



MINISTRY OF MICRO, SMALL & MEDIUM ENTERPRISES
GOVERNMENT OF INDIA

SFURTI

Coir Clusters

Second phase implementation

Guidelines
&
Executive Instructions



कोयूर बोर्ड

(सूक्ष्म, लघु और मध्यम उद्यम मंत्रालय, भारत सरकार)

COIR BOARD

(Ministry of MSME, Government of India)

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No. 4/4/2017-KVI-I

**GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES**

Udyog Bhawan, Rafi Marg,
New Delhi-110011.
Dated the 27th June, 2018

To

- 1) Chief Executive Officer, KVIC, Mumbai.
- 2) Secretary, Coir Board, Kochi.
- 3) Director, IIE, Guwahati.
- 4) Director General, NIMSME, Hyderabad.
- 5) Director General, NIESBUD, Noida.
- 6) Director General, IED, Odisha.
- 7) Secretary, J & K KVIB, Srinagar.
- 8) Vice President, IMEDF, Delhi.

Subject: Approval for implementation of Scheme of Fund for Regeneration of Traditional Industries (SFURTI) for the period from 2017-18 to 2019-20.

Sir/Madam,

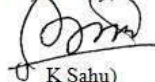
I am directed to convey the approval of the competent authority for implementation of Scheme of Fund for Regeneration of Traditional Industries (SFURTI) for the period from 2017-18 to 2019-20 in respect of 100 clusters with an outlay of Rs.350.00 crores in tern`is of Ministry of Finance, Department of Expenditure's O.M. No. 70(06)/PFC-II/2013 dated 21.03.2018.

2. A copy of Guidelines for Scheme of Fund for Regeneration of Traditional Industries (SFURTI) is enclosed for ready reference and issuing further explanatory procedural instructions, if any required

3. A copy of the further instructions, issued by you, if any, may be furnished to the Ministry for record.

Encl. As above

Yours faithfully,



(K Sahu)

Under Secretary, Govt. of India
3: 011-23062745
ED: sahu.jkaDnic.in

Guidelines for Scheme of Fund for Regeneration of Traditional Industries

(SFURTI)

Infrastructure Support and Promotion of Industries and Rural Enterprises (INSPIRE)

1.1 Industries / Artisans require quality infrastructure support to meet customer expectation, survival in competitive market and to be ready for export by absorbing technology balance. The fragmented approach of infrastructure creation for artisans and enterprises has not been very conducive for promoting entrepreneurship and bringing market fit product from existing enterprises. After due consultations with stakeholders, State Governments and as a part of ease of doing business, making scheme simpler, deliverable, transparent, monitorable and DBT compliant, the existing schemes have been revised / clubbed for convergence and simplified to bring clarity of goals and clarity of role.

1.2 This scheme, therefore, will support MSMEs in provisioning of Infrastructure for their development through following 2 components:

(a)	Scheme of Funds for Regeneration of Traditional Industries (SFURTI) for Artisans: Rs.350 Crore
(b)	Micro and Small Enterprises-Cluster Development Programme (MSE-CDP): Rs.450 Crore

1.3 These components are having objective of providing infrastructure facilities for growth of MSMEs.

2. OBJECTIVES OF SFURTI SCHEME

The objectives of the Scheme are as follows:

- i. To organize the traditional industries and artisans into clusters to make them competitive and provide support for their long term sustainability and economy of scale;
- ii. To provide sustained employment for traditional industry artisans and rural entrepreneurs;
- iii. To enhance marketability of products of such clusters by providing support for new products, design intervention and improved packaging and also the improvement of marketing infrastructure;
- iv. To equip traditional artisans of the associated clusters with the improved skills and capabilities through training and exposure visits;
- v. To make provision for common facilities and improved tools and equipment for artisans to promote optimum utilization of infrastructure facilities;

- vi. To strengthen the cluster governance systems with the active participation of the stakeholders, so that they are able to gauge the emerging challenges and opportunities and respond to them in a coherent manner;
- vii. To build up innovated and traditional skills, improved technologies, advanced processes, market intelligence and new models of public-private partnerships, so as to gradually replicate similar models of cluster-based regenerated traditional industries;
- viii. To look for setting up of multi-product cluster with integrated value chain and a strong market driven approach for viability and long term sustainability of the cluster;
- ix. To ensure convergence from the design stage with each activity of the cluster formation and operations thereof.
- x. To identify and understand cluster's target customers, understand their needs and aspirations and develop and present product lines to meet the requirement. Substantial focus should be on the buyer segment that places a premium on natural, eco-friendly, ethically sourced and the uniqueness of the Khadi and VI products.
- xi. To develop specific product lines out of the currently offered diversified basket of heterogeneous products based on the understanding of the target consumer segment. A brand unification exercise also needs to be done to maximize the value.
- xii. To make a paradigm shift from a supply driven selling model to a market driven model with the right branding, focus product mix and correct positioning and right pricing to make the offering holistic and optimal for each of the focus categories.
- xiii. To tap the E-Commerce as a major marketing channel given the outreach and the growing market penetration of E-Commerce, there is a need to devise a quick strategy to make its presence felt in the E-Retail space.
- xiv. To make substantial investment in the area of product design and quality improvement. There is a need to standardize the quality of inputs and processes so that the products meet the quality benchmarks. Research need to be done to develop new textures and finishes to cater to the prevailing market trends.

3. PROJECT INTERVENTIONS

The Scheme would cover three types of interventions namely 'soft interventions', 'hard interventions' and 'thematic interventions'.

3.1 Soft Interventions

Soft Interventions under the project would consist of activities such as

- i. General awareness, counselling, motivation and trust building;
- ii. Skill development and capacity building/ for the entire value chain different skills need to be imparted;

- iii. Institution development;
- iv. Exposure visits;
- v. Market promotion initiatives;
- vi. Design and product development;
- vii. Participation in seminars, workshops and training programmes on technology up-gradation, etc.

3.2 Hard Interventions

Hard interventions will include creation of following facilities:

- i. Multiple facilities for multiple products and packaging wherever needed;
- ii. Common facility centres (CFCs);
- iii. Raw material banks (RMBs);
- iv. Up-gradation of production infrastructure;
- v. Tools and technological up-gradation such as charkha up-gradation, tool-kit distribution, etc.
- vi. Warehousing facility;
- vii. Training center;
- viii. Value addition and processing center/multi-products.

Note: The assistance for raw material bank (RMB) shall be leveraged with financial institution for enhanced credit.

3.3 Thematic interventions

In addition to the above mentioned hard components and soft components, the scheme will also support cross-cutting thematic interventions at the sector level including several clusters in the same sector with emphasis on both domestic and international markets. These will primarily include:

- i. Brand building and promotion campaign
- ii. New media marketing
- iii. e-Commerce initiatives
- iv. Innovation
- v. Research & development initiatives
- vi. Developing institutional linkages with the existing & proposed clusters

Note: These interventions are illustrative in nature and the project may cover any of the other felt needs of the cluster (as detailed in the DPR and approved by SSC), that will enable the cluster enterprises in improving their competitiveness.

4. INSTITUTIONAL ARRANGEMENT

Given the challenges and wide geographical coverage of the Scheme, an efficient scheme management structure and delivery mechanism has been proposed.

4.1 Scheme Steering Committee (SSC)

The Ministry of Micro, Small and Medium Enterprises (MSME) will be the coordinating Ministry providing overall policy, coordination and management support to the Scheme. A Scheme Steering Committee (SSC) will be constituted under the chairmanship of Secretary (MSME), as detailed in Annexure-2. The SSC may co-opt representatives of industry associations, R&D institutions and other private sector expert organizations as members/ special invitees, depending on functional needs. The SSC will consider the proposals of clusters and the Implementing Agencies (IAs) submitted by Nodal Agencies (NAs) and shall extend approval to the cluster proposals. The cluster proposals will include the details of TA and IA proposed by NA. The SSC may make intra-sectoral adjustments of activities and corresponding funds without affecting the basic objectives and thrust of the Scheme.

4.2 Nodal Agencies (NAs)

The scheme will have Nodal Agencies (NAs) which are national level institutions with sectoral expertise in the major sub-sectors of the Traditional Industries.

4.2.1 Khadi & Village Industries Commission (KVIC) shall be the NA for Khadi and Village Industry clusters and Coir Board (CB) shall be the NA for Coir based clusters.

4.2.2 To spread the outreach and to establish competence in cluster development, project management and facilitation of market access of the revamped SFURTI, new Nodal Agencies (NAs) need to be selected and appointed by the SSC. The selection of NAs shall have to be a reputed national, regional level institution with sectorial expertise in the major sub-sectors of the Traditional Industries, competence in cluster development, project management and facilitation of market access and who are operating in the field of cluster development for the last five years. The institutions could be any of the following:

- i). a Society registered under Societies (Registration) Act, 1860;
- ii). a Co-operative Society under an appropriate statute;
- iii). A Producer Company under section 465(1) of Companies Act, 2013 (18 of 2013);
- iv). a Section 8 Company under The Companies Act, 2013 (18 of 2013); or
- v). a Trust.

Such NA will be assigned clusters which are not assigned to KVIC, Coir Board or others.

4.2.3 Other Nodal Agencies appointed by the Ministry of MSME are Indian Institute of Entrepreneurship, Guwahati (IIEG); National Institute for Micro, Small and Medium Enterprises (NI-MSME) Hyderabad; Institution of Entrepreneurship Development, Odisha (IEDO); National Institute for

Entrepreneurship and Small Business Development, Noida(NIESBUD);J & K Khadi & Village Industries Board, Srinagar (JKKVIB) and Indian Micro Enterprises Development Foundation, Delhi (IMEDF).

4.2.4 Guidelines for appointment of new Nodal Agency (NA) by SSC:

A. Submission of Proposal

Proposal (one hard copy and one soft copy) in the prescribed proforma as in Annexure-3 as required along with necessary enclosures and endorsement from the Head of the Institution/Agency/Trust/Company desirous of being empanelled as Nodal Agency for anchoring Cluster development may be sent to the following addressee:-

The Joint Secretary (ARI Division),
Ministry of Micro, Small & Medium Enterprises, Room
No.171 Udyog Bhawan, New Delhi-110011. Telephone (011)
23061543 Telefax: (011) 23062858 [E-mail: js.ari@nic.in](mailto:js.ari@nic.in)

B. Appraisal and Approval:

The proposals for engaging the Nodal Agency will be appraised based on the track record, merit and strategies of the entity in promoting cluster development. The appraisal will be done by the **Scheme Steering Committee**, constituted by the M/oMSME. The SSC shall take a final decision for approval of designated Nodal Agency. Continuation of support to the NA will be entirely performance oriented and subject to approval. The performance will be monitored both at quantitative and qualitative aspects by the Scheme Steering Committee. In case of significant shortfall in the progress, the support may also be terminated mid-term with approval of SSC.

C. Terms and Conditions for Grants-in-Aid for new Nodal Agencies:

Terms and Conditions for Grants-in-Aid to Agencies except those funded by Ministry of MSME or any other Ministry is provided under Annexure-4.

4.2.5 A **Project Screening Committee (PSC)** shall be constituted under each of the NAs, chaired by the Chief Executive of the NA for the management and implementation of the Scheme. Nodal Agencies other than KVIC and Coir Board shall also constitute a PSC comprising of 3 Cluster Experts (2 from TAs & 1 from IA), representative of bank, and marketing & financing experts. [Details in Annexure-2.1]

4.2.6 Role of the NAs:

The role and responsibility of NAs includes the following:

- i. Program fund management including NA shall be responsible to ensure timely disbursement of funds to the IAs on recommendation of TA to ensure time bound completion of projects;
- ii. Empanelment & engagement of TAs. NA would duly notify and inform all concerned stakeholders including the industry, State Governments,

- concerned Ministries / organizations of Government of India and Financial Institutions, about the appointment of TA for implementation of SFURTI;
- iii. NA shall extend all support required to TA for implementation of the scheme as may be required such as obtaining Government Approvals, Environment Clearances etc. for setting up of Clusters;
 - iv. Preparation of strategy and implementation plan for sub-sector thematic interventions;
 - v. Appraisal of DSRs and DPRs received from TAs based on due-diligence methodology that clearly establishes the project viability, output, outcomes, impact and sustainability;
 - vi. Seek and obtain approval from competent authority of the State Government/UTs for the cluster in partner with the Technical Agency before submission of DPR to the SSC for final approval;
 - vii. Shortlist and recommend proposals to SSC for approvals;
 - viii. Recommend selection of IAs to SSC;
 - ix. Review performance of the TAs;
 - x. Monitoring and evaluation of the cluster projects being implemented; and
 - xi. Any other tasks assigned by the SSC.

4.3 Technical Agency (TA)

4.3.1 Established national-level institutions, with proven expertise in artisanal and small enterprise cluster development shall be engaged as Technical Agencies (TAs) to provide close handholding and implementation support to the SFURTI clusters. The TAs shall provide technical support to the NAs and the (As. The responsibilities of the TAs will include preparation and validation of Cluster Action Plans, conducting training of the Cluster Development Executives (CDEs) and other officials of the IAs and NAs, regular monitoring of the cluster on monthly/ quarterly basis and submit report on quarterly basis, to the respective field office of Nodal Agencies.

4.3.2 Role of the TAs:

The role and responsibility of TAs includes the following:

- i. Sensitization and awareness generation in the clusters about the scheme;
- ii. Identification of potential IAs;
- iii. Preparation of Diagnostic Study Reports (DSRs) for in-principle approval of the SSC, mapping of technological and skill levels no. of artisans with their existing activities and their present earnings, strategies for delivering the cluster level interventions, outcomes, resultant enhancement of wages of the artisans etc., backward forward linkages, sourcing of raw materials, marketing of finished products etc. and conducting Diagnostic Study and suggest possible Soft, Hard and thematic interventions;

- iv. To identify focus products and product mix for the Cluster for domestic and export markets. That may also include multi products in the cluster and creating linkages with other available network of cluster in the adjoining Primary Cluster within the given budgetary allocation and as per approval of DSR/DPR.;
- v. Preparation of comprehensive DPRs for final approval of SSCcontaining the following details, namely,- business model for self-sustenance, skill up-gradation of artisans, acquiring of new skills, setting up of physical and financial outcome targets for the project, proposed percentage enhancement of productivity and earnings of the artisans, brand building, product segmentation, promotion and advertising through regular publicity modes and participation in fairs and exhibitions, exploring possible export avenues with clear targets etc
- vi. Assisting the identified IA in establishment and structuring the project specific SPV;
- vii. Assist the NAs/SSC in examining the proposals for in-principle and final approval;
- viii. T.A. will assist the IA in formulating plans, getting approvals, obtaining clearances from statutory institutions, identifying suitable technologies/ equipment for value addition of the products and will assist the IA in setting up of CFCs after identification of land by the IA. More than one CFC is also permitted provided demand is justified for bringing higher productivity in the cluster. TA will assist IAs in selection of agencies / experts for various services and in developing suitable operational framework for various interventions and would also assist in periodic monitoring of the progress of the projects and disbursement of funds and finally the TA would formulate a Sustainability Roadmap for the Cluster detailing the exit strategy for the IA and the plan for business operations of the cluster beyond the project duration;
- ix. TA to put in place a suitable business plan detailing the revenue model based on appropriate user fee, mechanism to collect it to enable the SPV to achieve the projected outcomes in terms of productivity, sales, employment, wages enhancement, overall income of the Cluster as projected in the DPR;
- x. T.A should assist the IA/ SPV in engagement of a Design House/Designer with appropriate terms of reference and detailed scope of work for extending appropriate input of design, product processing, product development and proper packaging in consultation with NA, IA and other stake holders;
- xi. To assist the IA/ SPV in engagement of Business Development Services (BDS) providers, out sourcing/improving tools and equipment, developing strategies & best practices for credit linkage as far as possible;
- xii. T.A. would advice IA/CDE for making plans for procurement of raw materials along with various micro and macro level tools and

machineries and other processes as identified and mentioned under DSR/DPR. Tools/Kits and Charkhas/Implements may also be distributed among artisans as a part of Cluster Level Intervention as per DSR/DPR. TA should assist the IA in establishing a proper, appropriate and transparent system duly examined and vetted by the Cluster Level Committee for distribution of tolls/ kits/ charkhas/ implements among artisans;

- xiii. TA will draw up a marketing strategy and detailed plan in consultation with NA and IA in regard to the following:
- a) Product development
 - b) Packaging
 - c) Product pricing
 - d) Product positioning and promotion
 - e) Product mix/ diversification
 - f) Dealer/Distributor Network under offline marketing mode
 - g) Tapping e-commerce for online marketing.
 - h) Determining supply chain and logistics
 - i) Ensuring quality of product and standardization
 - j) Tapping the export potential through appropriate interventions
- xiv. Miscellaneous activities that need to be ensured by I.A. shall require close supervision by T.A.:
- a) Awareness and exposure visit of artisans.
 - b) Mandatory opening of Bank Account by Artisans under Jan DhanYojana.
 - c) Health insurance of all the artisans under the cluster
 - d) as applicable under KVIC rules (Jana Shree Bima Yojana & Rashtriya Swasthya Bima Yojana wherever applicable).
 - e) Enrolling under Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) which will offer a renewable one-year life cover of Rs.2 lakh to all savings bank account holders in the age group of 18-50 years, covering death due to any reason, for a premium of Rs.330 per annum.Enrolling under the Pradhan Mantri Suraksha Bima Yojana (PMSBY) which will offer a renewable one-year accidental death-cum-disability cover of Rs.2 lakh for partial/permanent disability to all savings bank account holders in the age group of 18-70 years for a premium of Rs.12 per annum per subscriber.
 - f) Issue of Aadhaar based Identity card to artisans mentioning the benefits, privileges, rights as well as their specific responsibilities along with necessary undertakings in regard to the implementation of the programme.
 - g) The Atal Pension Yojana (APY) will focus on the unorganized sector and provide subscribers a fixed minimum pension of Rs.1,000, Rs.2,000, Rs.3,000, Rs.4,000 or Rs.5,000 per month, starting at the age of 60 years, depending on the contribution option exercised on entering at an age between 18

and 40 years. Pension and similar other financial benefits as applicable to be provided adhaar linked.

- h) Periodic training of Artisans.
- i) SHGs members may also be extended to these general and miscellaneous supports as extended to the artisans under Cluster Programme.
- xv. TA shall assist IA/SPV in organizing and planning Business Development Strategies, buyer-seller meet and implementation of thematic intervention focusing on branding, e-marketing, new media marketing, innovation, research and development etc. for smooth running of Clusters.
- xvi. Assisting the SPV in mobilizing additional funds for the project. This would involve preparation of proposals under relevant schemes of the Government apart from tying up loans from the banks.
- xvii. TA shall facilitate linkages between the SPV and various other stakeholders, particularly the Government organizations, buyers and financial institutions.
- xviii. T.A. will facilitate in the identification of suitable Technical Consultants in designing appropriate technologies for the cluster within the allocation ceiling for the respective type of cluster.
- xix. T.A. will plan out in consultation with NA to frame the training requirement of artisans and stake holders and grouping their requirements as per the need of the clusters. Accordingly, the TA will assist in the identification of training institutions will be done in defining the courses duration, fees and other necessary requirement as per the cluster.
- xx. Assist the NA for seeking and obtaining approval from the State Governments/UTs before submission of DPR to the SSC for final approval;
- xxi. TA shall create appropriate system for online reporting of progress reports to Nodal Agency and to the Ministry of MSME on monthly and quarterly basis.
- xxii. Any other work assigned from time to time by the NA, Ministry of MSME, for timely completion of project, any changes in nature of intervention, any sorts of addition/alternation in the implementation programme, etc. that may come at any point of time during the project period should very well be considered by TA for execution without any additional cost.
- xxiii. At the end of the Project, TA shall prepare proper documentation covering the entire activities, preparation of case studies and photo documentation along with an end-project report articulating the outcomes in terms of productivity and sales. Listing out the outcomes achieved against the targets fixed at the beginning of the project will also be done.
- xxiv. Formulate an exit strategy for the IA and prepare a sustainability roadmap for the Cluster with a business plan for the next five years beyond the project duration.

4.4.1 The fee will be paid by the NA to the TA on per cluster basis; the scheme will encourage a success fee based model, linked to milestones achieved.

4.5 Implementing Agency (IA)

Implementing Agencies (IAs) would be non-Government organizations (NGOs), institutions of the Central and State Governments and semi-Government institutions, field functionaries of State and Central Govt., Panchayati Raj institutions (PRIs), etc. with suitable expertise to undertake cluster development. One IA will be assigned for only one cluster (unless it is an agency with State-wide coverage). The selection of IAs, based on their regional reputation and experience of working at the grass-roots level, will be done by the Nodal Agencies (NAs), on the basis of transparent criteria.

Private sector participation shall also be encouraged for the implementation of the cluster projects. Corporate entities can also take up projects directly by forming cluster-specific SPVs.

Corporates and Corporate Social Responsibility (CSR) foundations with expertise in cluster development will be encouraged to participate as IAs. In the case where a private sector entity is the IA, it shall contribute at least 50% of the total project cost excluding the cost of land.

4.6 Formation of SPV is mandatory to seek the final approval by IA. The purpose of SPV will be to develop and sustain the cluster after the project implementation period is over. An SPV will be formed for each cluster which may be any of the following entities:

- i. a Society registered under Societies (Registration) Act, 1860;
- ii. a Co-operative Society under an appropriate statute;
- iii. a Producer Company under section 465(1) of Companies Act, 2013 (18 of 2013);
- iv. a Section 8 Company under The Companies Act, 2013 (18 of 2013);
- v. a Trust; or
- vi. Any other legal entity, with the prior approval of SSC.

4.6.1 (a) Existing khadi and village industry (KVI) institution and other legal entity will be a deemed SPV, if its Managing Committee, by whatever name called, has a fair representation of artisans (at least 33%).

(b) In case the PRIs at the cluster level desires to be the IA, it can form an SPV ensuring that the cluster micro-enterprises/beneficiaries hold a minimum 33% of the total equity in the SPV.

(c) In case of private sector promoted SPVs the shareholding of the lead investor/private partner shall not normally exceed 50% of the total equity.

4.6.2 IA shall appoint a full-time executive, to be located in the cluster, who will act as the Cluster Development Executive (CDE), and shall be responsible for implementation of the project as per the approved DPR. The responsibilities of CDE shall include preparation and implementation of the Annual Action Plans of the cluster, promoting linkages with professional institutions as well as local institutions including PRIs.

4.6.3 Role of IAs:

The role and responsibility of the IAs includes the following:

- i. Recruit a full-time CDE in order to ensure efficient implementation of the project. Selection of CDE must be made from 3 options viz. (i) a local capable & strongly acceptable CDE from among the beneficiary group, (ii) grooming of an existing person from the group to become a good CDE and (iii) an externally recruited CDE. Additional qualification, experience and expertise to be considered while selection of the CDE in line with the requirements of the project deliverables.
- ii. In case of an external person is chosen as the CDE, a capable local person may be made the deputy to the CDE so that he is groomed to take up the responsibility once the regular CDE leaves the cluster after financial support is stopped.
- iii. The IA would identify and arrange suitable land for the project whose book value may be shown as their contribution towards the project;
- iv. Implement various interventions as outlined in the approved DPR;
- v. Undertake procurement and appointment of contractors, when required, in a fair and transparent manner;
- vi. The IA will enter into an agreement with the Nodal Agency for timely completion on cluster intervention and proper utilization of Government Grants;
- vii. Operation & Maintenance (O&M) of assets created under the project by way of user-fee based model;
- viii. Responsible for furnishing Utilization Certificates (UCs) and regular Progress Reports to Nodal Agency in the prescribed formats.

