGET

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खादी आयोग
सर्वोच्च न्यायालय

No. KVIC/BGT/Budget Guidelines-2016-17/

Date: 13/02/2016

CIRCULAR

Sub : Guideline of budget exercise for Directly Aided/Board/Board Aided Institutions and Dept. Units for the year 2016-17

With the approval of Commission, in its meeting held on 21.01.2016, it has been decided that budget discussion for the year 2016-17 of the Commission's Directly Aided Institutions, Board Aided Institutions and Departmental Units of KVIC and State/U.T. KVI Boards shall be taken by the State Level Budget Team. The following simplified budget guidelines are issued for fixing targets of Khadi and V.I. institutions and Departmental Units for 2016-17:-

1. It has been decided to give full freedom to the institutions to decide their targets based on the available infrastructure including inter-alia charkhas, looms, spinners, weavers, raw materials, availability of working funds etc.. However, it should be ensured that the artisans are covered by social security benefits, coverage of all artisans under Aadhar, Post office/bank accounts and procure Khadi Mark registration.
2. Such target sought by the institutions should be scrutinized by the field offices and based on their study/scrutiny field offices will assign them a reasonable target as per detailed Guidelines attached at Annexure-A & B. The State/Divisional Directors are authorized to issue budget allocation in favour of Directly Aided Institutions and Board as well as Board Aided Institutions in their Jurisdictions as per recommendations of SLBT.
3. Composition of SLBT :-

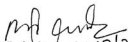
The SLBT will comprise of the following officials:

- i) State/Divisional Director or In-charge of the office.
- ii) Representative of the KVI Board duly nominated by MD./F.A./C.E.O. of the Board, not below the rank of Director.
- iii) Officers in charge of Programme of KVIC field office.
- iv) Accounts Officer/Accountant of KVIC field office.
- v) CSP/DSO Manager or his authorized nominee wherever these units are available.

- vi) Secretary or Chairman of the State Level Federation recognized by KVIC(or) Secretary/ Chairman of the Parent body viz. Gandhi Ashram, Lucknow/TNSS, Tirupur/BKGS, Muzaffarpur/ KSS, Calicut etc. wherever available.
4. The State/Divisional Directors are also requested that in the budget allocation, it should be clearly mentioned that ISEC will be issued for the eligible amount of Working Capital already availed and/or to be availed from Bank. Regarding MDA, KVICs commitment will to the extent of budget allocation received from the Ministry for 2016-17. The proposed targets and profile of the Institutions may be obtained form KI's as per Annexure-I for budget discussion by SLBT.
 5. State/Divisional Directors should ensure issuance of budget allocation for 2016-17 on or before 31st March, 2016, subject to compliance of creation of Equitable Mortgage and Hypothecation Deed by the institutions and other conditions prescribed in the detailed guidelines at "Annexure A & B".
 6. Directorate of Budget has already issued the formula/criteria of maximum capacity of production by utilizing available manpower and infrastructures/implements such as traditional Charkha, NMC etc. and various types of looms etc. availability of working capital fund in an ideal situation vide letter No. KVIC/BGT/Budget Guidelines 2015-16/07 dated 15.04.2015 to all State/Divisional Office/KVI Boards.
 7. A mid-term review on the actual achievement vis-à-vis the fixed target may be arranged by Field Offices in October, 2016 to review the actual performance as well as refix the targets if required keeping in view the above criteria.
 8. After issuing the budget allocation to individual institutions, and Boards a consolidated statement for Directly Aided Institutions and Board Aided Institutions may be prepared separately by the State/Divisional offices in the prescribed Form- I for Khadi and Form-II for V.I.
These consolidated statements (soft copy) should be forwarded to Directorate of Khadi and will also endorse a copy of the same to respective Zonal Members of the Commission by email and signed copy may be forwarded to the Directorate of Khadi by speed post under intimation to Director Budget latest by 7th April, 2016.

9. On receipt of institution-wise consolidated statement from the field offices Director (Khadi), Director (VI) will examine and compile the All India position and submit file seeking concurrence of Finance and approval of F.A. and CEO for placing in the Standing Finance Committee, if it fulfill the parameters for appraisal and for ratification in the SFC meeting to be held in the month of April, 2016.

Encl.: As above


Babul Mandal 13/2/16
Director (Budget)

To,

1	All State/Divisional Directors, KVIC Field offices..	With a request for initiating immediate action for the budget exercise as per above guidelines and time schedule.
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Copy to :

1. Jt. C.E.O. KVIC, New Delhi.
2. All Zonal Dy. CEOs for monitoring the budget exercise and ensure completion as per prescribed time schedule.
3. All State/U.T. KVI Boards for information and necessary action.
4. All the Industry/Programme Directors with a request to advise the Departmental Units under their Administrative control to get in touch with the State/Divisional offices and to ensure issuing budget proposal in time.
5. Secretary to Chairman, KVIC.
6. OSD to CEO, KVIC.
7. F.A. Cell, KVIC.
8. PA to CVO, KVIC.
9. All Departmental Bhavans,
- 10 All Departmental Training Centers,
- 11 All Central Silver Plant.
- 12 Director (I.T.) with request to upload this circular on the KVIC Website.
- 13 Director (Publicity) with a request to publish the same in the ensuing edition of "Jagruti".
- 14 Director (Hindi Cell), with a request to translate the Budget Guidelines in Hindi.


