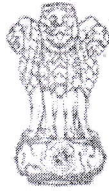




M.T. WAKODE, DIRECTOR (ABFPI)



सत्यमेव जयते

खादी और ग्रामोद्योग आयोग

KHADI AND VILLAGE INDUSTRIES COMMISSION

सूक्ष्म, लघु और मध्यम उद्यम मंत्रालय, भारत सरकार
Ministry of Micro, Small & Medium Enterprises, Govt. of India,
कृषि आधारित खाद्य प्रसंस्करण उद्योग निदेशालय
DIRECTORATE OF AGRO BASED FOOD PROCESSING INDUSTRY

No. ABFPI/ Amla Cluster/2015-16/12

Dt. March 31, 2016

SANCTION ORDER

Sub: SFC (V.I.) Sanction of Rs. 1,71,00,000/- (Rs. One Crore and Seventy One lakhs only) as Share from KVIC (N.A.) and Rs. 27.00 lakhs as Contribution from I.A. with the total project cost of Rs. 1,98,00,000/- for implementation of Amla and other Food Products Cluster at Pratapgarh, U.P. in favour of Abhishek Gramodyog Sewa Sansthan, Village: Kaulapur Nand Patti, P.O.: Muwar Adharganj, Block: Gaura/Shivgarh, Dist: Pratapgarh: 230 304, U.P. – reg.

Ref: (1) SFC (V.I.) Resolution No. V.I./2015-16 Dt. 24.2.2016 – Proposal No.2 issued vide on 22.03.2016 by the Secretary, SFC (V.I.).
(2) Budget Allocation No. BGT/V.I./Allo/2015-16/160 Dt. 22.03.2016 (Page: 10/C) of Director (Budget).

In pursuance of the SFC (V.I.) Resolution and Budget allocation, under reference, has duly approved the DPR, Action Plan for three financial years and sanctioned the following funds for the implementation of Amla and other Food Products Cluster at Pratapgarh, U.P., under ABFPI for the financial year 2015-16 under ADB/KRDP funds in favour of the Abhishek Gramodyog Sewa Sansthan, Village: Kaulapur Nand Patti, P.O.: Muwar Adharganj, Block: Gaura/Shivgarh, Dist: Pratapgarh: 230 304, U.P.:-

(Rs. in lakhs)

S. No.	Particulars	Share of Nodal Agency/KVIC as Grant	Contribution of Imp. Agency	Total Amount
1	Hard Interventions	73.95	24.65	98.60
2	Soft Interventions	97.05	2.35	99.40
	Total	171.00	27.00	198.00

The copy of SFC (V.I.) Resolution and Budget allocation alongwith Annexure – I, II and III are enclosed herewith for ready reference, which is self-explanatory. The copy of Operational Guidelines for utilization of above sanctioned funds, which has been duly approved by the Deputy Chief Executive Officer (V.I.), is also enclosed herewith for ready reference and necessary compliance.

Encl: As above.

To

(Through Director, Divisional Office, KVIC, Varanasi, Uttar Pradesh)

The Secretary, Abhishek Gramodyog Sewa Sansthan, Village: Kaulapur Nand Patti,
P.O.: Muwar Adharganj, Block: Gaura/Shivgarh, Dist: Pratapgarh: 230 304, U.P.

Yours faithfully,

(M.T. Wakode)
Director (ABFPI)

ग्रामोदय, 3, इर्ला रोड, विले पार्ले (प.), मुंबई - 400056

Gramodaya, 3, Irla Road, Vile Parle (W), Mumbai-400056

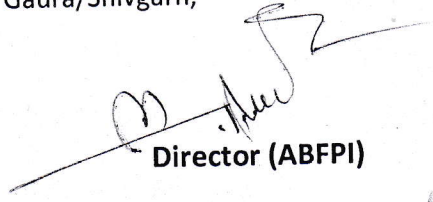
Tel: 022-2671 4320 (Extn.: 338), Telefax: 022-2671 0854