The IA shall endeavor to increase participation of various other cluster stakeholders and institutions by forming a Cluster Advisory Group, preferably headed by the District Magistrate and with representation from PRIs, traditional industry enterprises, support service institutions, banks, etc. with the objective of fostering increased level of involvement of various cluster stakeholders and strengthening the implementation of the project.

5. IMPLEMENTATION METHODOLOGY

5.1 Web-Based Project Management System (PMS)

5.1.1 In order to effectively manage the scheme of such scale and coverage it is proposed to set up a dedicated SFURTI website enabled with Project Management System (PMS) to manage projects on-line from inviting proposals to screening of applications and concurrent monitoring of progress till completion. The proposed PMS will have in-built systems for online application, MIS tracking, monitoring of physical & financial progress, sharing of reports and other tools for project management. The system will enable all the associated institutions and stakeholders to monitor the progress of projects and work collaboratively to ensure successful implementation of the Scheme. The web-based PMS would

help to address various implementation issues such as time overruns, inadequate coverage, and other risks & quality issues.

- 5.1.2 The web platform would also provide the option to the potential Nodal Agencies to apply and upload their credentials so as to enable the SSC to take a suitable call to enroll the agency as a Nodal Agency.
- 5.1.3 The web platform would also have a built in module to screen, sort and filter the received applications. State wise and forward the same to the State Governments in real time to save any delay in implementation. The system would also send reminders periodically to the State Governments till such time the approvals are sought.
- 5.1.4 All enrolled NAs, TAs would be listed on the web portal so as to provide the available options to the potential IAs to approach them accordingly.
- 5.1.5 The system would also act as a web based monitoring system to provide necessary inputs for any kind of delays and non-processing at any stage in the entire work flow.

5.2 Identification of tentative list of clusters

- i). Nodal Agencies will first draw up a State-wise list of potential clusters in consultation with Technical Agencies with clear identification of implementing Agency who shall be local operative for managing the cluster and looks after the day-to-day affairs of the cluster.
- ii). A market driven approach should be adopted for identification and structuring of the projects so as to ensure viability and long term sustainability of the project activities. The Cluster should be so selected where the products have huge potential market demand and the Cluster can be developed to scale up activities and produce high value products for the market.
- iii). The SFURTI Clusters should preferably be existing clusters (Brownfield) and new clusters (Greenfield), should however be carefully selected after a thorough study of the cluster dynamics and potentiality of the products.
- iv). In addition to Khadi, the Clusters should cover traditional rural industries and village industries which should be in conformity with the KVI Act and norms.
- v). The SFURTI project should aim to adopt the Growth Pole concept for triggering growth of the traditional village industries. A cluster of clusters approach must be adopted for the project to create cascading positive externalities with the scope of extension of the activities in a larger contiguous area.
- vi). Multi-product Clusters must be promoted, particularly in the case of Major Clusters for greater project coverage and economic viability/sustainability of the cluster. Products which are complimentary to each other need to be selected for Multiproduct Clusters.
- vii). The Clusters and the activities must have a critical mass, for ensuring economies of scale. Projects under SFURTI should be integrated value chain based and the project should be structured with interventions to address the gaps along the entire value chain.

- viii). End to End product clusters will enhance viability of the clusters. The project must ensure that substantial value addition takes place at the village/Cluster level for greater value capture and higher unit value realizations.
- ix). It must be ensured that as far as possible the entire value addition should be done at the cluster itself, so that maximum realization is done.
- x). The project design and structure should specifically provide a plan for sustainability of the project activities, especially beyond the project period along with exit plan.
- xi). The project must be so structured such as to promote optimum utilization of infrastructure facilities through a range of activities. In case of multi-product Clusters, the possibility of setting up specialized CFCs for each product line, closer to the raw material base, could also be explored.
- xii). The project should allow involved and active participation of all members of the Cluster. NER projects should focus on the challenges in the region and come out with solution for these.

5.3 Engagement and appointment of TAs

As a large number of clusters located in various parts of the country, need to be covered under the program in a time-bound manner; it is required to empanel as many technically competent cluster development organizations as possible, as a pool of Technical Agencies (TAs) to assist in the implementation of the projects.

5.3.1 An Expression of Interest (Eoi) will be published by the NA in leading national newspapers requesting for proposals. The TAs will be shortlisted by NA based on technical evaluation of their proposals, mostly in terms of-

- i. Net worth of the organization;
- ii. Organizational experience in implementing projects of similar nature specially artisans and micro-enterprise based developmental initiatives;
- iii. Competence of personnel and team;
- iv. Geographical presence; and
- v. Any other parameter as deemed fit by the NA/SSC.

Based on the above criteria, TAs would be appointed and assigned to specific clusters. Any other eligible institution may approach the Ministry of MSME or any of the Nodal Agencies for enrolment as a TA and the SSC shall be the final authority for due approval of the proposal for appointing any institution with eligibility and competence. It may be noted that TAs will be grouped at the cluster level whereby a single TA can be assigned to multiple clusters, not exceeding 50 clusters per TA.

5.4 Approval from SSC

The SSC shall be responsible for approval of the projects and monitoring of their implementation. There would be two-stage process for approval of the projects: In-principle approval and final approval.

5.4.1 In- Principle Approval:

In-principle approval for a project/cluster will be accorded by the SSC based on recommendation of NA and evaluation of the Diagnostic Study Report (DSR) as per the standard template as provided under Annexure-5 submitted by the TA assigned to the cluster. The DSR should broadly cover the major features of the proposed project including baseline information, tentative interventions, proposed implementation framework and a list of potential IAs. Such In-principle approval will be valid for a period of 6 months from the date of approval, and before that it is expected that the project would be ready for final approval. In case final approval is not accorded to the project, within 6 months, the in-principle approval will automatically lapse, unless it is specifically extended by the SSC.

5.4.2 Final Approval:

The project will be accorded final approval by the SSC subject to fulfilment of the following conditions:

- i. Preparation of DPR as per the standard template as provided under Annexure-5 with specific details of interventions with cost estimates and timelines;
- ii. Identification of IA and formation of project specific SPV;
- iii. Execution of shareholders agreement and other related agreements between the IA and the members; and
- iv. Arrangement of requisite land for construction of common facilities by the IA in terms of registered sale or lease deed in the IA's name.

v. Approval from State Govt:

- a) At the level of Secretary, Department of Industries/ Commerce/ MSME of the State Govt./Union Territories, who is the competent authority to issue the consent for setting up of the cluster before the DPR is put up for final approval by the SSC at the apex level.
- b) State Governments, District Administrations and local PRIs may be involved in the entire process of State level approval. This shall ensure the involvement of local administration for smooth implementation of the SFURTI programme at cluster level and helps in dovetailing of the schemes of the State and Central Governments to strengthen the local governance system at the cluster level.
- c) Through this process, the legal entity, constitution and existence of the IA are being confirmed and authenticated by the Government machinery to avoid any kind of duplication and non-existence of operatives resulting in gross misuse of precious public funds.
- d) The NA and TA shall have to act diligently in co-ordination with the respective State Governments to ensure timely approvals for the proposals at the DPR stage in order to obtain final approval from the SSC.
- e) As the total time provided for the valid project proposal in the DPR format after in-principle-approval is six months or 180 days, the

projects must obtain the State level clearances within a maximum period of 3 months or 90 days from the date of in-principle-approval.

5.5 Pre-requisites for Release of Funds

Once the DSR is approved by M/oMSME, the process for release of funds under soft-intervention would initiate after ensuring the following preparatory actions at the level of the Nodal Agency:-

- I. The Implementing Agency and Technical Agency are appointed;
- II. Action initiated for formation of SPV at the IA level;\
- III. Proposal for the Cluster gets in-principle-approval from the SSC.

5.5.1 Release of Funds to NA

i) The cost of project shall include hard interventions and soft interventions. The project cost shall also include the cost of services of a professional TA and costs incurred by the IA for engaging a competent CDE and other administrative expenses incurred by the TA, which needs to be paid by the Nodal Agency.

ii) Proposal for release of funds will be submitted by NAs cluster-wise to Ministry of MSME. The release of funds to NAs will be based on approved Plan of Action (PoA) and progress of expenditure.

iii) The funds will be released to the NAs on receipt of UC and Progress Report, and the NAs shall in turn, release the fund to the cluster as per the approved Cluster/ Annual Action Plan.

iv) Funds to NA will be disbursed under two heads:

- i. SFURTI Programme Fund
- ii. SFURTI Administrative Fund

v) The NA shall maintain two separate accounts for each of the above mentioned heads and will be subject to audit. All expenses relating to monitoring and management of the Scheme and national level activities will be met out of SFURTI Administrative Fund and rest from SFURTI Programme Fund.

5.5.2 Fund Release Quantum: Consequent upon the approval of the project by the Scheme Steering Committee (SSC), 50% of the Soft Intervention, 50% of the Hard Intervention, 50% of the IA cost and 50% of the TA cost shall be released to the Nodal Agency. On production of Utilization Certificate and actual utilization of $\frac{2}{3}$ ^d of the released amount, remaining 50% of the Soft Intervention, 50% of the Hard Intervention, 50% of the IA cost and 50% of the TA cost shall be released to the Nodal Agency.

5.6 Release of Funds to IA

On obtaining final approval, a sanction order will be issued by NA and 1st installment for the hard intervention will be released by NA in the dedicated bank

account opened in the name of the IA. Whereas release of fund by NA to 'As for soft-intervention shall be need-based and a part component of the same is released to the IA after in-principle-approval of the SSC, the following schedule will be adopted for release of scheme funds for hard interventions:

- i. 1st installment of 50% of the hard intervention as advance on IA arranging land
- ii. 2nd installment of another 50% on utilization of 2/3 of 1st installment.

6. FINANCIAL ASSISTANCE

6.1 The cost of project shall include hard interventions and soft interventions detailed in Paragraph 3. The project cost shall also include the cost of services of a professional TA and costs incurred by the IA for engaging a competent CDE and other administrative expenses incurred by the TA.

6.2 The financial assistance provided for any specific project shall be subject to a maximum of Rs.5 (Five) crore.

Type of clusters	Per Cluster Budget Limit
Regular Clusters (upto 500 artisans)	Rs.2.50 crore
Major Clusters (more than 500 artisans)	Rs.5.00 crore

6.3 The funding pattern under the Scheme will be as under:

	Project Intervention	Scheme Funding	Financial Limit	IA Share
A	Cluster Interventions			
A1	Soft Interventions including skill trainings, capacity building, design development	100%	10% of the amount of Hard Intervention(HI) or Rs.25.00 lakhs, whichever is less	Nil
A2	Hard Interventions (HI) including CFCs, RMBs, training centres, etc. *	90%	-	10% of Hard Intervention as own contribution in cash.
B	Cost of TA	100%	8% of the amount of Hard Intervention (HI) or Rs.30.00 lakh, whichever is less	Nil
C	Cost [#] of IA/SPV including CDE	100%	8% of the amount of Hard Intervention(HI) or Rs.20.00 lakhs, whichever is less	Nil

* 95%:5% in case of North Eastern Region (NER), J&K and hilly states.

This includes remuneration of Cluster Development Executive (CDE) and other expenses incidental for the entire 3 year project implementation.

6.4 It shall be the responsibility of the IA to bring in land. The scheme funding shall not be utilized for the procurement of land. The cost of land will not be included in the total cost of Hard Intervention. A contribution of 10% in cash has to be provided by the Promoter to the Hard Intervention.

6.5 The interventions listed in Paragraph 3 are indicative in nature and any other need based intervention detailed in the DPR, subject to the approval of the SSC, shall be eligible to be funded under the scheme. The nature of such interventions whether soft or hard will also be decided by the SSC.

6.6 IAs may dovetail funds from other sources detailed in Paragraph 8 for the project, provided there is no duplication of funding for the same component/intervention.

7. ADMINISTRATIVE AND SCHEME MANAGEMENT EXPENSES

3% of the total budget allocation is earmarked for Administrative and scheme management expenses at the Ministry known as the SFURTI Administrative Fund. Funds will be at the disposal of Ministry of MSME and utilized with the approval of the Scheme Steering Committee (SSC) for operationalizing the projects. This will be utilized to fund all administrative costs, monitoring & evaluation costs, SFURTI related communication and stationery expenses, cost of travel/exposure visits of the NA officials for monitoring SFURTI activities, purchase of office automation equipment like photocopier, maintenance etc, outsourcing of data management services and development of scheme management software, both at the level of Ministry and NAs. A SFURTI Cell will be created in Ministry for providing necessary assistance and coordination to the Ministry and the NAs. The Cell will be responsible for providing administrative support and assistance for monitoring, evaluation, conducting of specialized studies and reports, organizing Steering Committee meetings and other related activities.

7.1 Thematic Interventions

In order to promote cross-cutting thematic interventions at the national and international level, an additional 5% of the total budget allocation can be claimed by the NA. Activities such as national level marketing campaigns and brand promotion for Khadi, herbal products, honey, organic food products that are directly connected to the promotion of the scheme shall be supported with due approval of the SSC. Other activities may include training of CDEs, IAs, national level cross-learning workshops and sector specific innovation, research and development initiatives.

7.2 Monitoring, Evaluation and Publicity:

An additional 2% of the total budget will be allocated for undertaking monitoring, evaluation and publicity of the scheme implementation. These would include periodic project reviews using innovative M&E systems such as video-conferencing and ICT tools, and third-party evaluations and impact assessment studies by the Ministry of MSME.

8. PROJECT COVERAGE & DURATION

8.1 Project Coverage

The target is to cover more than 100 clusters across the country during the scheme implementation, wherein approx. 60000 artisans/beneficiaries are proposed to be covered under the various scheme components. The scheme shall be implemented in all States of India.

The geographical distribution of the clusters throughout the country, with at least 10% located in the North Eastern Region (NER), J&K and hilly states, will also be kept in view.

Clusters will be selected under three categories based upon type and coverage of artisans in the cluster in the 1st Phase:

Type of clusters	No. of Clusters under the Scheme	Approx. Artisan Coverage
Regular Clusters (upto 500 artisans@500 per cluster)	67	33,500
Major Clusters (more than 500 artisans @803 per cluster)	33	36,500
	100	60,000

8.2 Project Duration

The timeframe for the implementation of project will be 3 years. The DPR would provide year-wise phasing of the interventions and requirements of funds.

9. CONVERGENCE

9.1 Substantial investments are being made for strengthening of rural clusters and the livelihood base of the poor. In order to optimize the efforts and maximize impact & sustainability, it is imperative to ensure convergence and bring in synergies between different private initiatives and government schemes in terms of planning, process and implementation. The Scheme envisages leveraging resources from the following sources:

- i. Private sector participation:* The scheme shall encourage participation of private sector retailers with proven track records and established retail networks. Retailers specializing in products sourced from khadi & village industries, coir & other industries may participate as Implementing

Agency or Technical Agency. In cases where private sector agency is the implementing agency, the private partner shall contribute at least 50% of the project cost excluding the cost of land.

- ii. *Corporate Social Responsibility:* The corporates of public and private sector can participate in the SFURTI program by way of providing additional financial support and professional operations & management support to the projects funded under the Scheme as part of their CSR. Such CSR foundations with proven track record and capability of managing MSME cluster projects, can participate either as IA or TA.
- iii. *Participation by Private Equity (PE)/Impact Funds:* To leverage the increasing trend of financial institutions floating funds to support clusters that are in nature of social investments, such funds will be encouraged to participate in the SPVs, subject to the condition that their shareholding shall not exceed 50% of the total equity. In case of debt support, patient capital with extended moratorium, low rate of interest and flexible repayment options shall be considered.
- iv. *Other schemes of State and Central Government:* IAs will be encouraged to dovetail funds from other various state and central government schemes over and above the funds sanctioned for SFURTI scheme, provided that there is no duplication of a specific project component being funded from one source.
- v. *Funds from Multi-lateral Development Banks (MDBs):* It is envisaged that the funding from the scheme will leveraged to secure additional financial assistance from the MBDs to ensure sustainability and competitiveness of the clusters.

9.2 The participation of stake holders as illustrated above is indicative. Any such participation or support needs to be detailed out in the DPR and subject to approval from the SSC.

9.3 TAs and NAs must therefore ensure that convergence is built into implementation framework right from the stage of project design. For example, the banks and RSETI expressed the need to involve them at the stage of DSRs and Action Plan formulation. Convergence with private sector buyers in the value chain and other key stakeholders must be built into project design. Funding from public and private agencies should also be ensured at early stage. In order to ensure convergence, linkages should also be made through reporting to SLBC and District committees chaired by the Collector.

10. SUSTAINABILITY

10.1 *Working Committee to look after CFC:* To ensure that the facilities and infrastructure created with grants under SFURTI are sustainably managed to the advantage of artisans for improved production and marketing, IA will constitute a Working Committee for each cluster comprising the following:

- i. Chief functionary of the IA — Convener;
- ii. Representative of a Nationalized bank operating in the area;

- iii. 3 artisans nominated by the IA (including at least one woman) on annual rotation basis, re-nomination may not be allowed in five years;
- iv. Representative of the NA; and
- v. GM, DIC or his representative.

The Working Committee will meet at least once in a month to review the operational and maintenance aspects of the CFC and decide about the user charges. The SPV will open and maintain a corpus fund for maintenance of the CFC. The user charges will go to the corpus. The SPV on the basis of recommendation of Working Committee may incur expenditure towards maintenance/ augmentation of the CFC.

10.2 Access to credit: The IA will arrange the credit requirements including working capital for activities within the cluster. They may also extend credit to individual groups in the form of supplying raw materials on credit, etc., if required. The credit will be arranged at best possible cost preferably from the nearest available source.

10.3 Business Plan for the cluster: The TA in consultation with the IA will prepare a Business Plan for the cluster as a going concern, taking into account relevant facts and after conducting appropriate market survey as may be considered necessary by IA within the first two years of implementation of SFURTI in the cluster.

11. ROLE OF STATE GOVERNMENT

The Scheme envisages proactive engagement of the State Governments in the following areas:

- i. Approval by the Secretary, Department of Industries and Commerce / MSME of the State Govt./Union Territories, the competent authority to approve the setting up of the cluster, before the DPR is put up for final approval by the SSC at the apex level. Through this process, the legal entity, constitution and existence of the Implementing Agency are being confirmed and authenticated by the Government machinery to avoid any kind of duplication and misuse of precious public funds.
- ii. As the total time provided for the valid project proposal in the DPR format after in-principle-approval is six months or 180 days, the projects must obtain the State level clearances within a maximum period of 3 months or 90 days from the date of in-principle-approval.
- iii. Assist in identification and procurement of suitable land for the projects wherever required, in order to set up cluster infrastructure;
- iv. Providing all the requisite clearances wherever needed for setting up cluster and providing necessary assistance for power, water and other utilities to the cluster;
- v. Providing necessary external infrastructure to the projects such as power, water supply, roads, effluent disposal etc, wherever needed;

- vi. The State Government agencies like infrastructure/ industrial development corporations may also participate in the projects by way of subscribing to the equity of SPV or by providing Grants;
- vii. Providing necessary project related clearances on a priority basis;
- viii. Dovetailing assistance available under related schemes for overall effectiveness and viability of the projects; and
- ix. Extending incentives available under related industrial promotional policies.
- x. The State Governments/UTs may conduct surveys and map and identify potential sites and products for formation of clusters under SFURTI and accordingly seek the intervention of Wo MSME to set up SFURTI clusters in those sites and consisting of the specified products/industries.
- xi. Special Dispensation for proposals identified and approved by State Level Screening Committee headed by Secretary (Industries/ MSME):** Wherever such proposals are received directly in the Ministry of MSME [*The Joint Secretary (ARI Division), Ministry of Micro, Small & Medium Enterprises, Room No.171, Udyog Bhawan, New Delhi-110011. Telephone: (011) 23061543 Telefax: (011) 23062858E-mail: js.ari@nic.in*], first a Nodal Agency will be allocated by the Ministry. The proposal need not be placed before the SSC for DSR approval, rather a Detailed Project Report (DPR) shall be prepared through a Technical Agency and submitted to the SSC for final approval.

12. OPERATIONS & MAINTENANCE (O&M) OF ASSETS

12.1 IA shall ensure that the services of the facilities created under the Scheme are extended to the cluster in general, in addition to the member enterprises.

12.2 IA shall be responsible for O&M of assets created under the Scheme beyond the project duration. IA shall ensure that the users of these facilities pay for the services rendered, for the maintenance of the assets.

12.3 In case of dissolution of IA/SPV within 10 years from the date of sanction of assistance by the Government under the Scheme, the assets created with such assistance shall be vested with the Government. The Memorandum of Association & Articles of Association of the SPV shall incorporate this condition. In case of deemed SPVs, the IA will furnish and undertaking to this effect.

13. MONITORING & EVALUATION

13.1 The Ministry of Micro, Small and Medium Enterprises (MSME) will periodically review the progress of the projects under the scheme. The Nodal Agency shall be responsible for obtaining Quarterly Progress Reports and Annual Progress Report showing physical and financial progress from the clusters and forward it to the Ministry of Micro, Small and Medium Enterprises (MSME) on a regular basis.

13.2 **Periodic review by Nodal Agency:** The NAs assisted by TAs will devise a suitable monitoring framework duly approved by the SSC. In addition to the quarterly progress reports indicating cluster-wise physical and financial progress, the NAs will also track the progress through video-conferencing and other ICT tools.

13.3 Evaluation of the Scheme: It is envisaged to take-up third party mid-term evaluation of the projects to determine the deficiencies and take-up mid-course corrective measures. Impact assessment studies will also be undertaken at end of the project both at the cluster-level and the program-level to validate the outcomes achieved.

14. REMOVAL OF AMBIGUITY

Notwithstanding anything contained above, Central Government may issue such instructions as may be necessary to implement the above guidelines. If any difficulty or ambiguity arises in giving effect to these provisions, Central Government may issue appropriate directions which shall be binding on NAs, TAs and IAs.

14.1 In so far as interpretation of any of the provisions of these guidelines, the decision of the Scheme Steering Committee (SSC) shall be final.

Categorization of Traditional Industries**1. Khadi Industries (KI)**

"Khadi" means any cloth woven on handlooms in India from cotton, silk or woolen yarn handspun in India or from a mixture of any two or all of such yarns. The Khadi Industries comprise of manufacturing units for hand-spun and handwoven cotton, woolen, muslin and silk varieties.

2. Village Industries (VI)

Village Industries (VI) includes any industry located in rural area which produces any goods or renders any service with or without the use of power and in which the per-capita fixed capital investment does not exceed Rs. 1 lakh (except for hilly areas, wherein the limit is Rs.1.5 lakh); provided that any industry specified in the Schedule and located in an area other than a rural area and recognized as a village industry at any time before the commencement of the Khadi and Village Industries Commission, continue to be a village industry under the KVIC Act.

An indicative list of major VIs is provided as below:

i). Mineral Based Industry

- a. Cottage Pottery Industries
- b. Lime Industries

ii). Forest Based Industry

- a. Medicinal Plants Industries
- b. Bee-keeping
- c. Minor Forest based Industries

iii). Agro Based & Food Processing Industry

- a. Pulses & Cereals Processing Industries
- b. Gur&Khandsari Industries
- c. Palmgur Industries
- d. Fruit & Vegetable Processing Industries
- e. Village Oil Industries

iv). Polymer & Chemical Based Industry;

- a. Cottage Leather Industries
- b. Non-edible oils & Soap Industries
- c. Cottage Match Industries
- d. Plastics Industries

v). Rural Engineering & Bio-Technology Industry

- a. Non-Conventional Energy
- b. Carpentry & Black smithy
- c. Electronics

vi). Hand Made Paper & Fiber Industry;

- a. Handmade Paper Industries
- b. Fiber Industries

vii). Service and Textiles Industry

- a. Apparel and garmenting
- b. Embroidery and surface ornamentations
- c. Fabric and yarn dyeing
- d. Services

Khadi & Village Industries (KVI) today represent an exquisite, heritage product, which is 'ethnic' as well as ethical. It has a potentially strong clientele among the middle and upper echelons of the society.

