



**M.T.Wakode**  
Director



सत्यमेव जयते

खादी और ग्रामोद्योग आयोग

**KHADI AND VILLAGE INDUSTRIES  
COMMISSION**

सूक्ष्म लघु और मध्यम उद्यम मंत्रालय, भारत सरकार,  
Ministry of Micro, Small and Medium Enterprises, Govt.  
of India

वनाधारित उद्योग निदेशालय

**Directorate of Forest Based Industry**

NO: FBI/MPI/KRDP-Gadchiroli Herbal Cluster/2016-17

**Date:- 13.04.2017**

## **SANCTION ORDER**

**Sub: Sanction of Fund to the tune of Rs. 133.00 Lakhs for implementation of Herbal Cluster in Village Porla of Gadchiroli, Dist. Maharashtra in favor of Association for Social and Health Awareness (ASHA) Ramnagar, Gadchiroli under KRDP – reg.**

**Ref:- 1. SFC/(V.I) Reso.No. V.I/2016-17/17 dated 27.02.2017**  
**2. Budget allocation No. BGT/V.I/ALLO/2016-17 dated 27.03.2017.**

Sir,

The Standing Finance Committee has sanctioned an amount of Rs. 133.00 Lakhs for implementation of Herbal Cluster in Village Porla of Gadchiroli, Dist. Maharashtra in favor of Association for Social and Health Awareness (ASHA) Ramnagar, Gadchiroli Maharashtra under KRDP. The detail break up is given as under:-

Sr	Components of the Scheme during the intervention	Revised proposal		
		Contribution of IA (10%)	Contribution of KVIC NA (90%)	Total
a	Common Facility Center ( 27.89%)	4.00	36.00	40.00
b.	Marketing & Promotion ( 14.64 %)	0.00	18.00	18.00
c.	Prod Development & Design (9.76%)	1.40	12.60	14.00
d.	Capacity Building 14.64%	-	18.60	18.60
e.	Need Based activities (4.88%)	-	5.00	5.00
f.	TA Fees (10.46 %)	-	15.00	15.00
g	Management Grant 12.55%	-	15.00	15.00
h.	CDE expenses (5.16%)	-	7.40	7.40
	<b>Total</b>	<b>5.40</b>	<b>127.60</b>	<b>133.00</b>

### **TERMS AND CONDITIONS FOR COMPLIANCE BY THE DIVISIONAL OFFICE, KVIC, NAGPUR, IA, PROGRAMME DIRECTOR UNDER KRDP PROGRAMME:-**

1. A agreement will be executed between Divisional Director Nagpur and Reform Implementing Institution (RII) in the prescribed format which may be supplied separately that may be executed on non-judicial stamp paper as per the stamp Act / Rules existing in the respective sates before extension of Direct Reform Assistance and fulfillment of conditions laid down there upon.

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2. KVIC shall extend under assistance under KRDP in kind and / or financial support as required. The Divisional Director shall operate a separate ESCROW account for operation of fund for implementation of this programme and maintain necessary books of accounts and follow the guidelines circulated vide letter No. VIC/ V.I. Clusters under KRDP/ 2014-15 dated 9<sup>th</sup> Sept' 2014.
3. The interest accrued on the amount deposited in the bank, if any, for this programme should be refunded to Central office from time to time under intimation to Director KRDP
4. Since KRDP assistance will be in the form of grants -in-aid, the assets acquired by the institution wholly are substantially out of Government grant shall not be disposed off without obtaining prior approval of KVIC.
5. Procurement of other implements related to the KRDP programme shall be preferably made from the reputed manufacturer/ ensuring the quality, rate reasonableness etc. The purchase terms and conditions should include supply of implements within the stipulated time period.
6. The supply contract/ agreement/ condition must include provision for proper skill development training to the master artisans so that he can be able to handle maintains of the equipment, day to day operational problems etc. the training shall also be organized as per project for the artisan so that the artisan could optimize its utilization and be able to ensure qualitative and quantitative production.
7. The payment shall be made to the suppliers and other parties strictly by Demand Draft / crossed Cheque only.
8. The Institution shall maintain separate record of the details for the assets acquired under this assistance. For procurement of machineries, goods assignment of work, norms prescribed in the GFR shall be followed.
9. The grants in aid shall be utilized for the purpose for which it has been sanctioned and shall not be diverted for any other purpose.
10. The assets created out of the KRDP funds be invariably mortgaged / hypothecated to KVIC as the case may be.
11. Registers of fixed assets, dead stock, etc., should be maintained in the prescribed performa by the Reform Implementing Institution (RII).
12. Details of new artisans proposed to be covered and existing artisans in the project are to be maintained and informed to the State / Divisional Offices from time to time.