Director (Budget) 13/2/16

Detailed Guidelines for fixing of target under Khadi & Polyvastra Programme for the year 2016-17

- (i) For old running institutions the targets for 2016-17 will be fixed as per criteria Stated in the circular vide para 1.
- (ii) For new institutions total target of Production of all varieties of Khadi & Poly should not exceed Rs15.00 Lakhs distributing the target proportionately as per the available infrastructure if any institution proposes to carry out production of more than one variety of Khadi & Polyvastra. Accordingly, sales target may be distributed between Retail Sales Rs.10.00 Lakhs and Whole Sale Rs.5.00 Lakhs if the KI has its own sales outlets, otherwise maximum whole sales may be sanctioned. The State/ Divisional Director and CEO, KVIB should certify that the institution has working infrastructure and artisans to run the production activities.
- (iii) SFC (Khadi) in its meeting held on 15 July 2015 decided that, Retail Sales target to be fixed at the most up to two times of the production targets. However, the institution is free to execute Retail Sales beyond the above limit but for calculation of working capital eligibility from bank finance the above limit will be taken in to consideration.
- (iv) Normally, the whole sale targets to be restricted at the most up to production target, if the institution is engaged only in whole sale otherwise, it will be suitably distributed between Retail Sale and Whole sale. However, if the institution demands the Wholesale target of the Khadi producing institutions may be fixed taking into account the target of production and the previous unsold stocks of its own production in the beginning of the financial year S.O./D.O.'s has to ensure the previous unsold stock position of the institutions and the same should be specifically justified.
- (v) In case of Khadi institutions, who are executing Government supply under R.C./Non-R.C., if they need higher target of Production under Polyvastra or Cotton Khadi based on the order received from the indenting departments, they are permitted to make higher production in Polyvastra or Cotton Khadi as the case may be within the total combined target of Polyvastra and Cotton Khadi.
- (vi) Net Eligibility or Surplus working fund should be calculated against each institution in terms of all the varieties of Khadi /Polyvastra activities put together which means only net figure of grand total to be indicated after adjusting surplus fund against Net Eligibility or Vice-versa.
- (vii) Wherever ISEC will be issued by the State/Divisional Offices on the basis of Net eligibility of Working fund it will be imperative on the part of institutions as well as State /Divisional Offices to pursue the matter vigorously with the appropriate authorities of the banks for providing adequate working capital to the institutions and the progress is to be reported to the Zonal Dy. CEO/Director (Khadi)/Director (Budget) in the Central Office.

- (viii) All the KIs should comply the guideline issued for creation of E.M. and Hypothecation Deed as per Circular No DKPM/GEN/BGT/2015-16 dated 01.09.2015
- (ix) One of the basic requirements of finalization of budget is analysis of audited balance sheet and supporting statements of accounts of the institutions. In view of this, it is imperative that the audited accounts of the institutions/Board for the latest period viz. 2014-15 are made available at the time of the budget discussion. The State/Divisional Directors will therefore ensure its availability sufficiently in advance so that its analysis could be done by the Internal Audit Party attached to it.
- (x) It may be ensured by the State/Divisional Offices of KVIC that the institutions have sufficient participation of SC,ST, Women, and Minority category both in terms of physical contents as well as monetary allocations under different industries and programme. Emphasis should be given to the need of furnishing reports of such participation of the SC,ST, women and minority category people to the State/Divisional Director, who in turn, will compile and furnish the information to the Directorate of Ec.R. as well as to the respective Industry and Programme Directors.
- (xi) In case of departmental activities of KVIC and KVIB, the targets will be fixed following the same criteria as that of Khadi Institutions except of the conditions of E.M. and Hypothecation Deed.
- (xii) The consolidated summary sheet of the budget proposals of all State/Divisional Offices and KVI Board should be prepared in Excel sheet only in Form-I attached.
- (xiii) The Budget allocations of directly aided institution of KVIC and State KVI Boards should be placed on the KVIC website.
- (xiv) Necessary formats and certificates may be obtained from KI's as per previous years budget guidelines.