3. Coir Industry (CI)

Coir Industry is an agro-based traditional industry, which originated in the state of Kerala and now has established itself in other coconut producing states like Tamil Nadu, Karnataka, Andhra Pradesh, Orissa, West Bengal, Maharashtra, Assam, Tripura, etc. Coir, a bi-product of coconut with diverse applicability, has age-old use in making mats, ropes etc. The coir industry employs more than 7.00 lakh persons of whom a majority is from rural areas belonging to the economically weaker sections of society. Nearly 80% of the coir workers in the fibre extraction and spinning sectors are women. Being an eco-friendly with natural origin, the coir industry is an export oriented industry and having greater potential to enhance exports by value addition through technological interventions and diversified products like Coir Geotetiles etc.

Composition of Scheme Steering Committee (SSC)

1	Secretary, Ministry of MSME	Chairman
2	Additional Secretary and Development Commissioner (MSME)	Member
3	Additional Secretary and Financial Adviser (AS & FA), Ministries of MSME (or a representative)	Member
4	Principal Adviser, PAMD, NitiAayog	Member
5	Chief Executive Officer, KVIC	Member
6	Secretary, Coir Board	Member
7	Representative of Indian Banks Association (IBA)	Member
8	Representative of National Bank for Agriculture and Rural Development (NABARD)	Member
9	5 Cluster Experts - to be nominated by Ministry of MSME	Member
10	DC (Handlooms)	Member
11	DC (Handicrafts)	Member
12	JS (NRLM), Wo Rural Development	Member
13	Joint Secretary, Ministry of MSME	Member Convener

ANNEXURE-2.1**Composition of Project Screening Committee (PSC) for KVIC/Coir Board**

1	Chief Executive Officer-KVIC/Chairman-Coir Board	Chairman
2	Financial Advisor	Member
3	Officer In-charge Marketing	Member
4	Representative of Bank	Member
5	Representative of National Bank for Agriculture and Rural Development (NABARD)	Member
6	3 Cluster Experts (2 from TAs & 1 from IA) - to be nominated by the NAs	Member
7	Director (SFURTI)-KVIC/Secretary- Coir Board	Member Convener

Note: Composition of Project Screening Committee (PSC) for NAs other than KVIC/Coir Board

Nodal Agencies other than KVIC and Coir Board shall also constitute a PSC comprising of 3 cluster experts (2 from TAs & 1 from IAs), representative of bank, and marketing & financing experts.

PROFORMA OF APPLICATION FOR NEW NODAL AGENCY

- 1. Executive Summary**
- 2. Endorsement from Host / Promoting Organisation** (see Annex. 1)
- 3. Name of the Institution/Organisation:**
Address, Phone, Fax:
- 4. Name & Designation of Head of Organisation:**
Address, Phone, Mobile, E-mail:
- 5. Name, Designation & contact details of the SFURTI Co-ordinator: -**
Address, Phone, Mobile, E-mail:
- 6. Partner Institution Information-General:**
 - I. Legal Status of the organization (enclose certificate of registration) & whether a National or International organization
 - II. Establishment date & summary of registered Objectives
 - III. List of Governing Body / Board of Directors
 - IV. Areas of activity
 - V. Major Regular Donors (if any)
 - VI. List of organizations with which formal MoU's / linkages exist
 - VII. Date of last Annual General Meeting (attach the minutes of meeting)
 - VIII. Enclose Annual Audited statement & IT returns for last 3 years

7. Partner Institution's preparedness to host clusters under SFURTI:

I. Experience and Expertise of the SFURTI Coordinator from Institution identified for the setting up of cluster. (Attach a brief CV/bio-data, a person with domain expertise and having conceptual understanding and deep interest for innovation and entrepreneurship would be preferred to steer the cluster till it gets operationalized and thereafter would be an active interface between NA and cluster).

II. List of projects undertaken, if any, in the previous three years as per the table given below.

Name of Cluster/ Project	Sponsoring Agency	Amount Sanctioned in Rs.	Amount released in Rs.	Duration	Outcome

III. Awards & Recognition (Last 5 years): Details of Recognitions & Awards (having significant importance) won.

IV. Any other notable activities in innovation and entrepreneurship:

- Indicate details of product development /clusterisation
- Staff or partner organizations with entrepreneurship orientation
- Organization of relevant cluster development programmes (courses, workshops, seminars, competitions, lectures etc) in the cluster related activities.

8. FEASIBILITY OF Cluster:

Details on the institution's strength and preparedness in hosting Cluster:

- Strength of the organization for hosting Cluster
- Overall business environment of the location and ecosystem in the region
- Assessment of cluster needs
- Sources of tapping new artisans to the cluster
- Financial model of the NA for operational sustainability of the cluster after 2/3 yrs as the MoMSME support is available for first two years and subject to be extended by one more year with due approval
- Ability to partner with other organisations in building cluster projects such as with Technical Agency and Implementing Agency

9. Year-wise work plan for three years (a separate time linked activity chart to be provided along with the detailed work plan).

10. Target milestones (should be projected based on most likely attainable targets).

Outcome	Year1	Year2	Year 3	Year 4	Year 5	Total
a) No. of artisans to be enrolled as part of cluster b) No. of products to be identified & profiled in case of multi-product-cluster c) Nature of Soft intervention-physical & financial with outlays & outcomes d) Hard intervention targeted-nature-physical						

Revenue Generation Projections for Sustainability of cluster

Sl.No.	Means of Revenue Generation	1st Year	IInd Year	IIIrd Year	IVth Year	Vth Year	Total
	Total						

Name & Signature of the Head of the Institution/Agency

Name & Signature of the SFURTI Coordinator

Date:

Place:

ENDORSEMENT FROM THE HEAD OF INSTITUTION/ORGANISATION (on letter head)

1. We have gone through and agree to abide by the terms and conditions of the grant scheme for SFURTI.
2. We have not submitted, nor do we intend to submit this, or a similar project proposal, to any other agency for financial or other support. In case we get the support, we will keep MoMSME informed.
3. We undertake that we will register the NA as a Registered Society / Section 8 company as per the guidelines, within 3 months if selected as a NA under the scheme.
4. Certified that the hardware, other basic facilities and such other administrative support required for successful running of cluster will be extended to the NA, as per terms and conditions of the grant.
5. We will get into anMoU with the Technical Agency so chosen to carry out the entire work of the cluster as per the template of the draft guidelines for MoU between NA and TA.
6. We undertake to submit progress reports, statement(s) of accounts, utilization certificates, etc. as required.
7. Certified that Dr/Shri/Smt..... will be the SFURTI Co-ordinator of the proposed cluster. The SFURTI Coordinator will assume the responsibility of implementation of the project.
8. Our Organisation assures to undertake the complete financial and other management responsibilities of the cluster, and successful running of cluster beyond 2/3 years of MoMSME's financial support.
9. If any of the above statements found to be incorrect by MoMSME at any point of time, the organization takes the responsibility to refund the entire amount released by MoMSME.

DateName, Signature & Seal of the

Place Head of Institution/Agency

**TERMS AND CONDITIONS FOR GRANTS-IN-AID FOR NODAL AGENCIES FOR
CLUSTERS EXCEPT AGENCIES FUNDED BY MINISTRY OF MSME/GOVERNMENT OF
INDIA**

1. As per the latest instruction by Controller General of Accounts (CGA), Government of India, the grantee institution is required to register at CGA website (<http://cpsms.nic.in>) to facilitate release of funds.
 2. All grantee institutions except public funded institutions are required to execute a Bond (in prescribed proforma) on a non-judicial stamp paper before any grants-in-aid is released to them.
 3. The grant being released should be exclusively spent on the specific purpose for which it has been sanctioned within the stipulated time. Any unspent balance out of the amount sanctioned would be refunded to the Govt. of India by means of an Account's Payee Demand Draft drawn in favour of Drawing & Disbursing Officer, MoMSME, payable at New Delhi.
 4. The grantee is required to send two copies each of i) progress report; and ii) utilization certificate, in the prescribed proforma, to MoMSME at the end of each financial year as well as at the time of seeking further installments of the grant, if any as per the financial rules of Government of India.
 5. The grantee is required to send two copies of the audited statement of accounts relating to the amount sanctioned at the end of the each financial year to MoMSME.
 6. All the assets acquired or created from the grant will be the property of the Govt. of India and should not be disposed-off or encumbered or utilised for purpose other than those for which the grant has been sanctioned without the prior permission of the MoMSME.
 7. At the conclusion of the project, the Govt. of India will be free to sell or otherwise dispose off assets which are the property of Govt. The institution shall tender to Govt. necessary facilities for arranging the sale of these assets.
 8. The institute shall furnish to MoMSME, utilization certificate and an audited statement of accounts pertaining to the grant as per the prevalent financial rules of Government of India.
- The Comptroller and Auditor General (CAG) of India at his discretion shall have the right of access to the books of account for the grant received from the Government.

9. The grantee will maintain separate audited accounts for the grant. The funds released should be kept in a bank account earning interest, the interest earned should be reported to the MoMSME. The interest thus earned will be treated as a credit to the organization to be adjusted towards further installments of the grant, if any.

10. The grantee must not entrust the implementation of the work for which the grant is being sanctioned to another institution and divert the grant receipts as assistance to the latter institution. In case the grantee itself is not in a position to execute or complete the project, it may be required to refund forthwith the Govt. of India, the entire amount of grants-in-aid received by it.

11. MoMSME reserves the right to terminate support to the project at any stage, if it is convinced that the grant is not being utilized properly or that appropriate progress in the project work is not being made.

12. here support has been provided by MoMSME under specific conditions accepted by a grantee institution and if it does not comply with these conditions, it will be liable to refund the grant already received in such a manner as may be required by the Government and no further MoMSME grant will be allowed to such an institution.

13. MoMSME will not have any liability towards the manpower appointed by the grantee institution for implementation of the project.

14. MoMSME will have no responsibility in case of any loss is caused to any life or property due to accident, fire or any other reasons. The Nodal Agency is required to take appropriate safety and insurance measures to safeguard against any loss to human life and property related to the project.

15. The MoMSME will have no liability on account of any omission or commission of regulatory/statutory requirement by the Nodal Agency.

A. Template for the Diagnostic Study Report (DSR)

The indicative list of key sections/ chapters in the DSR is as below:

1. Cluster Profile
2. Cluster Value Chain Mapping
3. Market Assessment and Demand Analysis
4. SWOT and Need Gap Analysis
5. Profile of the implementing Agency
6. Project Concept and Strategy Framework
7. Project Interventions (Core SFURTI)
8. Project Cost and Means of Finance (Core SFURTI)
9. Plan for Convergence of Initiatives
10. Enhanced Project Cost and Means of Finance
11. Project Timeline
12. Tentative Business Plan
13. Proposed Implementation Framework
14. Expected Impact

B. Template for the Detailed Project Report (DPR)

The indicative list of key sections/ chapters in the DPR is as below:

- | | |
|---|--------|
| <ol style="list-style-type: none">1. Cluster Profile2. Cluster Value Chain Mapping3. Market Assessment and Demand Analysis4. Need Gap Analysis5. Profile of the Implementing Agency6. Project Concept and Strategy Framework | Part I |
| <hr/> | |
| <ol style="list-style-type: none">7. Project Interventions (Core SFURTI)8. Soft Interventions9. Hard Interventions | |

10. Project Cost and Means of Finance (Core SFURTI) Part II
11. Plan for Convergence of Initiatives
12. Enhanced Project Cost and Means of Finance
13. Project Timeline
14. Detailed Business Plan
15. Proposed Implementation Framework
16. Expected Impact

**Template for Scheme for Regeneration
of Traditional Industries (SFURTI) Cluster**

**MINISTRY OF MICRO, SMALL & MEDIUM
ENTERPRISES**

GOVERNMENT OF INDIA

Table of Contents

- 1) Template A: Project Summary Sheet
- 2) Template B: Profile of the Implementing Agency (IA)
- 3) Template C: Preliminary Project Report (PPR)
- 4) Template D: Detailed Project Report (DPR)

A. Project Summary Sheet

A.1	Cluster Category	<input type="checkbox"/> Heritage	<input type="checkbox"/> Major	<input type="checkbox"/> Mini
-----	------------------	-----------------------------------	--------------------------------	-------------------------------

A.2	Name of Cluster	
A.3	Location	State <input type="checkbox"/> _____ District <input type="checkbox"/> _____ Block <input type="checkbox"/> _____ Villages <input type="checkbox"/> _____ <input type="checkbox"/> _____ <input type="checkbox"/> _____ <input type="checkbox"/> _____ <input type="checkbox"/> _____
A.4	Craft/ Industry	<input type="checkbox"/> Khadi (specify) <input type="checkbox"/> Village Industry - _____
A.5	Current Product Portfolio	

A.6	Name of Implementing Agency (IA)	
-----	----------------------------------	--

A.7	Project Objective	
-----	-------------------	--

A.8	Key Gaps Identified	
-----	---------------------	--

A.9 Proposed Interventions					
a) Hard Infrastructure(New)					
	<i>Hard Interventions</i>	Infrastructure Facility	Constructed Area	Machinery/ Equipments	Cost
		CFC/RMB/ Marketing Infrastructure			
b) Replacement/ Up gradation of charkhas/ looms/ tools					
		Replacement/ Up gradation of charkhas/ looms/ tools	No of Beneficiaries	Unit Cost	Total Cost

		c) Any Other			
	<i>Soft Interventions</i>	Intervention	Proposed Activities	No of Beneficiaries	Cost
		a) Skill Training			
		b) Capacity Building			
		c) Market Promotion			
		c) Others			

A.10	Total Project Cost	
A.11	Detailed Project Cost (CORE SFURTI)	
A.12	Means Of Finance	
A.13	Phasing of the Project	

A.14	Plan for Convergence of Initiatives and Schemes	
------	---	--

A.15	Enhanced Project Cost and Means of Finance	
------	--	--

<p>A.16</p>	<p>Project Implementation Framework / Proposed SPV Structure</p>	<p><input type="checkbox"/> Whether the IA is considered to be the SPV <i>(give details)</i></p> <p><input type="checkbox"/> Whether an SPV is being separately registered <i>If yes, give details along with proposed SPV structure:</i></p>
<p>A.17</p>	<p>Key Impacts</p>	

B. Profile of the Implementing Agency (IA)

I Institutional Structure/ Registration Details	
B.1	<p>Legal Status</p> <p><input type="checkbox"/> Central/ State Governments Institution <input type="checkbox"/> Society (under Societies Registration Act 1860) <input type="checkbox"/> Co-operative Society (under appropriate statute) <input type="checkbox"/> Registered as Trust <input type="checkbox"/> Proprietary firm / partnership <input type="checkbox"/> Registered under Companies Act 1956 <input type="checkbox"/> Private Limited Company <input type="checkbox"/> Public Limited Company <input type="checkbox"/> Company under Section 8 <input type="checkbox"/> Producer Company under section 581C <input type="checkbox"/> Other (specify)</p>
B.2	<p>Date of Incorporation/ Registration</p> <p>(Attach certificate of Incorporation)</p>
B.3	<p>Registered Address</p>
B.4	<p>Office Address/ Locations</p>
B.5	<p>Affiliated to KVIC</p> <p>Yes/ No If yes, provide Certificate No. _____ Validity of Certificate _____</p>

II Governance Structure							
B.6	Composition of the Executive Board / Trustees / Governing Body / Managing Committee and Background of Members	#	Name of Member	Designation	Background/ profile	Contact Number	Email
<input type="checkbox"/> Not available							
B.7	In case, IA is registered under Companies Act, provide shareholding pattern	#	Name of Member	Background/ Profile	Shareholding (%)		
<input type="checkbox"/> Not available							

III Operational Profile	
B.8	Major Objectives –

	Vision, Mission, Goal of the organization	
B.9	What are focus areas of operation	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
B.10	Provide key projects/ activities being undertaken by the IA - Brief description including the project scope, size and duration (<i>mention specific experience in the area/ sector of the proposed project</i>)	
B.11	Mention key clients/ donors associated with for project implementation along with details on the nature of association	
B.12	Mention key partnerships/ alliances (if any)	

IV	Management Profile	
B.13	Background of key Personnel (Professionals and others) with brief profile of the senior management personnel	

V	Financial Position		
B.14	Key financials of the Organization <i>(provide copy of the audited financial statements for last three years)</i>	Fixed Assets	
		Current Assets	
		Current Liabilities	
		Revenue trend for last three years	

		Profit/ loss for the last three years	
		Any other	

VI	Bank Account Details	
B.15	Name of Bank	
B.16	Branch Name	
B.17	Bank Account Number	

VII	Contact Details	
B.18	Name of Contact Person	
B.19	Designation of Contact Person	
B.20	Correspondence Address	
B.21	Contact Number	
B.22	Email Address	

C. Template for the Preliminary Project Report (PPR)

The indicative list of key sections/ chapters in the PPR is as below:

1. Cluster Profile
2. Cluster Value Chain Mapping
3. Market Assessment and Demand Analysis
4. SWOT and Need Gap Analysis
5. Profile of the Implementing Agency
6. Project Concept and Strategy Framework
7. Project Interventions (Core SFURTI)
8. Project Cost and Means of Finance (Core SFURTI)
9. Plan for Convergence of Initiatives
10. Enhanced Project Cost and Means of Finance
11. Project Timeline
12. Tentative Business Plan
13. Proposed Implementation Framework
14. Expected Impact

Chapter 1: Cluster Profile (PPR)

[This Chapter will talk about the key facts including the regional setting of the Cluster, the significance and evolution of the Cluster. It will also provide the key demographic, socio-economic as well as human development indicators for the district/ Cluster. Also, this chapter will detail the key economic activities in the region, along with the current physical, social and production infrastructure available.]

Indicative List of Sections:

- 1.1 Background
- 1.2 Regional Setting of the Cluster
- 1.3 Location
- 1.4 Evolution of the Cluster
- 1.5 Demography and Growth trends
- 1.6 Socio-economic Aspects
- 1.7 Human Development Aspects
- 1.8 Key Economic Activities in the Region
- 1.9 Infrastructure – social, physical, financial and production-related

Chapter 2: Cluster Product and Production Processes (PPR)

[This Chapter will talk about the key production related facts about the Cluster. It will provide details on the product profile and the production process for the Cluster. Also, a value chain analysis will be conducted for the key product categories. A mapping of the Cluster will be done wherein the major backward and forward linkages will be highlighted, along with identification of the major stakeholders along the value chain. Thereafter, a SWOT analysis of the Cluster will be conducted based on the key facts/ findings of the Cluster diagnostic as well as feedback from various Cluster stakeholders.]

Indicative List of Sections:

- 2.1 Product Profile
- 2.2 Production Process
- 2.3 Value Chain Analysis
- 2.4 Cluster Map – highlighting backward and forward linkages
- 2.5 Principal Stakeholders
- 2.6 SWOT Analysis

Chapter 3: Market Assessment and Demand Analysis (PPR)

[This Chapter will talk about the key trends in the market and the demand potential for the industry/ product(s) of the Cluster in the domestic as well global markets. Marketability of products is most critical for sustainability of the Cluster activities and thus it will be important to understand the trend in market demand and the potential for the products. Information on the current market trends and demand patterns will be collected from various secondary data sources as well as feedback from the buyers/ industry players so as to forecast future trends and identify focus product categories as well as key market segments. The analysis will help to determine the potential size of the market which will be important for maximizing the potential and minimizing the risk for the project. This assessment will enable appropriate positioning of the products of the Cluster and synchronization of the Cluster products with the market requirements.]

Chapter 4: SWOT and Need Gap Analysis
(PPR)

[This Chapter will talk provide a SWOT analysis and a needs gap assessment for the Cluster and its products. As part of the diagnostic study a gap analysis will be done to identify key gaps and challenges faced by the Cluster and its stakeholders that impede the attainment of optimized production and quality potential. This will highlight the key areas that need improvement in order to move from the current state to the desired level of scale, productivity and efficiency.]

Chapter 5: Profile of the Implementing Agency (PPR)

[This Chapter will talk about the profile of the Implementing Agency (IA). Details on the present institutional as well as governance structure of the IA will be provided. Also, the key activities/ projects that have been/ are currently being undertaken by the IA will detailed, along with information on the major clients/ partners. Further, the financial position of the IA will be provided including the trend of income/ profit (loss) over the last three years. Details on the current managerial capacity of the IA will also be provided in this section.]

Indicative List of Sections:

- 5.1 Institutional Structure
- 5.2 Governance Structure
- 5.3 Operational Profile
- 5.4 Management Profile
- 5.5 Financial Position

Chapter 6: Project Concept and Strategy Framework (PPR)

[This Chapter will provide a conceptual framework for the project implementation. This section will list the project objective that is envisaged for the successful implementation of the project. The overall approach for the project will be based on the findings of the need gap analysis as well as the market demand analysis. The project will have to be structured in such a manner that it addresses the key gaps in the Cluster for attainment of the project objectives. The overall guiding principle should be to make the Cluster and its products more productive and competitive by way of enhancing the marketability of the products, addressing the current production and supply bottlenecks, improving the skill levels of the artisans, introduction of improved techniques/ tools and strengthening Cluster linkages .]

Indicative List of Sections:

- 6.1 Project Rationale
- 6.2 Project Objective
- 6.3 Focus Products/Services
- 6.4 Conceptual Framework / Project Strategy

Chapter 7: Project Interventions (CORE SFURTI) (PPR)

[This Chapter will talk about the key interventions that will be undertaken as part of the project implementation, funded by the SFURTI scheme. In accordance with the needs of the Cluster as well as the market requirements, the key areas of intervention will have to be identified under the project. The interventions will be classified under two broad heads – hard (infrastructure related) and soft interventions. The details on the interventions such as capacities, technology, area etc for the hard infrastructure and specific activities, coverage and implementation modalities for the soft interventions will be provided.]

The soft interventions could be:

- i. General awareness, counselling, motivation and trust building;*
- ii. Skill development and capacity building*
- iii. Institution development;*
- iv. Exposure visits;*
- v. Market promotion initiatives;*
- vi. Design and product development;*
- vii. Participation in seminars, workshops and training programmes on technology up-gradation, etc*

The hard interventions could be in the form of:

- i. Common facility centres (CFCs);*
- ii. Raw material banks (RMBs);*
- iii. Up-gradation of production infrastructure;*
- iv. Tools & technological up-gradation such as charkha up-gradation, tool-kit distribution, etc*
- v. Warehousing facility;*
- vi. Training center;*
- vii. Value addition and processing center.*

**These interventions are illustrative in nature and the project should provide interventions in accordance with the current needs of the Cluster.]*

Indicative List of Sections:

7.1 Soft Interventions

7.2 Hard Interventions

Chapter 8: Project Cost and Means of Finance (CORE SFURTI) (PPR)

[This Chapter will talk about the estimated project cost. Estimates of the project interventions mentioned in the previous section will be computed and total project cost will be arrived at. The proposed means of funding for the project shall include the following:]

- *Funding from the SFURTI Grant*
- *Contribution from the IA in two forms:*
 - *Own Contribution*
 - *Debt / Loan from Financial Institution*

The project will be implemented over a period of three years and the year-wise phasing of the project cost will be provided.

