



खादी और ग्रामोद्योग आयोग
KHADI AND VILLAGE INDUSTRIES
COMMISSION

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

**HANDMADE PAPER & FIBRE
INDUSTRY**

HMPFI/20/2/2017-HMPFI-KVIC /191-195

Dated 24-10-2017

To

The State Director

Khadi & V.I. Commission

Indra Nagar , Faizabad Road

Lucknow

Through Digital KVIC

**Subject- Sanction of fund to the tune of Rs 81.54 Lakhs from
KRDP/RID programme(ADB Assistance) for M/ s Shree
Bhagwandas Gramodyog Sewa Sansthan Kalpi Distt.
Jalaun (U.P.) for Implementation of Handmade Paper
cluster Kalpi -reg**

**Ref - 1,SFC Sanction No. V.I. /2017-18/15 dated 17-10-2017
2,Budget Allocation No. BGT/(V.I.) Reso. No. V.I./2017-
18/15 dated 26-09-2017**

Sir,

In pursuance of the DPR/ and related correspondance Action plan received to this office duly recommended by the State Office,KVIC, Lucknow, the FA, CEO has extended the approval of total cost of **Rs 81.54 Lakhs** (Rs eighty one lakhs fifty four thousand only) comprising Rs 09.16125 (Rs Nine Lakhs sixteen Thousand one hundred twenty five only) as own contribution from the Implementing Agency (I.A.) and **Rs 72.37823** (Rs seventy two lakhs thirty seven thousand eight hundred twenty three only) in favour of **M/s Shree Bhagwandas Gramodyog Sewa Sansthan Kalpi Distt. Jalaun (U.P.) for establishing Handmade Paper cluster Kalpi.**

The motive behind implementing cluster under KRDP in Kalpi is to provide common facility to the Handmade paper units for providing Raw materials on cheaper rates and also to extend the facility to upgrade the skill of the artisans by way of technical skill development for making quality products and increasing efficiency of production for better earning of the artisans.

It has also been stressed upon that the intervention of KRDP assistance the wage income of the artisans should increase and thereby

livelihood level of artisans will enhance and more numbers of artisans will be benefited in the cluster. With the hard intervention for CFC the production should increase.

The Head-wise detail of fund sanction is given as under

Financial Detail in respect of Soft Intervention

Soft Interventions				
Sr.No.	Activity	IA Contribution (0% of TC)	NA Contribution (100% of TC)	Total Cost in INR [Lakhs]
1	Identification of artisans for training			
	Identify 200 artisans for training 50 artisans to be trained in 1 st year, 75 artisans to be trained in 2 nd year and 75 artisans in 3 rd year Training period – 40 days per batch Artisans to be paid Rs. 300/- for participation and other expenditures.	0	1057060	1057060
	Total	0	1057060	1057060
2	Skill Development and Capacity Building Workshop (training on paper/ paper product development over 3 years)			
	Training kit @ 2000per kit for 200 artisans	0	400000	400000
	Master trainer's fee @ 500/day for 240 days	0	120000	120000
	Total	0	520000	520000
3	Documentation			
	Monthly Reports - Updates on progress made	0	55000	55000
4	Market Linkage			
	Buyer seller meets - one annually	0	150000	150000
	Develop Promotional Material		50000	50000
	Participation in domestic Exhibitions - twice a year	0	200000	200000
	Study tour for 60 entrepreneurs / artisans – one annually	0	360000	360000
	Total	0	760000	760000
	Grand Total	0	2392060	2392060

HARD INTERVENTIONS

Raw Material Bank & Machinerries to be established in CFC

The I.A has to set up a raw material bank to supply raw materials to the various Handmade Paper units working in the cluster. By the means of the raw material bank, artisans gain an opportunity to develop products with access to market linkages for better income generation and opportunities.

The IA has sufficient constructed area for workshed where proposed and Raw Material bank is to be established. The HMP units located in the cluster are to avail the facility of the Raw Material Bank by IA.

DETAIL OF PROJECT COST AND MEANS OF FINANCE

Sr. No.	Component	IA Share	NA Share	Total Cost in Rs
1	Soft intervention (SI)	0	23,92,060.00	23,92,060.00
2	Hard intervention	9,16,125.00	27,48,375.00	36,64,500.00
3	Cost of IA/SPV	0	14,70,000.00	1470000
4	TA fees	0	6,27,388.00	627388
	Total	9,16,125.00	72,37,823.00	81,53,948.00
	Rounded off			Rs 81.54 Lakhs

The total project cost amounts to **Rs 81.54 Lakhs**. This cost is inclusive of all the project interventions both hard interventions (in the form of Raw Material Bank & machinerries) and soft interventions (in the form of trainings provided to artisans and other manufacturing units and marketing exposure etc.

Detail of Implementing Agency Cost

S. No	Components	IA Contribution (0%)	NA Contribution [100%]	Total Cost in Rs
1	Salary of manager for 36 months @ 20000 p.m.	-	720000	720000
2	Salary of support staff for 36 months	-	410000	410000
	Office establishment expenses for IA [Lump sum amount]			

3	Storage cupboards	-	300000	300000
	Computer and printer			
	Table, Chair			
	Office Stationery			
	Electrical Fittings			
4	Miscellaneous expenses	-	40000	40000
	Total	-	14,70,000	14,70,000

The Implementing Agency has to hire and assign some personnel for the proper functioning of the SPV. This requires a Manager for the efficient handling of the Raw Material Bank and to ensure the training programs run smoothly. This also includes hiring a support staff for safety and security purposes. The cost also includes relevant expenditure for running the establishment including office expenditure, stationary, computer & printer, communication devices, electrical fittings etc.

