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Government of India

Ministry of Rural Development
Department of Rural Development
<https://rural.nic.in/>
(Rural Livelihoods Division)

7th Floor, NDCC-11 Building
Jai Singh Road, New Delhi
Dated the 19th April, 2024

To,
The SMD/ CEO SRLMs
All States/ UTs

Subject: Compendium of Scheme Guidelines, Advisories and MoUs with TSAs and NROs under Non-farm Livelihoods of DAY NRLM

Sir/ Madam,

Please find attached a compendium of Guidelines, Advisories and MoUs with TSAs and NROs under Non-farm Livelihoods of DAY NRLM. The same may be used as a ready reckoner for planning and implementation of any NFL activity under DAY NRLM. Hope you will find it handy and useful.

Please feel free to connect with me or any of the Non-Farm Team member at NMMU for any additional inputs/ support related to these programs.

Looking forward to focused, collaborative and innovative approaches under the NFL activities during FY 2024–25 and onwards.

Yours faithfully,


19/04/24
(Rajeshwari SM)

Director to Govt. of India

Encls. A/a

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- PPS to AS RL & PPS to JS RL I & II

Deendayal Antyodaya Yojana National Rural Livelihoods Mission

Non-farm Livelihoods

**Compendium of Scheme Guidelines, Advisories and
MoUs with TSAs and NROs.**



**Ministry of Rural Development
Government of India**

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About Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM) and Non-Farm Livelihoods Schemes

Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM) And Non-Farm Livelihoods Schemes

Backdrop

DAY-NRLM is a flagship poverty reduction program of the Ministry of Rural Development which was launched in June 2011. DAY-NRLM program of the Government of India is also one of the world's largest initiatives to improve the livelihoods of the poor. The Mission seeks to achieve its objective through investing in four core components viz., (a) social mobilization and promotion and strengthening of self-managed and financially sustainable community institutions of the rural poor; (b) financial inclusion of the rural poor; (c) sustainable livelihoods; and (d) social inclusion, social development and convergence.

Key Program Components

- i. **Institution building and Capacity building:** Promotion of community institutions and their capacity building is one of the core components of DAY-NRLM. The community institutions provide a collective platform for the rural poor to overcome poverty through access to financial, technical and marketing resources.
- ii. **Social Inclusion and Social Development (SI&SD):** The strategy adopted by DAY-NRLM for SI&SD is to increase awareness to adopt recommended practices through Social Behavior Change Communication (SBCC), create demand for services available under various Government schemes like the Swachh Bharat Mission, Poshan Abhiyan, schemes of M/o Health and Family Welfare etc. and multi-sectoral convergence with the stakeholders. Specific strategies for Food, Nutrition health and WASH (FNHW), Gender and PRI-CBO convergence have been developed and are being implemented across several states.
- iii. **Financial Inclusion:** DAY-NRLM facilitates universal access to the affordable cost-effective reliable financial services to the poor and has been instrumental in providing the last mile delivery of financial services in remote rural areas where people do not have much access to banking services, through promotion of digital finance and deployment of SHG Women as Banking Correspondent Sakhi (BC Sakhis), with the support of banks and Common Service Centres.
- iv. **Livelihoods**
 - a. **Farm Livelihoods:** Farm Livelihoods strategies under DAY-NRLM aim at empowerment of women farmers through adoption of Agro-Ecological Practices (AEP), better livestock management practices & scientific collection as well as cultivation of major NTFPs to support the women farmers in reduction of cost of cultivation, enhance productivity and better market access. The focus of the interventions is on training and capacity building, and promotion of agro-ecological practices as well as livestock practices to enhance crop and animal productivity

Specialized Farm Livelihood strategies include the following interventions-

- a) Value Chain Development Interventions
- b) Organic Farming
- c) Convergence and Partnership for Augmenting Farm Livelihoods

- d) Integrated Farming Cluster (IFC)
- e) Lakhpati Women Farmers

b. Non-Farm Livelihoods (NFL):

The focus under the non-farm livelihoods has been to facilitate the landless rural poor women taking-up possible livelihood activities and micro enterprises based on the potential of the area. The overall goal of NFL is being pursued through a set of interventions and sub-schemes which are briefed as below:

Start-up Village Entrepreneurship Programme

Start-up Village Entrepreneurship Programme (SVEP), a sub-scheme under the Deendayal Antyodaya Yojana-National Rural Livelihoods Mission (DAY-NRLM) programme supports the Self-Help Group (SHG) and their family members to set-up small enterprises in the non-farm sector.

It establishes a dedicated platform in the name of Block Resource Centre (BRC) at Block level to provide support for the promotion of individual entrepreneurship in the ratio of 75% new enterprises and 25% existing enterprises. Rs.6.5 crore is per block project cost including dedicated enterprise support fund @ 2.55 crores.

SVEP develops an eco-system for enterprise development in rural areas which includes – **(a)** Community Enterprise Fund (CEF), a dedicated fund for providing loans to entrepreneurs **(b)** Cadre of Community Resource Persons-Enterprise Promotion (CRP-EP) for providing Business Support Services **(c)** The services include identifying business ideas, preparation of business plans, providing trainings, accessing loans from banks, maintenance of accounts, marketing etc. **(D)** Dedicated center for providing information to entrepreneurs called Block Resource Centre (BRC) and **(E)** Trained human resources consisting of Block Programme Manager (BPM), Mentor and CRP-EP.

Micro Enterprise Development (MED)

Micro Enterprise Development (MED) is a component under the Start-up Village Entrepreneurship Programme (SVEP) sub-scheme of Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM). The MED scheme has the objective to support SHGs and their family member enterprises in the non-farm sector.

This scheme is planned in such a way that the necessary hand-holding and post enterprise grounding support to entrepreneurs shall be provided and financing part will be mobilized from CIF provided under NRLM and Banks/financial institutions.

One Stop Facility Centre (OSF)

OSF is envisaged as a business facilitation-cum-incubation centres at the sub-district level to provide business development services to existing nano-enterprises on a growth track.

One Stop Facility Centre is a business facilitation-cum-incubation centre at sub-block level (2 to 4 blocks in one OSF) to provide entrepreneurial support to business development services to existing nano-enterprises on a growth track having more than 3-8 lakhs turnover in different categories. Total outlay of an OSF is Rs. 3.57 crore per block including a dedicated enterprise support fund of Rs. 1 crore.

It also supports a few new enterprises that have the potential to grow. One district may support a maximum of two OSFs. The technical support provided by the OSF may include, but not limited to the following:

The non-negotiable support that has to be provided is:

- a. Business ideation for new enterprises and conceptualization for growth for existing enterprises
- b. Handholding support to initiate and grow businesses
- c. Business plan preparation
- d. Facilitating setting-up, running and growing an enterprise
- e. Entrepreneur training
- f. Market and business linkages
- g. Mentoring
- h. Facilitation support to access finance from formal institutions like banks

Clusters

The cluster development approach aims to combine efforts, leveraging synergies and pooling resources to increase competitive advantages while sharing market risks. The cluster of micro enterprises is defined as a geographic concentration of enterprises making the same or similar range of products (goods/services) and that are spread across a village or several villages in a block or a district, producing a similar range of goods / services and facing similar opportunities and challenges. It focuses on artisans and other rural businesses that can gain a competitive edge through a value chain approach, including the establishment of Producer Enterprises.

1. **Artisan Clusters:** This approach focuses on groups of individuals engaged in specific art, craft, weaving, or dyeing practices within a particular geographical area. Artisan clusters aim to promote and support traditional skills and craftsmanship, thereby fostering the economic opportunities.

2. **Sectoral Clusters:** In contrast, Sectoral clusters pertain to the concentration of businesses and activities within a particular industry or service sector in a given state. These clusters may include sectors such as food production, tourism services, or other service-based activities.

Incubators

Rural businesses in the manufacturing and services sectors, led by Self-Help Group (SHG) women, which have achieved higher turnovers, often requires advanced technical services and mentoring to further expand their operations. Incubator is to promote large entrepreneurs engaged in services and manufacturing having more than 12 lakhs with the

support renowned technical agencies by providing grant and soft loan. As part of the Non-farm livelihood initiative, this distinct program called 'Supporting Growth-Oriented Micro Enterprises through Incubator' is implemented in four states: Assam, Bihar, West Bengal, in collaboration with IIMCIP, and Karnataka, in partnership with IIMB NSRCEL.

Aajeevika Grammen Express Yojana (AGEY)

The main objectives of AGEY are:

(i) To provide an alternative source of livelihoods to members of SHGs under DAY-NRLM by facilitating them to operate public transport services in backward rural areas, as identified by the States/UTs.

(ii) To provide safe, affordable and community monitored rural transport services to connect remote villages with key services and amenities (including access to markets, education and health) for the overall economic development of the area by making use of the supports available within the framework of DAY-NRLM.

Pradhan Mantri Formalisation of Micro food processing Enterprises (PMFME)

The Ministry of Food Processing Industry (MoFPI) is implementing the Prime Minister Formalisation of Micro food processing Enterprises (PM FME) scheme under the Aatma Nirbhar Bharat Abhiyan with the aim to enhance the competitiveness of existing individual micro-enterprises in the unorganized segment of the food processing industry and promote formalization of the sector. The scheme is for the period 2020-21 to 2024-25 and has a total outlay of INR 10,000 crores. PMFME has a special focus on supporting Farmer Producer Organizations (FPOs), Self Help Groups (SHGs) and Producers Cooperatives along their entire value chain. The various components of the scheme are

- a. Seed capital @ Rs. 40,000/- per SHG member for working capital and purchase of small tools
- b. Support to food processing enterprises through credit-linked capital subsidy@35% of the eligible project cost with a maximum ceiling of Rs.10 lakh per unit
- c. Credit linked grant of 35% for capital investment to FPOs/ SHGs/ producer cooperatives.
- d. Support for marketing & branding to micro enterprises

MoFPI and MoRD are working together to ensure that SHG members are able to avail the benefits of the scheme, especially in the component to support SHGs. The State Rural Livelihood Missions (SRLMs) under DAY-NRLM and the designated State Nodal Agency (SNA) appointed by MOFPI for this scheme are working closely in the implementation in the States/UTs.

The seed capital component provides SHG members who are already involved in food processing units up to INR 40,000 for working capital and purchase of small tools. The scheme also provides funds for seasonal enterprises. The money is provided to the Community Based Organizations (CBOs) under DAY-NRLM as a grant and in turn provided to the SHG members as a loan. The maximum interest rate that can be charged is 6% per annum. The repaid loans will be in the corpus of the SHG networks. The total number of SHG members that can be

supported is 2,00,000 during the project duration. The total allocation is Rs 800 crores for the component.

DAY- NRLM has developed a dedicated module under its MIS for developing proposals at block level and review and recommendations at State level. State Nodal Agency (SNA) has been designated by MoFPI in each state which is accessing the proposals and is providing funds to respective SRLM for further disbursements to respective beneficiary through its existing CBO channel.

The detailed guidelines of the schemes being implemented under the NFL component and the MoUs executed with various partners/ Technical Support Agencies and National Resource Organizations to help achieve objective of DAY NRLM are enclosed with this document.

Guidelines for all schemes under Non-Farm Livelihoods component of DAY NRLM

Master Circular for Start-up Village Entrepreneurship
Programme (SVEP)
22/11/2022

File No: S-11051/26/2015/NRLM(SVEP)/PartII (345490)
Government of India
Ministry of Rural Development
Department of Rural Development
<https://rural.nic.in>
(Rural Livelihoods Division)

7th Floor, NDCC – II Building,
Jai Singh Road,
New Delhi – 110001

Dated the 22nd November, 2022

To
The SMD/CEO, SRLMs
All the State/UTs

Sub: Master Circular for Start –up Village Entrepreneurship Programme (SVEP).

Madam/Sir,

I am directed to share the updated Master Circular for Start –up Village Entrepreneurship Programme (SVEP), a sub scheme of Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM). This circular should be implemented with immediate effect.

ALL DPRs approved under SVEP, till 22nd November, 2022, shall follow the earlier Master Circular.

This master circular issues with the approval of Secretary (RD).

Yours faithfully,


(Raghvendra Pratap Singh)
Director (RL)
Ph. 011-23438102

Encls:A/a

Copy to
1. All NROs,
2. All State anchors

Master circular for the Start-Up Village Entrepreneurship Programme

**A sub-scheme under National Rural Livelihoods Mission,
Ministry of Rural Development
(Government of India)**

This master circular subsumes and overrides all the guidelines, FAQ's and circulars issued for the Start-Up Village Entrepreneurship Programme till date – 22nd November 2022.

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Chapter I

Background

In India, more than 90% of the working population is engaged in the unorganized sector. In the case of rural areas, a large section is self-employed and agriculture has served as one of the major sources of income for villages. However, agriculture comes with many uncertainties and is not an income source for landless households. It has been experienced that, poor families require 3-4 different income sources to get out of poverty. Amongst these the non-farm livelihoods, skill based work and small enterprises are important sources of income.

It has been realized that in the absence of adequate business skills like understanding of market, domain knowledge, accounting, costing skills and lack of financial support, these micro/nano enterprises struggle to survive and often either fail or become stagnant generating sub optimal incomes. The plight increases in case of the poor as they do not have linkages with financial institutions.

In order to solve this problem and to provide support to small enterprises and skill based workers, both in terms of training and credit support, in the Budget session of 2014-15 on July 10th, 2014 the Honorable Finance Minister initiated the idea of Start-up village entrepreneurship programme. As stated, "I also propose to set up a "Start-up Village Entrepreneurship Programme" for encouraging rural youth to take up local entrepreneurship programs. I am providing an initial sum of Rs. 100 crore for this."

In the 8 years since then, SVEP has been rolled out in 29 states and the impact of the initial pilots has been found to be good.

Nature and status of Rural Self – Employment: A statistical perspective

- i. Almost half of the rural youth are self-employed¹. Cumulatively, 53% of the rural male and 55.8% of the rural female in the age group of 15-59 years are Self-employed.
- ii. The unemployment rate among rural males in India is 8.02% and 6.05% among rural females. (NSSO 2011).
- iii. Rural livelihoods are not only agriculture based. The number of households that depend on rural non-farm employment (RNFE) as their primary source of income has increased from nearly 32% in 1993–94 to over 42% in 2009–10 (NSSO 2011), but still a huge 58% households are dependent on agriculture as their primary source of income.
- iv. The employment related reasons figure the highest behind migration from rural to urban areas. The migration rate per 1000 persons in rural areas is 26.

¹Self Employed workers include individuals working in household enterprises as own-account workers, in household enterprises as employers; and in household enterprises as helper as well etc.

- v. Micro Enterprises² constitute a significant proportion i.e. (99.8%) of the existing unregistered³enterprises in the country. Currently the Rural Micro Enterprises employ 232.95 lakhs people in 119.60 Lakh units.
- vi. 93.94% (112.36 lakhs) of the rural micro enterprises have an investment up to Rs. 1 Lakh and below.
- vii. 67% (71.7 lakhs) of the rural micro enterprises have an investment below Rs 25,000.
- viii. Altogether, 202.86 Lakh persons are employed in Rural Micro Enterprises with investment up to Rs 1 Lakh and below. (Average Employment is 1.80 per unit).
- ix. Rural Micro Enterprises with Investment size below Rs 25,000 employ 132.42 Lakh people.(Average employment per unit is 1.65).
- x. Manufacturing sector constitutes 61.4%; Services account for 33.8% while Repair and maintenance 4.7% of the total number of rural micro enterprises.
- xi. 10.4% enterprises are owned by women in rural areas whereas 12.46%, 6.9%, and 45.07% enterprises are found to be owned by SC, ST and OBC in rural areas respectively.

Some of the field based observations on rural micro enterprises:

- a. The enterprises of the poor often seem more a way to buy a job (Necessity Entrepreneurship) when a more conventional employment opportunity is not available. Many of the businesses are run because someone in the family has (or is believed to have) some time on hand and every little bit helps. This person is often a woman, and she typically does it in addition to her housework. These enterprises are one of the multiple livelihoods of the poor.
- b. However, very few individuals from the Poorest of the Poor segment manage to start their own enterprise. This is due to issues such as lack of access to skills and finance.

²MSME survey for unregistered enterprises [Fourth census] has been considered for reference.

³Most of the Micro Enterprises in India are not registered. As the number of micro enterprises with investment of up to Rs 1 Lakh and below are significant, the analysis of various other economic variables has been restricted to these kind of enterprises alone.

Chapter II

Objectives and expected outcomes

1. Vision and Scope

To help the rural poor come out of poverty by helping them set up enterprises and provide support till the enterprises stabilize. To provide them with business skills, exposure, loans for starting and business support during the first critical twelve months of the enterprises by using the NRLM SHGs and their federations. This skills shall be imparted by local youth (called Community Resource Persons – Enterprise Promotion – CRP-EPs) who shall be trained in business set up, management, monitoring and support using ICT and audio-visual aids. These local CRP-EPs shall also provide support to the enterprises for setting up and stabilising.

The SVEP shall benefit the households and communities even beyond the financial gains it provides. It shall help rural people specially the marginalized sections, women, and SC and ST communities to gain a sense of dignity and self-reliance leading to great social changes. Similarly, the wealth generated in the local economy shall have a multiplier effect resulting in strengthening the local economy and reduction in distress migration. People engaged in a range of enterprises shall create further employment and improve the market. It shall also encourage new age enterprises in ICT/infotainment. It shall promote enterprises in the field of sanitation, drinking water, renewable energy etc. This shall offer more economic opportunities for the rural areas and bring people out of poverty. Innovations offered by the outcome of the challenges organized by the NRLM and the SRLMs shall also be scaled up/ offered to the enterprises under SVEP. Local innovations shall also be encouraged, to ensure that at least a percentage of the SVEP enterprises are able to scale up and mature into organisations with a larger turnover and market access outside the block.

2. Objectives of SVEP

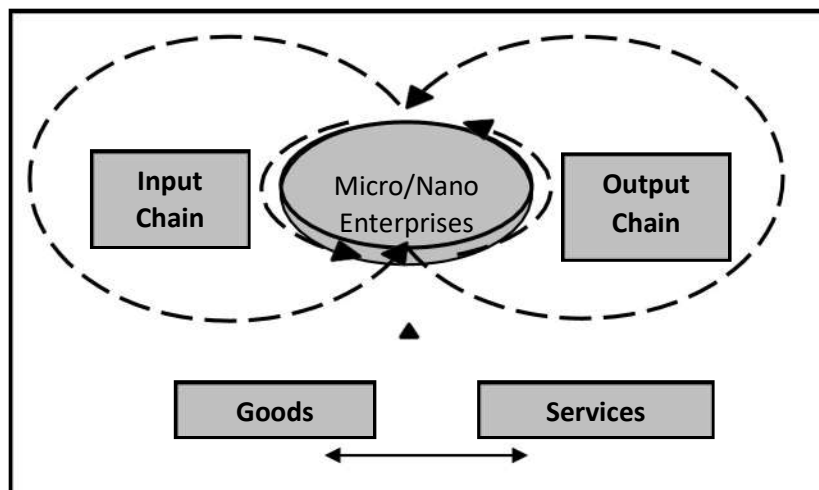
The overall objective of SVEP is to implement the Government's efforts to stimulate economic growth and reduce poverty and unemployment in the villages by helping start and support rural enterprises.