Indicative List of Sections:

8.1 Estimated Project Cost

8.2 Means of Finance

8.3 Project Phasing

Chapter 9: Plan for Convergence of Initiatives (PPR)

[Under the revised SFURTI scheme, it is envisaged that the selected cluster shall be strengthened and revitalized through a Core Interventions and a set of complimentary cross-cutting interventions. The IA and TA shall prepare a conceptual framework to converge add-on activities that will establish growth drivers that will lead to improving the viability of projects, strengthening the value chains and market linkages and also enabling the overall improvement of the level of human development in the area.]

It is important to identify these add – on initiatives and also map a funding source both from Government sources and Non – Government sources]

The Scheme envisages leveraging resources from the following sources:

- *Private sector participation*
- *Corporate Social Responsibility*
- *Participation by Private Equity (PE)/Impact Funds*
- *Other schemes of State and Central Government*
- *Funds from Multi-lateral Development Banks (MDBs)]*

Chapter 10: Enhanced Project Cost with Convergence of Schemes (PPR)

[This Chapter will talk about the Enhanced Project Cost, which includes funding from SFURTI as well as other Co-funding Options.]

The total Overall project cost shall be computed taking into consideration the project cost of the Core Project as well as convergence from other sources such as other Central/ State Government Schemes, CSR funds etc. The cost of each distinct activity along with the source of funding shall be presented in detail.]

**Chapter 9: Project Timeline
(PPR)**

[This Chapter will provide the project implementation schedule with details of the activities to be undertaken and the expected time-frame for each activity. The schedule will typically provide month/ quarter-wise scheduling of the specific activities. The progress of the project will be monitored against this implementation schedule provided by the IA to ensure timely completion of the project activities.]

Illustrative Project Implementation Schedule

Project Activity	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12
Activity 1												
Activity 2												
Activity 3												
Activity 4												
Activity 5												

**Chapter 10: Tentative Business Plan
(PPR)**

[This section will present tentative business plan to establish the commercial viability and sustainability of the project. It shall present the project revenue potential over a 5 year period, starting from commencement of business operations. It will also detail the costs including input, manpower, capital costs, etc and will present the profitability of the project including the break-even period and IRR.]

Indicative List of Sections

1.1. Key Operational and Financial Assumptions

- i. Project Phasing
- ii. Production Capacity
- iii. Product Mix
- iv. Manpower Cost
- v. Utility and Other Overheads
- vi. Depreciation
- vii. Working Capital

i. Financial Projections : Profitability Estimates

Profit and Loss	Y1	Y2	Y3	Y4	Y5
Revenues					
Source 1					
Source 2					
Total Revenues					
Expenses					
Labour Cost					
Manpower					
Raw Material Costs					
Marketing Costs					
Power Cost					
Packaging Cost					
Utility Costs					
Maintenance					
Admin					
Total Expenses					
WC Borrowings					
PBT					
Tax					
PAT					

- ii. Break-even Analysis
- iii. IRR Calculation

Chapter 11: Proposed Implementation Framework (PPR)

[This Chapter will talk about the proposed implementation framework that will be adopted for the implementation of the project. The Implementing Agency will provide details on their role and whether they themselves will reconstitute the institution as per the guidelines to be the SPV (along with proof of eligibility) or whether they will register a separate SPV for the implementation of this specific project. The structure and composition of the SPV should be indicated here. Also, the IA should provide details of the other strategic partners and institutions that will be associated with the project to strengthen their operations. A road map on the proposed methodology and implementation plan for the project should also be provided]

Indicative List of Sections:

- 10.1 Role of the Implementing Agency (IA)
- 10.2 Details of Strategic Partners and other project stakeholders
- 10.3 Structure of the SPV
- 10.4 Composition of the SPV with details of roles and responsibilities of each partner / shareholder

Chapter 12: Expected Impact (PPR)

[This Chapter will talk about the key impacts that are expected to be achieved as a result of this project. The key development parameters for the Cluster and the stakeholders (artisans, entrepreneurs, etc) will be mapped at the beginning of the project. This section will outline the expected improvement in these key development parameters that are expected at the end of the project period. These parameters will include – cluster turnover, employment, artisans incomes, profit/ margin for local entrepreneurs/ exporters, quality levels, productivity levels, market access etc]

D. Template for the Detailed Project Report (DPR)

The indicative list of key sections/ chapters in the DPR is as below:

<ol style="list-style-type: none"> 1. Cluster Profile 2. Cluster Value Chain Mapping 3. Market Assessment and Demand Analysis 4. Need Gap Analysis 5. Profile of the Implementing Agency 6. Project Concept and Strategy Framework 	PART I
<ol style="list-style-type: none"> 7. Project Interventions (Core SFURTI) 8. Soft Interventions 9. Hard Interventions 10. Project Cost and Means of Finance (Core SFU 11. Plan for Convergence of Initiatives 12. Enhanced Project Cost and Means of Finance 13. Project Timeline 14. Detailed Business Plan 15. Proposed Implementation Framework 16. Expected Impact 	PART II

PART I – Chapter 1- Chapter 6
(DPR)

[Part I of the DPR will comprise of the Diagnostic Study. For chapters 1-6, refer to the same sections from the PPR. It is expected that information in greater detail will be provided as part of the DPR under the same sections/ sub-sections compared to that provided as part of the PPR.]

PART II: Chapter 7: Project Interventions
(DPR)

[This Chapter will talk about the key interventions that will be undertaken as part of the project implementation. In accordance with the needs of the Cluster as well as the market requirements, the key areas of intervention will have to be identified under the project. The interventions will be classified under two broad heads – hard (infrastructure related) and soft interventions.]

Chapter 8: Soft Interventions
(DPR)

[This chapter will talk about the soft interventions that will be undertaken as part of the project. This section will provide details on the proposed activity. This will include details on the proposed activity, plan of implementation, coverage of the activity, mode of delivery/ implementation, schedule of activities, cost of activities and timelines for implementation. A detailed plan for implementation of the activity along with the way of implementation of the activities in the Cluster will be provided here.

For instance, in case of a skill training program, following information will have to be provided – proposed training programs, course outline, duration, batch size, trainers, training delivery method, details of infrastructure required, availability of infrastructure, method for trainee identification, cost of training programs etc.

In addition, any tie-ups or professional linkages for the effective implementation of the programs will have to be indicated here.]

**Chapter 9: Hard Interventions
(DPR)**

[This Chapter will talk about the hard interventions to be implemented under the project. For each hard intervention, the below details are to be provided::

- *Proposed Intervention,*
- *Land Details,*
- *Proposed Capacities,*
- *Proposed Equipment/ Machines etc,*
- *Master Plan/ Detailed Engineering Drawings*
- *Project Cost,*
- *Operation and Maintenance Model,*
- *Business Plan,*
- *Implementation Schedule*
- *Any other information pertaining to the project]*

Chapter 10: Project Cost and Means of Finance
(DPR)

This Chapter will talk about the project cost. The total project cost based on the interventions mentioned in the previous sections will be computed including the Cost of TA and Cost of IA. The proposed means of funding for the project shall include the following:

- *Funding from the SFURTI Grant*
- *Contribution from the IA in two forms:*
 - *Own Contribution*
 - *Debt / Loan from Financial Institution*

The project will be implemented over a period of three years and the year-wise phasing of the project cost will be provided.

10.1 Project Cost

#	Project Intervention	Cost	Remarks	Scheme Funding
A	Cluster Interventions			
A1	Soft Interventions		Subject to max 33% of A (Total cost of Cluster Interventions - hard & soft) or Rs 25 lakhs, whichever is less	100%
	i)			
	ii)			
A2	Hard Interventions		25% of Project Cost including Land Cost and own contribution as equity – IA Share	75%
	i)			
	ii)			
B	Cost of TA		8% of A1+A2 (Total cost of Cluster Interventions - hard & soft)	100%
C	Cost of IA/SPV including CDE		Maximum Rs.20 lakhs per project	100%
	TOTAL (A+B+C)			

10.2 Means of Finance

10.3 Project Phasing

**Chapter 11: Plan for Convergence of Initiatives
(DPR)**

[Under the revised SFURTI scheme, it is envisaged that the selected cluster shall be strengthened and revitalized through a Core Interventions and a set of complimentary cross-cutting interventions. The IA and TA shall prepare a conceptual framework to converge add-on activities that will establish growth drivers that will lead to improving the viability of projects, strengthening the value chains and market linkages and also enabling the overall improvement of the level of human development in the area.

It is important to identify these add – on initiatives and also map a funding source both from Government sources and Non – Government sources.]

The Scheme envisages leveraging resources from the following sources:

- *Private sector participation*
- *Corporate Social Responsibility*
- *Participation by Private Equity (PE)/Impact Funds*
- *Other schemes of State and Central Government*
- *Funds from Multi-lateral Development Banks (MDBs)]*

Chapter 12: Enhanced Project Cost with Convergence of Schemes (DPR)

[This Chapter will talk about the Enhanced Project Cost, which includes funding from SFURTI as well as other Co-funding Options.]

The total Overall project cost shall be computed taking into consideration the project cost of the Core Project as well as convergence from other sources such as other Central/ State Government Schemes, CSR foundations etc. The cost of each distinct activity along with the source of funding shall be presented in detail.]

**Chapter 13: Project Timeline
(DPR)**

[This Chapter will provide the project implementation schedule with details of the activities to be undertaken and the expected time-frame for each activity. The schedule will typically provide month/ quarter-wise scheduling of the specific activities. The progress of the project will be monitored against this implementation schedule provided by the IA to ensure timely completion of the project activities.]

Illustrative Project Implementation Schedule

Project Activity	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12
Activity 1												
Activity 2												
Activity 3												
Activity 4												
Activity 5												

**Chapter 14: Detailed Business Plan
(DPR)**

[This section will present tentative business plan to establish the commercial viability and sustainability of the project. It shall present the project revenue potential over a 5 year period, starting from commencement of business operations. It will also detail the costs including input, manpower, capital costs, etc and will present the profitability of the project including the break-even period and IRR.]

Indicative List of Sections

1.2. Key Operational and Financial Assumptions

- viii. Project Phasing
- ix. Production Capacity
- x. Product Mix
- xi. Manpower Cost
- xii. Utility and Other Overheads
- xiii. Depreciation
- xiv. Working Capital

iv. Financial Projections : Profitability Estimates

Profit and Loss	Y1	Y2	Y3	Y4	Y5
Revenues					
Source 1					
Source 2					
Total Revenues					
Expenses					
Labour Cost					
Manpower					
Raw Material Costs					
Marketing Costs					
Power Cost					
Packaging Cost					
Utility Costs					
Maintenance					
Admin					
Total Expenses					
WC Borrowings					
PBT					
Tax					
PAT					

- v. Break-even Analysis
- vi. IRR Calculation

Chapter 15: Proposed Implementation Framework (DPR)

This Chapter will talk about the proposed implementation framework that will be adopted for the implementation of the project. The Implementing Agency will provide details on their role and whether they themselves will reconstitute the institution as per the guidelines to be the SPV (along with proof of eligibility) or whether they will register a separate SPV for the implementation of this specific project. The structure and composition of the SPV should be indicated here. Also, the IA should provide details of the other strategic partners and institutions that will be associated with the project to strengthen their operations. A road map on the proposed methodology and implementation plan for the project should also be provided]

Indicative List of Sections:

- 12.1 Role of the Implementing Agency (IA)
- 12.2 Details of Strategic Partners and other project stakeholders
- 12.3 Structure of the SPV
- 12.4 Composition of the SPV with details of roles and responsibilities of each partner / shareholder

Chapter 16: Expected Impact
(DPR)

[This Chapter will talk about the key impacts that are expected to be achieved as a result of this project. The key development parameters for the Cluster and the stakeholders (artisans, entrepreneurs, etc) will be mapped at the beginning of the project. This section will outline the expected improvement in these key development parameters that are expected at the end of the project period. These parameters will include – cluster turnover, employment, artisans incomes, profit/ margin for local entrepreneurs/ exporters, quality levels, productivity levels, market access etc].

**SCHEME OF FUND FOR REGENERATION OF TRADITIONAL
INDUSTRIES
(SFURTI)**

MEMORANDUM OF UNDERSTANDING

BETWEEN

(NODAL AGENCY)

COIR BOARD

M.G. ROAD, P.B. No.1752, KOCHI-16.

&

IMPLEMENTING AGENCY

AGREEMENT

THIS AGREEMENT made at Cochin this day of2018 between THE COIR BOARD, a statutory body constituted under the Coir Industries Act, 1953 and having its head office at M.G. Road, Cochin-16 hereinafter referred to as "Coir Board" (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 aestablished/registered under Act and having its registered office at hereinafter referred to as the "Implementing Agency" (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) The Coir Board has been constituted under the Coir Industry Act 1953 and functioning under the Ministry of MSME, Govt. of India to devote itself to the development and promotion of coir industry in the country with the support, assistance and guidance of the Govt. of India.
- b) The Government of India, with a view to making the traditional industries more productive and competitive and facilitating their sustainable development, has announced a scheme for regeneration of traditional industries, by name "**Scheme of Fund for Regeneration of Traditional Industries (SFURTI)**" under which clusters of traditional industries in the MSME sector are setup and developed . The Scheme is implemented by the Ministry of Micro, Small and Medium Enterprises (MSME) and its organizations and institutions in collaboration with State Govts. The orders on approval of this scheme, its operational guidelines prescribed by the Govt. of India and its amendments from time to time, will form integral part of this agreement.
- c) The Government of India has identified the Coir Board as the Nodal Agency (NA) for implementation of the scheme in coir sector who shall in turn identify the Implementing Agencies (IA) for the proposed clusters in a transparent manner with the approval of the Scheme Steering Committee (SSC) constituted by the Ministry of Micro, Small and Medium Enterprises (MSME).
- d) The primary objectives of the Scheme are:
 1. Develop clusters of traditional industries in various parts of the country.
 2. Make traditional industries more competitive with more market driven, productive, profitable and sustained employment for traditional industry artisans and rural entrepreneurs.
 3. Strengthen local governance system of industry clusters.

(contd...2)

(2)

4. Build up innovated and traditional skills, improved technologies in processing, market intelligence, and new models of public-private partnership.

e) The SFURTI, with a view to achieve the aforesaid objectives, envisages the development of certain selected activities of village industries by developing clusters, marketing channels and forum, market facilitation centers, strengthening of Sales outlet, capacity building, design up-gradation, setting up of Common Facility Centers (CFC) etc.

f) The Coir Board, being the Nodal Agency is desirous of implementing the said Scheme in each cluster through Implementing Agencies (IA) such as Registered Institutions/ Societies, Institutions of Non Government Organizations (NGOs), Institutions of Central Government and State Government and Semi Government Institutions, etc.

g) The Implementing Agency, being actively involved in the activities for the development of Coir Industries/ rural employment, possesses the requisite expertise to implement the said Scheme and desirous of undertaking the Scheme and accordingly approached the Coir Board for undertaking the Cluster programme (herein after referred to as the "said Programme") under the said Scheme on the terms and conditions herein after appearing.

NOW THIS AGREEMENT WITNESSETH:

1) Terms and conditions:

The assignment given to the Implementing Agency shall include and comprise the following:

(a) The Institution/ NGO shall work as the Implementing Agency and would identify and arrange suitable land for the cluster at.....

(b) The Implementing Agency shall implement various interventions as outlined in the approved Detailed Project Reports of clusters and shall during the implementation of the said cluster programme, provide from time to time, equipments/ machines/ tools/ working capital/raw material and other infrastructure facilities to be used for common facility, by way of user fee based model to the beneficiaries in the cluster in a phased manner. The Implementing Agency shall take proper care, upkeep, insurance and account of these assets, keep them in trust and ensure its efficient operation till the completion of the said programme and thereafter, as required.

(c) The Implementing Agency will make available the assets provided at the Common Facility Centre as aforesaid and the records and books of accounts of the cluster for inspection by any officials of the Comptroller & Auditor General of India, Ministry of MSME/ its authorized agents or agencies and Coir Board.

(contd...3)

(3)

(d) The Implementing Agency will oversee the formation of a Special Purpose Vehicle in the cluster before seeking approval for hard interventions under the project.

(e) The assets provided at the Common Facility Centre shall always be the property of Coir Board during the continuance of the said programme and thereafter, unless otherwise specified in writing by the Coir Board.

(f) The Implementing Agency shall keep identification marks on the body of the assets procured by utilizing the scheme funds and put up appropriate name boards for the said programme at the premises of the cluster and the Common Facility Centres.

(g) The Implementing Agency shall keep separate records and books of accounts for the said programme and the funds utilized there under.

(h) The Implementing Agency shall be responsible to furnish Utilization Certificates as per the formats prescribed for the funds released by the Coir Board under this programme from time to time and send quarterly/half yearly/yearly reports and returns regularly on the progress of the said programme in the prescribed formats to the Coir Board.

(i) The Implementing Agency may levy service charges for utilization of Common Facility Center's assets at the rates fixed in consultation with Coir Board. The services of the Common Facility Centre shall be made available to all those agencies/ artisans/entrepreneurs whomsoever working in the coir sector.

(j) The Implementing Agency shall recruit and engage a full-time Cluster Development Executive to be located in the cluster, preferably one amongst the stakeholders, in order to ensure efficient implementation of the project. Selection of Cluster Development Executive must be made from 3 options viz. (i) a local capable & strongly acceptable Cluster Development Executive from among the beneficiary group, (ii) grooming of an existing person from the group to become a good Cluster Development Executive and (iii) if options (i) and (ii) fails, an externally recruited Cluster Development Executive. Additional qualifications, experience and expertise to be considered while selecting the Cluster Development Executives in line with the requirements of the project deliverables.

(k) In case an external person is chosen as the Cluster Development Executive, a capable local person may be made the deputy to the Cluster Development Executive by the Implementing Agency so that he is groomed to take up the responsibility once the regular Cluster Development Executive leaves the cluster after financial support is stopped.

(l) The Cluster Development Executive appointed by the Implementing Agency shall be responsible for the implementation of the programme and to conduct diagnostic studies in the clusters and prepare annual action plan/ annual plan besides promoting linkages with professional institutions, local institutions, PRIs assisting the sourcing of raw materials, tying up of credit linkages, marketing of finished goods, collection of user fees, operation and maintenance of CFCs etc.

(contd...4)

(4)

(m) Implementing agency shall be eligible for Technical Supports from the Technical Agencies engaged by the Coir Board for each Cluster who have expertise in cluster development methodology.

(n) The Implementing Agency shall be liable to implement the cluster development methodologies/ strategies formulated/ prescribed by the Coir Board/ Technical Agencies from time to time or as finalized mutually and also to formulate the consortium of the beneficiaries/cluster level stake holders wherever applicable towards the productive prospects, benefits and sustainability and long life of the cluster.

(o) The duration of the SFURTI programme shall be up to, unless it is extended further, in writing by Coir Board.

(p) That Implementing Agency and its functionaries shall be jointly and severally liable to Coir Board for performance of the work including performance of services and of the Implementing Agency's obligations including that of its associates, contractors/ sub-contractors engaged for the cluster development, well before the date of termination of the programme.

(q) That the Implementing Agency agree and acknowledge that the time of completion of the project, as set forth in this agreement, is the essence of the contract and Implementing agency shall accordingly undertake the performance of work with the objective of achieving the project implementation and completion within the prescribed time schedule, complying with the qualitative and quantitative parameters of the specified deliverables in the Detailed Project Report.

(r) The Implementing Agency shall abide by the contents of the operational guidelines of the scheme prescribed by Govt. of India vide O.M.No 4(25)/2012-KVI-I (Part-III)dated 30.06.2015 issued by the Government of India, Ministry of MSME and the amendments, if any made from time to time. The said O.M, shall also form part of this agreement.

(s) The tripartite agreement signed by Coir Board, Implementing Agency and M/s..... Special Purpose Vehicle will also form part of this agreement.

(t) The Implementing Agency will open an office with all infrastructure and function in the cluster area. Moreover, Implementing Agency should nominate one person in that office as office assistant other than Cluster Development Executive, for carrying out daily activities of the office premises.

(u) The Implementing Agency agree to undertake the procurement of goods and services, engagement of contractors, consultants, experts etc. for the cluster as and when required in a fair & transparent manner consistent with the Govt. of India rules and regulations and the directions from Coir Board from time to time.

(v) IA shall ensure that the services of the facilities created under the Scheme are extended to the cluster in general, in addition to the member enterprises.

(contd...5)

(5)

(w) IA shall be responsible for O&M of assets created under the Scheme beyond the project duration. IA shall ensure that the users of these facilities pay for the services rendered, for the maintenance of the assets.

(x) In case of dissolution of IA/SPV within 10 years from the date of sanction of assistance by the Government under the Scheme, the assets created with such assistance shall be vested with the Government. The IA should incorporate this condition in the Memorandum of Association & Articles of Association of the SPV. In case of deemed SPVs, the IA will furnish and undertaking to this effect.

(y) The release of costs of Implementing Agency will be need based and on quarterly basis.

2) Financial Assistance:

(a) The Financial assistance from the Coir Board shall be towards implementation of Hard and Soft interventions with provision for setting up of Common Facility Centers (CFC) and cluster level activities, which will be released as per the project cost approvals, in suitable installments as grant amount', as provided in the Tripartite Agreement, read with the operational guidelines of SFURTI.

(b) The specific form of assistance as per the approved final action plan shall be communicated at the time of release of funds during the period of the programme from time to time.

(c) The amount sanctioned shall be released in suitable manner in installments according to the operational guidelines of the scheme as per the approved action plan and as decided from time to time by Coir Board.

(d) The Implementing Agency shall maintain separate and dedicated bank account in their name with a nationalized bank in the locality of the cluster, jointly operated by their authorized signatory, Regional Officer of Coir Board/Officer-in-charge and president of Special Purpose Vehicle, for utilization of the funds received from the Nodal Agency for implementation of the hard interventions like setting up of CFC, civil works, procurement and installation of machinery and shall allow the auditors deputed by the Coir Board and/ or the representatives of the Coir Board/Ministry of MSME/A.G. to inspect and audit such accounts at any time. The Nodal Agency shall release to this account 90% of the project cost meant under Hard Interventions as grant amount in installments as per the guidelines approved by the Ministry on recommendation by NAFO only if the Special Purpose Vehicle contributes 10% as its share for total hard intervention cost in lump sum into this joint account.

(e) In addition to the above, the Implementing Agency shall maintain another separate and dedicated account with a nationalized bank in their locality, in their name jointly operated by their authorized signatory and Regional Officer, Coir Board/Officer-in-charge for remitting the Implementing Agency & Soft Intervention costs received from the Nodal Agency and shall allow the auditors deputed by the Nodal Agency and/or the representatives of the Nodal Agency / Ministry of MSME/A.G. to inspect and audit such accounts at any time.

(contd...6)

(6)

(f) The Implementing Agency shall maintain separate records for recording the details of the assets acquired out of the Coir Board funds and the assets provided by the Coir Board both movable and immovable and shall send periodic report of the same to the Coir Board. All the assets acquired out of the Coir Board funds will be the property of the Coir Board and the Implementing Agency shall not create any charge or encumber the same and shall use the same only for the purpose for which it has been acquired

(g) The Implementing Agency shall furnish the utilization certificates from time to time in the prescribed form of GFR 19-A, Govt. of India and should be accompanied by audited statements of accounts indicating the expenditures incurred on various items pertaining to the grant received from the Coir Board from time to time.