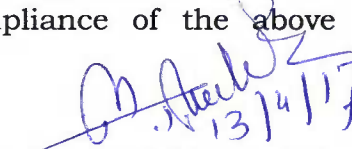
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13. The utilization of KRDP fund is subject to the audit and review by a Chartered accountant acceptable to ADB or internal audit of KVIC.
14. The assets and renovation / construction of work completed shall be made available for inspection by any officials of MSME, Govt. of India or its authorized agents or agencies and KVIC.
15. The project duration will be three years. After completion of the project the institution must continue the programme in the interest of the artisans and workers of the institution.
16. The Cluster Development Executive (CDE) and Divisional Director, Nagpur shall submit the physical & Financial progress report of the project on quarterly basis by 15<sup>th</sup> April, July, October and January for the quarter ending 31<sup>st</sup> March, 30<sup>th</sup> June, 30<sup>th</sup> September and 31<sup>st</sup> December covering details of the expected outcome and achievements against the target projected in the approved Action plan as per the prescribed format.
17. The I.A shall appoint a Cluster Development Executive (CDE) for management of day to day activities for implementation of this programme and also an IT Assistance (ITA) for handling the IT related works. The required qualification and experience of RIO and ITA shall be as prescribed by KVIC. The Cluster Development Executive (CDE) and IT Assistant must submit their monthly work report on progress of programme to the Director, Divisional Office, KVIC Nagpur.
18. In order to monitor and evaluate the programme, a Field Level Execution Committee (FLEC) headed by the State / Divisional Director shall be constituted.
19. The Cluster Development Executive (CDE) and the Divisional Director, Nagpur should ensure that the minutes of the Field Level execution Committee meeting is prepared and forwarded to Directors (FBI) and Director (RID) within a week time for speedy implementation of the programme.
20. Within the overall fund sanctioned for this programme under various heads, inter change of heads is permitted as per the need on the recommendation of respective SLBT. Any cost escalation over and above the total sanctioned fund will have to be borne by the IA.
21. A Target should be given to Reform Implementing Institution (RII) in consonance with Forest Based Industry for achievement of production, sales and employment during the annual SLBT meeting.
22. **Divisional Director Nagpur may ensure the following :**
  - a) Implementing of program and release of funds may be regulated as per the laid down procedure and Scheme Guidelines prescribed by the Dte. of V.I.C. vide ref. No. VIC/VI cluster under KRDP/ 2014-15 dt. 9.9.2014.

- b) Conditions stipulated by the Commissions, should be scrupulously followed by the D.O KVIC, Nagpur and IA in implementation of the project.
  - c) Construction of Work shed procurement of goods and services, etc. as per GFR norms.
  - d) NGO need to direct listing with KVIC and follow the procedure as per VIC Circular no. 6/27/VIC/02-03/dated 160.9.2002.
23. Before releasing the funds to IA, Director D.O KVIC, Nagpur may ensure to open the ESCROW account with concerned bank.

This is issued with the approval of CEO with an advice to the Director, D.O KVIC, Nagpur to ensure compliance of the above condition scrupulously.

Encl: As above

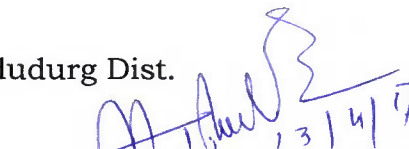
  
**(M.T. Wakode)**  
**DIRECTOR (FBI)**

To,  
 The Chairman,  
 Association for Social and Health Awareness (ASHA) Ramnagar,  
 Gadchirali Dist of Maharashtra State

**Through: Divisional Director, Divisional office, KVIC, Nagpur.**

Copy for information and necessary action to:

1. The Dy. C.E.O (Western Zone), KVIC Mumbai-56.
2. Secretary, SFC (V.I.), KVIC, Mumbai - 56
3. Divisional Director, Divisional Office ,KVIC, Nagpur.
4. The Director (RID & New Scheme), KVIC, Mumbai - 56.
5. The Director (Budget), OCKVI, Mumbai -56
6. The Director (IT),OCKVI, Mumbai- 56
7. Director (Accounts),OCKVI, Mumbai-56
8. Dr. Tendulkar, CORDS ( T.A) Kankavali, Sindudurg Dist.