The key objectives of SVEP are:

- a. To enable rural poor to set up their enterprises, by developing a sustainable model for Village Entrepreneurship promotion through support from a dedicated community cadre called CRP-EPs trained using integrated ICT techniques and tools for training and capacity building, enterprise advisory services and to provide loans from banks/SHG & federations.
- b. Develop local resources by training a pool of village level community cadre (CRP-EP) and build the capacity of the NRLM and SHG federations to monitor and direct the work of the CRP-EPs.

- c. Help the rural entrepreneurs to access finance for starting and growing their enterprises from the NRLM SHG and federations, as well as from the formal financial channels including the banks.

The SVEP should also work with the input and output supply chains for farm produce, artisanal products and other goods & services to help increase rural incomes. Minimum 18% of the enterprises supported under SVEP should be enterprises in the manufacturing sector focusing on value chains and / or in utilizing the enterprise opportunities offered by government schemes.



3. Key Deliverables and Features

Apart from the outcomes and overall development SVEP is expected to have the following deliverables:

The total budget outlay for the program per block is Rs. 6.50 crores with a unit cost of Rs. 27,083 per enterprise

- i. The programme should converge with the existing schemes of other ministries such as MSME, Ministry of Textiles, etc. The modalities for convergence shall be decided in consultation with the concerned ministries to avoid overlap.
- ii. The blocks in North Eastern states shall be given adequate priority in implementation.
- iii. The programme shall provide a specific segment for entrepreneurial support to rural youth in non-intensive blocks in convergence with the programmes of other departments. The knowledge products and ICT support of the programme should be made available to rural youth outside the SHG fold.
- iv. While selecting entrepreneurs under SVEP, priority shall be given to the highly vulnerable beneficiaries under MGNREGA.
- v. Backward and forward linkages for farm livelihoods would be supported under the programme.

- vi. The programme should encourage enterprises of rural artisans.
- vii. The programme should ensure convergence with clusters identified under RURBAN mission.
- viii. Innovative Enterprises in the field of IT/infotainment and other similar newly emerging enterprise opportunities should be encouraged under the program.
- ix. Under this program there should be targeted attempts for enhancing credit limits for successful entrepreneurs from banks.
- x. The program should track and report progress of the number of households under this program of NRLM, through the process of upgrading of skills and creating opportunities of employment.
- xi. The program should conduct a baseline and micro-plan for each block and accordingly measure and report progress for the number of enterprises supported.
- xii. Separate books of accounts for the CEF released under SVEP should be maintained and audited regularly by a Chartered Accountant – which shall be one of the basis of measurement of the progress of the program.
- xiii. NRLM shall take adequate steps towards supporting development of appropriate technology and innovations especially for promoting enterprises in the field of sanitation, drinking water, renewable energy etc.

Selection of blocks under SVEP :

The states can select only those blocks for the implementation on the SVEP which meet the following criteria :

| <u>Non negotiables - State readiness to implement SVEP in a time bound manner</u> | | | | |
|--|---|--|-----------|---------------------------|
| | | Min eligibility criteria | | |
| Sno | | All states other than NE and Hill/Small states | NE states | Hill/ small states & UT's |
| N-1a | Manpower at the state - Dedicated non-farm SPM-1, PM-1 and YP-1 at the state (> 6 blocks) | Yes | Yes | Yes |
| N-1b | Manpower at the state - Dedicated non-farm SPM-1, PM -1at the state (3 to 6 blocks) | Yes | Yes | Yes |
| N-1c | Manpower at the state - Dedicated non-farm PM -1 at the state (< 3 blocks) | Yes | Yes | Yes |
| N-2 | Manpower in the district for block where the SVEP is applied for- Dedicated DPM in place | Yes | Yes | Yes |
| N-3 | Manpower in the block for the block where the SVEP is applied for - Dedicated BPM in place | Yes | Yes | Yes |
| N-4 | Dedicated BPM(SVEP) already placed in all the existing SVEP blocks in minimum % blocks | 75% | 65% | 65% |
| N-5 | MOU with PIA / NRO for training of CRP-EPs and/or for SVEP implementation (The MOU shall be applicable from the date of the minutes approval of the AAP by the EC of the MoRD)-in cases where the state PMU is not implementing SVEP. | Yes | Yes | Yes |

| | | | | |
|------|---|----------------------------------|------------|---------------------------|
| | <u>Preference would be given to the states who've achieved the following (State effectiveness in implementation)</u> | | | |
| P-1 | States which have released more than 50% of the eligible CEF to the Nodal CBO within 3 months of the funds being disbursed by the centre - in the existing blocks where SVEP is being implemented | | | |
| P-2 | States which have CRP-EPs in the ratio of 1 CRP-EP for 50 enterprises in the existing blocks where SVEP is being implemented | | | |
| | | | | |
| | | Minimum Eligibility Criteria | | |
| Sno | <u>Criteria for the Appropriateness of the block for SVEP implementation</u> | All states other than Spl states | NE states | Hill/ small states & UT's |
| B-1 | Minimum saturation of HH in SHG in the block before taking up SVEP as % of SECC deprived HH in the blocks where SECC and NRLM database matched | 80% | 60% | 60% |
| B-1a | Commitment to complete saturation of block within "X" years ** | 1 | 2 | 2 |
| B-2 | Minimum Villages entered with SHG mobilisation in the block | 90% | 90% | 90% |
| B-3 | Is there a CLF or GPLF/VO in the block proposed ? (as applicable) | CLF | VO | VO |
| B-4 | Minimum years of federation of SHGs into BLF or CLF/VO or GPLF in the block before taking up SVEP (as applicable) | 1 | 1 | 1 |
| B-5 | Minimum RF disbursed as % of eligible SHGs in the block before taking up SVEP | 75% | 75% | 75% |
| B-6 | Minimum CIF disbursed as % of eligible SHGs in the block before taking up SVEP (eligible SHGs are 50% of the SHGs in the block) | 50% | 50% | 50% |
| B-7 | Minimum amount of CIF disbursed to the identified Nodal CLF | Rs.50 lakh | Rs.50 lakh | Rs.50 lakh |
| B-8 | Minimum achievement of SHG bank linkage in the block before taking up SVEP | 60% | 50% | 50% |
| B-9 | NPAs of the SHGs in the bank linkage portal (should be max 5%) | 5% | 5% | 5% |
| B-9a | Minimum no. of SHG members in a block (merged block) for taking up SVEP ** | 9,000 | 4,500 | 4,500 |

** Non-essential criteria in a block (merged block) for taking up SVEP submission of the list of blocks for implementation of the SVEP to NRLM for approval

The blocks in the state which meet the following minimum criteria :

All the Non-negotiable criteria (N1 to N5) have to be met by the states while proposing new blocks for implementation of the SVEP.

The states may apply for those blocks which meet any 6 out of the 9 essential criteria mentioned above for SVEP implementation (Any of the 6 criteria out of the essential criteria nos. B1 to B9 mentioned above, excluding criteria numbers, B1a and B9a).

This criteria shall be increased every year based on the progress and maturity of the NRLM intervention in the states.

The list of Hill states and small states based on the progress and maturity of the NRLM in the states are J&K, Uttarakhand , Himachal Pradesh and Goa.

Selection of Beneficiary under SVEP:

There are 2 types of beneficiaries under SVEP

- a. The Community Resource Person –Enterprise Promotion (CRP-EP)
- b. The entrepreneur

- a. Selection criteria for the CRP-EP beneficiary

The CRP-EP shall be getting detailed training and the eligibility criteria for selection of the CRP-EP shall be decided jointly between the PIA and the SRLM. Some suggested criteria are – this person should be literate, should be fluent in the local language, ideally should be a resident of the block, should have a working knowledge of / aptitude for mathematics and business understanding, should be willing to travel and interact with potential entrepreneurs. 90% of all CRP-EPs should be a member of, or should be from the family of a member of a SHG. The age criteria can be defined by the SRLM, but ideally should be between 18 to 45 years old. Minimum 60% of the CRP-EPs must be women.

The process of applying for becoming a CRP-EP is an open process by which any person meeting the base eligibility criteria can apply.

This CRP-EP shall be selected after a due process of selection, which has a written test and some team activities. This CRP-EP post training is expected to clear a certification process, only after which he/she shall be eligible to operate as a CRP-EP.

The SRLM should select adequate number of CRP-EPs to ensure that even after attrition of approximately 30% there are adequate number of CRP-EPs in the block. No CRP-EP should have more than 30 active enterprises being supported by him/ her at any point of time.

b. Selection criteria for the entrepreneur beneficiary

There shall be 2 stages of the selection of the entrepreneur beneficiary –

1st stage

- i. When the potential entrepreneur expresses interest for starting an enterprise
- ii. At this point of time the beneficiary gets only training and support.

This beneficiary selection may be done by the community based organization, based on the need and poverty of the person, and also the potential capability of the person to run an enterprise.

There is no age limit nor is the beneficiary expected to be a woman only. However minimum 60% of the entrepreneurs supported under SVEP must be women.

2nd stage

- i. Post the training and completing the viability test by the potential entrepreneur; the potential entrepreneur may seek a loan from the dedicated CEF under this scheme (applicable only for entrepreneurbeneficiaries who are part of the SHG eco-system).
- ii. This loan shall be recommended by the CRP-EP based on the assessment of the viability of the enterprise and the potential entrepreneur's ability to run the enterprise viably.

Both the selection decisions are to be taken by the community based organizations, after evaluating the recommendation of the Community Resource Person – Enterprise Promotion, about the viability of the proposed enterprise andthe capability and readiness of the potential entrepreneur for running the enterprise viably.

The following inclusion criteria must be met while selecting entrepreneur beneficiaries under SVEP:

1. Minimum 60% of the entrepreneur beneficiaries must be women
2. Minimum 3% of the entrepreneur beneficiaries must be specially abled subject to the availability of specially abled members in the SHGs of the block
3. Representation of SC/ST/minority entrepreneurs to be higher than their proportion in the population of the block as per census.
4. Preference should be given to the highly vulnerable beneficiaries under MGNREGA and marginalized sections, and should also include rural artisans.

There is no provision of grant under the scheme, the only benefit the beneficiary shall get are training and an interest bearing loan for starting/running the business.

| Heads | Unit cost / enterprise | Total amount per block |
|---|------------------------|------------------------|
| Total skilling cost | ₹ 13,043 | ₹ 31,302,490 |
| Total CEF | ₹ 10,625 | ₹ 25,500,000 |
| Total Manpower cost | ₹ 2,244 | ₹ 5,386,395 |
| Total Admin cost | ₹ 1,171 | ₹ 2,811,115 |
| Total cost / block (max. assuming 2400 ent) | ₹ 27,083 | ₹ 65,000,000 |
| | | |
| Fixed cost | ₹ 17,602 | ₹ 42,244,160 |
| Variable cost | ₹ 9,482 | ₹ 22,755,840 |
| Fixed cost % | 65% | 65% |
| Variable cost % | 35% | 35% |

The budget for SVEP has been estimated per enterprise per block. For the budgeting process of the AAP, we need to assume Rs.27, 083 per enterprise and 2400 enterprises per block. The total budget per block is Rs.6.5 crores (Rupees Six crores fifty lakh only) per block. The final budget for a block shall be arrived at after the DSR has been prepared for the block as detailed later.

After the block selected by the state, meeting the block selection criteria has been approved by MoRD, as part of the AAP, the state is expected to make a baseline and Detailed Project Proposal (DPR) for the block. Based on the data collected as part of this exercise, the final number of viable enterprises that can be supported in the block shall be established. The budget for doing the baseline and DPR shall not exceed Rs. 10 lakh per block. The enterprise census for the baseline should be done using CRP-EPs and the CRP-EPs must be selected and 1st stage of training completed before they embark on the baseline activity.

Each CRP-EP must own a smart phone of capacity as defined by the NMMU, so that the SVEP app can work on the smartphone. In case they don't own a smart phone, the CRP-EPs may be provided an interest bearing loan from the BRC funds / CEF and the same must be repaid by the CRP-EPs in a maximum of 15 EMI's.

Since, the number of enterprises that can be supported in a block is determined by the number of villages and the enterprise potential in the block (a blend of rural population of the block, average purchasing power of the rural residents of the block, the existing level of completion, etc.), the number of enterprise supported may vary from block to block as per the outcome of the baseline study. The scheme envisages support to maximum of 2400 enterprises per block over a period of four years.

To ensure that there is adequate learning from the enterprises supported under SVEP, the states may support existing SHG member enterprises (based on the enterprise selection criteria mentioned above) Support to existing enterprises can be a maximum of 25% of the target enterprises per block. The type of existing enterprises for support must be in proportion to the enterprises planned to be supported under SVEP as established by the demand –supply gap working as part of the DPR, with a minimum number of 2 enterprises of each type to be supported.

Also during the SVEP implementation, the state must build learning's of supporting scalable enterprises – mostly manufacturing and group enterprises, hence minimum 18% of the enterprises supported under the SVEP should be manufacturing enterprises, including those that can converge with or are based on sub sectors, value chain and government schemes.

Group enterprises are more scalable than individual enterprises hence the SRLMs should focus on supporting group enterprises. The states should endeavour to support at-least 5 percent of the enterprises under SVEP as group enterprises.

To ensure adequate focus on the manufacturing enterprises, the DPR must have year wise targets for supporting manufacturing and group enterprises which should begin from the 1st year onwards.

A group enterprise may be defined as an enterprise having a minimum of 3 members of the group and a maximum of 20 members, if the same is an unregistered body. If the group has more than 20 members then the group has to be formalized either as a co-operative or a society or a company or any other legal entity as per the prevailing laws in India.

A minimum of 10% of the enterprises supported under SVEP should be linked to formal financial institutions for loans. The FI team of the SRLM and NRLM shall actively work with the non-farm team to ensure that enterprise loans are facilitated from formal banking institutions.

To ensure that each SVEP block focuses on scalable enterprises, each block should have a minimum of

- a) 3% of the total enterprises supported by SVEP in the block with annual sales turnover of more than 12 lakhs *.
- b) Minimum 10 enterprises supported by SVEP in the block should have annual sales turnover of more than 24 lakhs *.
- c) Minimum 3 enterprises supported by SVEP in the block should have annual sales turnover of more

than 36 lakhs*.

- * The sales turnover defined in these guidelines may be adjusted upwards to neutralize inflation @ 5% per annum from the year of issue of these guidelines. Also the targets are suggestive targets, the states may modify the minimum turnover criteria based on the output of the DPR.

Innovation is an important feature of entrepreneurship. The SRLM's should focus on selecting and supporting a few innovative enterprises under SVEP. Help may be sought in convergence with other ministries working with innovative enterprises to foster innovation in the SVEP enterprises as well. The innovation may be in either a product or a service that the enterprise delivers to its customers.

In order to minimize the risk of the lenders and to inculcate the habit of risk mitigation among the entrepreneurs all the entrepreneurs should be insured for the life to the minimum extent of the loan taken for the enterprise. Also all the assets of the enterprise should also be insured for loss by theft, fire and natural calamity. This risk mitigation should be ensured by the PIA and the BRC members and the cost of insurance must be included as a cost in the business plan.

Apart from these costs per enterprise, there is also a provision for innovations and value chain studies and centralized support to the SRLM's and PIA, in the form of standardized training content, software for baseline, monitoring and enterprise support etc. This amount shall be retained in the NRLM centrally for providing common services to the States. Any of the above activities (software, ICT tools, training content, certification process, etc.) done by any PIA/NRO for supporting the implementation of the program shall be made available to all, in public domain, by MoRD for use by any SRLM/PIA.

Seminars & Workshops: NMMU would organize Central/Regional/State level workshops to familiarize the States with the SVEP guidelines/ implementation protocols /review progress and also to share learning's, best practices and challenges. The NMMU would also organize hackathons to connect with innovations which can help the SVEP enterprises scale up – both in terms of sales turnover and profits.

In case the number of enterprises that can be supported change after doing the baseline and market potential studies, the budget for the block may be revised downwards at the time of submitting the DPR. The calculation of the working of the budget for the block based on the number of enterprises to be supported under SVEP, arrived at as a result of the baseline and market potential study, would be based on the fixed and variable costs per enterprise, as detailed in annexure 2.

Chapter III

Programme Structure and Management

NRLM Strategy and Start-up Village Entrepreneurship Program

The NRLM SHG's and federations are a critical pre-requisite for the implementation of the SVEP project. These community based institutions provide help in the identification of the potential entrepreneurs and the Community Resource Persons (CRP-EP)s, help in doing the due diligence for their credit worthiness and also monitor the work of the Community Resource Persons (CRP-EP's). Post the starting of the enterprise and providing credit to it, the community based institutions also monitor the progress of the enterprise and its repayment along with the CRP-EP.

Key Elements of the programme

- i. Create a Block Resource Centre – Enterprise Promotion (BRC-EP); The BRC should act as a nodal centre to implement SVEP. Block Level Federation (BLF) to come up under NRLM shall be the institutional platform for BRC. Typically the BRC shall be the livelihood sub-committee of the BLF or in its absence, of the Nodal CLF
- ii. Cluster Level Federation (CLF) /VO's shall hold the entity till BLF comes into existence. BRC should follow a self -sustaining revenue model. The self – sustenance shall come from a mix of the interest earned from the CEF and also from the service fees earned by the CBO from the services provided to the entrepreneurs through the CRP-EPS.
- iii. BRC to be assisted by CRP-EP and the Bank Coordination System (Bank Mitra). BRC shall be the repository of resource and reference material including videos, manuals etc.
- iv. Help enterprises get bank finance using the app based software for making the business feasibility plan, doing credit appraisal and tracking business performance.
- v. Use the Community Investment Fund (CIF)/ Community Enterprise Fund (CEF) / SHG bank linkage funds or a mix of all three to provide seed capital for starting the business till it reaches a size where bank finance is needed or till the bank finance can be arranged.
- vi. Implementation of SVEP shall be managed by NRLM through the State Rural Livelihood Missions.

How can states apply for the SVEP

The states can apply for the SVEP as part of their Annual Action Plans. In case they wish to apply for the SVEP in the middle of the financial year, they may submit a Supplementary Annual Action Plan in the defined format (Annexure 6) to the JS (RL).

The blocks meeting the block selection criteria may be sent by the state to the NRLM for support under SVEP as part of the AAP or the Supplementary APP as the case may be.

Any state applying to SVEP for the first time, can apply for a maximum of 2 blocks while making the first application for SVEP in the AAP route.

States which have implemented SVEP in more than 10 blocks shall have to implement the SVEP through a Project Management Unit (PMU) set up within the SRLM's non-farm livelihoods team.

States/ UT which have spent less than Rs. 4.5 crores in implementing NRLM in the previous financial year would be sanctioned only 1 block. This is because the funds that will be released for SVEP (including state share) in the 1st full year of program implementation would be around Rs.4.5 crores.

States/UTs which have not spent this amount in the entire NRLM would not have the required processes and maturity at both the state and the Community based organizations to handle funds of this quantum. Hence, the program sanction and fund release should be commensurate with the demonstrated experience of the state SRLM of handling program funds.

These limitations have been kept to ensure that an equitable distribution of the limited funds available is made to the states and also to ensure that the program is implemented effectively.

The limitation on the number of blocks which a state can apply for can be waived off with the approval of the Secretary (RD).

Three routes for implementation shall be followed:

- a. **NRO route** – National Resource Organizations (NRO) recognized by NRLM that have entered into partnerships with SRLMs for taking up pilot enterprise development initiatives to implemented SVEP in select areas. The NROs under SVEP shall be Kudumbashree (Kerala State Poverty Eradication Mission) NRO, EDII (Entrepreneurship Development Institute, India) NRO and the NAR (National Academy of RUDSETI) NRO, NIESBUD, NIMSME and IIE - Guwahati.