(h) The Implementing Agency shall set up and update a website for the cluster and facilitate the web based Project Management System (PMS) by Coir Board.

3) Other activities that need to be ensured by Implementing Agency through Special Purpose Vehicle with assistance of the Technical Agency are:

(a) Organizing awareness and exposure visit of artisans

(b) Mandatory opening of Bank Account by artisans and beneficiaries under Jan Dhan Yojana

(c) Providing Health insurance coverage for all the artisans under the cluster as applicable under KVIC rules (Janashree Bima Yojana & Rashtriya Swasthya Bima Yojana wherever applicable)

(d) Enrolling the beneficiaries under Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) which will offer a renewable one-year life cover of Rs.2 lakh to all savings bank account holders in the age group of 18-50 years, covering death due to any reason, for a premium of Rs.330 per annum.

(e) Enrolling the beneficiaries under the Pradhan Mantri Suraksha Bima Yojana (PMSBY) which will offer a renewable one-year accidental death-cum-disability cover of Rs.2 lakh for partial/permanent disability to all savings bank account holders in the age group of 18-70 years for a premium of Rs.12 per annum per subscriber.

(f) Issue of Aadhaar based Identity card to artisans mentioning the benefits, privileges, rights as well as their specific responsibilities along with necessary undertakings in regard to the implementation of the programme.

(g) Progressively enroll the beneficiaries under the Atal Pension Yojana (APY) which will focus on the unorganized sector and provide subscribers a fixed minimum pension of Rs.1,000, Rs.2,000, Rs.3,000, Rs.4,000 or Rs.5,000 per month, starting at the age of 60 years, depending on the contribution option exercised on entering at an age between 18 and 40 years and providing periodic training to artisans in the cluster.

(h) Self Help Group members may also be extended these general and miscellaneous supports as extended to the artisans under Cluster Programme.

(contd...7)

(7)

4) Utilization of funds:

- (a) It is expressly agreed that the outlay sanctioned hereunder shall be utilized only for the purpose of the assignment and the funds shall not be diverted for any other industry, purpose, assignment or use.
- (b) Implementing Agency shall channelize the funds as per the above said joint bank account specifically earmarked for the assignment (and not pool it in other finances).
- (c) In the event of any misutilisation of funds (like diversion for any other purpose other for which it is granted, misappropriation etc.) and non achievement of targets fixed for the cluster, the Implementing Agency shall be bound to refund the entire amount released to it by the Coir Board along with interest and penal interest at the rates as may be decided by the Coir Board.
- (d) The funds earmarked towards the cost of implementing agency shall be utilized for the development of cluster.
- (e) The Implementing Agency will arrange for the credit requirements including working capital for activities within the cluster.

5) Monitoring mechanism;

- (a) Implementing Agency and the Cluster Development Executive shall work from time to time in co-ordination with the Coir Board and also under the directions from Working Committee set up under the scheme operational guidelines.
- (b) The Coir Board and or Government of India, Ministry of MSME shall depute its representatives or officials to assess the progress of the programme from time to time.
- (c) In the event of unsatisfactory progress of the programme, the Coir Board shall have the right to discontinue the programme. There upon the Coir Board 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 Coir Board shall be at liberty to utilize all data, reports and technique collected and developed by the Implementing agency on the termination of the activity as aforesaid.
- (d) That in case of abandonment or earlier termination of the project/ work without its completion, the total amount/advances paid to Implementing agency including the unutilized amount shall be returned by the Implementing Agency with interest on term deposit rates(at the rates prevailing in the Nationalized Banks) to Coir Board.

6) Progress Report

Implementing Agency shall give progress report on all ongoing programme to Coir Board. This report shall cover (i) work done for the previous year (ii) future activities and strategies and (iii) details of financial expenditure incurred during the year under broad heads.

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(8)

7) End of programme report and certificates.

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

8) Completion of the Project

The project shall be deemed to have been successfully completed on submission of the final report by Implementing Agency and its acceptance by the Scheme Steering Committee at the Ministry level.

9) Operations & Maintenance (O&M) Of Assets

(a) Implementing Agency shall ensure that the services of the facilities created under the Scheme are extended to the cluster in general, in addition to the member enterprises.

(b) Implementing Agency shall be responsible for O&M of assets created under the Scheme beyond the project duration. Implementing Agency shall ensure that the users of these facilities pay for the services rendered, for the maintenance of the assets.

(c) In case of dissolution of Implementing Agency/Special Purpose Vehicle within 10 years from the date of sanction of assistance by the Government under the Scheme, all the assets created with such assistance shall be vested with the Government.

10) Handing over assets at the end of programme period

At the end of the programme, Implementing Agency shall prepare a comprehensive list of assets (movable and immovable) purchased/ created and ensure that they are handed over to Coir Board, if so directed. Assets may also be handed over during period of programme depending upon the nature of the assets. Relevant copies of purchase or other documents, if any, should also be handed over by Implementing Agency to Coir Board at the time of transfer, if so directed.

11) Breach of terms and its rectification

If in the opinion of Coir Board there is a major breach by Implementing Agency of the terms herein contained or for any reason Implementing Agency is not in a position to continue the assignment, Coir Board shall have the right to bring to the notice of Implementing Agency the breach of contract or the fact of its inability to successfully continue the assignment and upon the failure of Implementing Agency to rectify the

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(9)

breach and successfully continue the assignment within 45 days thereof, this agreement shall be terminated by Coir Board whereupon Implementing Agency shall be removed from the assignment forthwith and shall refund the entire amount released by the Coir Board.

12) No Liability to Coir Board

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

The Implementing Agency shall at all times indemnify the Coir Board against any claims in respect of any damages of compensation payable in consequences of any accident or injury sustained by its (Implementing Agency) employee of the subcontractors or by any other third party resulting from or by any transportation/ conveyance or act or omissions conducted by or on behalf of the Implementing Agency. Similarly, the Implementing Agency, shall all times indemnify Coir Board against all claims / damages etc for any intellectual property rights (IPR) while providing its services under the project.

13) Amendment to Agreement:

Implementing Agency and Coir Board may make amendment to this Agreement, as per requirements, by mutual consent, in writing.

14) Notification of change

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

15) Force Majeure:

Neither of the parties shall be held responsible for non-fulfillment of their respective obligations under this agreement due to exigency of one or more force majeure events like floods, fire etc., provided on the occurrence of cessation of many events the effected, shall give one month notice within occurrence of such event.

16) Resolution of dispute /Interpretation

In case any dispute arise between the Implementing Agency and Coir Board, the same shall be settled mutually, and if any difference of opinion persist, the same shall be referred for arbitration to the Secretary,

(contd...10)

(10)

Ministry of MSME, Govt. of India, whose decision shall be final and binding on both parties.

17) Jurisdiction

The terms & conditions of the agreement shall be interpreted in Indian laws and shall be subject to the jurisdiction of Courts at Kochi, Kerala.

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

1st Party, in presence of Witness

- 1.
- 2.

Signed, Sealed and delivered by

Shri.....

For and on behalf of the

2nd Party in the presence of witness

- 1.
- 2.

**SCHEME OF FUND FOR REGENERATION OF TRADITIONAL INDUSTRIES
(SFURTI)**

TRIPARTITE AGREEMENT

BETWEEN

(NODAL AGENCY)

COIR BOARD

M.G. ROAD, P.B. No.1752, KOCHI-16.

&

IMPLEMENTING AGENCY & SPV

AGREEMENT

This agreement is made on this the day of Between
....., Coir Board, M.G.Road, Kochi-16 (hereinafter called the “NA”) on the one part
and the Implementing Agency of
..... SFURTI (Scheme of Fund for Regeneration of Traditional
Industries) Coir Cluster (hereinafter called the “IA”) on the second part and
..... President of the SPV (Special Purpose Vehicle) (hereinafter called the “SPV”) on the third part.

Whereas the Coir Board under the Scheme of Fund for Regeneration of Traditional Industries of the Ministry of MSME, Govt. of India is providing grant for setting up of Common Facility Centre and Product Development cum Design Centre (hereinafter called CFC). The operational guidelines of the scheme prescribed by Govt. of India vide O.M.No 4(25)/2012-KVI-I (Part-III) dated 30.06.2015 and its amendments/modifications from time to time will also form an integral part of this agreement.

Whereas..... the Technical Agency (hereinafter called “TA”) has submitted the Detailed Project Report (hereinafter called “DPR”) duly endorsed by the IA/SPV to COIR BOARD for sanctioning 75% grant for construction of CFC in

..... and Coir Board has pleased to recommend the grant of Rs..... to the Government. Sanction for the same will be issued in due course, which shall together with other communications may be issued in continuation thereof form part of this agreement as if incorporated herein subject to the conditions hereinafter appearing and subject to the conditions in the order to be issued and whereas IA and SPV has agreed to remit 25% of beneficiary contribution. Therefore, it has now been decided to establish CFC as per the following terms and conditions.

1. The IA/SPV have agreed to arrange cents of land in terms of registered sale in the name IA/SPV for establishment of CFC

The IA/SPV have agreed to arrange cents of land in terms of lease out/set apart for a minimum tenure of 15 years in the name IA/SPV for establishment of CFC. (strike out whichever is not applicable)

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(2)

2. The total project cost estimated by the implementing Agency and SPV for the project is Rs.....
The IA/SPV agrees to remit the 10% of beneficiary contribution. The beneficiary contribution of Rs.
..... to be remitted by IA/ SPV shall be deposited by the IA in the separate CFC account opened for that purpose. The NA shall release 90% of the project cost as grant amount on a *paripasu* basis. The CFC shall be established as approved by the NA and all assets created out of the grant received shall be in the name of COIR BOARD. The IA/SPV hereby undertake and agree that the grant amount would be utilized only for the purpose for which it is granted.

3. In the case of civil constructions, the plan and estimate and valuation of the construction shall be approved by competent authorities like local PWD/Chartered Engineer/Local bodies like Panchayat/Municipality. Besides, a letter of consent should also be obtained from the Electricity Board (EB) for providing adequate power supply to the proposed unit. It shall be the responsibility of the Technical Agency to ensure that all the aspects connected with statutory clearances are complied in the cluster. For the construction of CFC IA should follow the Central Procurement Norms of Govt. of India ie follow the Manual for procurement of goods 2017 and its amendment if any, released by the Ministry of Finance, Department of Expenditure, Govt. of India.

4. Payment in the case of civil construction will be released after inspection by a team consisting of the representatives of the IA and NA.

5. The payment should be limited as follows:

- a) Construction up to foundation level – not exceeding 20% of the contracted cost.
- b) Construction up to roof level – not exceeding 40% of the total contracted cost.
- c) 35% will be released on completion of the remaining works and
- d) 5% will be released on completion of construction of the building and on production of joint insurance assigning Board's share and SPV share in the building.

A certificate in this regard has also to be given by the IA. to NA.

6. As regards purchase of machinery and equipments, the SPV/IA has to follow the Government of India procedures and norms for purchase.

7. As regards placement of orders for procurement of machinery, the performance of the machinery and equipments has to be given paramount importance. The two cover tender system should be followed in all cases of

(Contd.....3)

(3)

purchase of machinery. In the technical bid the past performance of the machinery supplied by the tenderer has to be evaluated and if required the purchase committee including technical experts from the appropriate field should visit the units where the machinery supplied by the tenderer has been installed, for an on-the-spot evaluation. The financial bids of the tenderers who qualify the technical bid should only be opened and the lowest will be recommended for placement of orders. The machinery supplier shall enter an agreement with SPV and IA jointly to ensure the rated production, trouble free operation, training the workers, SPV members etc. along with one year performance guarantee for plant and machinery.

8. In case of machinery purchased, payment may be as follows:

- a. Payment of advance along with firm order should be discouraged. However in inevitable cases advances up to 60% can be released against Bank Guarantee for equal amount, which may be decided by the I.A.
- b. Up to 60% of the cost of the machinery may be released once the machinery is landed in the CFCs.
- c. Out of the balance 40%, 35% cost of the machinery may be released on installation and successful trial run; and
- d. The balance 5% may be released after successful running of the unit and production of insurance policy. A certificate in this regard has also to be given by the I.A. to the NA.

9. The IA shall maintain separate and dedicated bank account in their name with a nationalized bank in the locality of the cluster, jointly operated by their authorized signatory, Regional Officer/Officer-in-charge of Coir Board and president of SPV, for utilization of the funds received from the NA for implementation of the hard interventions like setting up of CFC, civil works, procurement and installation of machinery and shall allow the auditors deputed by the Coir Board and/ or the representatives of the Coir Board/Ministry of MSME/A.G. to inspect and audit such accounts at any time. The Nodal Agency(NA) shall release to this account 90% of the project cost meant under Hard Interventions as grant amount in installments as per the guidelines approved by the Ministry on recommendation by NAFO only if the SPV contributes 10% as its share for total hard intervention cost in lumpsum into this joint account. Payment from this account may be released from time to time for establishment of the Common Facility Centre as per guidelines furnished above.

10. The IA/SPV shall commence the work of CFC within one month from the date of receipt of grant contribution from NA and shall complete the CFC within 6 months period after the commencement of the work.

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11. Working Committee to look after CFC: To ensure that the facilities and infrastructure created with grants under SFURTI are sustainably managed to the advantage of artisans for improved production and marketing, IA will constitute a Working Committee for each cluster comprising the following:

- Chief functionary of the IA – Convener
- Representative of a Nationalized bank operating in the area preferably from the Bank through the SPV operates its fund
- 3 artisans nominated by the IA (including at least one woman) on annual rotation basis, re-nomination may not be allowed in five years
- Representative of the NAFO
- GM, DIC or his representative/nominee

The Working Committee should meet at least once in a month to review the progress of the CFC and decide about the user charges once it setup. The Committee may decide *interalia* the user charges to be levied for availing the facilities of the Common Facility Centre.

12. In the event of any breach in the guidelines issued and the agreement arrived at, the NA or his authorized person will have powers to retrieve the balance amount available in the joint SPV account along with interest accrued in the grant amount maintained in the joint account at any time by issuing a letter to the Bank.

13. The maintenance of the CFC shall be the responsibility of the SPV and NA shall not provide any funds for that purpose. The SPV shall develop and sustain the cluster after the project implementation period is over.

14. In the event of project cost exceeding the estimate prepared, the IA/SPV has to remit the equity contribution of the extra amount to the bank account open for the purpose. However the escalation in the estimate cost shall be limited to the orders issued by the NA in this regard.

15. The IA/SPV shall maintain separate accounts with appropriate bills & vouchers & render correct & accurate accounts of expenditure incurred out of the grant sanctioned by NA. The accounts/ machineries installed in CFC shall be opened for inspection & audit by such officers authorized in this behalf by the Coir Board or by the Government.

16. In case of dissolution of Implementing Agency/Special Purpose Vehicle within 10 years from the date of sanction of assistance by the Government under the Scheme, all the assets created with such assistance shall be vested with the Government.

17. The role and responsibility of the IAs include the following:

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(5)

- a) Recruit a full-time CDE in order to ensure efficient implementation of the project. Selection of CDE must be made from 3 options viz. (i) a local capable & strongly acceptable CDE from among the beneficiary group, (ii) grooming of an existing person from the group to become a good CDE and (iii) an externally recruited CDE. Additional qualification, experience and expertise to be considered while selection of the CDE in line with the requirements of the project deliverables.
 - b) In case of an external person is chosen as the CDE, a capable local person may be made the deputy to the CDE so that he is groomed to take up the responsibility once the regular CDE leaves the cluster after financial support is stopped.
 - c) The IA would identify and arrange suitable land for the project whose book value may be shown as their contribution towards the project.
 - d) Implement various interventions as outlined in the approved DPR.
 - e) Undertake procurement and appointment of contractors, when required, in a fair and transparent manner.
 - f) The IA will enter into an agreement with the Nodal Agency for timely completion on cluster intervention and proper utilization of Government Grants.
 - g) Operation & Maintenance (O&M) of assets created under the project by way of user-fee based model.
 - h) Responsible for furnishing Utilization Certificates (UCs) and regular Progress Reports to Nodal Agency in the prescribed formats.
 - i) Ensure that the services of the facilities created under the scheme are extended to the clusters in general, in addition to the members enterprises.
18. On obtaining final approval, a sanction order will be issued by NA and 1st installment for the hard intervention will be released by NA in the dedicated bank account opened in the name of the IA/SPV. Whereas release of fund by NA to IAs for soft-intervention shall be need-based and a part component of the same is released to the IA after in-principle-approval of the SSC, the following schedule will be adopted for release of scheme funds to IA for hard interventions:
- i. 1st installment of 40% of the hard intervention as advance on IA arranging land;
 - ii. 2nd installment of another 40% on utilization of 2/3 of 1st installment; and
 - iii. Balance 20% as 3rd and final installment.
19. The NA, IA and SPV shall be abide to oblige the rules and regulations imposed by the Ministry of MSME and shall bound to follow the guidelines and its amendments made from time to time.

(Contd.....6)

20. No Liability to NA

The NA shall not be held liable for acts of omissions or commissions of IA/SPV resulting in claims and damages from third party against NA.

The IA/SPV, at all times indemnify the NA against any claims in respect of any damages of compensation payable in consequences of any accident or injury sustained by its (IA/SPV) 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 IA/SPV. Similarly, the IA/SPV shall all times indemnify NA against all claims/damages etc for any intellectual property rights (IPR) while providing its services under the project.

21. Amendment to Agreement:

NA, IA and SPV may make amendment to this Agreement, as per requirements, by mutual agreement, consent and in writing.

22. In case of any dispute in the above terms and conditions or any other matter connected thereto, the decision of the Chairman, Coir Board will be the final.

22. The terms and conditions of this agreement shall be interpreted in Indian law and will be subjected to the jurisdiction of courts of Kochi, Kerala.

In witness whereof for and on behalf of the N.A. have hereunto set their hands and the seal of the organization has been fixed on the day and year first above written.

Signed by Shri.....	Signed by Shri.....	Signed by Shri.....
For and on behalf of the N.A.	For and on behalf of the I.A.	For and on behalf of the SPV

In the presence of witnesses:

- 1.
- 2.
- 3.

COIR BOARD

(Ministry of MSME, Govt. of India)

Kochi-16

.....

GENERAL INSTRUCTIONS TOWARDS IMPLEMENTATION OF SFURTI IN COIR SECTOR FOR COMPLIANCE BY NODAL AGENCY FIELD OFFICES (NAFO), IMPLEMENTING AGENCY (IA), TECHNICAL AGENCY (TA) & SPECIAL PURPOSE VEHICLE (SPV)

1. The “**Scheme of Fund for Regeneration of Traditional Industries**” also known as SFURTI 2nd phase implemented during the 12th Plan period.
2. The Common Facility Centres (CFC) shall be established in each` cluster as approved by the NA and all assets created out of the Govt. grants received shall be in the name of NA. The grant amount would be utilized only for the purpose for which it is released and the funds shall not be diverted for any other industry, purpose, assignment or use under any circumstances.
3. The IA/SPV shall commence the work of setting up of CFC within one month from the date of receipt of grant contribution from NA and shall complete the CFC within 6 months period after the commencement of the work.
4. The SPV should open and maintain a corpus fund for the maintenance of the CFC. The user charges will go to the corpus.
5. In the case of civil constructions, the plan and estimate and valuation of the construction shall be approved by competent authorities like local PWD/Chartered Engineer/Local bodies like Panchayat/Municipality. Besides, a letter of consent should also be obtained from the Electricity Board (EB) for providing adequate power supply to the proposed unit. It shall be the responsibility of the Technical Agency to ensure that all the aspects connected with statutory clearances are complied in the cluster.
6. Payments in the case of civil constructions will be released only after inspection at different stages of construction by a team headed by NAFO official and consisting of the representatives of the TA and NA and based on their recommendations in writing. The payments should be regulated as follows:
 - Construction up to foundation level – not exceeding 20% of the contracted cost.
 - Construction up to roof level – not exceeding 40% of the total contracted cost.
 - 35% will be released on completion of the remaining works and
 - 5% will be released on completion of construction of the building and on production of valuation certificate and proof of joint insurance assigning Board’s share and SPV share in the building.

Reports in this regard from time to time together with a copy of the recommendations of the Inspection team will be given by the IA to the NA through the NAFO.

7. **For the construction of CFC and its associated building blocks, the IA should follow the Central Procurement Norms of Govt. of India, ie. Manual for procurement of Goods 2017, released by the Ministry of Finance, Department of Expenditure, Govt. of India. and its amendments made from time to time, if any.**
8. While purchase of machinery & equipments and procurement of goods & services required for setting up of the cluster, the IA/SPV has to follow the Government of India procedures and formalities, the CVC guidelines, GFR, Manual for procurement of Goods released by Govt. of India etc. Agreements and integrity pacts have to be signed by the suppliers/service providers wherever required.
9. While resorting procurement of machinery and equipments, the performance and quality standards have to be given paramount importance. The two cover tender system should be followed in all cases of purchase of machinery, equipments, services etc. In the technical bid, the past performance of the machinery supplied by the tenderer has to be evaluated and if required, the purchase committee including technical experts from the appropriate field should visit the units where the machinery supplied by the tenderer has been installed, for an on-the-spot evaluation. The financial bids of only the tenderers who qualify the technical bid should only be opened and the lowest acceptable rates will be recommended for placement of orders. The machinery suppliers identified shall enter an agreement with SPV/IA to ensure the defined specifications, production, trouble free operation, training the workers, SPV members etc. along with one year performance guarantee for plant and machinery are complied with by them, in all respects.
10. A **Tender Opening Committee** shall be constituted with the head of office of the NAFO concerned as Chairman, for the procurement of machineries, goods and services wherein CDE and representatives of IA &TA will act as members. An official from CCRI/CICT not below the rank of ESO/Scientific Assistant may also be included in the committee as member. The committee shall evaluate the purchase procedures and also ascertain that the procurement of goods are in compliance with rules of Govt. of India. If the total number of bids obtained are not sufficient enough to make the evaluation process, extension of time limit for submission of bids may be resorted to. Under inescapable circumstances, identification of supplier may be made on the basis of available bids after repeated efforts. Before doing so, the ascertainment of reasonableness of amount quoted with reference to the technical specifications, the justifications for doing so etc. shall be ensured and recorded by the tender opening committee. CCRI/CICT may be consulted wherever required, for finalizing bids.
11. In case of machinery purchases, payment may be as follows:
 - Payment of advance along with firm order should be discouraged. However in inevitable cases advances up to 40% can be released against Bank Guarantee in its acceptable form for equal amount, which may be decided by the I.A. in consultation with the Technical Agency.
 - Up to 60% of the cost of the machinery may be released once the full set of machinery ordered is landed in the CFCs.
 - Out of the balance 40%, 35% cost of the machinery may be released on installation and successful trial run; and
 - The balance 5% may be released after successful running of the unit and production of insurance policy. A certificate in this regard has also to be given by the I.A. to the NA.