BUDGET GUIDELINES FOR V.I. PROGRAMME

1. V.I. Budget allocation will be considered only in case of continuation of old running programme for the year 2016-17 based on installed capacity of production, infrastructure last year's performance, availability working capital, employment provided and market potentiality of the product.
2. V.I. Budget exercise may be restricted to only those V.I. Activities which are carried by KVIC/KVIB Aided Institutions & Departmental Activity where finance has been provided of KVIC, CBC resources or availed bank finance.
3. The available working capital under KVIC, CBC, B.F. and employment provided should match with the achievement of target.
4. **In case of higher targets, i.e. more than Rs.5.00 Crore the proposal should be thoroughly examined in accordance with the Circular No. Finance/Circular/2011-12 dated 25.05.2011, through physical verification with reference to infrastructure available, number of persons working as per wage bills/registers, source of procurement of raw materials, supply of finished goods, availability of finance and its source etc.**
5. Since the Ministry has discontinued the V.I. Loan scheme, targets may be achieved with the available fund. If any surplus fund is identified it should be refunded immediately with accrued interest. Khadi and V.I. Boards should furnish the institution-wise details in the prescribed Form.
6. This exercise of budgeting is required to be done every year till the fund is fully repaid in order to ensure that the fund is being properly utilized for the purpose for which it was paid.
7. Budget targets may be fixed in respect of working units only. For the units where production activities have been stopped, the Institutions and the Boards has to refund the available fund along with interest due.
8. **V.I. ISEC Scheme has been stopped by the Ministry w.e.f. 01.04.2012, as such no ISEC will be considered for V.I. institutions even if the institutions have availed Bank Finance in the past under ISEC Scheme, which may be clearly mentioned in the budget allocations.**
9. In order to arrive at the Net eligibility/Surplus fund the own fund generated by the institutions over a period of their past activities plays a significant role. Some institutions carry out both Khadi and V.I. activities. For V.I. activities the institutions mainly carry out the activities with their own fund since the funding arrangement from KVIC has been stopped to V.I. institutions after introduction of CBC/REGP schemes. It is of utmost importance that own fund of the institutions in respect of (i) Khadi and Polyvastra and (ii) other V.I. are properly assessed by splitting the respective current Assets and Current Liabilities appearing in the Balance Sheet separately and the same is reflected in the budget allocation of Khadi and V.I. accordingly.
10. After issuing budget allocation to individual institution by State/ Divisional Directors a consolidated statement may be prepared in excel sheet in Form-II attached and forward to concerned V.I. Directorate in central office in soft copy by e-mail followed by singed copy by speed post under intimation to Director Budget in central office.

BUDGET PROPOSAL FOR KHADI & POLYVAISTRA PROGRAMME FOR THE YEAR 2016-17*(To be filled in by the institution)***PROFILE OF THE INSTITUTIONS**

1. Name of the institution
Address and other details
- | | | | |
|---------------|--|----------|--|
| Village/ Post | | Taluka | |
| City/ Town | | District | |
| State | | Pin | |
| Phone | | Fax | |
| Email | | Website | |
2. Contact Person Details
- | Name | Designation | Contact no. |
|------|-------------|-------------|
| | Chairman | |
| | Secretary | |
| | | |
3. Status of the institution :
- a) Registration Certificate : No.:
Act :
- b) Khadi /Polyvastra Certificate No. and validity upto : Khadi: Polyvastra :
No.:
Valid upto:
- c) Status of the Khadi Mark Registration : I Registration Certificate obtained : Yes /No/ Applied for
II If yes, give registration No.
- d) Direct listing : Letter No.
Date:
- e) Category : A+ / A / B / C
- f) Position of the institution : Normal / Problematic
- g) Social category of institution : SC / ST / Women / Minority /
OBC / General
- Scheme implemented : SFURTI/KRDP(ADB)/EPCKIA, other than normal Khadi and Polyvastra Programme
- h) Position of Hypothecation Deed : (Rs. in lakhs)
Date of Execution Ceiling limit Date of Renewal
- i) Khadi
ii) Village Industries
- i) Position of Equitable Mortgage : (Rs. in lakhs)
- | | Value as per balance sheet | Value of EM executed |
|--------------|----------------------------|----------------------|
| i) Land | | |
| ii) Building | | |

i) Position of Audit Report :	Completed up to		Reason for pending
j) Detail of Centres	S.No	Production Centre	Sale Centre

4. Performance Details for the last 3 years : (Rs. in lakhs)

Year	Particulars	Cotton	Silk	Woolen	Poly	Employment (in nos.)						
						Category	Gen	SC	ST	Minority	Total	Women
2012-13	Production					FT PT						
	Retail Sale											
	Whole Sale											
	Closing Stock											
2013-14	Production					FT PT						
	Retail Sale											
	Whole Sale											
	Closing Stock											
2014-15	Production					FT PT						
	Retail Sale											
	Whole Sale											
	Closing Stock											
2015-16 (Target)	Production					FT PT						
	Retail Sale											
	Whole Sale											
	Closing Stock											
2015-16 (Achievement up to 31.12.2015)	Production					FT PT						
	Retail Sale											
	Whole Sale											
	Closing Stock											