The states may choose any one of the designated NROs for the implementation of the pilot phase based on their comfort of working with the NRO and their estimation of the ability of the NRO to deliver results on the ground. The NRLM does not define any criteria for the states for the selection of the NRO.

Steps would be taken to identify more such best practitioners and recognize these organizations as NROs across the country by the NRLM.

- b. **PIA route** – SRLMs should identify Project Implementation Agencies (PIAs) from among qualified non-governmental organizations, civil society organizations, technical institutions, and community based organizations etc., to take up

implementation in select areas. Selection of PIA shall be done in an objective and transparent manner, following process prescribed by NRLM.

The SRLM may select a PIA from among the finalists of the Innovation forums held by the states and who have been notified by the Ministry of Rural Development. The Ministry of Rural Development is also in the process of shortlisting and empanelling organisations for implementing SVEP in the states. The states may also select PIA's from this list.

The SRLM may also select a PIA based on the following criteria and get the same approved from the appropriate authority at the state level after conducting a desk and field appraisal of the PIA.

A. Suggestive Minimum Essential qualification required in the potential partner (the state can add to this list, but cannot reduce from the list):

1. PIA should be registered, non- political and secular in nature and should be registered on NGO Darpan of the Niti Aayog.
2. PIA should not be black listed by any government department.
3. The PIA should have at least 2 years of relevant experience of implementing enterprise - promotion related livelihood activities, with the poor, especially in the state for which it is being proposed. The PIA should also have experience in promoting enterprises in the non-farm sector. Experience of working with community participation, in the rural areas, where the PIAs propose to work, under SVEP, would be an advantage.
4. The PIA should have minimum annual turnover of Rs.200 lakhs in the past two years [as evidenced in the past two years audited financial statements].
5. The PIA should have supported at least 500 enterprises / or members of producer groups in the last 2 years.
6. The PIA should have transparency in financial matters, material handling, benefit sharing and fulfillment of legal compliances and should have processes and people in place to ensure the same.
7. The PIA should have adequate infrastructure and human resources with respect to the proposed project and should be willing to provide the undertaking for continuing working in the area for the project duration.

B. Preferred qualities in the PIA:

1. PIA should have domain knowledge of and experience in community mobilization, SHG and Microfinance, Livelihoods Enhancement, market linkages etc.
2. Should have experience in forward and backward linkages in NTFP, artisanal products and other rural produce.
3. The PIA should preferably have worked with the state government in any other project and successfully completed the same in the last 3 years.

C. Suggestive List of documents that applicant PIA need to submit along with application:

1. Application
2. Copy of the registration certificate
3. Copy of the certificate from the IT department recognizing the PIA as a not for profit organization
4. Copy of the audit statement of PIA for last two years
5. Copy of the annual report of PIA for last two years
6. Affidavit that PIA is not currently black listed by any government department or agency
7. Complete information about its work –
 - a. Basic information: Name of the organization, its full postal address, email ids and landline and mobile telephone numbers.
 - b. Profile of Project Proposer- names of the head of the organization and project-coordinator, their background, academic qualifications, experience, previous responsibilities held, duration in present organization and nature of duties handled.
 - c. If the organization is a part of or sister concern of a larger entity, details may be given for the same.
 - d. Details of specialization of the organization, its primary activities, projects handled and duration of exposure to the subject. The total project size handled so far may be given.
 - e. Similar work handled in the past along with its size should be clearly mentioned.
 - f. Evaluation/Completion /Impact assessment reports of their past projects – completed in the last 2 years.
 - g. Any Rewards or recognition received in the last 2 years.

The process followed by the state for selecting the PIA (including details of desk and field appraisal conducted by the state), along with the approval of the appropriate authority at the state level may please be submitted with the proposal to NRLM in case the state has selected an PIA to implement the program.

- c. Implementation through the Project Management Unit (PMU) set up by the state :

In all states where the SVEP has been implemented or is being implemented in 10 or more blocks, it is assumed that the SRLM has built internal capability and skills to implement the program on its own without needing the support of the NRO/PIA in the implementation, apart from the training of the CBO's / CRP-EPs.

The PMU should have the following team members:

- a) 1 person at the state at the SPM level
- b) Minimum 1 PM at the state level dedicatedly working for SVEP – 1 PM for every 6 blocks under SVEP implementation in the state. (excluding the blocks where SVEP implementation period of 4 years has been completed)
- c) 1 YP at the state level for market linkages and documentation of best practices etc.

One Block Project officer at each block where the SVEP is being implemented (reporting administratively to the BPM of the block and functionally to the PM (SVEP)

One mentor at each block where SVEP is being implemented (reporting to the BPO (SVEP) – subject to the minimum no. of enterprises / minimum number of CRP-EPs to be managed being met. (Criteria is detailed in section on Block level staff to be provided in Chapter VI.

In states where more than one block has been merged to form an SVEP block, and these blocks are geographically dispersed or difficult to reach due to distances or terrain, the state may decide to appoint a BPO / Mentor in each of the constituent blocks of the merged SVEP block. (Separate cost norms shall apply to these blocks)

While implementing the SVEP through the PMU, the SRLM may take the help of a PIA / NRO for the following:

- a) Technical assistance in the selection of the CRP-EPs,
- b) Help in the preparation of the DPRs
- c) training of the CBO's leaders and the CRP-EP's

The day to day implementation processes should be managed by the SRLM employees of the PMU.

Chapter IV

National Resource Organizations (NRO's) role & responsibilities and support to NRO for the NRO Head Office costs

1. The NRO's are expected to have a two pronged role in the implementation of the SVEP :

- 1.1 **Implementation Role:** Directly implement the SVEP in the blocks as implementing partners with the states – to establish proof of concept of the program in the states.
- 1.2 Where the PMU's are implementing the programme, - providing technical assistance to the states in the selection of the CRP-EPs, helping in the preparation of the DPRs and Providing training to the CBO leaders / CRP-EPs
- 1.3 Helping the states in monitoring the implementation of the program in the blocks of the state

In this role the NROs need to deploy a team of senior professionals at their head office level, who are expected to do the following:

- 1.3.1 Ensure mid-term course corrections are done wherever required and document the best practices identified during implementation.
- 1.3.2 Develop and improve the processes - including written tests, personality assessment tools etc. for the selection of Community Resource Persons for enterprise promotion (CRP-EP).
- 1.3.3 Develop and keep improving the modules for doing a baseline and market potential study in the blocks.
- 1.3.4 Develop and improve processes for market scoping studies for new enterprises which be seeded in the blocks – based on the existing consumption and production of the block, the emerging opportunities of consumption and the opportunities based on government schemes and spends etc.
- 1.3.5 Create and improve processes of doing a financial feasibility analysis of the new enterprises proposed to be set up under the SVEP.
- 1.3.6 Help improve the software for the support of the CRP-EP, the entrepreneur and also to maintain a transaction based MIS for the SVEP.
- 1.3.7 Help establish and improve processes of support to the enterprises using regional performance benchmarks based on the data captured in the software being developed for the SVEP.
- 1.3.8 Along with NRLM, conduct the training and immersion of the Programme Implementation Agency's (PIA's) who are the implementation partners of some states for SVEP, in the first phase. The training shall be done to help the PIA's understand all the aspects of SVEP.
- 1.3.9 Help develop the parameters for monitoring the progress of the program and keep

- modifying the same to take care of the changes required as the program evolves.
- 1.3.10 Partner in the process of all activities to be done for ensuring that the SVEP can be scaled up, including participating in review meetings and workshops.
 - 1.3.11 Drive the implementation of the SVEP for the project duration to ensure all the targets and timelines as specified in the DPR are met.
- 1.4 Programme Scale-up Role :** Based on the experience of implementation of the SVEP in the blocks and their prior experience on implementation of entrepreneurship development programmes and working with the NRLM structures, do the following activities :
- 1.4.1 Create standardised content and training pedagogy for training of the various stakeholders for the implementation of the SVEP - Programme Implementation Agency's (PIA) management, Mentor Community Resource Person for Enterprise Promotion (CRP-EP), CRP-EPs, members of the various community based organisations (CBO's) viz. Self Help Groups (SHG's) , Village Organisations (VOs) and Cluster Level Federations (CLF), Entrepreneurs, bank officials, State Rural Livelihood Missions (SRLM) employees at the state, district and block level etc.
 - 1.4.2 Create a repository of training material and ICT material for the implementation of the program.
 - 1.4.3 Create and implement process of certification of the mentor CRP-EP's and the CRP-EPs and all other program implementers of SVEP.
 - 1.4.4 Support creation of a process and criteria of identification and selection of PIA's who have the competence and ability to implement the SVEP across the country.
- 1.5 Data analysis and helping enterprises scale up:** With the number of enterprises supported under SVEP increasing, there is an increased need to analyse the enterprise data of the enterprises and arrive at performance benchmarks and define parameters that shall help enterprises scale up faster and with less risk.
- 1.6 Market linkages, especially ecommerce:** Ecommerce offers an opportunity to the rural enterprises to reach customers all over the world. The NRO's need to build their and the capabilities of the SHG member enterprises to access this opportunity – in the form of development of training content, organizing trainings. Facilitating on boarding on ecommerce sites, ensuring sales throughput on the sites, pricing, discounting, negotiations etc.
- 1.7 Supporting the higher order enterprises, especially in the manufacturing sector :** One of the intentions of the SVEP and the MoRD is to support higher order enterprises / help the SVEP enterprises scale up. It is believed that the manufacturing enterprises have greater scope for growth. The NROs are expected to support these higher enterprises using the skills of sectoral experts.

2. Head Office / Secretariat costs :

While the cost of direct implementation of the SVEP in the blocks are covered in the SVEP costs being given to the SRLM's, the HO and other costs of NRO's for doing the tasks for the scale up and

institutionalization of the SVEP processes as detailed above are not funded. The framework for providing support to the NRO's for these costs is detailed in annexure 4. These costs are part of the other centralised support by the NRLM.

Chapter V

Fund Release Process and usage of Community Investment Fund

The SRLM's will submit the Annual Action Plan (AAP) for implementation of the programme along with budget estimates which will be considered and approved by the NRLM Empowered Committees set-up under the Chairmanship of Secretary (Rural Development) with Financial Advisor as one of the members. The Empowered Committee will co-opt members from other Departments and Organisations dealing with Entrepreneurship development. The release of funds to the SRLMs would be based on the annual allocation as mentioned in the AAP and approved by the EC of the MoRD. The funds shall be released in four installments of 25% each. The fund releases to the NROs would also be released in two installments of 50% each and all releases would be subject to the procedures and processes prescribed in the Framework document of NRLM. All the funds released would be as part of the AAP and shall follow the instructions of the DoE with respect to the number of installments and the % of funds utilised to be eligible for claiming the next installment.

Funding pattern under the scheme is currently 60% centre and 40% state. (Exception being 90% centre and 10% state for the North eastern states and Himalayan states). However, the same may change in case any new set of guidelines are notified by the government of India.

The project execution period has been estimated to be 4 years (48 months) from the date of release of the first installment after the submission report of the baseline and market potential study and DPR.

However, currently the Ministry of Rural Development has the mandate to fund the program for the years 2022-23-till 2025-26 only.

The SRLM shall propose the total requirement of funds for all the SVEP blocks in the state in a financial year as part of its Annual Action Plan to the NRLM, and the same shall be put up to the EC of the MoRD for approval.

The approved amount for the year shall be released to the SRLM in four instalments of 25% each.

The SRLM should plan and ensure that the funds are released to the CBOs in a timely manner so that the programme implementation does not suffer.

A guideline for the release of funds/ utilisation of the funds by the SRLM is as under :

| Amount Rs. Lakhs | | | | | |
|--|---------------|---------------|---------------|--------------|---------------|
| Head | Year 1 | Year 2 | Year 3 | Year 4 | Total |
| Baseline & DPR preparation | 10.00 | - | - | - | 10.00 |
| BRC set-up + Working capital | 5.96 | 0.84 | - | - | 6.80 |
| Training of the CBO's | 9.68 | - | 3.12 | - | 12.80 |
| Training of CRP-EPs | 22.37 | 3.20 | 3.20 | 3.20 | 31.96 |
| CEF (Has to be recycled in the last 2 years) | 127.50 | 127.50 | - | - | 255.00 |
| Skill Building of Entrepreneurs | 6.50 | 11.37 | 11.37 | 3.25 | 32.48 |
| Support by CRP-EP | 31.21 | 62.43 | 68.28 | 33.16 | 195.08 |
| BRC costs incl honorarium etc | 3.78 | 6.62 | 6.62 | 1.89 | 18.90 |
| HR cost - SRLM/PIA etc | 20.49 | 20.49 | 20.49 | 20.49 | 81.98 |
| Evaluation | - | - | - | 5.00 | 5.00 |
| Total cost per block | 237.50 | 232.44 | 113.07 | 66.99 | 650.00 |
| | 37% | 36% | 17% | 10% | 100% |

Maximum CEF must be released in the first 2 years, so that the CEF can be deployed for enterprise promotion and the enterprise promotion activity can start off early.

The CEF is actually planned to be recycled (2 cycles of enterprises should be funded using the same CEF, hence the same has to be released early, else the overall CEF per enterprise shall be very low and enterprises would be of sub-optimal size.

It has been noticed that enterprise promotion and support has been delayed in many blocks due to the non-availability of seed capital for the enterprises in the form of CEF.

The broad guidelines for the usage of the CEF by the blocks.

- d. Rate of interest to be charged to the entrepreneur borrower, who will borrow money from the CEF under SVEP.

The rate of interest charged by the SHG from the loans given using the CEF of SVEP, to the entrepreneur should ideally not exceed 1% per month on a reducing balance basis (or 12% per annum on a reducing balance basis). The rate of interest should be decided and agreed by the CBO and CRP-EP facilitated by the SRLM and PIA. The rate of interest should be decided ensuring that the enterprises supported are financially viable at that rate of interest. Ideally the same rate of interest should be charged to all the entrepreneurs in the block. But the rate of interest charged from the enterprise may vary among different blocks in the state.

- e. Repayment schedule for loans and scope for a moratorium period for the loans granted from the CEF of SVEP.

The terms of repayment terms and schedule including moratorium if any, should be decided by the CBO and CRP-EP with facilitation from SRLM. This repayment schedule has to be decided based on the need of the enterprise being promoted and may vary depending upon the type of enterprise being supported. There is no need for all the entrepreneurs in a block to have the same repayment schedule.

- f. Maximum amount that can be lent from the CEF to an individual entrepreneur and to a group enterprise

To ensure equity in the usage of the CEF and to prevent cornering of the CEF funds by a few, it is suggested that the maximum amount of loan from the SVEP CEF that can be given to one individual entrepreneur be fixed at Rs.1 lakh. Similarly, in the case of a group enterprise, the maximum amount that can be given as a loan to a group enterprise is Rs. 5 lakhs and the maximum loan per member of a group enterprise cannot cross the individual threshold of Rs.1 lakh.

Any enterprise which has been regular in the repayment of the SVEP loan and requires additional capital for business expansion during the tenancy of the CEF loan, should be facilitated for getting the same from a bank. Only if any amount is required for meeting the owner's contribution for the bank loan, this bridge amount may be given as a top-up loan from the CEF.

Also, in case of distress (like the Covid induced lock-downs), if any enterprise needs a top up loan for business continuity purposes and has been regular in repayment of the first tranche of loan, then the subsequent tranche of top up loan to the same enterprise for business continuity can be given.

However, the state /BLF may take a call on these based on the local conditions, the available CEF and the number of enterprises to be promoted. However, the underlying principle of equity should be adhered to.

Chapter VI

Monitoring, reporting and audit requirements under SVEP

Monitoring and review of the Projects sanctioned and implemented will be done at two levels i.e. at the Central level by a designated agency or the NMMU and at the State level by the SRLM.

I. State Level:

For monitoring and periodic review of the sanctioned project, a Committee should be formed at the State level, headed by the Mission Director, SRLM. The State Committee should have participation from the relevant state departments like Forest and Environment, tribal development, Women and Child Development, MSME, KVIC, textiles, and domain experts etc.

The Committee should undertake quarterly reviews with the PIAs/NROs. The State governments may also constitute a State Level Technical Project Support Group to assist the PIAs in the implementation of the Projects. NMMU members should be invited for this review meeting.

The minutes of such monitoring committee meetings must be shared with the NRLM within 10 days of the meeting being held.

Apart from the committee, the SPM in charge of SVEP and the SMD (whenever possible) should review the progress of the program and its physical and financial achievements every month.

The SRLM should own the project and should develop capability to roll-out the program in all blocks of the states, using its own human resources after the establishing the success of the pilot.

The SRLM also has to play a facilitating role in setting up state level benchmark setting committee which shall comprise members from SRLM including the SRLM (SPM/BPM-SVEP), other SPM (livelihoods), and expert practitioners of the trade and industry experts. This committee shall validate the business performance benchmarks for each group of enterprises for the blocks, as generated from collating data, by the MIS software. This committee is also expected to send out seasonal advisories to various kinds of enterprises – to help them maximize incomes based on seasonal demand and minimize losses due to seasonal stocks left with them, due to the end of a seasonal demand. The state is also expected to empanel sectoral experts (experts in the type of enterprise – food retail, apparel retail, apparel stitching, food processing etc.) and functional experts (experts in manufacturing, packaging, logistics, retail, procurement, marketing, finance and accounts, etc.) to support the enterprises / CRP-EPs under the SVEP.

Apart from these activities, the committee or another committee formed specifically for this purpose is also expected to facilitate consolidation of demand and supply of all the enterprises in the block/

district /state and use the same for facilitating better trade terms for the enterprises capitalizing on collective bargaining power.

The sitting fees and honorarium to the members of these committee and the sectoral and functional experts empanelled by the state for the support to the enterprises may be paid out the NRLM IB & CB budget head.

II. Central Level:

At the Central Level, the NMMU and the monitoring committee of the NMMU will periodically review and monitor the SVEP projects (minimum at quarterly intervals), sanctioned under the scheme. This monitoring and advisory body including the representatives from private organizations, industries, marketing firms etc. would be constituted at the Central Level to give necessary advice to the Ministry of Rural Development on the implementation of SVEP.

Submission of progress reports:

The implementing agency/coordinating agency shall submit the progress report of the project by 15th of the month succeeding every quarter in the format prescribed by the Ministry. Failure to furnish the progress report would make implementing/ coordinating agency liable to refund the Central funds released for the Project along with interest.

It shall be open to the Ministry of Rural Development to prescribe such conditions, as it deems fit, from time to time to ensure proper execution of the project.

The progress reports shall cover achievement of physical targets and financial targets, and shall also include, mandatorily updating the relevant data, by the PIA, after the same is vetted by the SRLM, in the centralized MIS and operating software, to be provided by the Ministry of Rural Development, on a regular (monthly and quarterly) basis.