- Care must be taken to ensure that the supplier/vendor/manufacturer etc. as the case may be is capable of providing aftersales services/maintenance (AMC) spares and the same has been duly confirmed by them in writing.
12. On production of documents in proof of purchase and installation of machineries in the cluster, the IA shall arrange the release of the amount for the expenditure incurred thereof, directly to the suppliers on getting recommendations from TA & NAFO.
 13. The maintenance of the CFC shall be the responsibility of the SPV and NA shall not provide any funds for that purpose. The SPV shall develop and sustain the cluster after the project implementation period is over.
 14. **Working Committee to look after CFC:** To ensure that the facilities and infrastructure created with grants under SFURTI are sustainably managed to the advantage of artisans for improved production and marketing, IA will constitute a Working Committee for each cluster comprising the following:
 - Chief functionary of the IA – Convener
 - Representative of a Nationalized bank operating in the area preferably from the Bank through the SPV operates its fund
 - 3 artisans nominated by the IA (including at least one woman) on annual rotation basis, re-nomination may not be allowed in five years
 - Representative of the NAFO
 - GM, DIC or his representative/nominee

The Working Committee should meet at least once in a month to review the progress of the CFC and decide about the user charges once it setup. The Committee may decide *interalia* the user charges to be levied for availing the facilities of the Common Facility Centre.

15. The NAFO should convene quarterly meeting with all Implementing Agencies/CDE and TAs under their Jurisdiction and report progress/shortfalls of each cluster to NAHQ.
16. The Technical Agency (TA) in their quarterly reports to the Nodal Agency, in the prescribed format (Table 8) with a copy to NAFO, will specifically mention the shortfalls, if any, in achievement of defined target /objectives in the cluster.
17. The NAFO shall mark a copy of all letters addressed to IA, TA & CDE to NA and vice-versa by the IA, TA and CDE for information by the IA.
18. The Technical Agency shall make visit to the clusters for giving technical support for proper and speedy implementation of the scheme once in a fortnight and should submit report to Nodal Agency in the prescribed format (tool 4).
19. The TA cost as negotiated and approved by the NA and earmarked for each cluster will be released in 4 installments as laid down in clause 9 of the agreement signed by NA and TA after getting the utilization certificate, certified statement of account and report on the progress of activities. The TA shall be bound to discharge all its responsibilities and comply with the guidelines, as well as terms and conditions in the agreement signed by them.

20. Income tax, other taxes and statutory deductions, if any from time to time shall be deducted at source while releasing payment. The tax deducted will be immediately remitted in the TAN of the payer and certificate of deduction of tax to be issued in due course. The applicability of GST, if any, will be taken care of by the IA and the SPV, in consultation with the TA.
21. The NAs assisted by TAs will devise a suitable monitoring framework duly approved by the SSC. In addition to the quarterly progress reports indicating cluster-wise physical and financial progress, the NAs will also track the progress through video-conferencing and other ICT tools.
22. The SFURTI interventions like Common Facility Centre, Capacity Building measures, Market Promotional Assistance and Product Development & Design Interventions from time to time may be taken up by IA with the concurrence/approval of working committee and recommendation of TA with validation by NAFO. The NAFO shall send the validated proposals to NA for approval and the amount allocated by NA for those purposes will be released to IA.
23. The TA/DA of Coir Board officials incurring in connection with SFURTI and expenditure for conducting Review meetings of SFURTI, consumables like stationery etc. to be met from the head **“SFURTI ADMINISTRATIVE FUND”**.
24. The NAFO shall be given TA/DA advance of Rs.10,000/- for each cluster on recurring basis from the head **“SFURTI ADMINISTRATIVE FUND”** for undertaking tour to SFURTI coir clusters for implementation of the Scheme. The advance sanctioned shall be settled before 31st March each year. Such advances shall not be utilized for any purpose other than SFURTI programme.
25. The Implementing Agency (IA) shall recruit and engage a full-time Cluster Development Executive (CDE), who is well versed with computer/accounting, in order to ensure efficient implementation of the project. Selection of CDE must be made from 3 options viz. (i) a local capable & strongly acceptable CDE from among the beneficiary group, (ii) grooming of an existing person from the group to become a good CDE and (iii) an externally recruited CDE. Additional qualification, experience and expertise to be considered while selection of the CDE in line with the requirements of the project deliverables. The engagement of CDE will be made in consultation with TA.
26. For fair selection of CDE, the eligible candidates should be interviewed after proper screening and appointment orders/letters shall be issued to them specifying the tenure (atleast one year) of service. In case of any selected CDE leave the cluster without prior intimation to NAFO/IA/TA, their last month remuneration shall be kept hold on by the IA and another CDE should be recruited immediately.
27. The IA cost shall be released every quarter by the Nodal Agency based on the requirements from time to time after getting the Utilization Certificate-GFR 19-A of the previous releases, Statement of Accounts of utilization of fund and quarterly/monthly reports with proper recommendation of NAFO.
28. The Implementing Agency (IA) cost provided in the Scheme shall be utilized for the following purposes.
 - a) Conduct of meetings with Working Committee members etc. fortnightly at IA’s office (the

- amount for one person for the meeting shall not exceed Rs.200/-)
- b) Conduct of monthly review meetings by the NAFO with the IA, CDE, TA and stakeholders of SPV
 - c) TA/DA of the functionaries of IA/SPV for the travel connected with the cluster development according to their eligibility. The TA/DA rules and regulations of the Central Govt. will be applied for reckoning the eligibility/entitlement.
 - d) TA/DA of Cluster Development Executive for attending training, seminars, meetings outside the cluster shall be paid TA/DA as per the eligibility of Group 'B' officials in Govt. of India.
 - e) Procurement of minimum required office furnitures and equipments
 - f) Procurement and installation of one computer/laptop with printer and internet facility after following due purchase procedures at a cost not exceeding Rs.50,000/-and the internet lease charges. The computer and the furniture shall be the property of the SPV and taken to their stock records. The annual maintenance of the system and the cost thereof will be the responsibility of the IA and SPV.
 - g) Monthly remuneration to CDE/Dy. CDE/Office Assistant
 - h) Special Occasions like Swatchhta Abhiyan, CFC inauguration etc. after getting approval from the NA

29. If the Implementing Agency desires to change the Cluster Development Executive of the cluster it should be done with the approval of Nodal Agency and training cost of the new CDE if any, at Coir Board/Technical Agency have to be met from IA cost.

30. Under the CDE cost, the monthly remuneration of CDE is fixed as Rs.18,000/-with yearly increment of Rs.1000/- for each completed year of engagement. The following amount will also be paid to the CDE in addition to salary for travel inside the cluster and communication by IA.

a)	Local Mobility Expenses	Upto Rs.1000/- p.m. (as reimbursement on production of bills/vouchers)
b)	Expenses for correspondence/communication	Upto Rs.500/- p.m. (as reimbursement on production of bills/vouchers)

31. The IA can appoint an Office Assistant who is capable of handling Accounting Software, e-mail etc., and to maintain all other office records for a monthly salary of Rs.7000/- with an yearly increment of Rs.750/- for each completed year of engagement. The said salary should be met from IA cost.

32. If found necessary, the IA can appoint a full time officer in the SPV office to supervise the activities, with a monthly remuneration of Rs.15,000 - Rs.20,000/-, which shall be met from IA cost.

33. If the CDE is a Government/Federation/PSU/Corporation sponsored official, there will be no provision for CDE salary. They are eligible to draw TA/DA for the tours connected with the cluster development as per their eligibility and the expenses for communication.

34. The responsibility for selection/termination of CDE/Dy. CDE/Office Assistant shall be vested with IA.

35. The CDE cost will be released by the NA to IA from the IA cost quarterly according to their performance report and tour diary. The CDE should also submit their report in the prescribed formats (Table 1,2,3,4,5) to the IA and TA with a copy to NAFO & NA. The CDE should reside inside the cluster.
36. In case of an external person outside the cluster is chosen as the CDE, a capable local person may be made the deputy to the CDE so that he is groomed to take up the responsibility once the regular CDE leaves the cluster after financial support is stopped.
37. No TA/DA will be admissible from the project funds to any person other than the functionaries engaged for the specified purposes under the Scheme for the cluster development.
38. All payments utilizing the project funds including CDE remuneration should be made through bank accounts in cashless (NEFT/RTGS/UPI) mode.
39. The IA shall implement various interventions as outlined in the approved DPR and shall undertake procurement of goods and services and appointment of contractors, as and when required, in a fair and transparent manner after following the Govt. of India rules and regulations.
40. The IA will enter into an agreement with the Nodal Agency (NA) for timely completion on cluster intervention and proper and timely utilization of Government Grants.
41. The IA shall undertake Operation & Maintenance (O&M) of assets created under the project by way of user-fee based model. The IA may levy service charges for utilization of Common Facility Centre's assets at the rates fixed in consultation with Coir Board. The services of the Common Facility Centre shall be made available also to all those agencies/ artisans/entrepreneurs whomsoever working in the coir sector.
42. The IA will be responsible for furnishing Utilization Certificates (UCs) to NA from time to time in respect of the funds released and regular Progress Reports to Nodal Agency in the prescribed formats. The Utilization Certificates (UC) and the annual statement of accounts certified by a C&AG empanelled Chartered Accountant and endorsed by Technical Agency & NAFO have to be forwarded to NA at the end of every financial year. The Utilization Certificates towards the fund utilized must be given in the prescribed form No. 19-A as per GFR along with Statement of Accounts.
43. The audit fee for empanelled Chartered Accountant towards preparation of UC and audited statement of accounts shall be met from the respective IA Cost.
44. The **IA** shall maintain separate and dedicated bank account in their name with a nationalized bank in the locality of the cluster, ***jointly operated by their authorized signatory, Regional Officer/Officer-in-charge of Coir Board and president of SPV***, for utilization of the funds received from the NA for implementation of the **Hard Interventions** like setting up of CFC, civil works, procurement and installation of machinery and shall allow the auditors deputed by the Coir Board and/ or the representatives of the Coir Board/Ministry of MSME/A.G. to inspect and audit such accounts at any time. The Nodal Agency(NA) shall release to this account 90% of the project

cost meant under Hard Interventions as grant amount in installments as per the guidelines approved by the Ministry on recommendation by NAFO only ***if the SPV contributes 10% as its share for total hard intervention cost in lumpsum or otherwise***, into this joint account.

45. In addition to the above, the **IA** shall maintain another separate and dedicated account with a nationalized bank in their locality, in their name **jointly operated by their authorized signatory and Regional Officer/Officer-in-charge, Coir Board** to remitting the **IA & Soft Intervention costs** received from the Nodal Agency (NA) and shall allow the auditors deputed by the NA and/or the representatives of the NA/ Ministry of MSME/A.G. to inspect and audit such accounts at any time.
46. The joint accounts thus maintained by the IA to which GoI grants have to be released, should be interest earning and the interest so earned should be reported to NA.
47. In the event of project cost exceeding the estimate prepared, the IA/SPV has to remit the equity contribution of the extra amount to the dedicated bank account opened for the purpose. However, the escalations from the estimated cost shall be limited to the orders issued by the NA in this regard.
48. On obtaining final approval from the SSC, a sanction order will be issued by NA and 1st installment for the hard intervention will be released by the NA to the dedicated bank account opened in the name of the IA/SPV. Whereas release of fund by NA to IAs for soft-intervention shall be need-based, the following schedule will be adopted for release of scheme funds to IA for hard interventions:
 - 1st installment of 40% of the total Hard Interventions Cost as advance on IA arranging land;
 - 2nd installment of another 40% on utilization of 2/3 of 1st installment; and
 - Balance 20% as 3rd and final installment.
49. For the release of 1st installment of 40% of total Hard Interventions Cost (wherein 25% will be the beneficiary contribution), the following parameters should be followed by IA with the due endorsement of TA. Compliance of these parameters should be ascertained by NAFO before effecting the payment to IA.

Checklist-I

- Obtaining of Registered lease deed for 15 years/Land registration certificate in the name of IA/SPV
- Obtaining of Bipartite Agreement between IA & NA
- Obtaining of NOC and necessary clearances from local bodies, PRI, Central Pollution Control Board etc.
- Obtaining of approved plan and estimates by Chartered Engineer
- Obtaining of Consent letter from Electricity Board for adequate power connection to run the proposed unit
- Collect the basic data from beneficiaries like contact address, mobile no., Aadhar no. etc.

Likewise, for the 2nd release of installment of another 40% of Total Hard Interventions Cost, the following parameters should be adopted:

Checklist-II

- Obtaining of Utilization Certificate (UC) by IA in the prescribed form of GFR 19-A, Govt. of India (proforma attached) for utilization of 2/3rd of 1st installment release, provided the UC should be accompanied by audited statements of accounts indicating the expenditure incurred on various items
- Obtaining of Stage Completion Certificate showing progress of completion of building from a Chartered Engineer
- Ensuring the enrollment of beneficiaries in Social Service Schemes mentioned in clause no. 4.3.1(N(e)) as per the scheme guidelines
- Spot inspection by the NAFO on the progress of the implementation of the scheme and recommend NA to release the 2nd installment. The NA may also directly depute a person to verify the progress of implementation, if found needed

The 3rd and final installment of remaining 20% will be released subject to the following conditions as specified in Checklist -III.

Checklist-III

- Obtaining of final completion certificate from a Chartered Engineer, indicating the total cost of civil works done so far and entire completion of building construction
- Fulfillment of action plan/activities approved under Soft Interventions as well as Hard Interventions as specified in the DPR
- Completion of enrollment of artisans under Social Security Scheme ie, PMSBY
- Completion of enrolment of units working under the cluster into MSME Databank
- Obtaining of certificate issued by the Implementing Agency, declaring that the targets for PMSBY and MSME Databank have been accomplished
- Conduct of joint inspection by NAFO, IA, TA & SPV and rendering reports satisfying the physical progress achieved in the CFC (including civil construction works, machinery installation/erection, electrification works etc.)
- Obtaining of complete UCs and audited statement of accounts from a C&AG empanelled Chartered Accountant for the 80% GoI grant released by the Board as 1st and 2nd installments of Hard Intervention Cost
- Constitution of Working Committee as prescribed in the scheme operational guidelines (Refer section 9.1 in scheme guidelines)
- Obtaining of joint insurance certificate from any National Insurance Company for the accidental insurance of artisans working in the CFC and also for the CFC building & its machineries erected therein, against the natural calamities, fire, explosion, theft etc.
- Fixation of user fee/charges for using the CFC and its machineries
- Obtaining of GST registration details of the SPV
- Registration of cluster as supplier of coir products with Coir Board, as part of e-commerce initiatives

50. The Implementing Agency (IA) cost shall be released from the Board into the dedicated joint account in five individual installments (ie, Rs.4.00 lakhs each). For release of any installment of IA Cost (except 1st installment), the following parameters should be complied of.

Checklist IV

- Obtaining of Utilization Certificate (UC) in GFR-19A format showing utilization of 2/3rd part of funds released in previous installment
 - Obtaining statement of accounts showing bifurcation of expenditures incurred as mentioned in UC
 - Obtaining CDE monthly reports(as specified in Pg. No.100)
 - Furnishing latest list of artisans enrolled under PMSBY (as specified in Pg. No.127). The list should be updated regularly and submitted before release of each installment
 - Furnishing of updated list of units registered into MSME Databank
51. In case of release of any installment of Soft Intervention Cost, the following parameters should be adopted.

Checklist V

- Obtaining of Utilization Certificate (UC) in GFR-19A format showing utilization of 2/3rd part of funds released in previous installment
 - Obtaining statement of accounts showing bifurcation of expenditures incurred as mentioned in UC
 - Obtaining of detailed Soft Intervention action plan for utilization of funds to be released
 - Furnishing detailed list of Soft Intervention activities done so far, by using the funds released in previous installment(s)
52. All the checklists specified above shall be examined thoroughly and endorsed by the TA and they will furnish a clearance certificate (proforma attached in Pg. No.121) while recommend the same to NAFO.
53. The NAFO shall verify all the documents forwarded by the IA which are required for releasing any installments of funds, after getting due recommendation from the TA and confirm the same well before forwarding to NA. The declaration from NAFO (same proforma specified in Pt.53 above) is mandatory for consideration of release of any installment of funds (ie, SI/IA/HI Cost) from NA.
54. All Soft Interventions should be carried out by the IA with direction of supervision of TA and the payment for the same shall be effected by Implementing Agency (IA) as specified in the DPR.
55. The IA/SPV shall abide by the rules and regulations prescribed by the Ministry of MSME and shall bound to follow the operational guidelines of SFURTI and its amendments made from time to time.
56. The IA shall set up and update a website for the cluster and facilitate the web based Project Management System (PMS) by Coir Board.
57. The IA shall keep updated regularly with photographs and progress in the portal developed by the Ministry for the SFURTI clusters (<http://www.sfurti.msme.gov.in>)
58. The IA should open an office with all infrastructure and function in the cluster area. Moreover, IA should nominate one person in that office as office assistant for carrying out daily activities of

the office premises.

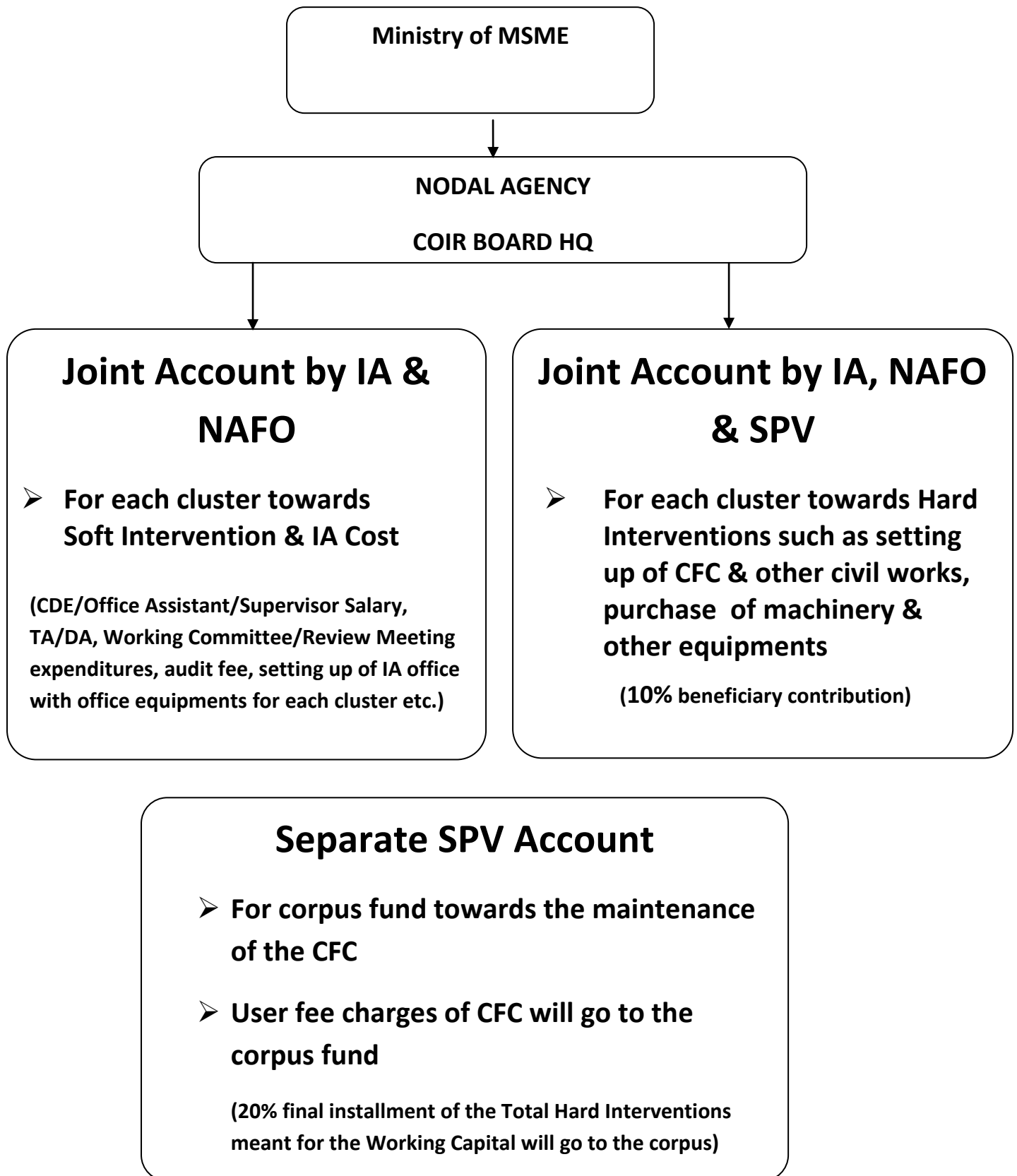
59. The Implementing Agency shall maintain separate registers for recording the details of the assets acquired out of the NA funds and the assets provided by the NA both movable and immovable and shall send periodic report of the same to the NA. The IA will physically verify the assets of each financial year and record the fact in the register. All the assets acquired out of the NA funds are the property of the NA and the IA shall not create any charge or encumbrance over the same and shall use the same only for the purpose for which it has been acquired.
60. In the event of any misutilization of funds (like diversion for any other purpose other for which it is granted, misappropriation etc.), the IA shall be bound to refund the entire amount released to it by the NA along with interest and penal interest at the rates as may be decided by the NA.
61. The IA will arrange for the credit requirements including working capital for activities within the cluster.
62. The IA must submit monthly report (Tool 2) and quarterly report to the NAFOs as per the prescribed format (Table 6, 7A and 7B) with a copy to TA and NA during the last week of every month/quarter. The NAFOs must submit monthly report (Tool 4) and quarterly report (Table 9,10,11,12,13,14) to the Nodal Agency on or before 5th of every month/quarter.
63. **At the end of the programme, IA shall prepare a comprehensive list of assets (movable and immovable) purchased/created out of project finances and ensure that they are handed over to NA, if so directed by the NA. The assets may also be handed over during period of programme depending upon the nature of the assets. Relevant copy of purchase or other documents, if any, connected with the purchase/acquisition should also be handed over by IA to NA at the time of transfer, if so directed.**
64. For any clarifications/information with regard to the specifications, marksmanship, productivity/output parameters etc. of the machinery/equipments to be sourced for the cluster, CCRI/CICT of the Board shall be consulted.
65. The Technical Agency for the cluster shall provide to the NAFO and IA all the vital inputs/information on the procedures and formalities to be followed on tendering, receipt of goods etc. while procuring goods and services required for the cluster.
66. All documents pertaining to the Sale Deed/Lease Deed etc. in respect of the land in which the CFC is setup, in vernacular shall be translated to English and authenticated by the Notary.
67. The agreements/contracts entered into by the NA/SPV with regard to the activities in the cluster shall be executed in Non judicial stamp worth of rates applicable to the respective states.
68. All the units set up under CFC have to be registered under **Udyog Aadhar** from respective District Industries Centre (DIC) of the concerned state. For more information about the Gazette Notification published thereon and details about registration procedures, the portal www.udyogaadhaar.gov.in may be visited.
69. As part of e-commerce initiatives, the IA/SPV should ensure that have registered with Coir Board

as suppliers and they are bound to supply their whole manufactured coir products to the franchises registered under the Board. All sorts of initiatives in this regard should be taken by the TA.

- 70. All clusters should be export oriented and proper advertisements should be given to create more awareness about the products.
- 71. All clusters should approach any National Insurance Company for availing comprehensive insurance coverage to the plant and machinery from the day of erection. Awareness programmes on insurance to be organized by the IA and TA by availing services from the experts of Insurance Companies.
- 72. The activities of the IA should focus not only with SPV, but also the stakeholders of the entire cluster area.
- 73. The accounts of the IA and SPV should be compiled and validated in Tally software package.