The total cost for the efficient functioning of the IA amounts to Rs 14.70 lakh.

Means Of Finance

S. No.	Component	Total Cost Amt in Rs
1	Government of India grant	72,37,823.00
2	Implementing Agency Contribution)	9,16,125.00
	Total Project Cost	81,53,948.00
	Rounded Off	81.54 Lakhs

Project Phasing

Phases	Activity	Timeline
Soft Interventions	General awareness, counselling, motivation and trust building	1st & 3rd Quarter, for 3 years
	Skill development and capacity building training program	2nd and 4th Quarter, for 3 years
	Exposure visits- to exhibitions and buyer seller meets.	3rd Quarter, for 3 years
	Promotional initiatives	3rd Quarter, for 3 years
Hard Interventions	Set-up Raw Material Bank	1st Quarter, 1st year
	Craft and design Equipment, Die cutting Machine, Office equipment and stationary	1st Quarter, 1st year

The Project Cost Breakup is as under

Sr.No	Particulars	IA Share Amount in Rs	NA Share Amount in Rs	Total Cost Amount in Rs
1	Soft Intervention	0%	100%	
a	Identification of 200 artisans for training	0	10,57,060.00	10,57,060.00
c	Skill Development and Capacity Building Workshop (training on paper/ paper product development across 8 batches over 3 years)	0	5,20,000.00	5,20,000.00
d	Documentation	0	55,000.00	55,000.00
e	Market Linkage	0	76,000.00	76,000.00
	Total- A		23,92,060.00	23,92,060.00
2	Hard Intervention	25%	75%	
a	Raw Material Bank	5,00,000.00	15,00,000.00	20,00,000.00
b	Basic machinery for product development training	4,16,125/-	12,48,375/-	16,64,000.00
	Total- B	9,16,125.00	27,48,375.00	36,64,500.00
3	Cost of IA/SPV	0%	100%	
	Total C	0	14,70,000.00	14,70,000.00
4	TA fees	0%	100%	
	Total- D	0	6,27,388.00	6,27,388.00
	Total (A+B+C+D)	9,16,125.00	72,37,823.00	81,53,945.00
	Total (A+B+C+D) Rounded off			81.54 Lakhs

**TERMS AND CONDITIONS FOR COMPLIANCE BY
THE STATE OFFICE, KVIC, LUCKNOW, IA, PROGRAMME
DIRECTOR UNDER KRDP PROGRAMME:-**

1. A agreement will be executed between State Director KVIC Lucknow 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 states before extension of Direct Reform Assistance and fulfillment of conditions laid down there upon.
2. KVIC shall extend under assistance under KRDP in kind and / or financial support as required. The State Director KVIC Lucknow 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 9th 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 payment shall be made to the suppliers and other parties strictly by Demand Draft / crossed Cheque only.
7. 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.
8. 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.
9. The assets created out of the KRDP funds be invariably mortgaged / hypothecated to KVIC as the case may be.
10. Registers of fixed assets, dead stock, etc., should be maintained in the prescribed performa by the Reform Implementing Institution (RII).

11. 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.
12. The utilization of KRDP fund is subject to the audit and review by a Chartered accountant acceptable to ADB or internal audit of KVIC.
13. 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.
14. 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.
15. The Cluster Development Executive (CDE) and State Director KVIC Lucknow shall submit the physical & Financial progress report of the project on quarterly basis by 15th April, July, October and January for the quarter ending 31st March, 30th June, 30th September and 31st December covering details of the expected outcome and achievements against the target projected in the approved Action plan as per the prescribed format.
16. 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 State Director KVIC Lucknow
17. In order to monitor and evaluate the programme, a Field Level Execution Committee (FLEC) headed by the State / Divisional Director shall be constituted.
18. The Cluster Development Executive (CDE) and the State Director KVIC Lucknow should ensure that the minutes of the Field Level execution Committee meeting is prepared and forwarded to Directors (HMPFI) and Director (RID) within a week time for speedy implementation of the programme.
19. 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.
20. A Target should be given to Reform Implementing Institution (RII) in consonance with HMPFI for achievement of production, sales and employment during the annual SLBT meeting.

21. State Director KVIC Lucknow 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 State office KVIC Lucknow and IA in implementation of the project.
- c) Procurement of goods and services, etc. as per GFR norms.
- d) NGO need to direct list with KVIC and follow the procedure as per VIC Circular no. 6/27/VIC/02-03/dated 16.9.2002.

22. Before releasing the funds to IA, State Director KVIC Lucknow may ensure to open the ESCROW account with concerned bank.

Yours Faithfully


24X2017
Director HMPFI

Copy to -

1, Dy. CEO (V.I.) for information please.

2, Dy CEO (CZ) for information Please.

3, Dy. Director I/C (RID/KRDP) Central Office , KVIC, Mumbai for Information please.

4, M/S Shree Bhagwandas Gramodyog Sewa Sansthan Kalpi with request to consult State Director , KVIC, Lucknow for organizing the programme successfully.

5, Ms. Anushakti Tayade, Sr. manager Aggregation TARA, New Delhi for information and necessary action Pl.


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Director HMPFI



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