Some of the KPIs that should be monitored at all levels are:

SRLM related KPIs

- i. Progress of DPR's vs. AAP approved and adherence to timelines
- ii. Progress of implementation vs timelines
- iii. Timeliness of funds released for the project to the CBO's
- iv. Deployment of the requisite number of staff at various levels for effective implementation of the program, as defined in the guidelines
- v. Formation of the relevant committees for the monitoring and guidance to the program
- vi. Regular review meetings and monitoring by the SRLM

Enterprise promotion Program implementation related KPIs

- i. Number of enterprises supported vs. target
- ii. Number of manufacturing enterprises supported vs. targets
- iii. Number of enterprises based on social / gender parameters (SC, ST, and minority communities/ specially abled / women vs. target).
- iv. Capturing business Performance information of the enterprises supported.
- v. Number and amount of Bank Loans
- vi. Utilisation percentage of funds under various budget heads
- vii. Number of large and scalable enterprises promoted vs targets

BRC related KPIs

- i. Sustainability of the BRC – is the annual P&L showing a profit adequate to sustain the BRC without project grants
- ii. CEF Management – idle funds in the CEF, rotation of funds in the CEF, effective interest earned from the CEF
- iii. No. of Loan Defaulters, NPA% and reasons for loan default
- iv. Regularity of BRC meetings (Review meetings)
- v. Regular monitoring of the loans disbursed for proper utilisation and Institution of the Community based recovery mechanism for NPAs.
- vi. Timely Conduct of Audit of the books of the BRC and no qualifications in the audit report
- vii. The amount earned by BRC as interest on loan and amount shared with the subsidiary CBO's
- viii. Time lag between Business plans submitted and business plans approved

CRP related KPIs

- i. Number of CRP-EPs vs. targets and their certifications
- ii. % of women CRP-EPs vs. targets / % of CRP-EPs from SHG families vs. targets
- iii. Number of enterprises supported per CRP-EP
- iv. Number of enterprises for which PTS is being done regularly vs. target
- v. Delivery of services and Customer Satisfaction
- vi. Number/volume of marketing/sales facilitated
- vii. Number of bank linkages facilitated
- viii. Number of enterprises per CRP-EP attaining aspirational income for the enterprise
- ix. Number of CRP-EPs who've become self-sustainable
- x. Number of CRP-EPs prepared for higher order roles – trainers / mentors / BDSPs etc

Enterprise related KPIs

- i. Increase in Revenue and Profit Percentage
- ii. Absolute Profit against the projected profit in Business Plan
- iii. Timely repayment
- iv. Maintenance of records
- v. Employment generated

- vi. Being able to access formal banking channels for finance for growth
- vii. Able to access outside block markets – thru ecommerce etc.
- viii. Take home Income against the Aspirational Income

Certifications of the CRP-EPs and mentors:

All the mentors placed in the block by the PIAs, the CRP-EPs trained by the PIA, the block project managers placed in the block for the implementation of the SVEP by the SRLM and the PIA, shall have to be certified by an independent certification process approved by NRLM, and this shall be a critical milestone in the implementation of the project. National Academy of Rudseti, (NAR) has been selected by the MoRD for these certifications.

Audits:

There are two kinds of audits envisaged under the SVEP:

- i. The Ministry of Rural Development retains the right to carry out internal audit of funds and financial implications of the project, if deemed necessary. Regular annual financial audit is to be carried out by the Chartered Accountant of the Project Implementing Agency or any other authority appointed by the State Government. The audit report together with action taken on the auditor's observations and physical progress under the project shall be furnished at the time of release of 2nd / 3rd installment of the Central funds and at the end of every financial year. These audit reports would clearly state that the grant funds utilized under SVEP have not been used to create any individual assets or for purchase of vehicles or used for any activity prohibited under the NRLM. Only funds loaned to the entrepreneurs from the CEF under the SVEP, can be used to create individual assets required for the running of the enterprise, including vehicles if required for the running of the enterprise to get set up.

The accounts of the BRC (Block resource center) specially the accounts of the CEF under SVEP, would be maintained separately and should be audited by the SRLM or its deputed auditors. These audit reports have to form the part of the SRLM's audit report for the SVEP to be submitted at the same frequency as discussed above. The accounts of the BRC shall also have to be supported by certificates from the VO's/SHGs, clearly stating the SVEP CEF funds borrowed by the SHG/VO's have been used only for on-lending to SVEP supported entrepreneurs.

The accounts of the BRC shall necessarily be maintained in software and shall be maintained by a qualified CA firm. This CA firm shall ensure monthly closing of the all accounts and shall submit reports to this effect to the BRC and SRLM. The accountant of the BRC shall be trained by the CA firm's accountant and should be capacitated to maintain accounts in the software independently before the end of the project period. Funds for the CA firm and the BRC accountant have been budgeted (Maximum amount that can be paid) as under :

| Accounting & Audit fees | Mntly Salary | Yr 1 | Yr 2 | Yr 3 | Yr 4 | Total |
|------------------------------------|--------------|------------------|------------------|------------------|------------------|--------------------|
| Accountant Outsourced | ₹ 30,000 | ₹ 360,000 | ₹ 385,200 | ₹ 412,164 | ₹ 441,015 | ₹ 1,598,379 |
| Book-keeper (Nodal CLF employee) | ₹ 9,000 | ₹ 108,000 | ₹ 115,560 | ₹ 123,649 | ₹ 132,305 | ₹ 479,514 |
| Audit fees | | ₹ 50,000 | ₹ 52,500 | ₹ 55,125 | ₹ 57,881 | ₹ 215,506 |
| Total ACCOUNTING SUPPORT | | ₹ 518,000 | ₹ 553,260 | ₹ 590,938 | ₹ 631,201 | ₹ 2,293,400 |
| * Annual increment considered @ 8% | | | | | | |

[As part of the mandate of the CA firm, the firm shall take balance confirmation certificates for the outstanding loan amounts from all the players in the channel - CLF/VO/SHG and entrepreneur. The CRP-EPs may be used for providing these balance confirmation certificates.](#)

Kind of expenses not allowed under SVEP

No individual assets can be created from the funds under SVEP, apart from the funds specified for the CEF.(CEF funds, which are given to the entrepreneur as repayable loans, can be used to buy individual assets, but which are needed for running the enterprise.)

Only funds loaned to the entrepreneurs from the CEF under SVEP, can be used to create individual assets required for the running of the enterprise, including vehicles if required for the running of the enterprise being set up.

Any assets created using the funds of the SVEP, (e.g. computer, tablets, printer, office furniture etc.) shall be owned by the individual/ community organizations and not by the PIA/ SRLM /CRP-EPs. All assets of the BRC should be insured against loss by theft, fire, natural calamity etc.

The state can use the expenses incurred under SVEP to draw upon and use the administrative funds up to a maximum of 6% allowed under the extant guidelines for NRLM from the NRLM budget for the SRLM.

Block level staff to be provided :

The SRLM shall depute an officer as Block Program Officer -SVEP. This person shall be a dedicated Program Manager for SVEP- to be placed at the blocks where the SVEP is being implemented in the state. This BPO shall co-ordinate the implementation of the SVEP in the pilot blocks of the state for the period of implantation of the SVEP.

Wherever the PMU is implementing SVEP, and the criteria defined in the table below is met, the SRLM shall also depute a mentor at the block for the guidance and management of the CRP-EPs and for carrying out the other tasks for the implementation of the SVEP in the block.

| Criteria for positioning manpower in block as part of PMMU | No's | BPO | Mentor |
|--|--------|-----|--------|
| No. of enterprises to be supported in a block | > 1600 | Yes | Yes |
| No. of CRP-EP's proposed to be deployed in a block | > 32 | Yes | Yes |

| | | | |
|--|--------|-----|----|
| No. of enterprises to be supported in a block | < 1600 | Yes | No |
| No. of CRP-EP's proposed to be deployed in a block | < 32 | Yes | No |

The cost of these 2 professionals has been budgeted as under :

| Fixed Manpower costs Budget | | | | | | |
|------------------------------------|--------------|------------------|------------------|------------------|------------------|--------------------|
| | Mntly Salary | Yr 1 | Yr 2 | Yr 3 | Yr 4 | Total |
| Mentor Salary per month | ₹ 40,000 | ₹ 480,000 | ₹ 518,400 | ₹ 559,872 | ₹ 604,662 | ₹ 2,162,934 |
| Mentor travel costs etc | 30% | ₹ 144,000 | ₹ 155,520 | ₹ 167,962 | ₹ 181,399 | ₹ 648,880 |
| | | ₹ 624,000 | ₹ 673,920 | ₹ 727,834 | ₹ 786,060 | ₹ 2,811,814 |
| PIA/SRLM Overheads | 10% | ₹ 62,332 | ₹ 67,319 | ₹ 72,704 | ₹ 78,521 | ₹ 280,877 |
| TOTAL MENTOR COSTS | | ₹ 686,332 | ₹ 741,239 | ₹ 800,538 | ₹ 864,581 | ₹ 3,092,690 |
| | | | | | | |
| BPM SVEP salary | ₹ 40,000 | ₹ 480,000 | ₹ 518,400 | ₹ 559,872 | ₹ 604,662 | ₹ 2,162,934 |
| BPM SVEP travel etc | 30% | ₹ 144,000 | ₹ 155,520 | ₹ 167,962 | ₹ 180,700 | ₹ 648,181 |
| TOTAL BPM (SVEP) SALARY | | ₹ 624,000 | ₹ 673,920 | ₹ 727,834 | ₹ 785,361 | ₹ 2,811,115 |
| | | | | | | |
| * Annual increment considered @ 8% | | | | | | |

The KRA's, KPI's and competencies of Block positions

Position: Block Program Officer – SVEP

Purpose of the position – To co-ordinate between the PIA/NRO and the SRLM project team, and the community organizations (SHGs/VOs/CLFs) and ensure the SVEP gets implemented as per the plan and schedule (on all parameters – physical, financial and timelines).

To be involved in the implementation and monitoring the progress of the SVEP in the block and help to scale up the same after incorporating mid-course corrections, if any.

To document and share best practices, identified in the implementation of SVEP in the blocks.

Reporting To – Administratively to the Block Program Manager (SRLM) of the district chosen by the SRLM, and functionally to the State Program Manager (SVEP). He/she shall be based /posted in the block where the SVEP is being implemented.

Key Responsibilities -

1. To ensure rollout of the SVEP program in the blocks, including completion of the baseline and market potential study and preparation of the DPR.
2. To co-ordinate and act as a bridge between the PIA/NRO, the community organizations and the Block and the village level project staff, wherever the SVEP is being implemented by the PMU, to be part of the implementation process of the SVEP
3. To participate in all the processes of implementation of the SVEP.
4. To help operationalize the MIS for SVEP, monitor progress of the SVEP and share the same

with all the stakeholders – SRLM/PIA/NRO/ NRLM.

5. To ensure adherence to norms and completion of processes related to procurement of equipment for the BRC.
6. To help institutionalize the Block Resource Centre and make it part of all the SRLM processes in the block.
7. Create and operationalize a course correction mechanism and a process for documenting and sharing best practices.
8. To help create a repository of business logics and training material at the BRCs.
9. To be part of the State level business advisory team for creating local benchmarks for enterprises, and for giving seasonality based business advisories.
10. Ensure that the enterprises supported meet their revenue, profitability and aspirational income targets.
11. Ensure that the BRC members are trained and certified
12. Ensure that BRC works towards financial sustainability
13. Ensure that the CRP-EP's are well trained, perform their work well and grow into higher order roles like specialists, trainers, mentors, BDSP's etc.
14. Ensure that the SVEP software is used for all the project implementation steps – CRP-EP work plan, enterprise business plan, PTS etc.
15. Fulfill the role of the mentor in the smaller blocks / blocks where the number of CRP-EPs are lesser than 32 in a block.

Key Performance Indicators –

1. Rollout of SVEP physical activities as per the timeline.
2. Managing the CRP-EPs and building their capacities and supporting their work
 - a. Number of CRP-EPs selected, trained, certified and retained vs. targets, for the period under review.
 - b. Number of Enterprises trained, supported to start /grow their business and increase in their incomes vs. targets, for the period under review.
 - c. Number of enterprises linked to banks for loans (CEF/Banks/ SHGs) for the business vs. targets for the period under review.
 - d. Regular Repayment of the loans from business profits vs. targets, for the period under review, including NPAs and reasons for the same.
3. Building capacity of the BRC and CBO members for independent management of the BRC.
 - a. Number of community organizations' members trained effectively on the SVEP vs. targets.
 - b. The BRC members capacitated to take decisions on the approval of enterprise loan requests based on a critical appreciation and analysis of the business plans
 - c. CEF Management – idle funds in the CEF, rotation of funds in the CEF, effective

- interest earned from the CEF
 - d. Institution of the Community based recovery mechanism for NPAs.
 - e. Timely Conduct of Audit of the books of the BRC and no qualifications in the audit report
 - f. The amount earned by BRC as interest on loan and amount shared with the subsidiary CBO's
4. Knowledge Management
- a. Number of regional and village category wise benchmarks created for various groups of enterprises created.
 - b. Number of best practices and training materials, including ICT trainings documented and added to the repository.
5. Timely reporting of the work done in the block as per various KPIs.

Educational Qualifications: Post graduate/Graduate in any subject with mathematics as a subject till class preferably from a management/ commerce or engineering background. Should have strong numeracy skills and business skills.

Core Competencies -

1. Understanding and hands-on experience of the non-farm livelihoods sector and its issues – having worked with either a business or a producer organization that has been successful, or having worked with the SRLM in a livelihoods profile or having worked with a SVEP-like project. The person should have at least 2 years of work experience.
 2. Should have numerical and business finance understanding and skills.
 3. Good team player, strong ability to work with teams and with people with no direct reporting relationships
 4. Data driven, open to learning and adaptable, should be willing to adapt to ground realities.
 5. Should be compassionate for the poor and should be willing to look at issues from their lens. Also, should be honest, fair and objective in work. The person should not discriminate anyone based on gender, caste, class, region or any other identity mark.
 6. Should have a training and development orientation.
 7. Should be self-driven and should be motivated by social change and impact at scale.
8. Should be willing to travel extensively in the field and be willing to stay in a village for approx. 15 days a month.

Position: Mentor – SVEP

Purpose of the position – To guide and manage the work of the CRP-EPs on behalf of the BRC, to coordinate between the SRLM project team and the BRC, and ensure the SVEP gets implemented as per the plan and schedule (on all parameters – physical, financial and timelines).

To be involved in the implementation and monitoring the progress of the SVEP in the block and help to scale up the same after giving feedback and suggestions for mid-course corrections, if any are

required.

To document and share best practices, identified in the implementation of SVEP in the block.

To train and guide the BRC members about all the aspects of the program, so that they are capacitated to manage themselves,

Reporting To – Administratively to the Block Program officer (SVEP). He/she shall be based /posted in the block where the SVEP is being implemented.

Key Responsibilities -

1. To ensure rollout of the SVEP program in the blocks, including completion of the baseline and market potential study and preparation of the DPR.
2. To co-ordinate and act as a bridge between the block staff of the SRLM, the community organizations and the village level project staff, be part of the implementation process of the SVEP
3. To guide and train the CRP-EPs on all aspects of their work
4. To guide and train the BRC members on all aspects of their work
5. To participate in all the processes of implementation of the SVEP.
6. To help operationalize the MIS for SVEP , monitor progress of the SVEP and share the same with all the stakeholders – SRLM/PIA/NRO/ NRLM.
7. To implement the program using the SVEP software
8. To ensure adherence to norms and completion of processes related to procurement of equipment for the BRC.
9. To help institutionalize the Block Resource Centre and make it part of all the SRLM processes in the block.
10. To help create a repository of business logics and training material at the BRCs.
11. To be part of the State level business advisory team for creating local benchmarks for enterprises and for giving seasonality based business advisories.

Key Performance Indicators –

1. Rollout of SVEP physical activities as per the timeline.
2. Number of CRP-EPs and community organizations' members trained effectively on the SVEP vs. targets.
3. Number of Business plans prepared / validated/ presented to BRC for approval and approved vs. targets
4. Number of loans disbursed to the entrepreneurs and % of entrepreneurs regularly repaying loans
5. % of CRP-EPs who's performance is satisfactory
6. Ensuring timely reporting of the work done and any deviation from plan is addressed or taken up at appropriate levels within the SRLM
7. Ensure the Sustainability of the BRC – covering various both Financial and institutional parameters.
 - a. Annual P&L showing a profit adequate to sustain the BRC without project

grants

b.CEF Management – idle funds in the CEF, rotation of funds in the CEF, effective interest earned from the CEF

c.No. of Loan Defaulters, NPA % and reasons for loan default, Institution of the Community based recovery mechanism for NPAs

Educational Qualifications: Post graduate/Graduate in any subject with mathematics as a subject till class XII, Preferably from a management/ commerce or engineering background. Should have strong numeracy skills and business skills. The educational qualifications could be relaxed in case an existing community member – CRP-EPs / MEC has been shortlisted as a mentor based on her capability and skills .

Core Competencies -

1. Understanding and hands-on experience of the non-farm livelihoods sector and its issues – having worked with either a business or a producer organization that has been successful, or having worked with the SRLM in a livelihoods profile or having worked with a SVEP-like project. The person should have at least 2 years of work experience.
2. Should have numerical and business finance understanding and skills.
3. Good team player, strong ability to work with teams and with people with no direct reporting relationships
4. Data driven, open to learning and adaptable, should be willing to adapt to ground realities.
5. Should be compassionate for the poor and should be willing to look at issues from their lens. Also, should be honest, fair and objective in work. The person should not discriminate anyone based on gender, caste, class, region or any other identity mark.
6. Should have a training and development orientation.
7. Should be self-driven and should be motivated by social change and impact at scale.
8. Should be willing to travel extensively in the field and be willing to stay in a village for approx. 15 days to 20 a month.

Chapter VII

Transition Strategy in SVEP Blocks

Context

As defined above, The Start-up Village Entrepreneurship Programme (SVEP) is a sub – scheme under NRLM to promote enterprises in rural areas. It aims to set-up an eco-system for enterprise development in a block. This consists of a cadre of Community Resource Persons-Enterprise Promotion (CRP-EP) to provide business advisory services, training and capacity building of entrepreneurs, seed capital for starting enterprises, marketing support for products and services etc. are also provided under SVEP. Besides, the Block Resource Centre (BRC), the single point solution for enterprise promotion is also developed as part of the eco-system which is also expected to continue beyond the 4-year duration of the project.

It is needed to plan for transition in SVEP blocks well before the project end so that when the project comes to an end, the enterprise promotion activities are continued in the block. The transition to a new process in the SVEP block is expected to support the higher order and value chain-based enterprises. States need to adopt the saturation approach to take the enterprise promotion agenda forward.

Micro Enterprise Development (MED) is the first step to create the enabling environment in the blocks and developing the understanding towards enterprise promotion. At the second stage, SVEP programme should be implemented in the Block and once the project comes to end, the transition approach needs to help create OSF type of structure to support higher order and value chain based enterprises.



In this transition phase, the BPM-SVEP/Block Project Officer – SVEP will continue to work in the blocks with responsibilities of identifying and handholding higher order enterprises in addition to the ongoing responsibility of closure of the ongoing SVEP programme in the Block.

The transition planning will start from the 2nd year of the SVEP projects.

Specific responsibilities of various stakeholders shall be as follows:

Responsibilities of various stakeholders

State Rural Livelihoods Mission (SRLM)

SRLMs are required to utilize the SVEP project duration, 2nd year onwards of the project, for the preparatory activities for the blocks to graduate into the models to support higher order enterprises. To ensure the same

the state must do the following:

- Identification of Enterprise for growth using PTS and other sources (at least 10% of the total enterprise supported)
- Action plan preparation for value chain based and higher order enterprise
- State shall prepare one year action plan
- Building the capacity of BRC to take up non-Farm activities on its own.
- Training & Certifying the BPM-SVEP for supporting higher order enterprises
- Development of BRC-MC as Master Trainer for other BRCs
- Assessment ranking of CRP-EP and preparation for training them for
 - Supporting growth enterprises as BDSP
 - Specialisation as trainers or mentor CRP-EPs
 - Graduation into mentors for other blocks where SVEP shall be implemented
 - Specialisation into functional areas like – marketing/ online sales / Sales / Procurement/ Production/ finance and accounts etc. – to enable them to be the community managers for the cluster / collective enterprises being set up.