Email: directorabfpi@gmail.in Website: www.kvic.org.in



Copy to:

1. The Deputy Chief Executive Officer (V.I.), KVIC, Mumbai: 56.
2. The Deputy Chief Executive Officer (C.Z.), KVIC, Bhopal, M.P.
3. The Director, Divisional Office, KVIC, Varanasi, U.P.,
4. The Deputy Director -I/c (RID/KRDP), KVIC, Mumbai: 56.
5. The Secretary, Abhishek Gramodyog Sewa Sansthan,
Village: Kaulapur Nand Patti, P.O.: Muwar Adharganj, Block: Gaura/Shivgarh,
Dist: Pratapgarh: 230 304, U.P



Director (ABFPI)





कामधे दूरवतप्रानाम् ।
प्राणिनाम् आतिनाशनम्॥



सत्यमेव जयते

OPERATIONAL GUIDELINES
FOR
IMPLEMENTATION OF
CLUSTER DEVELOPMENT PROGRAMME
UNDER ABFPI
OUT OF
KRDP/ADB FUNDS

खादी और ग्रामोद्योग आयोग

KHADI AND VILLAGE INDUSTRIES COMMISSION

सूक्ष्म, लघु और मध्यम उद्यम मंत्रालय, भारत सरकार

Ministry of Micro, Small & Medium Enterprises, Govt. of India,

कृषि आधारित खाद्य प्रसंस्करण उद्योग निदेशालय

DIRECTORATE OF AGRO BASED FOOD PROCESSING INDUSTRY

ग्रामोदय, 3, इर्ला रोड, विले पार्ले (प.), मुंबई - 400056

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कृषि आधारित खाद्य प्रसंस्करण उद्योग निदेशालय

OPERATIONAL GUIDELINES FOR IMPLEMENTATION OF RID/KRDP CLUSTERS UNDER ABFI

1. The Implementing Agency/Institution should be invariably enlisted in the direct list of KVIC before release of funds.
2. An **Agreement** should be duly executed, as per the **Specimen Copy of an Agreement**, duly vetted by the Director (Legal Affairs), which is enclosed herewith, between the **Director, State/Divisional Office** and **Implementing Agency** in the prescribed format on **Non-Judicial Stamp Paper as per the Stamp Act/Rules** existing in the respective States and fulfillment of all the required conditions laid thereupon before release of funds to the I.A. by the State /Divisional Office.
3. A separate **ESCROW Account** will have to be opened by the Implementing Agency and it will be operated with three joint signatories i.e. (1) Secretary of I.A., (2) Director or the Nodal Officer, not below the rank of Accounts Officer/Development Officer, State /Divisional Office (3) Cluster Development Executive (C.D.E.). All the cluster related transactions should be operated through this **ESCROW Account** only. In lieu of depositing this fund in the bank, the interest accrued, if any, on such deposits should be refunded to the KVIC.
4. Since the above said fund is from the RID/KRDP ADB assistance in the form Grant-in-Aid and the assets acquired by the Implementing Agency, wholly are substantially out of Government of India's Grant and as such it shall not be disposed-off without obtaining the prior approval of Competent Authority of KVIC.
5. The Implementing Agency will appoint a **Cluster Development Executive (CDE)** by inviting applications through advertisements in local news papers. The CDE should possess a minimum qualification of Graduation from the recognized University and preferably should have exposure to the relevant field. The selection of CDE will be made by the Selection Committee constituted under the Chairmanship of Zonal Deputy Chief Executive Officer of concerned Zone, State /Divisional Director, KVIC, Technical Agency as Members and Secretary, Implementing Agency as Member Convenor.
6. The State /Divisional Office will assign the work of **Nodal Officer** to the suitable Technical staff preferably expertised in the concerned field.
7. A **Cluster Monitoring Committee (CMC)** should be constituted with the following members: -

1	State /Divisional Director	Chairman
2	Secretary, Implementing Agency	Member
3	Manager of Lead Bank in the District.	Member
4	Project Director or his Representative from DRDA, State Govt.	Member
5	Technical Agency	Member
6	Cluster Development Executive (CDE)	Member Convenor

The CMC will convene the meeting in the end of every quarter and also as and when it is required to review the progress of the activities and guide TA/CDE for successful implementation of the cluster programme.