5. Raw material procurement :
for the last 3 years

Quantity : in Kgs.
Value : Rs. in lakhs

Year	Varieties	Total requirement		Procurement from Market		Procurement from CSP	
		Quantity	Value	Quantity	Value	Quantity	Value
2013-14							
2014-15							
2015-16							

6. Latest Fund Position :

(Rs. in lakhs)

Particulars	CBC	KVIC	BF (Availed)	OWN	Total
Khadi					
Poly					
Other Schemes (*)					
(*) SFURTI/KRDP(DRA)/EPCKIA					

7. Available Infrastructure -

(In Nos.)

i)	Charkhas	:		Traditional	NMC	Reeling Basin
			Cotton			
			Woollen			
			Silk			
			Polyvastra			
ii)	Looms	:		Traditional	Improved	Others
			Cotton			
			Woollen			
			Silk			
			Polyvastra			

8 Artisan Details (in Nos.)

Sr. No.	Particulars	Spinners			Weavers		Others	Total
		Traditional	NMC	Reelers	Trad.	Impd.		
1	Total registered artisans							
2	Presently working							
3	Covered under JBY							
4	Covered under AWFT							
5	Bank/Post Office A/c. opened							
6	Aadhar Card							

9 Target proposed for the year 2016-17

Scheme	Production	Retail Sale	Govt. Supply (RC/Non RC)	Whole Sale	Empl.						
					Category	Gen	SC	ST	Minority	Total	Women
Cotton					F.T. P.T.						
Silk					F.T. P.T.						
Woollen					F.T. P.T.						
Total Khadi					F.T. P.T.						
Poly					F.T. P.T.						

I/We solemnly affirm that the information furnished as above are true and correct.

SIGNATURE OF SECRETARY OF THE
INSTITUTION WITH SEAL

Place : _____

Date : _____

CONSOLIDATED STATEMENT OF BUDGET ALLOCATION FOR THE YEAR 2016-17

FORM-I

NAME OF KVIC FIELD OFFICE

(Amount in Lakhs & Empl/ others in No.)

Sr. No.	Name of the Institutions	Scheme	Best achievement during the last three years as per Balance Sheet i.e. 2012-13, 2013-14, 2014-15					Total No. of Artisans available	No. of Opening of Bank/P.O. A/c /Aadhar Card of Artisans	Available infrastructure			Production capacity					
			Prod.	R.Sale	W.Sale	Empl. F.T.	Empl. P.T.			Spin.	Weavers	Bank/P.O. A/c's	Aadhar Card	Charthkas	Looms	Quantity	Value (Amount)	
1																		
2																		
		3																
		Cotton Khadi	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
		Silk Khadi																
		Woollen Khadi																
		Total Khadi																
		Polyvasta																
		Grant Total																

Prod.	R.Sale	W.Sale	Empl. F.T.	Empl. P.T.	Gross Eligibility of working capital	Working Fund availed as per balance-sheet analysis as on 31.03.2015			Bank Financ e Availled	Own Fund/ Depletion (+)/(-)	Total	Net Eligibility of Working Capital/ Surplus Fund (+)/(-)	Eligibility of MDA & ISEC to be restricted as per BE form Govt. of India	ISEC @ 8%	Validity of Khadi & Poly Certificate Up to	Status of Khadi Mark Registration obtained Yes or No.	Whether EM and Hyph. Deed created Yes or No.	EM.	Hyph. Deed	
						KVIC Fund	CBC Fund	Bank Financ e Availled												
20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37			

Signature of State/Divisional Director

CONSOLIDATEED STATEMENT OF BUDGET PROPOSAL OF VILLAGE INDUSTRIES ACTIVITIES OF KVICKVIB INSTITUTIONS FOR THE YEAR 2016-17

FORM -II

Name of State/ Divisional Office : _____
 Name of Village Industry : _____

(Rs. In Lakhs & Empl In Nos.)

Sr.No	Name of the Institutions	Industry/Activities	Installed Capacity	Actual performance for 2014-15						Target sanctioned for 2015-16			Achievement for the year 2015-16 (upto December 2015)			Remarks
				Prod.	Sales	F.T.	Empl.	P.T.	Empl.	Prod.	R.S.	F.T.	Empl.	P.T.		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	

Target for 2016-17	Employment		Gross Eligibility	Working Capital Aailed			Own fund as per Balance Sheet Analysis	Total	Surplus Fund			Remarks			
	Prod.	R.S.		W.S.	F.T.	P.T.			CBC	KVIC	Bank Loan		CBC	KVIC	Bank Loan
17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	

State /Divisional Director