At least 10% of the CRP-EPs in each block should be facilitated and trained to reach these higher /more skilled roles.

Specific tasks of SRLMs

1. Prepare a report on the status of SVEP implementation that includes the total number of enterprises supported (including specific details regarding how many enterprises are functional, how many enterprises are profitable and out of all the enterprises supported under SVEP, how many are ready for growth), total CEF funds provided and interest earned on the CEF, details of total expenditure item-wise (apart from loan), loan repayment status and a clear & detailed statement regarding outstanding loans.
2. Identification of growth enterprises of the SHG members (identification from Performance Tracking System (PTS) and other sources) in the block which can be supported in the next phase. This number is expected to be at least 10% of total supported enterprises.
3. State shall prepare year-wise action plan in the SVEP blocks with specific details regarding proposed no. of value chain-based and higher order enterprises in the Blocks.
4. Plan needs to be prepared for linking identified growth enterprises with formal financial institutions. FI teams needs to be involved to finalize the bank linkage plan and strategy for identified enterprises.
5. Impact evaluation study to be completed in the 4th year in SVEP block. A budget provision of Rs. 5 lakhs for evaluation study is already available in the SVEP project budget for each block.

6. Involve the IB-CB and FI team of the SMMU & BMMU in all the discussions related to transition. This should be planned and monitored at SMMU level for effective coordination among different programme verticals.
7. Inform BRC about the status and discussion on the steps for running the programme. This step shall help them to be equipped with the required information for taking overall responsibility.
8. Services of trained & certified BPM-SVEP has to be continued in the SVEP blocks and placement of adequate human resources with relevant skills has to be ensured to ensure the ongoing enterprise promotion and handholding. This is mandatory as per the scheme guidelines.
9. Ensure that statutory audit of SVEP BRC account is conducted every year. This is also mandatory as per the SVEP master guidelines. SRLMs shall ensure that all these audit reports are submitted to NRLM by July every year.
10. SRLM shall ensure that sufficient training is provided to the CRP-EPs and BRC Committee for ongoing SVEP and other trainings to support higher order enterprises. Training resource materials shall be provided by NRLM.
11. Report on enterprises which have taken 2nd round of loan and also on the enterprises for which the bank linkage has been facilitated to be prepared at quarterly basis (QPR) and submitted to NRLM.
12. State should take steps to ensure that these CRP-EPs trained under SVEP are utilized in any manner relevant to the SRLM so that the skills imparted are utilized for enterprise promotion.
13. Ensure BPM-SVEP is retrained, trained and certified.

Project Implementation Agency (PIA) (This can be the PIA/NRO or PMU team of the state)

15. PIA/NRO shall be responsible to handhold BRC-MC, make detailed document (all financial reports/statements/ asset register) and submit the same to SRLM on quarterly basis. PIA needs to submit at-least 10 success stories in detail, each year, including financial and social impact from the project.
16. Assessment rating and certification of existing CRP-EPs and their ranking in terms of the understanding of the project and performance. The role for which CRP-EPs should be identified are – (i) Business Development Service Providers (BDSP) equivalent role, (ii) mentor role, (iii) specialized functional expert for higher order enterprises and (iv) internal CRP (ICRP) for training of CRP-EPs in new blocks.
17. PIA & SRLM together shall identify the BRC members who has the potential to become master trainers for other BRC members. Training needs for these identified BRC members should be clearly defined and documented by PIA by end of 2nd year of the project. SRLM shall plan the necessary training for these BRC members.

- **Block Resource Centre (BRC)**

18. Identification of a pool of 4-5 Master CRP-EPs in each Block by 3rd year of the project to facilitate the implementation, consolidation and repayment. Specific responsibilities should be assigned to them in consultation with nodal CLF. Only women CRP-EPs will be selected while promoting them as Master CRP-EPs.
19. All SVEP loans repayment needs to be repaid within the defined repayment period. Repayment needs to be ensured through regular monitoring and community recovery mechanism. CRM should be used actively to recover the CEF money. The status of the same should be monitored at all levels (BMMU/DMMU/SMMU) monthly.
20. Prepare a detailed transition plan of BRC for supporting higher order enterprises in the Blocks. BRC should be involved and aware regarding the identification and interaction with enterprises in the blocks. The transition plan should be discussed in all the BRC Committee meetings.
21. Financial resources: following funds shall be used for one year support (BPM – non-farm/SVEP, CRP-EP payments and other expenses required as per the scheme guidelines) –
 - a. Training and capacity building components can be funded from the approved IB-CB fund of Annual Action Plan.
 - b. Budget approved for non-farm livelihood activities in AAP for the State.
 - c. Fund available in the approved budget heads under SVEP in the block
23. The Nodal CLF should be supported and its capacity built to take over the BRC for managing the non-farm livelihoods programme on its own after the completion of the project duration.

The State Rural Livelihood Missions needs to monitor the above-mentioned tasks on monthly basis. It should be ensured that all the stakeholders are well informed about the SVEP program. There should be a detailed planning and focused implementation strategy which should be discussed at all levels and documented in detail.

As part of the end line evaluation, the SRLM should ensure that it gets balance confirmation certificates from all the CLFs/ VO/SHGs/ enterprises who have loan outstanding from the CEF. The SRLM should also get an assessment report prepared of the fund requirement for the growth of the promoted SVEP enterprises.

At the end of the project period or at the end of the 5th year, the SRLM should ensure that the entire principal amount of the CEF (Rs.2.5 crores) is deposited in the bank account of the Nodal CLF s proof that at least an amount equal to the initial CEF has been repaid and collected.

Since the amount of accumulated interest and the CEF is expected to reach a figure of approximately Rs. 3.5 crores at the end of the 4 years of SVEP, the state should ensure that the SVEP creates enough enterprise with growth potential so that there is credit demand for this amount of approximately Rs. 3.5 crores.

List of Allowable expenses for the Nodal CLF from the interest earned on the CEF loans :

- a) Sharing of the interest among the various CBO's – SHG/VO/CLF – Half yearly basis
- b) Expenditure on the rent/maintenance/ upkeep of the BRC / Nodal CLF office space – to the extent not covered by the grant for the purpose under SVEP
- c) Expenditure on the book-keeping / accounting and audit of the CEF books – to the extent not covered by the grant for the purpose under SVEP
- d) Payment to honararium to CRP-EPs/ CBO leaders for the purpose of visits for the recovery of outstanding loans under CEF -- to the extent not covered by the grant for the purpose under SVEP
- e) Any other expense as decided by the SRLM as part of the guidelines for the management of the CEF

Annexure 1

Details of the activities under SVEP and the role of each participant.**I. Preparatory Phase (5 months)**

| Activity | NRO/PIA/ PMU | SHGs/NRLM institutions |
|---|---------------------|-------------------------------|
| Block Resource Centre setup at the Block Level | ✓ | ✓ |
| Identify BPO and Mentors | ✓ | |
| Train BPO and mentor | ✓ | |
| Position the BPO/ Mentors in the implementation blocks | ✓ | |
| BPO and Mentors identify potential CRP-EPs in the blocks | ✓ | ✓ |
| The potential CPR –EPs Screened | ✓ | ✓ |
| The potential CPR –EPs trained | ✓ | ✓ |
| The Potential CRP-EPs do Baseline study of the Existing enterprises in Blocks to build database And understand Businesses /market | ✓ | ✓ |

II. Enterprise Selection & Start-Up Phase

| Activity | NRO /PIA /PM U | SHGs/NRLM Institutions |
|---|-----------------------|-------------------------------|
| Triggering meetings with potential entrepreneurs | ✓ | ✓ |
| Interested potential entrepreneurs apply for starting enterprises/existing enterprises apply for scaling up | ✓ | ✓ |

| | | |
|---|---|--|
| Interested potential entrepreneurs screened by giving field test and their business model gets evaluated | ✓ | ✓ |
| Potential entrepreneurs with feasible business models shortlisted & their business plans prepared with support from CRP-EPs | ✓ | ✓ |
| Potential entrepreneurs with feasible business models and business plans inked for finances with SHGs/Nodal CLF /Banks | ✓ | ✓ SHGs/Village Organizations evaluate potential proposals for funding based on local knowledge plus past SHG repayment History |
| Potential entrepreneurs with feasible business model helped to start enterprises. These new start-ups gets handholding support for minimum 24 or till the CEF loan is repaid months by the CRP-EP | ✓ | CLF/VOs monitor work of the CRP-EPs through BRCs |

III. Enterprises Sustenance Phase

| Activity | NRO/PIA/PMU | SHGs/ NRLM institution |
|---|-------------|--|
| Business P & L, Cash Flow for all the enterprises tracked in the SVEP software, so that business history and credit history can be created for both the entrepreneur to monitor his enterprise and for the bankers to get some comfort on the entrepreneurs /enterprise's ability and intent to repay loans | ✓ | ✓ |
| 10% of enterprises with growth and finance needs linked to banks for funding | ✓ | ✓ |
| CRP-EPs continue to provide business monitoring support and are paid by the CBOs/Entrepreneurs for this support | ✓ | CLFs/VOs monitor borrower enterprises with the CRP-EPs |

Annexure 2

Breakup of the costs per block into fixed and variable costs and calculation of costs per block based on the number of enterprises to be supported in the block

The success of the SVEP is based on the success of the enterprises supported under the programme.

The budget for SVEP had been estimated per enterprise per block. For the budgeting process it was assumed that the cost would be Rs.27,803 per entrepreneur and the program would support 2400 entrepreneurs per block. Accordingly the total budget per block worked out to Rs.6,50,00,000 (Rupees Six crores Fifty lakh only) – details are given below:

Table 1 Estimated Upper limit Budget for the SVEP per block Figures in Rs. lakhs

| S.No | Particulars | Fixed Costs for Block proposed | Variable Cost per Enterprise Proposed | Variable Cost Per Block @2,400 Enterprises Proposed | Total Cost Per Block @2,400 Enterprises Proposed |
|------|---|--------------------------------|---------------------------------------|---|--|
| 1 | Skill Building of Entrepreneurs | | ₹ 1,353 | ₹ 3,248,000 | ₹ 3,248,000 |
| 2a | Training of Community Institutions BRC | ₹ 780,960 | | | ₹ 780,960 |
| 2b | Training of Community Institutions VO etc by CRP-EP's | ₹ 499,458 | | | ₹ 499,458 |
| 3 | Handholding Support by CRP-EP incl PTS for loan duration | | ₹ 8,128 | ₹ 19,507,840 | ₹ 19,507,840 |
| 4 | Training and Capacity Building of CRP-EPs (including 2 rounds of refresher trg) | ₹ 3,196,232 | | | ₹ 3,196,232 |
| 5 | Setting up of BRC-EP (incl all assets) | ₹ 400,000 | | | ₹ 400,000 |
| 6 | Working Capital for BRC-EP for operating expenses - excl. manpower | ₹ 280,000 | | | ₹ 280,000 |
| 6a | BRC meeting and monitoring costs | ₹ 1,890,000 | | | ₹ 1,890,000 |
| 7 | M&E and PIA Support Cost | | | | |
| 7a | Baseline (including tablets for CRP-EPs)* | ₹ 1,000,000 | | | ₹ 1,000,000 |
| 7b | Evaluation | ₹ 500,000 | | | ₹ 500,000 |
| 7c | Mentor and Block Support | ₹ 3,092,995 | | | ₹ 3,092,995 |
| 7d | Accounting support & audit cost Support | ₹ 2,293,400 | | | ₹ 2,293,400 |
| 8 | CEF and Credit Guarantee Fund | ₹ 25,500,000 | | | ₹ 25,500,000 |
| 9 | Administrative Cost (BPM SVEP costs etc) | ₹ 2,811,115 | | | ₹ 2,811,115 |
| | Total cost per block | ₹ 42,244,160 | | ₹ 22,755,840 | ₹ 65,000,000 |
| | Total Per Enterprise | ₹ 17,602 | ₹ 9,482 | | ₹ 27,083 |
| | | | 35% | | ₹ 27,083 |
| | * Tablets shall be purchased by the CRP-EP's themselves | | | | |

However, not all blocks in the state are similar and there are wide variations across states in terms of topography, distance from markets, income levels etc. To cater to this variance in the potential of the block to support number of entrepreneurs, we had asked the states, in the guidelines, to conduct a baseline and market potential study of the block.

Based on the outcome of this baseline and market potential study, the final number of entrepreneurs that can be supported in the block shall be estimated.

As per the EC approval the NRLM shall release Rs. 30 lakhs per block as the 1st tranche of the 1st installment we are releasing to the states for carrying out the baseline and market potential studies using the services of the PIA/NRO/PMU selected for the implementation of the SVEP and the CRP-EPs being trained under the project. In case the state is already implementing SVEP and already has funds released to it under the SVEP, then the state can utilise the funds available with it for carrying out this activity.

Based on this estimate of the number of enterprises, the final budget per block and the physical targets of the number of entrepreneurs that can be supported, would be arrived at. This number and budget shall form part of the Detailed Project Report (DPR) to be submitted by the SRLM.

In case the number of entrepreneurs the block can support arrives at a figure of lesser than 2400, then in that case the budget for the block would have to be revised downward.

Fixed and Variable costs

For this recalculation of the budget, the budget is to be calculated by breaking down the costs into fixed and variable costs, the fixed costs remains static for a block, irrespective of the number of enterprises that can be viably supported in the block, (Fixed cost per block is **₹ 42,244,160**) while the variable cost can be arrived at by multiplying the unit variable cost with the number of entrepreneurs planned to be supported in the block, as per the DPR. (Variable cost per enterprise is Rs.9482 per enterprise supported). The average cost per enterprise for a block supporting 2400 enterprises is Rs. 27,083.

Thus in the case of a block which can support 2000 entrepreneurs, the budgeted cost per block would come down from Rs6.50 crores to Rs. 6.12 crores, but the unit cost per entrepreneur would go up to Rs. 30,604 (as the fixed costs would be spread over a lesser number of entrepreneurs – please see table 3 below).

This change in the calculation is proposed so that the quality of support offered to the remote and poorer blocks does not suffer due to funds constraints, or the process of selection of subsequent blocks is not skewed towards only those blocks which have potential to support 2400 entrepreneurs.

The costs per enterprise, per block have been broken down into fixed costs and variable cost components.

Accordingly, a table is shared of the cost per enterprise and the budget per block for a few illustrative cases in the table below:

Table 3. Per enterprise variable cost ₹ 9842

| No. of enterprises supported in block | Fixed cost | Variable cost/ enterprise | Total variable cost | Total cost for block | Unit Cost / enterprise supported |
|---------------------------------------|------------|---------------------------|---------------------|----------------------|----------------------------------|
| 2,400 | 42,244,160 | 9,482 | 22,755,840 | 65,000,000 | 27,083 |
| 2,200 | 42,244,160 | 9,482 | 20,859,520 | 63,103,680 | 28,683 |
| 2,000 | 42,244,160 | 9,482 | 18,963,200 | 61,207,360 | 30,604 |
| 1,800 | 42,244,160 | 9,482 | 17,066,880 | 59,311,040 | 32,951 |
| 1,600 | 42,244,160 | 9,482 | 15,170,560 | 57,414,720 | 35,884 |
| 1,400 | 42,244,160 | 9,482 | 13,274,240 | 55,518,400 | 39,656 |
| 1,200 | 42,244,160 | 9,482 | 11,377,920 | 53,622,080 | 44,685 |

The rationale for treating the costs as fixed cost is as under:

a) Training of Community Institutions

Irrespective of the number of enterprises supported under SVEP, these costs would be incurred as the number of Community institutions (SHG's and VO's) per block, would remain more or less similar in a block which has more business potential and in a block which has less potential.

b) Training and Capacity Building of CRP-EPs

Though the number of CRP-EP's may reduce based on the number of enterprises supported under SVEP, but since the training cost would remain more or less the same, as the cost would not vary much very whether there are 80 or 60 CRP-EP's in the batch.

c) Setting up of BRC-EP (incl. all assets) and

d) Working Capital for BRC-EP for operating expenses

Irrespective of the number of enterprises supported under SVEP, one Block Resource Centre per block would have to be set up.

e) Baseline and

f) Evaluation

Irrespective of the number of enterprises supported under SVEP, the baseline and Market potential study and the evaluations study at the end of 2 years of the project would have to be carried out.

g) Mentor and Block Support costs

Irrespective of the number of enterprises supported under SVEP, the mentors and block project

manager from the PIA shall have to spend time in the block and support and handhold the implementation of the project and the CRP-EPs’.

h) CEF and Credit Guarantee Fund

This is treated as fixed, as the blocks where the market potential is lower for enterprises, the same would hold true for banks also. Empirically it has been noticed that the bank branches in the remote and poorer blocks are lesser than the bank branches in the more prosperous towns. The remote and poorer blocks hence would have greater difficulty in access to bank branches and consequently bank loans.

i) BPO cost :

Under the SVEP, we are asking the SRLM to provide a dedicated officer for the SVEP at the block level. This officer has to have experience and skills in enterprise promotion. Irrespective of the number of enterprises supported, this one person shall have to be posted at the block by the SRLM, hence this cost is treated as fixed.

Variable costs

The costs of trainings of the entrepreneurs of Rs.1353, includes the costs of organizing meetings and seeding the concept of entrepreneurship, selecting the entrepreneurs based on their willingness and readiness for the enterprise that they propose to start, the feasibility analysis for the enterprise proposed to be started by the entrepreneur and the training to the entrepreneur to start and run the enterprise provided by the CRP-EPs.

The CRP support costs to the entrepreneur include support for setting up the enterprise and then support for making the monthly P&L for a minimum period of 12 months from the start of the enterprise or till the loan is repaid whichever is later.

The mentor cost in the SRLM’s PMU implementation of the SVEP is variable, based on if the person is required to be placed in the block or not.

How to deal with very small size blocks?

The unit of implementation and the estimated costs per block were estimated assuming that each block would have the following minimum criteria.

| Parameters | Minimum size for a Block under SVEP |
|----------------|-------------------------------------|
| No of villages | > 50 |
| Population | > 48000 |

| | |
|------|--------------|
| Area | > 300 sq. km |
|------|--------------|

In case any block proposed by the state is smaller and does not meet any of these minimum criteria, then the state shall have to club more than one adjacent blocks and that combined entity shall be entitled to the fixed block costs under SVEP. However, in no cases should blocks be merged across districts, as that leads to a lot of administrative and operational issues.

Andhra Pradesh and Telangana have mandals and hence they have combined 3 mandals to make up a block equivalent for SVEP. Other states with smaller blocks shall have to do the same.

Most of these small blocks would be found in the North Eastern and hill states, or in areas where economic activity is not feasible – deserts, forests etc.

In states and blocks with scattered populations and difficult terrains, merging more blocks has been found to be impractical as the travel time between one part to another part is very high. Thus neither can the BRC members travel for meetings, nor can the CRP-EPs nor the mentors can travel for supporting enterprises in distant / remote areas.

Given the diverse situation in such states and in each block, a single cost norm would not be feasible for all the hill, tribal and NE states and ideally, the achievable targets for each block should be arrived at as part of the DPR and approved considering the above constraints.