  
**(M.T. Wakode)**  
**DIRECTOR (FBI)**



**Year wise work plan of activities and funding provision for Gadchiroli Herbal Cluster for three years.**

(Rs. In Lakhs)

Sr.	Particulars	Schedule	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	Total
<b>A</b>	<b>Common Facility Center</b>		<b>40.00</b>	<b>00</b>	<b>00</b>	<b>40.00</b>
	<b>Sub total (A)</b>		<b>40.00</b>	<b>00</b>	<b>00</b>	<b>40.00</b>
<b>B</b>	<b>Capacity Building</b>					
1	Awareness & motivation Program One day	One day	0.90	0.00	0.00	0.90
2	Consolidation of Artisan	90 days	0.90	0.30	0.30	1.50
<b>I</b>	<b>Skill Development</b>					
1	Training of CDE and IA Staff on cluster Development	15 days	0.90	0.00	0.00	0.90
2	Skill Dev training -5 prog for 30 Batch	7 days	2.70	0.00	0.00	2.70
3	Skill dev Training 60	10 days	0.00	0.90	0.90	1.80
4	Techno Managerial training	1 month	1.00	0.00	0.00	0.00
5	Quality Control training	15 days	1.00	0.00	0.00	1.00
6	Farmers / Artisan Meet	2 days	0.30	0.30	0.30	0.90
7	Tool Distribution	-	1.50	1.50	1.50	4.50
<b>II</b>	<b>Exposure Visit</b>					
1	Exposure visit for artisan	3 days	1.80	0.00	0.00	1.80
2	Website development	-	0.60	0.00	0.00	0.60
3	Availing Quality Certification	-	0.00	0.50	0.50	1.00
	<b>Sub total ( B)</b>		<b>11.60</b>	<b>3.50</b>	<b>3.50</b>	<b>18.60</b>
<b>C</b>	<b>Design &amp; Product development</b>					
1	New Product development & filed testing of New products & its modification	Cluster products 10	2.00	3.00	3.50	8.50
2	Product catalogue Development	Cluster Products 20	1.00	1.00	0.00	2.00
3	Packaging Development	-	0.00	1.50	2.00	3.50
	<b>Sub total (C)</b>		<b>3.00</b>	<b>5.50</b>	<b>5.50</b>	<b>14.00</b>

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Sr.	Particulars	Schedule	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	Total
<b>D</b>	<b>Market Promotion activities</b>					
1	Organization of and participation in domestic Exhibition and buyer seller meet	5 program of 2 each	1.00	2.00	2.00	5.00
2	Computerization including billing and bar coding	First 2 yr	2.00	0.50	0.00	2.50
3	Training on sales and Marketing	One week 3 Prog.	1.00	0.00	0.00	1.00
4	Hiring of business dev service for market promotion	Min 100 working days	1.00	1.50	1.50	4.00
5	Brand building & promotion	6 Months	1.00	1.00	1.00	3.00
6	E Tracing	5 intervention	0.50	1.00	1.00	2.50
	<b>Sub total (D)</b>		<b>6.50</b>	<b>6.00</b>	<b>5.50</b>	<b>18.00</b>
<b>E</b>	<b>Specific Cluster Based Activity</b>					
1	Safety measures to artisans	For 150 artisan	2.00	1.00	0.00	3.00
2	Health Camps	150 families	0.20	0.20	0.20	0.60
3	First aid tools , Medicine	150 families	0.70	0.40	0.30	1.40
	<b>( Sub total E)</b>		<b>2.90</b>	<b>1.60</b>	<b>0.50</b>	<b>5.00</b>
F	TA Fees		<b>6.00</b>	<b>4.50</b>	<b>4.50</b>	<b>15.00</b>
G	IA Management grant		<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>15.00</b>
H	CDE Expenses		<b>2.28</b>	<b>2.46</b>	<b>2.66</b>	<b>7.40</b>
	<b>Grand total (ABCDEFGH)</b>		<b>77.28</b>	<b>28.56</b>	<b>27.16</b>	<b>133.00</b>