8. Utilization of funds for the said purpose it was sanctioned under Hard and Soft Interventions should be done invariably as per the Approved Action Plan for the three financial years under various heads and all the expenditures should be duly got it approved by the CMC. No diversification in utilization of funds is allowed. However, as per the cluster need, if found essential with justifications, the funds may be utilized with prior approval of CMC within the overall allocation. Proper records/books of accounts should be maintained for all the transactions and should be in a very transparent manner. All the records are kept open for inspection by officials or Authorized Agents of Ministry of MSME, Govt. of India or other agencies/Officials of KVIC from time to time and as and when felt required.
9. Construction work for the establishment of CFC should be got it done through the reputed Contractors. Likewise Machinery/equipments/Tools and implements, "Tool Kits" for Artisans, etc. should be procured from the reputed manufacturers/suppliers on competitive rate in the market. Hence, quality standards can be maintained.
10. All the movable and immovable assets created out of the sanctioned funds under the cluster programme should invariably be mortgaged & hypothecated, as the case may be, with the Commission. Utilization Certification should be submitted to the KVIC in respect of the funds released.
11. The project should be completed as per the approved Action Plan within the specific time frame. Eventhough the duration of the above said project is for three years, the I.A. should able to continue the project after completion of the said period in the interest of the Artisans and other Stake holders for which proper business plan should be drawn by the I.A. duly approved by the Cluster Monitoring Committee.
12. The T.A. and I.A. should ensure for arranging a proper skill development training programme to the identified Artisans so that all the trained Artisans could able to run the programme in an effective manner right from handling the machinery, optimize its utilization in management, qualitative processing and production, marketing and other related activities under the cluster programme. Cost escalation, if any, during the period of implementation of the programme should invariably be met out by the Implementing Agency on its own Resources only and KVIC in no way reimburse such expenditures.
13. **ROLE OF NODAL AGENCY AT STATE/DIVISIONAL LEVEL.**
 - To monitor, execute the program and to play effective participation in CMC to guide, co-ordinate the activities associating all the stake holders, Govt. Agencies, extend necessary supports, etc.
 - Reporting the progress made to the Zonal Deputy Chief Executive Officer and to the Central Office from time to time.
14. **ROLE OF IMPLEMENTING AGENCY:**
 - Shouldering the entire responsibility for successful implementation of the programme as per Action Plan/time schedule and as per the SFC Sanction.
 - Maintenance of relevant books and records for all the transactions.
 - Coordination between the Nodal Agency, Govt. Agencies, Artisans, Banker and other stake holders.
 - Will take all decisions with due approval of CMC.
 - Safeguard the interest and welfare of the all participant artisans/satellite

15. ROLE OF TECHNICAL AGENCY:

- Provide all Technical supports for the programme right from construction of CFC, procurement of machinery, equipments, tools and implements, Tool Kits, etc and to ensure the Action Plan implemented as per the time schedule.
- Conducting Skill Development Training programmes to the artisans and other stake holders.
- Value addition of the products, improvised packaging, maintain quality standards of the products, monitor the processing activities, guide the CDE, I.A. and artisans for effective functioning of the programme.
- Guide the CDE and I.A. for preparing the business plan/action plan and validation of the same in the CMC.
- Will play a key role in overall development of the Cluster programme.
- Will sincerely and efficiently attend all the developmental work of the cluster as per the approved tenure of three financial years.
- To submit a consolidated report on the outcome after completion of the project duly signed by IA, TA and CDE.