DPR of such blocks shall be considered for approval with whatever the number of feasible enterprises possible in the block (or merged block as the case may be). The EC may take a call on the approval of the block and the costs for the implementation.

For such blocks, the DPR shall specify the estimated number of enterprises that can be supported in the block (or merged block wherever feasible) and the quantum of fixed costs and variable required (within the overall ceiling specified in the guidelines). The DPR and costs for such blocks shall be approved by the Chairperson of the EC, the Secretary (RD) on merit, on a case to case basis.

While the cost per enterprise may be higher in these blocks, the overall maximum cost per block shall remain the same – with some of the fund available for the block being interchanged between heads within the overall budget for each block under SVEP (currently Rs. 6.50 crores per block).

This flexibility shall help remove the practical difficulties faced by the for the NE / hill states / tribal areas where populations are scattered and the terrain is such that travel is very time consuming in implementing SVEP within the constraints of a universal guideline for the entire country.

Annexure 3

Funds release pattern under SVEP to the SRLMs to be in two installments of 50% each

The funds releases to SRLMs for the implementation of the SVEP, shall be released in two installments of 50% each, on the Annual Action Plan (AAP) route, similar to the way the funds for the AAP of the NRLM are released. The extant guidelines of the DOE shall be followed for these releases.

Expenditure for baseline and market potential report

The states can utilise upto Rs. 30 lakhs per block (both central and state share combined) from the funds released to them as part of AAP release for conducting the baseline and market potential study using the CRP-EPs to be trained under this program.

Post the baseline and market potential study being carried by the SRLM, the SRLM would submit Detailed Project Report (DPR) to the Ministry of Rural Development.

The final project cost would be calculated based on this DPR subject to the maximum cap of Rs.6.5 crores per block.

The final allowable budget for the block shall be arrived at on the basis of the DPR. The estimate of the funds per block shall be done using the fixed and variable cost formula of costs per block, except for very small blocks. The DPRs shall be approved by the EC of the MoRD.

2nd Installment

The 2nd installment of Central share for 50 % of the project cost will be released upon the following:

- a. Release of proportionate state share for all the funds released so far.
- b. Submission of a Utilization certificate along with an expenditure statement for at least 75% of the released 1st installment funds and contribution from state government. This UC shall be all the SVEP blocks in the state including existing blocks sanctioned earlier, and achievement of corresponding physical targets as specified in the DPRs of all the projects. The UC should have a narrative clearly detailing the convergence achieved in financial terms, for the project.
- c. Submission of year-wise audit reports of the funds utilized, if due (Audited reports for the previous year required only if the subsequent installment is being sought after the 30th September of the following year)
- d. Quarterly reporting of progress in the prescribed formats.
- e. A certificate from the Designated Agency that the project is being implemented as per the approved project proposal.
- f. All financial documents (UC, Audit report etc.) and the project report submitted by the Project Implementation Agencies should be scrutinized and authenticated by the SRLM before they are forwarded to the Ministry of Rural Development.

Utilization of Interest earned on Central release (s):

The interest amount accrued on Central Government releases, if any, shall be returned to the consolidated fund of India, as per the terms of the GFR.

Only in the case of the Community Investment Fund for enterprise promotion under SVEP, which shall be given to the Community based organization (CBO) – either the Cluster Level Federation (CLF) or a designated Village Organization (VO) in the block, any unutilized funds shall necessarily be kept by the CBO in a Fixed Deposit with a bank, and the interest income so earned, would be utilized by the CBO to supplement the corpus of the community credit guarantee fund / CEF, under the SVEP. These details should form part of the yearly accounts of the CBO which should be audited and submitted to the NRLM, for the duration of the project.

Releasing of Matching Share:

The State Government/other donor agency is required to release its corresponding matching share within a month of receipt of the respective installment of the central share. The release of tranches of the 1st, 2nd and subsequent installment of central share will be subject to release of state share against the central release already made and meeting all the requirements as specified by the DoE.

Annexure 4

Framework for funding the Head Office costs of the National Resource Organizations (NROs) under Start-up Village Entrepreneurship Program (SVEP).

1. This framework seeks to provide a basis for supporting the Head office (HO) costs of the NRO's based on the number of states and blocks supported by the NRO, for the implementation of the SVEP, as direct implementing partners with the states.

2. The NRO's are expected to have a two pronged role in the implementation of the SVEP :
 - 2.1 **Implementation Role:** Directly implement the SVEP in the blocks as implementing partners with the states – to establish proof of concept of the program in the states.
In this role the NROs need to deploy a team of senior professionals at their head office level, who are expected to do the following:
 - 2.1.1 Ensure mid-term course corrections are done wherever required and document the best practices, identified during implementation.
 - 2.1.2 Develop the processes - including written test, personality assessment tools etc. for the selection of Community Resource Persons for enterprise promotion (CRP-EP).
 - 2.1.3 Develop a module for doing a baseline and market potential study in the blocks.
 - 2.1.4 Develop a process for market scoping studies for new enterprises which be seeded in the blocks – based on the existing consumption and production of the block, the emerging opportunities of consumption and the opportunities based on government schemes and spends etc.
 - 2.1.5 Create a process of doing a financial feasibility analysis of the new enterprises proposed to be set up under the SVEP.
 - 2.1.6 Help create software for the support of the CRP-EP, the entrepreneur and also to maintain a transaction based MIS for the SVEP.
 - 2.1.7 Help establish processes of support to the enterprises using regional performance benchmarks based on the data captured in the software being developed for the SVEP.
 - 2.1.8 Along with NRLM, conduct the training and immersion of the Programme Implementation Agency's (PIA's) who are the implementation partners of some states for SVEP, in the first phase. The training shall be done to help the PIA's understand all the aspects of SVEP.
 - 2.1.9 Help develop the parameters for monitoring the progress of the program
 - 2.1.10 Partner in the process of all activities to be done for ensuring that the SVEP can be scaled up, including participating in review meetings and workshops.

- 2.1.11 Drive the implementation of the SVEP for the project duration to ensure all the targets and timelines as specified in the DPR are met.
- 2.1.12 **Programme Scale-up Role :** Based on the experience of implementation of the SVEP in the blocks and their prior experience on implementation of entrepreneurship development programmes and working with the NRLM structures, do the following activities :
- 2.1.13 Create standardised content and training pedagogy for training of the various stakeholders for the implementation of the SVEP - Programme Implementation Agency's (PIA) management, Mentor Community Resource Person for Enterprise Promotion (CRP-EP), CRP- EPs, members of the various community based organisations (CBO's) viz. Self Help Groups (SHG's) , Village Organisations (VOs) and Cluster Level Federations (CLF), Entrepreneurs, bank officials, State Rural Livelihood Missions (SRLM) employees at the state, district and block level etc.
- 2.1.14 Create a repository of training material and ICT material for the implementation of the program.
- 2.1.15 Create a process of certification of the mentor CRP-EP's and the CRP-EPs.
- 2.1.16 Support creation of a process and criteria of identification and selection of PIA's who have the competence and ability to implement the SVEP across the country.

3. While the cost of direct implementation of the SVEP in the blocks are covered in the SVEP costs being given to the SRLM's, the HO and other costs of NRO's for doing the tasks for the scale up and institutionalization of the SVEP processes as detailed above are not funded. This framework seeks to define the processes of providing support to the NRO's for these costs and are part of the centralised support by the NRLM.

4. There are the costs of the senior professionals of the NRO, who'll need to be involved in the planning, execution and seeking learning's from the implementation of the program at the block level and ensuring leadership to drive and deliver the outcomes defined in points 3.1 above.

5. The costs for the following people and heads are sought to be supported under SVEP :

5.1 **Programme Lead:** S (he) is senior professional, who shall drive the implementation of the SVEP in the states where the NRO is implementing the program and also provide conceptual and leadership for the support role of the NRO. S (he) shall be responsible for the execution of the program in the states as per timelines. S (he) shall also ensure that whatever mid-term course corrections and decisions are needed to be taken are taken and the same are shared with all the states through the drive and create best practices, and shall be the one point contact for the NRLM for the implementation of SVEP by the NRO in the states, as a technical support agency.

5.2 **Office and administrative support for the Programme Lead:** This is the secretarial support for the Program Lead to help him/her track the progress of the SVEP implementation, documentation, MIS as well as co-ordinate other office and administrative work for the Programme Lead.

- 5.3 **Programme Manager:** These are mid to senior level professionals from the NRO who'll be expected to guide and monitor the implementation of the SVEP at the block level as well as co-ordinate with the states. Each person is expected to be able to provide support for implementation for 3 states or 8 blocks.
- 5.4 **Data Analyst :** SVEP is expected to generate a lot of data about the enterprises and their operations which needs to be analysed for using the same to help the enterprises access benefits of market linkages. One data analyst per 20 blocks per NRO has been provided for subject to a maximum to 2.
- 5.5 **Ecommerce and Market Linkage support Manager :** As the number of SVEP enterprises scale up, they would need guidance and help in market linkages especially with ecommerce platforms. One Manager in each NRO implementing 20 or more blocks has been provided for.
- 5.6 **Sectoral Experts:** One of the intentions of the SVEP and the MoRD is to support higher order enterprises / help the SVEP enterprises scale up. It is believed that the manufacturing enterprises have greater scope for growth. 2 and 3 Sectoral experts have been budgeted for the NROs implementing SVEP in more than 20 blocks and more than 40 blocks respectively.
- 5.7 **Travel, communication and office overheads for the NRO head office team:** This shall cover the costs of travel of the team to the states where implementation is taking place, as well as travel to NMMU for 4 visits a year for review of the progress of the SVEP.
6. The basis for funding of the costs for items 6.1 to 6.4 as mentioned above, which are largely programme monitoring and implementation roles, would be based on a matrix of the number of blocks/states supported for implementation by the NRO. The more the number of blocks/states supported, the more the people at the Head Office of NRO would be supported. The matrix of the number of people to be supported, the % of their cost which will be supported and the maximum cost which can be supported as per NRLM norms, is detailed overleaf:

| No of states supported ** | | 1-3 | 4-9 | 10-15 | 16-21 | >21 | 1-3 | 4-9 | 10-15 | 16-21 | >21 | |
|---|--------------|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| No of blocks supported ** | | less than 7 | 7-19 | 20-31 | 32-42 | >42 | less than 7 | 7-19 | 20-31 | 32-42 | >42 | |
| Reimbursement to be made on whichever of the 2 above mentioned criteria is higher | | | | | | | | | | | | |
| Manpower and admin travel costs to be supported | Experience | per annum costs Rs. Lakhs for 2022-23 * | % of cost to be supported | % of cost to be supported | % of cost to be supported | % of cost to be supported | % of cost to be supported | Amount to be paid Rs. Lakhs | Amount to be paid Rs. Lakhs | Amount to be paid Rs. Lakhs | Amount to be paid Rs. Lakhs | Amount to be paid Rs. Lakhs |
| Fixed HO costs support | | | | | | | | | | | | |
| Program Lead | 20 years exp | 18.00 | | 75% | 90% | 90% | 90% | - | 13.50 | 16.20 | 16.20 | 16.20 |
| Program Lead | 10 years exp | 12.00 | 75% | | | | | 9.00 | - | - | - | - |
| Program Lead - Office Secretarial & admin. support cost | 5 years exp | 3.60 | 0 | 50% | 75% | 100% | 100% | - | 1.80 | 2.70 | 3.60 | 3.60 |
| Program manager No's | 10 years exp | 12.00 | 0 | 1 | 1 | 1 | 1 | | | | | |
| State co-ordinator/ Program manager | 5 years exp | 6.00 | 0 | 1 | 2 | 3 | 4 | | | | | |
| Program manager | 10 years exp | 12.00 | 0 | 100% | 100% | 100% | 100% | - | 12.00 | 12.00 | 12.00 | 12.00 |
| State co-ordinator/ Program manager | 5 years exp | 6.00 | 0 | 100% | 100% | 100% | 100% | - | 6.00 | 12.00 | 18.00 | 24.00 |
| Data analyst | 5 years exp | 9.00 | 0 | 0 | 1 | 2 | 2 | | | | | |
| Data analyst | 5 years exp | 9.00 | | | 100% | 100% | 100% | | | 9.00 | 18.00 | 18.00 |
| E commerce / Market linkage support Manager | 5 years exp | 9.00 | 0 | 0 | 1 | 1 | 1 | | | | | |
| E commerce / Market linkage support Manager | 5 years exp | 9.00 | | | 100% | 100% | 100% | | | 9.00 | 9.00 | 9.00 |
| Sectoral experts | 5 years exp | 9.00 | 0 | 0 | 2 | 3 | 3 | | | | | |
| Sectoral experts | 5 years exp | 9.00 | | | 100% | 100% | 100% | | | 18.00 | 27.00 | 27.00 |
| Total support for manpower cost | | | | | | | | 9.00 | 33.30 | 78.90 | 103.80 | 109.80 |
| Travel, Comm and office costs | | 40% of salary cost | | | | | | 3.60 | 13.32 | 31.56 | 41.52 | 43.92 |
| Total support for NRO HO Support costs per year | | | | | | | | 12.60 | 46.62 | 110.46 | 145.32 | 153.72 |

* The maximum cap of the salary for each position shall be increased by 5% per year from 2023-24 onwards to take care of inflationary increases

** The maximum number of active blocks / states at any time during the current and previous financial year shall be considered for the purpose of calculating the eligibility for reimbursement of secretariat costs

Guidelines for Micro Enterprise Development (MED)

31/10/2022

File No: S-11051/02/2022-23/NRLM(SVEP) (380881)

Government of India
Ministry of Rural Development
Department of Rural Development
<https://rural.nic.in>
(Rural Livelihoods Division)

7th Floor, NDCC – II Building,
Jai Singh Road,
New Delhi – 110001

Dated: 31st October, 2022

To

The SMD/CEO SRLMs
All State/UTs

Sub: Micro Enterprise Development guidelines

I am directed to share the guidelines of Micro Enterprise Development (MED), a sub-scheme of DAY-NRLM of Ministry of Rural Development (MoRD)

This guidelines of MED issues with the approval of Secretary (RD).

Yours faithfully,


(Raghvendra Pratap Singh)
Director (RL)
Ph. 011-23438102

Encls:A/a

Copy to

1. All NROs,
- 2.All State anchors,

Guidelines for Micro Enterprise Development (MED)

Enterprise Promotion and Development Non-farm Livelihoods

**Deendayal Antyodaya Yojana - National Rural Livelihoods Mission
(DAY-NRLM)
Ministry of Rural Development
(Government of India)**

Acronyms

| | |
|---------|--|
| AAP | Annual Action Plan |
| BMMU | Block Mission Management Unit |
| BPM | Block Project Manager |
| CBO | Community Based Organisation |
| OSF | One Stop Facility |
| CEF | Community Enterprise Fund |
| CIF | Community Investment Fund |
| CLF | Cluster Level Federation |
| CRP | Community Resource Person |
| CRP-EP | Community Resource Person – Enterprise Promotion |
| CMTC | Community Managed Training Centre |
| DDU-GKY | Deen Dayal Upadhyaya Grameen Kaushalya Yojana |
| DPM | District Project Manager |
| IB-CB | Institution Building-Capacity Building |
| NOC | No-Objection Certificate |
| NRLM | National Rural Livelihood Mission |
| NRO | National Resource Organisation |
| PIA | Project Implementing Agency |
| PMSBY | Pradhan Mantri Suraksha Bima Yojana |
| PMJJBY | Pradhan Mantri Jeevan Jyoti Bima Yojana |
| RSETI | Rural Self Employment Training Institutes |
| SHG | Self Help Group |
| SIRD | State Institute of Rural Development |
| SRLM | State Rural Livelihood Mission |
| SVEP | Start-up Village Entrepreneurship Programme |
| VO | Village Organisation |

1. Context

One of the major objectives of developmental policies in India is to provide livelihood opportunities to millions of unemployed and underemployed rural youth. The core of the problem is surplus agricultural labour and closure of traditional village industries, resulting in increased unemployment in rural areas and migration of rural youth to urban areas in search of jobs.

It has been experienced that poor families require 3-4 different income sources to get out of poverty. As agriculture is beleaguered with uncertainties, the non-farm sector is particularly important to the rural poor. Households with less than 0.5 hectare earn between 30-90% of their income from non-farm sources (IFAD 2002a). Non-farm income is also important to the poor as means to help stabilize household income in years of natural disasters, such as drought years.

National Rural Livelihood Mission (NRLM) interventions have resulted in Self Help Group (SHG) members take up small businesses in the non-farm sector over the last 4-5 years. The Community Investment Fund (CIF) along with other funds mobilised from financial institutions have been channelled for livelihoods activities, significant portion of which have been used for starting non-farm activities. Some of the dedicated programmes like Start-up Village Entrepreneurship Programme (SVEP) have supported entrepreneurs by developing an eco-system for supporting small businesses.

Apart from SVEP, large number of SHG members are taking up enterprises through the existing SHG funds including the Community Investment Fund (CIF). Majority of these first generation have the potential to perform better if they are provided hand-holding support for the preparation of business plans, trainings, basic accounting skills etc.

Another key is the hand-holding support for 6 months after the formation of the enterprises which is critical for the survival of the enterprises. All these services are expected to be provided under MED through a well-trained cadre of Community Resource Persons-Enterprise Promotion (CRP-EP) which is expected to promote entrepreneurship in identified blocks.

2. Micro Enterprise Development (MED)

Objective: Micro Enterprise Development (MED) is a component under the Start-up Village Entrepreneurship Programme (SVEP) sub-scheme of Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM). The MED scheme has the objective to support SHGs and their family member enterprises in the non-farm sector.

This scheme is planned in such a way that the necessary hand-holding and post enterprise grounding support to entrepreneurs shall be provided and financing part will be mobilized from CIF provided under NRLM and Banks/financial institutions.

Unit of implementation: The block is the unit of implementation in MED. The program aims to develop an initial eco-system for entrepreneurship development in the identified blocks and prepare it for the next level of entrepreneurship intervention like SVEP and One Stop Facility (OSF).

Defining MED Enterprise: The enterprises shall be considered as MED enterprise only if -

- The necessary capacity building of entrepreneurs is completed
- Minimum investment of Rs. 30,000/- in the enterprise

Sources of Finance for Micro Enterprises: As a principle, the following approach may be taken for determining the source of finance for micro enterprises –

- i. For investments less than Rs. 50,000/- own funds available with SHGs, including CIF and unused Bank loan limits of SHG.
- ii. For investments between Rs. 50,000/- to Rs. 1,00,000/- contribution of funds from SHG and Bank loan (under Shishu category in Mudra) may be used.
- iii. For investments above Rs. 1,00,000/- Bank loans may be used.

Minimum of 10% margin money is recommended in all cases.

Financial Inclusion teams in SRLMs at States shall actively participate and support in linking the selected MED entrepreneurs with Banks/financial institutions.

Features: MED supports in setting up the eco-system for enterprise development in the selected blocks through:

a. Trained cadre of Community Resource Persons-Enterprise Promotion (CRP-EP) in selected blocks.

b. Business Support Services for enterprise development through identifying business ideas, preparation of business plans, accessing loans from Banks, maintaining accounts and support in marketing etc.

c. Enterprise hand-holding support for 6 months after grounding of enterprises.

Project allocation: MED is a demand-based program. There is no State-wise allocation of projects. States have to submit proposals through supplementary Annual Action Plans (AAP). Detailed plan for the project activities need to be prepared while submitting the AAPs for approval.