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MODUS OPERANDI OF FUNDS TO BE RELEASED UNDER SFURTI II PHASE



1. TOOLS FOR CDE (TABLES 1,2,3,4,5)

CDE REPORTING STRUCTURE

To be submitted by	CDE
To be submitted to	IA
Frequency of preparation	Quarterly
Submission Deadline	7 days from end of the reporting day
Additional attachments	Nil

Table 1 : CDE Structure in Place: to be filled by CDE, Quarterly

CDE working in the cluster since (month & year)	
Is the CDE formally trained in CDP methodology	Yes/No
Is the CDE working full time for the cluster?	Yes/No
If no, list job responsibilities (other than SFURTI CDE work)	
CDE's TA & DA pending for how many months?	
CDE's salary pending for how many months?	
Number of work days spent in the cluster	
Number of work days spent outside in the cluster for cluster related activities	

Table 2 : CDE Structure is Working/Responsive; to be filled by CDE, Quarterly

Stakeholder confidence on CDE	1	2	3	4	5
Entrepreneurs suggest CDE activities					
Entrepreneurs invite CDE to their group meetings					
CDE welcomed to firms without prior appointment					
Local institutions invite CDE for their MSE related functions					
Institutions seek help of CDE in mobilizing firms					
CDE's ability to document					
CDE's ability to make presentations					

Score :1 = No, 2 = Sometimes, 3 = To a great extent, 4 = Mostly, 5 = Always

Table 3: Activity Review; to be filled by CDE, monthly

Sl. No.	Activity as per Action Plan approved by SSC	Time (Qtr.)	Outcome and actual No. Of Direct Beneficiary	Problems faced
1.				
2.				
15				
Sl.No	Unplanned Activity	Time(Qtr.)	Actual No. of Direct Beneficiary	Problems faced
1.				
2.				
3.				
4.				

Note: No more than 30% of the activities should be un-planned. Hence, 70% or more will be planned activities. Hence there are 15 planned (approved) and 4 activities which are un-planned.

Table 4: Output Review; to be filled by CDE, Quarterly

Inputs provided	Reponse	No. of families benefited	Of which SC/ST families
1. Purchase of Machinery			
Machinery identified	Yes/No		
Supplier identified	Yes/No		
Contribution of Stakeholders received	Yes/No		
Order placed and delivered	Yes/No		
In use	Yes/No		
2. Establishment of CFC	Yes/No		
CFC identified	Yes/No		
Land and building identified	Yes/No		
Machinery identified	Yes/No		
Bank Loan (if any) cleared	Yes/No		
Contribution of stakeholders received	Yes/No		
Order placed and delivered	Yes/No		
CFC working	Yes/No		
3. Design and product development support provided	Yes/No		
4. Market promotion assistance provided	Yes/No		
5. Exposure visits to other clusters & institutions undertaken	Yes/No		
6. Need based trainings provided	Yes/No		
7. Support for cluster level networks	Yes/No		
8. New BDS/BDS providers introduced	Yes/No		
9. Capability enhancing measures like health/literacy camps, insurance/pension schemes etc undertaken	Yes/No		
10. Total families benefited in the quarter (without overlap for the quarter)	NA		
11. Total cumulative families benefited (without overlap for the intervention period)	NA		
12. Any other remarks			

Table 5: Outcome Review- to be filled by CDE, Quarterly

Attributes (Outcome increase due to CDP)	Amounts/Number where applicable	No. of families benefited	Of which SC/ST
Turnover (Rs. lakh)			
Savings (Rs. lakh)			
Employment (No.)			
Average increase in number of days of work (for existing employment only)			
CFC created/revived			
Network created/revived			
Loan disbursed (Rs lakh)			
Improved Working Conditions	NA		
Reduced Migration	NA		
Total families benefited in the quarter (without overlap for the quarter)	NA		
Cumulative families benefited(without overlap for the intervention period)	NA		

2. TOOLS FOR IA (TABLES 6, 7A and 7B)

IA Reporting Structure

To be submitted by	IA
To be submitted to	NAFO
Copy and feedback on tables 1,2,3,4,5 from	TA
Frequency of preparation	Quarterly
Submission Deadline	15 days from end of the reporting period
Additional attachment tables	Table nos. 1,2,3,4,5

Table 6: IA Structure is in Place and Working; to be filled by IA, Quarterly

Name, Mobile Number, e-mail, highest qualification, years of experience in CDP	
Is the IA Representative formally trained in CDP?	Yes/No
Working committee meeting conducted for the quarter and Report available	Yes/No
Follow-up of Working Committee meeting done	Yes/No
Support CDE in Annual Plan preparation	Yes/No
Support CDE in creation of Consortium	Yes/No
Support CDE in organizing contribution of stakeholders for purchase of machinery and creation of CFC	Yes/No
Support CDE in implementation of CDP	Yes/No
Organize joint meeting of CDE, IA, TA once every quarter for review and filling of M&E format	Yes/No
Support CDE in conducting diagnostic studies, once during project period	Yes/No
Total number of days spent	
Any other remarks	

Table 7A: Fund Usage; to be filled by IA, quarterly

Sl. No.	Fund Usage of NA	Rs. lakh
1	Fund sanctioned during the financial year	
2	Fund disbursement during the financial year	
3	Expenditure during the financial year	
4	Expenditure during the current quarter	

Table 7B: Fund Usage; to be filled by IA, quarterly

Sl. No	Activity	Expenditure in Activities (Rupees)			
		NA	Other SI (Estimated)	Cluster (Estimated)	Total
1	CFC				
2	Design & product development support				
3	Market promotion assistance				
4.1	Exposure visits				
4.2	Need based trainings				
4.3	Support for cluster level networks				
4.4	Others (eg., capability enhancing measures undertaken (Health, literacy camps, insurance schemes etc.)				
Total					

3. TOOLS FOR TA (TABLE 8)

TA Reporting Structure

To be submitted by	TA
To be submitted to	NAHQ
Copy to	NAFO
Frequency of preparation	Quarterly
Additional Attachment	Nil
Submission Deadline	7 days from end of the reporting period

Table 8: TA Structure is in Place and Working: to be filled by TA, Quarterly

Name of TA representative, formally trained in CDP?	
Work days (full) spent in the cluster	
Work days (full) spent outside the cluster for cluster related work	
Inputs	
i & ii. Training of current CDE, IA representative, designated NAFO official in CDP	Yes/No
iii. Support towards conducting diagnostic studies	Yes/No
iv. Action Plan preparation for the current year	Yes/No
v. Action plan validation for the current year	Yes/No
vi. Guidance to enhance effectiveness in the areas of market linkage, design and product development, identification of CFC opportunity, credit capability	Yes/No
vii. Training to CDE & IA on issues of implementation in the cluster with inputs from NAFO for the quarter	Yes/No
viii. Support CDE and IA in filling up of M&E tables	Yes/No
ix. Identification/Linkage with BDS provider(s), Formation of Working Committee	Yes/No
x. Strengthening of cluster related association, society, network and IA. Participated in the Working Committee Meeting	Yes/No
xi. Participation in Working Committee Meeting	Yes/No
Total number of days spent	
Any other remarks	

4. TOOLS FOR NAFO (TABLES 9, 10, 11, 12, 13, 14)

NAFO Reporting Structure

To be submitted by	NAFO
To be submitted to	NAHQ
Frequency of preparation	Quarterly
Additional attachments	Nil
Submission Deadline	15 days from end of the reporting period

Table 9: Overall Structure is in place and working; to be filled by NAFO, Quarterly for each cluster

(To be derived from Tables 1,2,6 and 8)

Sl. No.	Name of the cluster- (Separate sheets for Khadi/Village and Coir Clusters)	Response	Gross Answer
1	Full time CDE is in place and formally trained in CDP	Yes/No	Yes/No
2	CDE remains in the cluster for around 15 days in one person-month (of 22 working days)	Yes/No	
3	CDE Salary and Allowances not pending for more than current month	Yes/No	
4	IA is formally trained and is in regular touch with CDE, NAFO and TA	Yes/No	Yes/No
5	TA is trained in CDP methodology	Yes/No	Yes/No
6	TA visits cluster at least once in 2 months for 2-3 days each and participates in quarterly evaluation meetings and Working Committee meeting	Yes/No	
7	TA provides guidance to enhance effectiveness in the areas of machinery purchase, establishment of CFC, design and product development, market promotion, exposure visits, BDS linkages, capability enhancing measures	Yes/No	Yes/No
8	Working Committee is constituted with all cluster stakeholder groups and meets regularly (at least quarterly) and minutes of the same available.	Yes/No	Yes/No
9	NAFO has designated one person from the office for overseeing cluster development and the person is formally trained and participates in Working Committee Meeting	Yes/No	Yes/No

Note: Gross answer is yes for each level if all sub-responses are yes and if Gross answer is yes for all, Overall Structure is in Place.

**Table 10: Overall Structure is in place and working - separately for Khadi and Village Industries Clusters by KVIC NAFI and that for coir clusters by Coir Board NAFO (for the state as a whole, quarterly)
(To be derived from Table 9)**

Levels	Number of clusters	Of which Clusters in the North East
CDE System working		
IA System working		
TA System working		
Working Committee system working		
NAFO system working		

Table 11: Output Review – separately for Khadi and Village Industries clusters by KVIC NAFO and that for coir clusters by Coir Board NAFO (for the state as a whole, quarterly)

(To be derived from Table 3)

Inputs provided	Reponse	No. of families benefited	Of which SC/ST families
1. Purchase of Machinery			
Machinery identified	Yes/No		
Supplier identified	Yes/No		
Contribution of Stakeholders received	Yes/No		
Order placed and delivered	Yes/No		
In use	Yes/No		
2. Establishment of CFC	Yes/No		
CFC identified	Yes/No		
Land and building identified	Yes/No		

Machinery identified	Yes/No		
Bank Loan (if any) cleared	Yes/No		
Contribution of stakeholders received	Yes/No		
Order placed and delivered	Yes/No		
CFC is working	Yes/No		
3. Design and product development support provided	Yes/No		
4. Market promotion assistance provided	Yes/No		
5. Exposure visits to other clusters & institutions undertaken	Yes/No		
6. Need based trainings provided	Yes/No		
7. Support for cluster level networks	Yes/No		
8. New BDS/BDS providers introduced	Yes/No		
9. Capability enhancing measures like health/literacy camps, insurance/pension schemes etc undertaken	Yes/No		
10. Total families benefited in the quarter (without overlap for the quarter)	NA		
11. Total cumulative families benefited (without overlap for the intervention period)	NA		

**Table 12: Outcome Review- separately for Khadi and Village Industries clusters by KVIC NAFO and that for coir clusters by Coir Board NAFO
(for the state as a whole, quarterly)**

(To be derived from Table 5)

Attributes (Outcomes increase due to CDP)	Amounts/Number where applicable	No. of Families benefitted	Of which SC/ST
Turnover (Rs. lakh)			
Savings (Rs. lakh)			
Employment (No.)			
Range of average wage increase (Rs.)			
Range of increase in number of days of work (for existing employment only)			
CFC created/revived			
Network created/revived			
Loan disbursed (Rs. lakh)			
Improved Working conditions (no. of clusters)			
Reduced Migration (no. of clusters)			
Total families benefitted in the quarter (without overlap for the quarter)	NA		
Cumulative families benefitted (without overlap for the intervention period)			

Table 13: Find Leverage – separately for Khadi and Village Industries clusters by KVIC NAFO and that for coir clusters by Coir Board (for the state as a whole, quarterly)

(To be derived from Table 7B)

Sl. No.	Amount Spent (Rs. Lakhs)			
	Nodal Agency	Cluster Stakeholders	Support Institutions	Total
Qtr 1				
Qtr 2				
Qtr 3				
Qtr 4				
Total (for the year)				

**Table 14 : Financial Usage - separately for Khadi and Village Industries clusters by KVIC NAFO and that for coir clusters by Coir Board
(for the state as a whole, Quarterly)**

Activities	Sanctioned Amount (Rs. Lakh)	Disbursed Amount (Rs Lakh)	Utilization Amount (Rs Lakh)
CFC			
Design & product development support			
Market promotion assistance			
Exposure visits			
Need based trainings			
Support for cluster level networks			
Others (eg. Capability enhancing measures undertaken (Health, literacy camps, insurance schemes etc.))			
Total			

TOOLS FOR NAHQ (TABLES 15, 16, 17, 18, 19)

NAHQ Reporting Structure

To be submitted by	NAHQ
To be submitted to	SSC
Frequency of preparation	Quarterly
Additional attachments	Nil
Submission Deadline	30 days from end of the reporting period

Table 15: Collation of Systemic Review - separately for Khadi and Village Industries clusters by KVIC HQ and that for coir clusters by Coir Board HQ, Quarterly

(To be derived from Table 10)

Levels	Number of clusters	Of which Clusters in the North East
CDE system working		
IA System working		
TA System working		
Working Committee working		
NAFO system working		

Table 16: Output Review - separately for Khadi and Village Industries clusters by KVIC HQ and that for coir clusters by Coir Board HQ (for the 6 regions as a whole, quarterly)

(To be derived from Table 11)

Inputs provided	No. of clusters	No. of families benefited	Of which SC/ST families
1. Purchase of Machinery			
Machinery identified			
Supplier identified			
Contribution of Stakeholders received			
Order placed and delivered			
In use			
2. Establishment of CFC			
CFC identified			
Land and building identified			
Machinery identified			
Bank Loan (if any) cleared			
Contribution of Stakeholders received			
Order placed and delivered			
CFC working			
3. Design and product development support provided			
4. Market promotion assistance provided			
5. Exposure visits to other clusters & institutions undertaken			
6. Need based trainings provided			
7. Support for cluster level networks			
8. New BDS/BDS providers introduced			
9. Capability enhancing measures like health/literacy camps, insurance/pension schemes etc. undertaken			
10. Total families benefited in the quarter (without overlap for the quarter)	NA		
11. Cumulative families benefited (without overlap for the intervention period)	NA		

**Table 17: Outcome Review - separately for Khadi and Village Industries clusters
by KVIC HQ and that for coir clusters by Coir Board HQ
(for the 6 regions as a whole, quarterly)**

(To be derived from Table 12)

Attributes (Outcome increase due to CDP)	Amounts/Number where applicable	No. of Families benefited	Of which SC/ST
Turnover (Rs. lakh)			
Savings (Rs. lakh)			
Employment (No.)			
Range of average wage increase (Rs.)			
Range of increase in number of days of work (for existing employment only)			
CFC created/revived			
Network created/revived			
Loan disbursed (Rs. lakh)			
Improved Working conditions (no. of clusters)			
Reduced Migration (no. of clusters)			
Total families benefited in the quarter(without overlap for the quarter)	NA		
Cumulative families benefited (without overlap for the intervention period)	NA		

**Table 18: Fund Leverage - separately for Khadi and Village Industries clusters by KVIC HQ and that for coir clusters by Coir Board HQ (for the 6 regions as a whole, quarterly)
(To be derived from Table 13)**

Sl. No.	Amount Spent (Rs. lakhs)			
	Nodal Agency	Cluster Stakeholders	Support Institutions	Total
Qtr 1				
Qtr2				
Qtr3				
Qtr4				
Total (for the year)				

**Table 19: Financial Usage - separately for Khadi and Village Industries clusters by KVIC and that of coir clusters by Coir Board HQ (for the 6 regions as a whole, quarterly)
(To be derived from Table 14)**

(Rs. lakh)

Activities	Budget Sanctioned	Fund disbursed	Fund Utilized	North East
CFC				
Design & product development support				
Market promotion assistance				
Exposure visits				
Need based trainings				
Support for cluster level networks				
Others (eg. capability enhancing measures undertaken (Health, literacy camps, insurance schemes etc.)				
Total				

PROFORMA - MONTHLY PROGRESS REPORT

To be submitted by : IA
 To submit to : NA & NAFO
 Prepared for : Every month
 Submission dead line : Last week of every month

Progress report from the month of

1	Name of cluster		
2	Name of IA, Contact person & Contact No.		
3	Name of CDE and contact no.		
		Reporting Month(Rs.)	Total Amount (Rs.)
4.	Amount Received from Nodal Agency		
	i. CDE Cost		
	ii. IA Cost		
	iii. Core/Complimentary activities		
	Total		
5.	Utilization Certificate submitted to NAFO		
	Visits	Reporting Month (Nos.)	Total (Nos.)
	No. of TAs visits (No. of days)		
	No. of IAs visits(No. of days)		
	Working Committee Meetings held		
	Details of Programmes*		
6.	No. of Awareness Programmes Conducted (No. of participants)		
7.	No. of Exposure visit conducted (No. of participants)		
	No. of EDPs conducted		
		Reporting Month	Status of completion of activities
8.	CFCs started(Give the activity) &Status		

9.			
10.	Product Development & Design Intervention		

Details in bracket to be furnished in Bracket.

* Details of programmes may be included in the list according to the cluster action plan and programmes conducted. A summary of activities conducted and Statement of Account upto reporting month may also be enclosed.

Signature, Name of IA & Date

NA-Nodal Agency (Coir Board), TA-Technical Agency, IA-Implementing Agency, CDE-Cluster Development Executive, NAFO-Nodal Agency Field Officer, CFC- Common Facility Centre, EDP- Entrepreneurship Development Programme

DETAILS OF FUND UTILIZATION (Rs. in Lakhs) up to 20.....

Name of the Cluster:

Sl. No	Head of Account	Fund earmarked as per the Action plan	Fund received from HO	Fund released to IA	Fund Utilized by the Cluster	Balance Fund		
						With NAFO	With IA	Total
1	Soft Interventions (SI)							
	i. Skill trainings							
	ii. Capacity building							
	iii. Design development							
	iv. Market promotion							
	v. Other heads under SI, if any (mention the name)							
2	Hard Interventions (HI)							
	i. Common Facility Centres (CFCs)							
	ii. Raw material banks (RMBs)							
	iii. Training Centres							
	iv. Other heads under HI, if any (mention the name)							
3	TA cost							
4	IA/CDE cost							
	Total							

PROFORMA FOR CLEARANCE CERTIFICATE ISSUED BY TA/NAFO FOR RELEASE OF INSTALLMENTS OF FUNDS TOWARDS SOFT/HARD INTERVENTIONS

DECLARATION

I....., the(Designation) of (name of Technical Agency/Nodal Agency Field Officer) of(name of cluster) in(name of State) do hereby solemnly affirm that all the documents submitted by the IA/SPV, as stipulated in the revised Scheme Guidelines approved by Ministry of MSME and Executive Instructions issued by Coir Board, are genuine to the best of my knowledge and belief and they have been verified in all aspects and I hereby recommend NA to release the first/second/third/fourth/fifth installment (strike out whichever not applicable) release of the funds ie, Rs.....(in figures) (.....only) (in words) towards Soft Intervention/Hard Intervention/Implementing Agency Cost (strike out whichever not applicable) under the 2nd phase implementation of SFURTI.

.....
(Place)

.....
(Signature)

.....
(Date)

.....
(Name)

PROFORMA FOR UTILIZATION CERTIFICATE (UC) TO BE PROVIDED BY IMPLEMENTING AGENCY

20... -

FORM GFR 19-A

[See Rule 212(1)]

Utilization Certificate

Sl. No.	Board's Letter No. & Date	Amount (Rs.)	<p>Certified that out of `of grants-in-aid sanctioned during the year 20.. - .. in favour of(name of IA/SPV) by Coir Board under the Ministry of MSME, Govt. of India as per the letter Nos. given in the margin and `..... lakhs on account of unspent balance of the previous year, a sum of `..... lakhs has been utilized for the purpose of.....for which it was sanctioned and that the balance of ` lakhs remaining unutilized at the end of the year has been surrendered to Government (Vide No. , dated.....)/will be adjusted towards the grants in aid payable during the next financial year.</p> <p>Certified that the quantified and qualitative targets have been achieved against funds utilized during the year 20.....-.....</p>
		<p>-----</p> <p>=====</p>	

2. Certified that I have satisfied myself that the conditions on which the Grants-in-aid sanctioned have been duly fulfilled/are being fulfilled and that I have exercised the following checks to see that money was actually utilized for the purpose for which it was sanctioned.

Kinds of Checks exercised

- 1.
- 2.
- 3.

Place:

Signature

Date:

Designation

FORM OF BANK GUARANTEE FOR SECURITY DEPOSIT

(To be used by Nationalized and Scheduled Commercial Banks)

In consideration ofCoir Cluster.....(Hereinafter called the “SPV) having agreed to exempt (Here enter Name and address of the firm) (Hereinafter called “the said contractor”) from the demand, under the terms and conditions of an agreement dated.....made between The SPV and the said contractor for (hereinafter called “The said Agreement”) of security deposit for the due fulfillment by the said contractor of the terms and conditions contained in the said Agreement, on production of a bank guarantee for Rs..... (in words).....only).

We.....Bank (hereinafter referred to as “the Bank” do hereby undertake to pay to the SPV an amount not exceeding Rs.....(in words) Rs.....only) against any delay or failure for installation and/ or commissioning, warranty obligations of the equipment, loss or damage caused to or suffered or would be caused to or suffered by the SPV by reason of any breach by the said contractor of any of the terms or conditions contained in the said Agreement.

2. We.....Bank do hereby undertake to pay the amounts due and payable under this guarantee without any demur, merely on a demand from the SPV stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by the SPV by reason of any breach by the said contractor of any of the terms or conditions contained in the said Agreement or by reason of the contractor’s failure to perform the said Agreement. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs.....(in words) Rs.....

3. We.....Bank further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said agreement and that it shall continues to be enforceable till all the dues of the SPV under or by virtue of the said Agreement have been fully paid and its claims satisfied or discharged of till.....(Office/Department) certified that the terms and conditions of the said Agreement have been fully and properly carried out by the said contractor and accordingly discharges the guarantee. Unless a demand or claim under this guarantee is made on us within one year from the period fixed or extended (if the agreement/supply order specifically provide for such extension of time) for the due performance of the contract by the contractor we shall be discharged from all liability under this guarantee thereafter.

(Contd...2)

(2)

4. We.....Banks, further agree with the Director that the SPV shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said agreement or to extend time of performance by the said contractor from time to time or to postpone for any time or from time to time any of the powers exercisable by the SPV against the said contractor and to forbear or enforce any of the terms and conditions relating to the said Agreement and we shall not be relieved from our liability by reason of any such variation or extension being granted to the said contractor or for any forbearance act or omission on the part of the SPV or any indulgence by the SPV to the said contractor or by any such matter or thing whatsoever which under the law relating to sureties would but for his provision have effect of so relieving us.

5. To give effect to this guarantee it shall be competent for the Director to act as though the Bank, were the director debtor.

6. It is hereby expressly agreed and declared that this guarantee and the powers and provisions herein contained are in addition to and not by way of limitation of or substitution for any former or other guarantees or guarantee hereto for given by the Bank to the SPV and now existing uncancelled and that this guarantee is not intended to and shall not revoke or limit such other guarantee or guarantees.

7. We.....Bank, lastly undertake not to revoke this guarantee during its currency except with the previous consent of the SPV in writing.

Dated.....day of.....Two thousand
.....for.....Bank.

PROFORMA FOR TA BILL (TO BE FURNISHED BY CLUSTER MEMBERS)

Name of the Cluster :
 Name of Claimant & Designation :
 Purpose of Travel :
 No. of persons travelled :
 Period of Out-station stay : From _____ To _____ (No. of days: ___)
 Reference No. :
 (in case of scheduled travel based on NA/NAFO instruction)

Sl.No.	Details of Claim	Amount claimed	Amount Sanctioned	For office use Remarks
1	Travelling Allowance			
2	Lodging expenses for..... days (enclose bills)			
3.	Boarding charges for..... days (enclose bills)			
4.	Local mobility expenses			
	Total			

Departure		From	To	Arrival		Mode/ Class	Fare	Total Fare	Remarks
Date	Time			Date	Time				

Declaration by the Claimant

I hereby declare that the journey for which TA is being claimed was actually performed and being claimed as per norms fixed for travel.