16. ROLE OF CLUSTER DEVELOPMENT EXECUTIVE (CDE):

- Will take overall responsibilities on the proper implementation of the Cluster Programme.
- Proper monitoring of the entire cluster programme.
- Will act as bridge between the I.A., Artisans, T.A., Nodal Agency, CMC and other stake holders by effective coordination in successful execution of the programme.
- Maintain uninterrupted procurement and distribution of raw materials.
- Maintaining the hygienic condition in the premises, artisans/ workers/staffs.
- Monitoring and transportation of semi-finished products from the artisans to the CFC.
- Maintaining the effective marketing network to promote sales activities.
- Maintaining inventory system, sales records, bank transactions, etc.
- Submit all the Physical and Financial Progress Reports on quarterly basis and also Annual Report to the CMC/Director, State/Divisional Office.
- Will sincerely and efficiently attend all the developmental work of the cluster as per the approved Action Plan in the tenure of time frame given.
- To create convergence with the other schemes/Programmes of State/Central Govt.

17. ROLE OF MANAGER, LEAD BANK:

- Will coordinate with CMC and all stake holders for the development of cluster programme.
- Arrange need base Working Capital support to the I.A.
- Arrange credit cards to the I.A./artisans/stake holders; help to open micro bank account to the stake holders of the cluster, etc.
- Help to raise funds through other State Govt. Agencies for welfare of artisans.
- Create awareness among Artisans on banking system and motivate them for procurement of funds from banks for establishing small units.

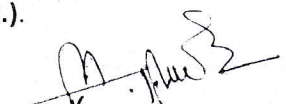
18. ROLE OF NODAL OFFICER:

- Monitoring and reporting of all progress of the programme in every 15 days to the Director, State/Divisional Office and Director (ABFPI).
- Coordination with the members of CMC, Artisans and stake holders, Govt. Agencies, KVIC, Dte. of ABFPI, etc.
- Identification of new untapped potential areas in the State for new Cluster Development Programme.
- Exploring the possibilities for tie-up arrangements with Govt. canteens, State Govt. Ministries/Departmental Stores, other State Govt. sponsored NGOs, leading market outlets, etc. for expansion of market for the products produced under the Cluster programme.
- Exploring the possibilities to identify and utilize the services of Resource Persons reputed training institutes, etc. in the State for imparting skill development training programmes for the Artisans/Entrepreneurs in the State to attract more number of unemployed persons under the umbrella of the Clusters as satellite units.
- Also attend any other work as assigned by the concerned Zonal Dy. CEO and Director, State/Divisional Office especially related with the cluster development programme in the State.

19. EXPECTED OUTPUT ON THE CLUSTER PROGRAMME:

- To increase the skills and capabilities of cluster Stake-Holders through Training/Awareness Programme to the artisans & new entrepreneurs, upgraded with new technology, exposure, upgrade the skill, etc. through the Cluster Development Programme.
- Ensuring welfare of Artisans by improving their standard of living condition.
- Ensuring maximum participation of the Artisans in the CFC.
- Detailed documentation indicating the active participation of the identified artisans/Groups/SSI units in the cluster with complete postal address and contact numbers.
- Convergence with the schemes of State/Central Govt.
- Minimum coverage of 33% Artisans for their active participation in the Management Committee as a Member in the Cluster once the SPV developed.
- Intervention of new products with improved packages.
- Availment of benefits such as Prime Minister's various welfare schemes, social security, health insurance, wage/income increase, etc.
- To make traditional industry more productive and competitive and facilitating the industry and the artisans involved in the industry more sustainable through cluster based approach.
- To motivate more number of Artisans to improve their traditional skills through improved technologies, processes and marketing intelligence.

This is issued with the approval of Deputy Chief Executive Officer (V.I.).


(M.T. Wakode)
Director (ABFPI)