Coverage: 200 SHG entrepreneurs shall be covered in each block under the MED scheme.

Project duration: the project duration is for a period of 18 months from the day of AAP approval.

Project activities: 200 enterprises will be supported in one block. The support to existing enterprises is limited to 25% of total enterprises in the block and 75% will be new enterprises.

CRP-EPs: Minimum 10 CRP-EPs shall be selected and trained in each MED Block.

Existing CRPs like book-keepers shall be motivated to apply for graduation into CRP-EPs.

All the CRP-EPs have to be assessed and certified by NAR as per the NSQF aligned qualification on CRP-EPs (NARQ/5003 - Level 3). The cost for the CRP-EP certification be taken from the budget head “hand-holding support to entrepreneurs” of MED.

State should make an effort to optimize training costs in case existing CRPs are being upgraded to CRP-EPs.

3. Block Selection Criteria:

The MED blocks shall be around SVEP/OSF blocks (nearby blocks) to create an effective eco-system for enterprise promotion. Around one SVEP block, four MED blocks should be planned for saturation of enterprise promotion activities.

States/UTs applying for MED should focus on the blocks around SVEP Phase I and Phase II blocks, where the implementation is complete.

The SVEP/OSF Blocks cannot be taken as MED blocks. Supplementary AAP can be submitted only for new blocks.

| | | | | |
|---|---|---|------------------|--------------------------------------|
| Preference would be given to the blocks which have achieved the followings (State effectiveness in implementation) | | | | |
| | | Minimum Eligibility Criteria | | |
| S.No. | Criteria for the Appropriateness of the block for MED implementation | All States other than Spl States | NE States | Hill/ small States & UT's |

| | | | | |
|----|---|-------|-------|-------|
| 1 | Minimum saturation of HHs in SHG in the block before taking up MED as % of SECC deprived HHs in the blocks where SECC and NRLM database matched | 70% | 60% | 60% |
| 2 | Commitment to complete saturation of blocks within "X" years in the District | 1 | 2 | 2 |
| 3 | Minimum Villages entered with SHG mobilisation in the block | 80% | 80% | 80% |
| 4 | Is there a CLF or GPLF/VO in the block proposed? (as applicable) | CLF | CLF | CLF |
| 5 | Minimum years of federation of SHGs into BLF or CLF/VO or GPLF in the block before taking up MED (as applicable) | 1 | 1 | 1 |
| 6 | Minimum RF disbursed as % of eligible SHGs in the block before taking up MED | 75% | 75% | 75% |
| 7 | Minimum CIF disbursed as % of eligible SHGs in the block before taking up MED (eligible SHGs are 50% of the SHGs in the block) | 50% | 50% | 50% |
| 8 | Minimum achievement of SHG Bank linkage in the block before taking up MED | 70% | 60% | 60% |
| 9 | NPAs of the SHGs in the Bank linkage portal (should be max 3.5%) | 3.5% | 3.5% | 3.5% |
| 10 | Minimum no. of SHG members in a block for taking up MED | 6,000 | 4,500 | 4,500 |

4. Funding Pattern: The funding shall be as per the DAY-NRLM existing structure of 60% Central and 40% State share, in case of North Eastern and for Himalayan States 90% Central and 10% State share. Fund release will be in one installment of 100% for effective implementation of the scheme.

5. Budget for the MED Scheme in a Block: The maximum budget for MED in a block is Rs. 20,00,000 (Rupees twenty lakhs). The details of the budget are as follows –

| S. No. | Activity | Unit Cost (Rs) | No. | Budget (Rs) |
|--------|---|----------------|-----|-------------|
| 1 | Capacity building & certification of CRP-EPs | 35,000 | 10 | 3,50,000 |
| 2 | Hand-holding support to Entrepreneurs (including remuneration to CRP-EPs) | 5,000 | 200 | 10,00,000 |
| 3 | Training of Entrepreneurs | 2,250 | 200 | 4,50,000 |

| | | | | |
|---|---|--------|----|------------------|
| 4 | Exposure visit of CLF committee/CBO members | 2,500 | 50 | 1,25,000 |
| 5 | Admin cost to CBOs (VO/CLF)* | 15,000 | 5 | 75,000 |
| | Total | | | 20,00,000 |

*assuming 5 CLFs/VOs in the selected blocks. The amount will be equally distributed in case of lower/higher no. of CLFs/VOs.

6. How can States/UTs apply for the MED

The States/UTs can apply for the MED as part of their Annual Action Plans. However, they have to apply for MED through supplementary AAP in 2022-23. States/UTs can apply for a maximum of 20 blocks while making the first application for MED.

The limitation on the number of blocks which a State/UT can apply for, can be waived off with the approval of the Empowered Committee of MoRD.

The States/UT can engage DAY-NRLM empaneled SVEP NROs, PIA which have implemented SVEP and agencies empaneled for BDSP training under non-farm livelihoods for implementation support under MED. The training of CRP-EPs in SVEP and MED in the State may be clubbed, if required.

7. Human Resource

It is mandatory to have a full time BPM in the blocks where MED is proposed. Along with the BPM, BPM-Non-farm/Block coordinator non-farm needs to be placed for effective implementation of the MED programme.

The State/UT should have non-farm livelihoods staff at the State level (SMMU) as per the advisory issued. The HR advisory of the non-farm livelihoods of DAY-NRLM mandates the States to have at least one State Project Manager (SPM), one Project Manager (PM) and one Young Professional (YP) for effective implementation of the non-farm livelihood scheme in the State/UT.

SPM (non-farm) shall:

- a. Identify MED geographies
 - o Identify blocks to be supported under MED based on the selection criteria
 - o Facilitate process for selection of BPM-non-farm/Block coordinator non-farm

- b. Ensure the selection of CRP-EPs
 - Ensure preparation of necessary material for and conduct written test and group activities for selection of CPR-EPs. Assistance may be sought from NRPs/PIA/NMMU, if required
 - Ensure result of written test and group activities are collated and declared for CRP-EPs within the specified time limit
- c. Ensure training program for CRP-EPs
- d. Ensure timely release of funds to nodal CLF / DMMU upon submission of necessary documents
- e. Ensure regular monitoring and reporting of MED activities
 - Convene review meeting of all MEDs in the State and share minutes of the meeting with all participants and stakeholders, including NMMU
 - Review progress of the MED against targets and understand the issues in the field. Strategy and plan for the coming quarter must also be discussed
 - Collate (and analyze, if required) performance of all MED supported enterprises on key performance indicators on a monthly basis and share the report with NMMU
 - S/he shall also co-ordinate to ensure convergence with other schemes of the Central and State governments, particularly the schemes of the MSME.

Annexure A

DAY-NRLM

ANNUAL ACTION PLAN – LIVELIHOODS (For Non-Farm/Off-Farm income generating activities under Micro Enterprise Development (MED) for Year 2022-23)**1. Provide a brief analysis of current livelihoods scenario in the state.**

- a. List and describe the key livelihoods of the poor in the state; e.g. agriculture, NTFP based livelihoods, Non-farm livelihoods, artisanal or any other livelihood stream primarily among the most vulnerable/poorest of poor section of community like landless/ asset less, SC/STs, PVTGs, women headed HHs, single women etc. Provide any relevant secondary data available to give clear idea. (Please refer to census data, SECC data, MGNREGA Job Card data, NSSO Consumption data, District GDP data, Bank deposits and Advances data, among others.
- b. Explain the best practices studied if any, in each of the livelihoods (focusing towards off-farm and non–farm) stream available in the state.
- c. Please explain various constraints/ issues in the area of livelihood options (e.g. issues related to access and control of productive resources, availability of raw material, production process, post production process, storage of finished product, producers' organization, value addition, trading, providing services, marketing, realization of value/profit to the producers and any other issues, especially lack of training, distance from markets, low numeracy and business skills etc.)

2. Please explain livelihoods promotion model/s and strategies of the State.

- a. In reference to the existing livelihood opportunities and the issues, what is the overall strategy of the state to promote key livelihoods? How the state aims at addressing the constraints in the field of livelihoods. Also explain state's strategy with reference to specific livelihood stream (Agriculture, NTFP, livestock, off farm, artisanal, manufacturing, trade, providing services etc.). In case of agriculture, NTFP and livestock interventions, please describe the post production technologies/ activities/ interventions which include storage, value addition, marketing, transporting to market etc.
- b. What is the strategy aimed specifically at the most vulnerable section/ community and their livelihoods.
- c. What is the overall strategy of livelihoods promotion in the intensive blocks / resource blocks in the state, as part of NRLM?
- d. How the state is planning to integrate MED with its' overall livelihoods promotion strategy.

3. Existing project management and monitoring of SRLM.

a. Readiness Indicators

Table 1: Readiness indicators of SRLM to implement the AAP on MED

| S.No. | Criteria for the Appropriateness of the block for MED implementation | No. | % |
|-------|---|-----|---|
| 1 | Minimum saturation of HH in SHG in the block before taking up MED as % of SECC deprived HH in the blocks where SECC and NRLM database matched | | |
| 2 | Commitment to complete saturation of block within "X" years ** | | |
| 3 | Minimum Villages entered with SHG mobilization in the block | | |
| 4 | Is there a CLF or GPLF/VO in the block proposed? (as applicable) | | |
| 5 | Minimum years of federation of SHGs into BLF or CLF/VO or GPLF in the block before taking up MED (as applicable) | | |
| 6 | Minimum RF disbursed as % of eligible SHGs in the block before taking up MED | | |
| 7 | Minimum CIF disbursed as % of eligible SHGs in the block before taking up MED (eligible SHGs are 50% of the SHGs in the block) | | |
| 8 | Minimum achievement of SHG bank linkage in the block before taking up MED | | |
| 9 | NPAs of the SHGs in the bank linkage portal (should be max 5%) | | |
| 10 | Minimum no. of SHG members in a block for taking up MED | | |

List of NE states: Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura. List of Small and Hill states: Himachal Pradesh / Uttarakhand and Goa

b. Whether full time livelihoods team in place at the State level- Please give details of the team.

Table 2: Details of personnel at SMMU

| S.No. | Designation | Name | Experience | Educational Qualifications | Dedicated for non-farm or additional charge | List of additional charges held | Date of deployment |
|-------|-------------|------|------------|----------------------------|---|---------------------------------|--------------------|
| 1 | | | | | | | |

| | | | | | | | |
|---|--|--|--|--|--|--|--|
| 2 | | | | | | | |
|---|--|--|--|--|--|--|--|

- c. **Whether Block Project Manager (BPM) positioned in the proposed Blocks for MED - Please give details of the BPM/block coordinator (non-farm)**

Table 3: details of personnel at DMMU

| S No. | Name | Experience | Educational Qualifications | Dedicated for non-farm or additional charge | List of additional charges held | Date of deployment |
|-------|------|------------|----------------------------|---|---------------------------------|--------------------|
| 1 | | | | | | |
| 2 | | | | | | |
| 3 | | | | | | |
| 4 | | | | | | |
| 5 | | | | | | |

Whether the non-farm livelihoods team has undergone well designed and detailed induction training (specifically the team at the State and the proposed MED block) – Please give details of the training programs organized for the non-farm livelihoods team and attended by them.

4. MED Process

- Please name the PIA selected for supporting MED implementation in State.
- Please explain the processes followed by SRLM (in congruence with MED framework and guidelines) to identify partners for MED implementation.
- What is the Framework of Monitoring and Evaluation system planned for the MED projects by the SRLM?
- Please explain how the State SRLM proposes to monitor the implementation of the projects in the State, as per their existing internal systems and planned systems (as per the MED framework and guidelines).
- Whether the MoU for MED implementation support has been signed with the proposed partner? Please attach a copy of the MoU with this AAP.

5. Scaling up plan for the livelihood initiatives started under MED

- How the State plans to scale up these initiatives/ projects across the State in the intensive blocks and resource blocks planned under NRLM. How it envisages integrating the learning from the projects to the State livelihoods plan/ strategy.
- How the State plans to integrate the livelihood CRPs emerged and trained from the MED projects, into State's livelihood plan.

Table 4: Proposed funding plan for MED

| Components | Source | Type of Project | Total Project Cost (in lakhs) |
|--|--|-----------------|-------------------------------|
| 60% Of total Budget Outlay for livelihood promotion plan under MED | MoRD /Central Share | | |
| 40% (10% in case of NE & J&K*)of total Budget Outlay for livelihood promotion plan under MED | State/Any Other Donor Agency (Please mention the name of the source) | | |

*Till the new notifications come.

Please note that the state contribution cannot be drawn from the allocation made to SRLMs under NRLM.

7. Please provide the following details for the blocks selected under MED

- a. Demographic details

Table 5: Block details

| | | |
|----|---|--|
| 1 | State | |
| 2 | District Name | |
| 3 | District GDP and per capita income of the district | |
| 4 | IAP District / schedule V or schedule VI district | |
| 5 | Name of Block selected | |
| 6 | Is the block an Intensive block | |
| 7 | Name of the block headquarter | |
| 8 | Population of the block head quarter | |
| 9 | No of villages in the block | |
| 10 | Population of the block | |
| 11 | SC/ST population of the block | |
| 12 | Female population of the block | |
| 13 | No of females/1000 males in block | |
| 14 | Average population per village in the block | |
| 15 | Min. and Max. population of a village in the block | |
| 16 | Literacy level in block | |
| 17 | Female school enrollment % above 10 years | |
| 18 | Male school enrollment % above 10 years | |
| 19 | No of Gram Panchayats in the block | |
| 20 | Any artisanal cluster within the block, if yes, please give details | |
| 21 | Any cluster development program under any government program has been undertaken or are in progress in block, if yes, please give details | |

| | | |
|----|--|--|
| 22 | Whether MKSP/CMSA projects have been undertaken, or are in progress in the blocks, if yes, please give details | |
| 23 | Whether any other non-farm projects have been undertaken, or are in progress in the blocks, if yes, please give details | |
| 24 | In case any of these projects are already taken up and a baseline survey of the block was done, please attach a copy of the baseline survey also | |
| 25 | No of SAGY villages in the block, if any | |
| 26 | No of households classified for automatic inclusion in SECC in block | |
| 27 | No of households with 4 or more deprivations in SECC in block | |
| 28 | Distance from the nearest town/trading center | |
| 29 | Name of nearest town/trading center | |
| 20 | Number of banks in the block | |
| 31 | Major sources of livelihood for people in the block, please elaborate | |

b. Details on Community Based Organizations

Table 6: CBO details

| S.No. | Criteria | Data |
|-------|--|------|
| 1 | Total SHG members in the block | |
| 2 | Total HH with at least one deprivation as per the SECC 2011 data | |
| 3 | % Saturation of HH | |
| 4 | Would all the eligible HH in the block be saturated into SHGs within the defined time frame (1 year - Gen states/ 2 year - NE/Hill/Small states & UTs) | |
| 5 | Total villages with SHG's in the block | |
| 6 | Total no. of inhabited villages in the block | |
| 7 | % Saturation of villages | |
| 8 | VO's in the block | |
| 9 | CLF's in the block | |
| 10 | Year of formation of the oldest VO | |
| 11 | Year of formation of the oldest CLF | |
| 12 | Age of the oldest VO | |
| 13 | Age of the oldest CLF | |
| 14 | Total number of SHG's in the block | |
| 15 | Total number of SHG's in block eligible for RF | |
| 16 | Total amount of RF disbursed in block | |
| 17 | % of eligible SHGs received RF in block | |
| 18 | Total number of SHG's in block eligible for CIF | |
| 19 | Total number of SHG's in block received CIF | |
| 20 | Total amount of CIF disbursed in block | |
| 21 | % of eligible SHGs received CIF in block | |

| | | |
|----|---|--|
| 22 | No. of CLFs in the block, which have received CIF > Rs. 50 lakhs | |
| 23 | Names of CLF's in the block, which have received CIF > Rs. 50 lakhs | |
| 24 | No. of SHG's in the blocks bank linked (have SHG loans disbursed to them) | |
| 25 | % of SHGs with bank linkage in the block | |
| 26 | NPAs of the SHGs in the block, with banks | |

Table 7: Contacts of Livelihoods Team in SRLM

| S.no. | Name of the Livelihood head /Anchor person in SRLM for non-farm livelihoods (Mention separately, if there are more than one official for different streams like OSF/MKSP/CMSA/other non-farm interventions/SVEP / etc.) | Contact Number | Email Id | Office Address |
|-------|---|----------------|-----------|----------------|
| | Name of the state level livelihoods team members | Contact Number | Email Id. | Office Address |
| | | | | |

Table 8: Please share the details of the SRLM staff currently posted in the block (Names, designation, thematic responsibilities, and date of expiry of contract).

| Name | Designation | Thematic/Key responsibilities | Contract Period |
|------|-------------|-------------------------------|-----------------|
| | | | |
| | | | |
| | | | |

Guidelines for One Stop Facility Center (OSF) 8/12/2022

File No: S-11057/06/2018/(SVEP) (364887)

Government of India
Ministry of Rural Development
Department of Rural Development
<https://rural.nic.in>
(Rural Livelihoods Division)

7th Floor, NDCC – II Building,
Jai Singh Road,
New Delhi – 110001

Date – 8th December, 2022

To

The SMD/CEO, SRLMs
All the State/UTs

Sub: OSF guidelines

Madam/Sir,

The undersigned is directed to refer the Ministry letter of even number dated 31st October, 2022 regarding the OSF guidelines and to say that inadvertently attached guidelines with the letter was not the final version approved by competent authority.

Therefore, the correct version of the approved OSF guidelines is attached with this letter and this shall be refer for implementing the OSF intervention under DAY-NRLM.

Yours faithfully,


(Raghvendra Pratap Singh)

Director (RL)

Ph. 011-23438102

Encls:A/a

Copy to

1. All NROs,
2. All State anchors

Guidelines for the One-Stop Facility Centre (OSF)

**Enterprise Promotion and Development
Non-Farm Livelihoods**

**National Rural Livelihoods Mission,
Ministry of Rural Development
(Government of India)**

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Acronyms

| | |
|---------|--|
| AAP | Annual Action Plan |
| AGEY | Aajeevika Grameen Express Yojana |
| BTC-EP | Block Technical Coordinator - Enterprise Promotion |
| BDSPs | Business Development Service Providers |
| BMMU | Block Mission Management Unit |
| BPM | Block Project Managers |
| CBO | Community Based Organisations |
| CEF | Community Enterprise Fund |
| CIF | Community Investment Fund |
| CLF | Cluster Level Federations |
| CRP | Community Resource Persons |
| CMTC | Community Managed Training Centres |
| DDU-GKY | Deen Dayal Upadhyaya Grameen Kaushalya Yojana |
| DPM | District Project Manager |
| DTE-EP | District Technical Expert - Enterprise Promotion |
| IB-CB | Institution Building-Capacity Building |
| NOC | No-Objection Certificate |
| NRETP | National Rural Economic Transformation Project |
| NRLM | National Rural Livelihood Mission |
| NRO | National Resource Organisations |
| OSF | One-Stop Facility |
| OSF-MC | One-Stop Facility-Management Committee |
| PMSBY | Pradhan Mantri Suraksha Bima Yojana |
| PMJJBY | Pradhan Mantri Jeevan Jyoti Bima Yojana |
| RSETI | Rural Self Employment Training Institutes |
| SHG | Self Help Group |
| SIRD | State Institute of Rural Development |
| SRLM | State Rural Livelihood Mission |
| SVEP | Start-up Village Entrepreneurship Programme |
| VO | Village Organisations |

1. Context

One of the major objectives of developmental policies in India is to provide livelihood opportunities to millions of unemployed and underemployed rural youth. The core of the problem in is surplus agricultural labour and closure of traditional village industries, resulting in increased unemployment in rural areas and migration of rural youth to urban areas in search of jobs.