Place:

Date :

Signature of Claimant

Amount Sanctioned : Rs. _____

Signature of Sanctioning Authority (IA) : _____

Remarks (if any)

PRESCRIBED NORMS FOR TA BILL – FOR CLUSTER MEMBERS
ATTENDING CLUSTER WORKS FOR CLAIMING FROM CLUSTER FUNDS

01. Maximum Permissible members :

- a. For scheduled programs, based on instruction from NA/NAFO : As stipulated in the instruction.
- b. For other programs: Maximum 5 members including CDE / IA representative with the approval of IA & NAFO (CDE/IA rep. shall be part of the team, to be eligible for claim)

02. The details of expenditure prescribed as follows (based on Travel Allowance rules of 6th Central Pay Commission, for officers drawing grade pay of Rs.4,800/- [Group 'B(G)]):

S.No.	Expenditure Head	Maximum Permissible Limit
01.	Travelling Allowance	AC II Tier class by Train fare (from the Origin / Origin District Headquarters to the Destination/ Destination HQ at the shortest distance)
02.	Daily Allowance	Reimbursement of Hotel accommodation of upto Rs.500/- per day and Rs.100 per day for travel within the city and reimbursement of food bills not exceeding Rs.150/- per day.

Note: The TA rules document is attached for ready reference.

03. SPV to claim the TA bill based on the norms and the IA to sanction based on the norms prescribed.

PROFORMA FOR ENROLLMENT OF ARTISANS INTO PRADHAN MANTRI

SURAKSHA BHIMA YOJANA (PMSBY)

1	Bank Account number	
2	Bank Code (As provided by RBI)	
3	Bank Branch Name	
4	Bank Branch IFSC Code	
5	Bank's Unique reference Number for the account holder	
6	Enrollment Date	
7	Name of the account holder	
8	Insured Address for correspondence	
9	City / Town / Village	
10	State	
11	Pin Code	
12	Location Category	
13	Date of Birth	
14	Gender	
15	Existing Disability	
16	Name of the Nominee	
17	Relationship with Nominee	
18	Legal Guardian Name if Nominee is Minor	
19	Adhar card number	
20	PAN	
21	Account Holder's E-Mail	
22	Account Holder's Mobile No	
23	Agency/BC Code	

PROFORMA FOR FEEDBACK FORM TO BE COLLECTED FROM CLUSTERS

COIR BOARD MINISTRY OF MSME

FEEDBACK FORM

Form filled by

- Unit (Self)
- Association/Regional Officer/Sub-Regional Officer

General Details

State :

Unit Details

Name of Unit :

Constitution of the unit

- Proprietorship/ Partnership/ Society/ Other (Please Specify)

Category of Unit

- Micro/Small/Medium

Contact Details

Mobile Number / Landline Number (with STD Code)

E-Mail Address

Other information

Assistance Availed

- Coir Udyami Yojana (CUY)
- Development of Production Infrastructure (DPI)
- Scheme of Fund for Regeneration of Traditional Industries (SFURTI)
- Other assistance if any from Government – under State/Central Scheme

Product being manufactured

- Coir yarn
- Mats/Matting
- Coir pith Block/briquette
- Garden articles
- Geo-textiles
- Rubberized Coir Products

- Coir Composite Panels/Coir Wood
- Coir Pith Compost
- Others – Specify

Production during the last three years (Rs.in crore)

Items	2016-17	2017-18	2018-19

Employment in Nos. in last three years

	2014-15	2015-16	2016-17	2017-18
Regular				
Contract				

GST Registration No. if any :

Growth due to Coir Board/ Govt. Assistance

- Yes
- No

Issues Being Faced

- Credit :
- Marketing :
- Technology :
- Manpower :

Any other information like to share

**Signature of the unit owner/RO/SRO/
Representative of the Association**

CONTACT DETAILS OF EMPANELLED TECHNICAL AGENCIES

Sl.No	Name of Technical Agency (TA)	Contact Address
1	ITCOT Consultancy & Services Ltd.	ITCOT Consultancy & Services Ltd. 50-A, Greams Road Murugesu Naicker Complex Chennai-600 006 Email: onlyofficial@hotmail.com,itcot@vsnl.com
2	North Eastern Industrial & Technical Consultancy Organization Ltd.(NIETCO)	North Eastern Industrial & Technical Consultancy Organisation Ltd.(NIETCO) Udyog Vikash Bhawan (1st Floor),G.S Road, Bhangagarh, Guwahati-781 005, Assam Email: neitco@gmail.com , kanak.sarmah@rediffmail.com
3	West Bengal Consultancy Organisation Ltd. (WEBCON)	Webcon Consulting (India) Ltd. Arya Mansion, 3 rd Floor, 6A, Raja Subodh Mullick Square Kolkata – 7000 012, West Bengal Email : info@webcon.in
4	Entrepreneurship Development Institute of India (EDII)	Entrepreneurship Development Institute of India (Via Ahmedabad Airport & Indira Bridge), P.O. Bhat 382 428, Dist. Gandhinagar,Gujarat, India. Email: info@ediindia.org
5	National Institute of Entrepreneurship Small Business Development (niesbud)	A-23, Sector 62 Institution Area, Noida- 201301, Uttar Pradesh Email:dgniesbud@gmail.com,dg@niesbud.gov.in, dksingh.niesbud@gmail.com
6	National Institute of Small Industries Extension Training (ni-msme)	National Institute of Small Industries Extension Training (ni-msme), Yousufguda, Hyderabad – 500 045 Email: kspg@nimsme.org
7	Foundation for MSME Clusters (FMC)	Foundation for MSME Clusters(FMC) USO House, 2nd Floor, USO Road, Off Shaheed Jeet Singh Marg, 6, Special Institutional Area, New Delhi – 110067 Email:info@msmefoundation.org, ask.sharma@msmefoundation.org, sravan_adiraju@yahoo.com
8	IL & FS Clusters	IL&FS Education & Technology Services LimitedNTBCL Building, Toll Plaza, DND Flyway, NOIDA - 201 301.U.P. Email: gopesh.tewari@iflindia.com, sharmistha.mohapatra@iflindia.com
9	APITCO	M/s. APITCO Ltd., # 5-9-58/B, 8th Floor Parisrama Bhavanam Fateh Maidan Road Basheerbagh,Hyderabad, Telangana State, PIN:500 004 Email: hyd1_apitco@bsnl.in, apitcocluster@gmail.com

**FORMAT OF APPLICATION FOR INVITING CLUSTER PROPOSALS FOR
DEVELOPMENT OF COIR CLUSTERS UNDER SCHEME OF FUND FOR
REGENERATION OF TRADITIONAL INDUSTRIES (SFURTI)**

State	Office

1 Name of the Cluster:

--

(Name of the cluster may specifically prefix the location and activity of the cluster e.g. Salem Coir Cluster)

2 Implementing Agency :

--

Postal Address			
Contact Person			
Telephone No.		Mobile No.	
Fax No.		E-mail	

3 Location of the cluster:

(Indicate the location where the maximum concentration of activity/artisans located)

Name of the Block	
Name of the District	

4 Area covered by the cluster:

(Indicate list with specific names of the District, blocks under the district & villages to be covered under the cluster)

Name of the District	Name of the Block	Villages covered

5 A Brief on Activity of the cluster:

(Brief about the present on going activity of the cluster viz. spinning, weaving, processing etc.)

--

6 No.of Coir units covered

(Indicate the list of the institutions to be covered under the cluster. In principal, the cluster must constitute with atleast 7 to 15 coir units)

Sl.No.	Name of the unit	Address	Area of Operation	Affiliated to (Pls tick ✓)	
				State	Others

7 Major Products produced in the cluster

(Please indicate the products in rank which has major productions)

(Quantity: Lakhs Sq. Mtrs. Value: Rs. In Lakhs)

S. No.	Products	Production					
		20.... -		20.... -		20..... -	
		Quantity	Value	Quantity	Value	Quantity	Value

8 Details of Coir machineries/Ratts available in the Cluster:

(Please indicate the brief about the machines and tools available in the cluster)

9 Details of Manpower available in the Cluster

A) Artisans

(Persons in Nos.)

No. of families	Skilled Artisan		Unskilled Artisans		Others	
	Men	Women	Men	Women	Men	Women

B) Employees

Production Staff	Marketing Staff	Management Staff	Others

10.

Raw material & Service Providers available in the Cluster a)**Raw Material Suppliers**

S.No	Name of the Raw Material Supplier	Type of Raw Material	Avialable in the Cluster	Available Outside the cluster

b) Other Service Providers

S.No	Name of the Other Service Providers	Type of Service	Avialable in the Cluster	Available Outside the cluster

(Please tick if the provider/supplier is inside or outside the cluster. Indicate the type of service provides by the service provider e.g. dyers, printers, etc.)

11 Sale of products manufactured in the cluster during 20..... -

	Particulars	Value of Sales (Rs. In Lakhs)
1	Retail sales through own sales outlets	
2	Whole Sales to Bulk buyers/Dealers	
3	Sales through Exhibitions	
4	Export	
5	Any other	

12 Skill Upgradation

(Please tick (✓) for Yes or No. Also give a brief clarification in the box below, if yes)

S.No	Particulars	Yes	No
1	Have the Employees/Artisans undergone skill upgradation training in last 2 years		

13 What Common/ Joint activities proposed by units involved in the cluster:

(Please brief of the joint activities organized creating common facilities, Skill upgradation trainings, setting up common marketing ventures for domestic as well as export market etc.)

S.No	Activities
1	
2	
3	
4	
5	

14 Whether the institutions in the cluster are willing to form a consortium to implement the joint action proposed:

(Please indicate Yes/No. If yes, the details thereof)

--

15 Likely scope for increase in Employment specially Women/ SC, ST, OBC etc.:

(Please indicate no. of employment in next 5 years)

Sr.No	Year	Scope for Total No. of employment	Total No. of employment will include		
			Women	SC, ST, OBC	Others
1	2011-12				
2	2012-13				
3	2013-14				
4	2014-15				
5	2015-16				

16 Whether the cluster can continue its activity without incentives like Govt. Subsidy etc. :

(Please brief the issue)

17 Analysis of common opportunities/threats in the cluster:

(Please brief on specific factors for its selection)

18 Basis for selection and recommending this cluster under SFURTI:

(Please brief on specific factors for its selection)

**AUTHORISED SIGNATORY
Name and Designation**

PROFORMA FOR USER MEMBER REGISTRATION
(Name of Cluster)

User Member Registration Form

(Common Facility Center (CFC) ofCoir Cluster)

1. Name of the Enterprise :
2. Address :
[Mobile: _____ E-mail: _____]
3. Contact person :
4. Udyog Aadhar number :
5. Whether registered with Coir Board : YES / NO (If yes, Regn. No. _____)
6. Whether enrolled under MSME Databank: YES / NO
7. Products manufactured :
8. Present infrastructure :
[No of Machines installed]
9. Production per day :

Terms and Conditions

1. The Common Facility Center (CFC) shall be used on User fee basis only.
2. The conversion of material at CFC will be carried out at the user fee prevailing at the time of usage and the user fee is liable to change from time to time.
3. The acceptance of material for conversion and delivery schedule shall be at the discretion of the management of CFC.

I/We abide by the terms and conditions for the utilization of Common facility center of Kangayam Coir Cluster Private Limited.

Place:

Date:

Signature with seal

(for office use only)

Registration No.: _____ Date: _____ Signature: _____

Remarks :

PROFORMA FOR CLUSTER WISE FUND UTILIZATION UNDER SFURTI PROGRAMME
(AS ON)

Name of Cluster :

(Rs. in lakhs)

Type of Install- ment	Funds received from Coir Board						Funds utilized			Balance funds in the joint account		
	SI cost	IA cost	Total	HI cost (Gol grant)	SPV share depo- sited	Total	SI cost	IA cost	HI cost	SI cost	IA cost	HI cost
1 st												
2 nd												
3 rd												
4 th												
5 th												

Signature of CDE

Counter signature of NAFO

Signature of Implementing Agency

Snapshot of DPR for consideration of SSC under SFURTI
(To be filled by Technical Agency)

Name of Nodal Agency_____

(Amount in Rs.lakh)

S.No.	Point	Details
1.	Name of the Cluster	
2.	Category of the Cluster	
3.	Address /Location with Distt. & State	
4.	Technical Agency	
5.	Implementing Agency	
6.	Total Project Cost	
7.	Assistance sought under SFURTI	
8.	Hard Intervention	
9.	Soft Intervention (limited upto 25 Lakh)	
10.	Cost of TA (maximum limited upto 8% of HI+SI)	
11.	Cost of IA including CDE salary (upto 20.00 Lakh)	
12.	Contribution of IA	
13.	Availability of Land: - Whether it belongs to I.A. or purchased or leased or transferred on lease or Purchased by SPV	
14.	Detailed break up of components of H.I. - CFC – Building + machinery + raw	

	material Bank etc.	
15.	Total No. of Artisans: Whether full details of Artisans viz. Data base with Aadhaar No. etc. etc. provided	
16.	Formation of SPV - formed or not	
17.	Identification of members in SPV including artisans.	
18.	Registration of SPV	
19.	Identification of focus products-list	
20.	Market linkage Own outlets/show room Other outlets say tie up with some organisation	
21.	Whether dedicated Bank Account has been opened by I.A.	
22.	Whether IA/SPV contribution has already been deposited in the Bank Account	
23.	Expected timelines of completion	
24.	Expected Outcome	
25.	Whether Thematic Intervention sought	
26.	Whether Raw Material Bank is planned	

Snapshot of DSR for consideration of SSC under SFURTI

(To be filled by Technical Agency)

Name of Nodal Agency_____

(Amount in Rs.lakh)

S.No.	Point	Details
1.	Name of the Cluster	
2.	Category of the Cluster	
3.	Address /Location with District & State	
4.	Technical Agency	
5.	Implementing Agency	
6.	Total Project Cost	
7.	Assistance sought under SFURTI	
8.	Hard Intervention	
9.	Soft Intervention (limited upto 25 Lakh)	
10.	Cost of TA (maximum limited upto 8% of HI+SI)	
11.	Cost of IA including CDE salary (upto 20.00 Lakh)	
12.	Contribution of IA	
13.	Availability of Land: - Whether it belongs to I.A. or purchased or leased or transferred on lease or Purchased by SPV	
14.	Detailed break up of components of H.I. - CFC – Building + machinery + raw	

	material Bank etc.	
15.	Total No. of Artisans:	
16.	Identification of focus products-list	
17.	Market linkage Own outlets/show room Other outlets say tie up with some organisation	
18.	Expected timelines of completion	
19.	Expected Outcome	
20.	Whether Thematic Intervention required	
21.	Whether Raw Material Bank is required	

Frequently Asked Questions (FAQ)

1. What is Coir?

Coir is generally referred to as “Golden Fibre”, which is a bye-product of coconut, extracted from the coconut husk.

2. What is the definition of “Traditional Industry”?

Broadly, “traditional industry” means an activity which produces marketable products, using locally available raw material and skills and indigenous technology. Traditional Industry Cluster, in the context of this document, refers to a geographical concentration of a sizable number of artisans or micro enterprises, suppliers of raw materials, traders, service providers, etc. producing, processing and servicing the same or similar types of products and facing common opportunities and threats.

3. What is a cluster?

Clusters are defined as “geographical concentrations of inter-connected enterprises and associated institutions that face common challenges and opportunities”. This definition highlights two essential features of clusters: they consist of a critical mass of enterprises located in geographical proximity to each other and enterprises within them share many common features.

4. What is SFURTI?

To make the traditional industries more productive and competitive and facilitating their sustainable development, the Govt. of India announced in 2005-06, setting up of a fund for regeneration of traditional industries. Pursuant to this announcement, a Central Sector Scheme titled the “Scheme of Fund for Regeneration of Traditional Industries (SFURTI)” was launched.

5. Why the SFURTI has been re-named as Revamped SFURTI?

Despite the success of the SFURTI scheme, an independent evaluation of the SFURTI clusters highlighted the need to improve the sustainability and competitiveness of these clusters. The recommendations include enhanced allocation per cluster, increased responsibility of the Technical Agencies (TAs), critical financial appraisal and development of robust business plans and convergence of programs at the cluster level. Therefore, the Revamped SFURTI framed accordingly which intensify the sustainability of the programme beyond the project period through creation of Special Purpose Vehicle (SPV) or deemed SPV. Further, the revamped guideline has added many new features for all round development of SFURTI clusters.

6. What are the objectives of Revamped SFURTI?

As per the Revamped SFURTI guidelines notified on 01/08/2014 by Government of India, the objectives are as under:

- i. To organize the traditional industries and artisans into clusters to make them competitive and provide support for their long term sustainability and economy of scale;
- ii. To provide sustained employment for traditional industry artisans and rural entrepreneurs;
- iii. To enhance marketability of products of such clusters by providing support for new products, design intervention and improved packaging and also the improvement of marketing infrastructure;
- iv. To equip traditional artisans of the associated clusters with the improved skills and capabilities through training and exposure visits;
- v. To make provision for common facilities and improved tools and equipments for artisans;
- vi. To strengthen the cluster governance systems with the active participation of the stakeholders, so that they are able to gauge the emerging challenges and opportunities and respond to them in a coherent manner;
- vii. To build up innovated and traditional skills, improved technologies, advanced processes, market intelligence and new models of public-private partnerships, so as to gradually replicate similar models of cluster-based regenerated traditional Industries.

7. What is the financial assistance allowed under Revamped SFURTI?

The financial assistance provided for Revamped SFURTI shall be as under in various categories:

Type of clusters	Per Cluster Budget Limit
Regular Clusters (upto 500 artisans)	Rs.2.50 crore
Major Clusters (more than 500 artisans)	Rs.5.00 crore

The cost of project shall include hard interventions and soft interventions. The project cost shall also include the cost of services of a professional TA and costs incurred by the IA for engaging a competent CDE and other administrative expenses to be incurred by the TA.

8. What is the duration of Project?

The time frame for implementation of project will be 3 years.

9. What the activities covered under Soft Intervention?

Soft Interventions under the project would consist of activities such as

- General Awareness, counseling, motivation and Trust building
- Skill development and Capacity Building

- Institutional development
- Exposure visits
- Market Promotion initiatives
- Design and Product Development
- Participation in seminars, workshops and training programmes on technology up-gradations, etc.

10. What the facilities covered under Hard Intervention?

Hard interventions will include creation of following facilities

- Creation of Common Facility Centres (CFCs)
- Raw Material Banks (RMBs)
- Up-gradation of Production Infrastructure
- Tools and Technological up-gradation such as Charkha up-gradation, tool-kits distribution, etc
- Warehousing Facility
- Training Centre
- Value addition and processing centre

Note: The assistance for raw material bank (RMB) shall be leveraged with financial institution for enhanced credit.

11. How much financial assistance (Government subsidy) is applicable and required own contribution by I.A.?

	Project Intervention	Scheme Funding	Financial Limit		IA Share
A	Cluster Interventions			Maximum Rs.5 crore per project (A+B+C)	
A1	Soft Interventions including skill trainings, capacity building, design development	100%	10% of the amount of Hard Intervention(HI) or Rs.25.00 lakhs, whichever is less		Nil
A2	Hard Interventions (HI) including CFCs, RMBs, training centres, etc. *	90%	-		10% of Hard Intervention as own contribution in cash.
B	Cost of TA	100%	8% of the amount of Hard Intervention (HI) or Rs.30.00 lakh, whichever is less		Nil

C	Cost [#] of IA/SPV including CDE	100%	8% of the amount of Hard Intervention(HI) or Rs.20.00 lakhs, whichever is less	Nil
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* 95%:5% in case of North Eastern Region (NER), J&K and hilly states.

This includes remuneration of Cluster Development Executive (CDE) and other expenses incidental for the entire 3 year project implementation.

12. Whether the cost of land is included in the project cost?

No. The cost of land will not be included in the total cost of Hard Intervention. A contribution of 10% in cash has to be provided by the Promoter to the Hard Intervention.

13. Who can play the role of Implementing Agencies (I.A.)?

Implementing Agencies(IAs) would be non-Governmental Organisations (NGOs), Institutions of the Central and State Governments and Semi-Government Institutions, field functionaries of State & Central Government Panchayati Raj Institutions (PRIs), etc suitable expertise to undertake cluster development. One IA may normally be assigned only one cluster (unless it is an agency with State-wide coverage). The selection of IAs, based on their regional reputation and experience of working at the grass-roots level, will be done by the Nodal Agencies (NAs), on the basis of transparent criteria.

Private sector participation shall also be encouraged for the implementation of the cluster projects. Corporate entities can also take up projects directly by forming cluster-specific SPVs. Corporates and Corporate Social Responsibility (CSR) foundations with expertise in cluster development will be encouraged to participate as IAs.

14. Can implementing agencies take up more than one traditional industry?

No. One IA may normally be assigned only one cluster (unless it is an agency with State-wide coverage).

15. Whether existing PMEGP units can take up the Revamped SFURTI as Implementing Agency?

No. Individual & Entrepreneurs of PMEGP beneficiaries are not eligible. However, the PMEGP units established by the NGOs can take up the Project under Revamped SFURTI if fulfill the criteria prescribed by N.A. as per the Revamped SFURTI guidelines.

16. Whether Educational/Academic/Training Institutions can play the role of Implementing Agency?

Educational/Academic/Training Institutions are eligible if fulfill the criteria prescribed by N.A. as per the Revamped SFURTI guidelines.

17. Who can play the role of Technical Agencies (T.A.)?

Established national/ regional level institutions, with proven expertise in artisanal and small enterprise cluster development shall be empanelled as Technical Agencies by Nodal Agency (N.A.) only can play the role of Technical Agency (T.A).

18. Whether formation of Special Purpose Vehicle (SPV) is mandatory? What is the purpose of SPV?

Yes. Formation of SPV is mandatory to seek the final approval for hard interventions by IA. The purpose of SPV will be to develop and sustain the cluster after the project implementation period is over. An SPV will be formed for each cluster which may be any of the following entities:

- a Society registered under Societies (Registration) Act, 1860;
- a Co-operative Society under an appropriate statute;
- a Producer Company under section 581C of Companies Act, 1956;
- a Section 25 Company under Companies Act, 1956;
- a Trust; or
- Any other legal entity, with the prior approval of SSC.

19. Whether artisans shall be the members of SPV?

Yes. At least 33% of artisans shall be members of SPV

20. What is the CFC?

Common Facility Centre (CFC) is one of the Components in Hard Intervention where which artisans/end users can utilize the machineries installed thereon and manufacture coir based value added products. CFC can also be used as a warehouse for storing and maintaining finished products.

21. Who will market the products produced by artisans?

Implementing Agency (IA) will support for marketing of the products produced by Artisans. IA may have its own Sales outlets also.

Glossary

- 1. CDE- Cluster Development Agent**
- 2. CDP- Cluster Development Programme**
- 3. CFC- Common Facility Centre**
- 4. M&E- Monitoring and Evaluation**
- 5. NAHQ- Nodal Agency Head Quarters**
- 6. NAFO- Nodal Agency Field Office**
- 7. IA- Implementing Agency**
- 8. SI- Support Institution**
- 9. SC/ST- Scheduled Caste/ Scheduled Tribe**
- 10. SSC- Scheme Steering Committee**
- 11. TA- Technical Agency**
- 12. UC- Utilization Certificate**
- 13. PMSBY-Pradhan Mantri Suraksha Bhima Yojana**

COIR

the fibre of life

SAVE NATURE... USE COIR

Coir.. the Strongest Natural Fibre



Coir Board

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