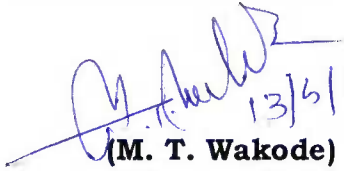
**Note:- Funding provision made in the above inter head as per the guideline of KRDP.**

*M. Anwar*  
13/14/17  
**DIRECTOR (FBI)**

**Roles & Responsibilities for implementation of proposed Gadchiroli Herbal Cluster**

Sl No	Stake Holder	Roles & Responsibilities
1	Divisional office, KVIC, Nagpur. ( N.A)	<ul style="list-style-type: none"> <li>➤ KVIC will play the role of Nodal Agency. Provide funding support, monitor and guide the programme execution, extend support services for the effective implementation of the programmes.</li> <li>➤ Execution of three-party MOU between IA, NA (KVIC) and T.A.</li> <li>➤ All monitoring reports such as monthly, quarterly and annual reports including other time to time reports.</li> </ul>
2.	ASHA (Association for social & Health awareness, Porla, Gadchiroli. Maharashtra	<ul style="list-style-type: none"> <li>➤ ASHA is the implementing agency of cluster development programme.</li> <li>➤ The NGO is expected to play a key role in coordinating and spearheading all proposed activities of the cluster.</li> <li>➤ Cluster Development Executive (CDE) will be an employee of the ASHA and work under the guidance of TA, IA and the Nodal Officer of KVIC.</li> <li>➤ Books of accounts on the expenditure is maintained by the IA.</li> <li>➤ Any additional expenditure arise other than the sanction shall borne by I.A. itself.</li> <li>➤ IA will maintain the list of beneficiaries and the demographics of the beneficiary</li> <li>➤ IA will maintain the registers for procurement of goods and services</li> <li>➤ IA also will maintain the assets registers for CFC also with its day to day operation register for CFC</li> <li>➤ IA will form a CFC monitoring / operation committee.</li> <li>➤ IA will also maintain the Herbal collection data separately.</li> <li>➤ IA will also draw Action Plan in consultation with T.A. and NA</li> <li>➤ IA shall be responsible for furnishing utilization Certificate (UC) and regular progress reports to Nodal Agency ( D.O., KVIC, Nagpur) in the prescribed format</li> <li>➤ All the above shall be open for verification by the authorized officers of KVIC.</li> <li>➤ IA shall ensure the services of the facilities created under the Scheme are extended to the cluster in general, in addition to the member enterprises on payment of suitable user fees as fixed by the SPV/ PC. User fees will go into corpus fund to be managed by SPV/ PC/ IA</li> </ul>

3	Technical Agency . CORDS (Community organized for research development & services, Kankavali, Dist- Sindhudurg.	<p>CORDS is the Technical agency of the cluster development programme.</p> <ul style="list-style-type: none"> <li>➤ Sensitize and generate awareness in the cluster about the scheme involving all stake holders.</li> <li>➤ TA in consultation with IA shall prepare a business plan for the cluster, taking into account relevant facts and after conducting market survey as may be considered necessary by IA during the implementation.</li> <li>➤ TA will ensure the supply of tools and training and technical support towards the effective function of the cluster and timely completion.</li> <li>➤ T.A. will monitor the programme implementation on a regular basis and guide the CDE and the IA for the smooth implementation of the programme.</li> <li>➤ T.A will also assist the CDE and the IA in the preparation of Action Plans and their validation in the CDCG.</li> <li>➤ T.A. will maintain the list of beneficiaries, programs undertaken for skill development/ capacity building, tools supply, monthly/ seasonal activities of CFC and production &amp; Sales details.</li> <li>➤ TA will also assist IA in product diversification and product development.</li> <li>➤ TA will also assist IA in preparing monthly activity chart and ensure the implementation.</li> <li>➤ T.A will contribute to the Action Plan drawn by IA.</li> </ul>
4	Herbs processing Artisans	<ul style="list-style-type: none"> <li>➤ Herbs collectors are principal stakeholders.</li> <li>➤ They are involved directly in the Herbs collection activities from Gadchiroli area .</li> <li>➤ They are expected to be the active beneficiary and participants in the programme implementation process since beginning.</li> <li>➤ They shall be formed in to groups and involved in different activities as per the need and capacity.</li> <li>➤ Individual accounts shall be open for the SHG.</li> </ul>

  
 13/5/12  
**(M. T. Wakode)**  
**Director (FBI)**