It has been experienced that poor families require 3-4 different income sources to get out of poverty. With agriculture beleaguered with uncertainties, the non-farm sector is particularly important to the rural poor. Households with less than 0.5 hectare earn between 30-90% of their income from non-farm sources (IFAD 2002a). Non-farm income is also important to the poor as a means to help stabilize household income in years of natural disasters, such as drought years.

National Rural Livelihood Mission (NRLM) interventions have resulted in Self Help Group (SHG) members taking up small businesses in the non-farm sector over the last 4-5 years. The Community Investment Fund (CIF) along with other funds mobilised from financial institutions have been channelled for livelihoods activities, significant portion of which have been used for starting non-farm activities. Some of the dedicated programmes like Start-up Village Entrepreneurship Programme (SVEP) and Aajeevika Grameen Express Yojna (AGEY) have also supported entrepreneurs by developing an eco-system for supporting small businesses. However, majority of these enterprises fall in the “nano” enterprises category.

As the enterprises scale-up, the support services required in the growth phase are different from those in the initial phases of the enterprise. Women entrepreneurs face greater challenges in getting the support services. Some of the government programmes have components for supporting nano-enterprises, however, there is a felt need for support to those nano-enterprises that are on a high-growth track requiring significantly higher amount of finance and handholding.

NRLM acknowledges this situation and proposes to set up One-Stop Facility (OSF) centres at the sub-district level to provide professional business development services to nano-enterprises on a growth track.

2. Objective

OSF is envisaged as a business facilitation-cum-incubation centres at the sub-district level to provide business development services to existing nano-enterprises on a growth track. It will also support a few new enterprises that have the potential to grow. Each OSF will support a minimum of two and maximum of four blocks. One district may support a maximum of two OSFs. The technical support provided by the OSF may include, but not limited to the following:

The non-negotiable support that has to be provided is:

- a. Business ideation for new enterprises and conceptualization for growth for existing enterprises
- b. Handholding support to initiate and grow businesses
- c. Business plan preparation
- d. Facilitating setting-up, running and growing an enterprise
- e. Entrepreneur training
- f. Market and business linkages
- g. Mentoring
- h. Facilitation support to access finance from formal institutions like banks

The following support shall be provided to the enterprises on need basis and as the capacity of the State Rural Livelihood Mission (SRLM) in managing the OSF is built up.

- a. Access to technology and skills
- b. Regulatory compliances
- c. Market intelligence
- d. Linkages with schemes of other Ministries and Departments
- e. Other inputs like packaging

3. Enterprises Supported by OSF

Enterprise is an undertaking which is engaged in the production, sale and / or distribution of some goods and / or services meant mainly for the purpose of sale, whether fully or partly¹. Only enterprises that are involved in non-farm and off-farm activities will be supported under OSF.

The definition of enterprises as per the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 revised as of 1st July 2020 is based on the total investment in plant and machinery and the turnover of the enterprise. The table below provides the categories:

| Category | |
|-------------------|--|
| Micro Enterprises | Investment in plant and machinery does not not exceed INR 1 crore and the annual turnover does not exceed Rs. 5 crores. |
| Small Enterprises | Investment in plant and machinery does not not exceed INR 10 crore and the annual turnover does not exceed Rs. 50 crores |

¹ Enterprise definition from Economic Characteristics of Unincorporated Non-Agricultural Enterprises (Excluding Construction) NSS 73rd ROUND (July 2015 - June 2016)

| | |
|--------------------|---|
| Medium Enterprises | Investment in plant and machinery does not not exceed INR 50 crore and the annual turnover does not exceed Rs. 250 crores |
|--------------------|---|

Nano Enterprises and Turnover Range: OSF will support individual nano enterprises and Group nano enterprises. Qualifying criteria for enterprise for support under OSF are as follows -

| Enterprise Category | Minimum Annual Revenue for Individual Enterprises | Minimum Annual Revenue for Group Enterprises |
|---------------------|---|--|
| Trading | INR 5.00 lakh | INR 8.00 lakh |
| Manufacturing | INR 4.00 lakh | INR 6.00 lakh |
| Service | INR 3.00 lakh | INR 5.00 lakh |

3.1. Vintage

The OSF will support enterprises existing for a minimum period of 12 months under the project. Enterprises existing for a period of less than 12 months may be considered only when they achieve the required age. A maximum of 10% of new enterprises may be supported by the OSF.

3.2. Number of Enterprises to be Supported

OSF can support both individual and group enterprises. A minimum of 10% of all enterprises supported by OSF shall be group enterprises. Each block selected for support under the OSF should support a minimum of 150 enterprises during the project period.

3.3. Entrepreneur

Minimum 2/3rd (or 66%) of enterprises should be SHG women-owned / women-led. In case of non SHG members, the project can provide support to the husband /unmarried son / unmarried daughter/ unmarried brother/ unmarried sister / parents of the SHG member. Women-owned group enterprises should comprise at least 2/3rd (or 66%) women owners.

3.4. Excluded Enterprises

The following enterprises will not be supported by OSF:

- a. Agricultural primary production activities
- b. Backyard activities (like backyard poultry, pre preparation activities of weaving like warping, bobbin winding etc.)

- c. Enterprises not compliant with minimum health and safety standards
- d. Enterprises not compliant with environmental safeguards
- e. Enterprises operated by the project staff

3.6. Duration

The OSF project duration shall be three years from the date of the APP approval by the Empowered Committee of this Ministry.

4. Location of OSF

OSF will be established at a sub-district level under NRLM district. As one OSF may provide services to 2 to 4 blocks, the location for the OSF needs to be identified in such a way that members from the blocks can easily access these services. Preferably, the OSF should be:

- a. Centrally located and accessible to all blocks it supports
- b. Near a market place
- c. Close to district office for better coordination

The blocks for the project have to be selected considering the type of enterprises that are to be supported through OSF. Some of the indicators that can be considered while selecting blocks are given below:

- a. Blocks must necessarily be amongst the resource/intensive blocks selected by the state under NRLM
- b. Intensive blocks under NRLM where the Cluster Level Federations (CLFs) have been formed and where the CLF is mature and has experience of disbursing loans and recovery of loans given to the Village Organisations (VOs) / SHGs
- c. Blocks to be supported by one OSF should preferably be geographically contiguous
- d. Blocks implementing non-farm livelihood programmes including any state initiatives for enterprise formation
- e. Blocks implementing the SVEP programme / or having completed the SVEP implementation. Preferably one of the blocks of the OSF should be an SVEP block. Each OSF should not have more than one SVEP block, unless and until the process of saturation of the district's by OSF entails covering more than one SVEP block. For the SVEP blocks, no CEF, under OSF shall be budgeted.
- f. Presence of significant entrepreneur base; SRLMs can use the enterprise database wherever it exists. In case such a database is not available, SRLMs can conduct the outlier enterprise survey
- g. Potential of significant market opportunities within and outside the block
- h. Blocks having access to markets
- i. Blocks where Intensive farm livelihood interventions like the value chain activities have been implemented
- j. Blocks with the National Rurban Mission (NRuM), Saansad Adarsh Gram Yojana (SAGY) and Mission Antodaya Clusters may also be considered

In addition to the above, at least one of the blocks for OSF will be selected on the below given selection criteria for the block. The States will have to submit the AAP based on the following criteria:

| S. No. | Nature of indicator | Area | Criteria | Block selection criteria for the States | Measure |
|--------|---------------------|-----------------------|------------------------|---|--------------|
| 1 | Non negotiables | State readiness | HR | Manpower at the state - Dedicated non-farm SPM, PM and YP at the state as applicable to the state, as per the advisory issued by NMMU | Yes/No |
| 2 | Non negotiables | State readiness | HR | Manpower in the district for district where the OSF is applied for- Dedicated DPM or equivalent designation, for NRLM activities, in Place | Yes/No |
| 3 | Non negotiables | State readiness | HR | Manpower in the block for the block where the OSF is applied for - Dedicated BPM or equivalent designation, for NRLM activities, in Place | Yes/No |
| 4 | Non negotiables | State readiness | HR | Dedicated BPM (SVEP) already placed in all the existing SVEP blocks in min 80%% of blocks | 75% |
| 5 | Non negotiables | State readiness | MOU | MOU with PIA / NRO for implementation or for training of BDSP - as applicable | Yes/No |
| 6 | | Block appropriateness | IB | Minimum saturation of eligible HH in SHG in the block before taking up SVEP | 80% |
| 7 | | Block appropriateness | IB | Minimum % of Villages entered with SHG mobilisation in the block | 90% |
| 8 | | Block appropriateness | IB | Presence of CLF in the block proposed. | CLF |
| 9 | | Block appropriateness | IB | Minimum % of eligible SHGs who received RF in the blocks at the time of application for taking up OSF | 75% |
| 10 | | Block appropriateness | IB | Minimum % of eligible SHGs who received CIF in the blocks at the time of application for taking up OSF | 50% |
| 11 | | Block appropriateness | IB | Minimum amount of CIF disbursed to the identified Nodal CLFs (lower of Rs. 50 lakhs or the amount due to 60% of the eligible SHGs @ 1.25 lakhs per SHG) | Rs. 50 lakhs |
| 12 | | Block appropriateness | FI | Minimum achievement of SHG bank credit linkage in the blocks at the time of application for OSF | 60% |
| 13 | | Block appropriateness | FI | Maximum % of NPAs of the SHGs in the bank linkage portal for the blocks | 5% |
| 14 | | Block appropriateness | Entrepreneur potential | Minimum no. of SHG members in blocks for taking up OSF | 4,000 |

* The blocks selected by the state should meet minimum 6 out of the 9 criteria (Nos 6 to 14) to be eligible for being supported under OSF.

5. Structure of OSF

OSF is an autonomous business facilitation-cum-incubation centre set-up by SRLM to support entrepreneurs. It has a team of experts providing various business support services. The OSF services to enterprises ideally should be chargeable. The states may decide a task list and the task-based fee structure for the fees to be paid to the Business Development Service Providers (BDSPs) by the entrepreneurs.

The OSF has the following team of experts that will provide support services to enterprises:

- a. **District Technical Expert - Enterprise Promotion (DTE-EP)** who will be responsible for overall monitoring of OSF
- b. **Block Technical Coordinator - Enterprise Promotion (BTC-EP)** - one each in all the blocks covered by the OSF
- c. **Business Development Service Providers (BDSPs)** - 5 to 7 to be placed in each block supported by the OSF. Each BDSP will provide support to at most 30 enterprises.
- d. **Mentors** - 2-3 experienced entrepreneurs in the major types of enterprises selected for support to entrepreneurs and / or BDSPs by OSFs
- e. **Functional Experts** like chartered accountant, food technicians, lawyers, representatives from local skill training institutes, retired bankers, other experienced entrepreneurs, etc. to provide technical support to enterprise

OSF will have the necessary infrastructure with electricity, computer(s) and broadband facility, and will be located at a place central to cluster of blocks it is catering to. It should ideally be co-located within Block Level Federation (BLF) / CLF or in a location near the block office or near the office of the nodal CLF for the selected block (details of nodal CLF are mentioned in section 6 of this guideline).

Out of the 2-4 blocks supported, one block will house the OSF office, where DTE-EP will sit and OSF-Management Committee (OSF-MC) will hold its meetings (details of OSF-MC are mentioned in section 6 of this guideline). The BDSPs of that block will also operate from the OSF office. The OSF office should be located near the nodal CLF of the concerned block.

A small office (1-2 rooms) has also been provisioned for each of the remaining blocks. The BDSPs of the concerned blocks will operate from that office. The office should ideally be located near the nodal CLF of these blocks.

Efforts should be made to build the capacity of communities to own the OSF even after the completion of the project period. SRLM's can explore the possibility of supporting the OSF's after the completion of the project period.

6. Selection of Nodal CLF and Formation of OSF-Management Committee (OSF-MC)

The Community Enterprise Fund (CEF) of INR 100.00 lakh per block will be housed with the BLF or in its absence in a nodal CLF selected by the state. The dedicated CEF will be deposited in a separate bank account with the nodal CLF and will be used exclusively for funding enterprises under OSF. The CEF is expected to be a fund in perpetuity with the BLF / nodal CLF. The balance fund (including interest earned on CEF less the expenses incurred for the loaning, monitoring etc. of the CEF with the BLF / nodal CLF after the project period should be used for enterprise funding only.

The nodal CLF should ideally be selected based on the following criteria:

- a. Should be a mature CLF which has received CIF and with experience in lending and recovery of CIF
- b. Should have a track record in collecting repayments of loans sanctioned
- c. Should have a livelihood sub- committee which has also been trained
- d. Should be the nodal CLF in case of SVEP blocks

The nodal CLF (in case the BLF does not exist) shall maintain the following financial controls:

- a. Dedicated accountant to maintain books of records preferably outsourced to a CA firm, unless the community accountant is capable of maintaining records properly, in which case the community accountant should be certified to be competent by a practising CA.
- b. Computerised / digital accounting system in place
- c. Mandatory annual audit of accounts by a Chartered Accountant

Post selection of the nodal CLFs in all the blocks where this program is being implemented under the OSF, the DTE-EP with the support of the SRLM team in the district and block will initiate formation of OSF-MC.

OSF-MC will comprise the following members:

- a. Two representatives from each Nodal CLF from OSF blocks
- b. One representative from remaining CLFs from OSF blocks

For example – if the OSF is catering to 4 blocks and each block has 3 CLFs, OSF-MC will comprise 16 members [2 members from each of the 4 Nodal CLFs (2 x 4 = 8 members) and 1 member each from remaining 2 CLFs from 4 blocks (1 x 2 x 4 = 8 members)]

In places where Block Level Federation (BLF) exist, a sub-committee comprising representatives from all CLFs may be formed to undertake functions of the OSF-MC.

The selected OSF-MC may choose a President, Vice-President, and Secretary from amongst themselves, who may be rotated periodically. OSF-MC members may be replaced or changed as per the SRLMs guidelines governing CBO members. The OSF-MC must ideally meet at least twice a month, but it is mandatory to have one meeting a month.

All the nodal CLFs must be registered and must have a PAN number. This is essential as the interest earned on the bank deposits of the CLF attracts deduction of TDS, refund of which cannot be claimed if the CLF does not have a PAN number. This registration is not a pre-requisite for the selection of the nodal CLF but the registration may be done during the project period.

Since the role of the OSF-MC is techno-leadership in nature, the SRLM should ensure that the OSF-MC members are trained and oriented for OSF functioning and are retained in the long run. These OSF MC members may be retained as advisors and be given sitting fees and honorarium. The BTC and DTE for the particular blocks and districts may nominate such members and required approval may be taken from the existing OSF MC members. This will ensure institutional memory and the assessment of business proposals may be done in a more rigorous manner.

7. Responsibilities of One Stop Facility-Management Committee (OSF-MC)

Responsibilities of OSF-MC include:

- a. Prepare annual work plans for the block along with concerned BTC-EP and submit to Block Mission Management Unit (BMMU) for approval
- b. Encouraging CLFs to motivate SHG entrepreneurs to access OSF services for business growth and potential entrepreneurs to ideate and set-up enterprises with high-growth potential
- c. Vet and approve business plans prepared by the entrepreneurs supported by the BDSPs. Appraisal of business plans may take place at two levels – credit appraisal and technical appraisal. While the credit appraisal will be done by the members of OSF-MC, the technical appraisal will be conducted by team of SRLM representatives and functional experts. (Details are provided in section 9.4(3C))
- d. Approve enterprise financing loans and direct nodal CLF for fund disbursement to enterprises
- e. Vet and approve the service-fee to be charged by OSF for provision of services. The draft service-fee structure will be shared by SRLM
- f. Approve monthly work plans of BDSP's
- g. Monitoring work of BDSP's as per work plan and release their subsistence allowance (fixed remuneration) and variable task-based remuneration based on achievement of the defined tasks
- h. Monitoring the status of CEF (disbursement, recovery etc.)

- i. Monitoring performance of enterprises supported (physical verification of use of loans, etc.)

OSF-MC may reimburse travel allowance and honorarium, based on existing guidelines of the SRLM, to the committee members for participating in OSF-MC meetings and for physical verification / monitoring of enterprises and other tasks like recovery of loans etc. Where no norms exist, the SRLM may provide honorarium equal to the daily honorarium of the Senior Community Resource Persons (CRP) of the Institution Building -Capacity Building (IB-CB) thematic, subject to a maximum of INR 500 per day.

In case of election of new OSF-MC, the old and new OSF-MCs may attend a few meetings together for 2-3 months or till the time the new management committee is confident of working independently

8. Processes for the OSF

The following is the indicative process for (i) setting up of OSF, (ii) functioning of OSF, and (iii) training of community organisations

8.1. Setting up of OSF

8.1.1. Preparatory Activities

- a. State Mission Management Unit (SMMU) will identify blocks to be supported by each OSF based on the selection criteria
- b. SMMU will recruit the necessary human resources at the district and block level

8.1.2. Infrastructure and Amenities at the OSF

- a. The Block Project Manager (BPM) of the block where OSF is physically located will be responsible to identifying office space for OSF. The office space should preferably be situated near the place of working of the nodal CLF of the block. All OSF-MC meetings (including meeting of the technical committee for project appraisal) will happen in OSF office
- b. Block Project Managers in other blocks will be responsible for identifying a small office (with 1-2 rooms) from where BDSPs of respective blocks would work. The office space should preferably be situated near the place of working of the nodal CLF of the block
- c. The BTC-EP of all blocks will ensure opening of a separate savings / current bank account in the name of the nodal CLF for each block
- d. The BTC-EP of the block where OSF will be physically located will collect rent / lease agreement for the office space along with photographs and copy

of bank passbook of all nodal CLF accounts from all BTCs of OSF blocks and submit to SMMU for release of OSF set-up costs. The OSF set up costs will be remitted to the account of nodal CLFs upon submission of requisite documents

- e. All assets purchased under OSF using NRLM funds shall be owned by the nodal CLF of the blocks
- f. The assets shall be purchased as per the community procurement guideline of each state
- g. The BTC-EP along with representatives of nodal CLF will ensure purchase of necessary assets for functioning of BDSPs and OSF-MC as under. The indicative list of items is given below:

| Assets / Facilities | OSF Office | Other Blocks |
|--|--|--------------------------------------|
| Desktop computers(Laptops cannot be purchased) | 2 | 1 |
| Broadband facility | 1 | 1 |
| Printer | 1 | 1 |
| Small UPS (for 15-30 minutes power back-up to save open files) | 2 | 1 |
| Office furniture | Chairs, tables, mats, etc. for BDSPs, and OSF-MC members (including technical committee) | Chairs, tables, mats, etc. for BDSPs |
| Projector | 1 | 0 |

8.1.3. Preparation and Approval of OSF Work Plan

- a. The concerned BTC-EP of the block along with OSF-MC will prepare the annual work plan for each OSF block. The target will include the number of fresh enterprises (including new and existing) to be taken-up along with enterprises already being supported. This will also include training plan for entrepreneurs and other details. DTE-EP shall also be consulted while preparing the work plan
- b. The BTC-EP will get this plan approved by the BPM. A copy will also be submitted to District Mission Management Unit (DMMU) and SMMU for record
- c. OSF-MC and concerned BMMU and / or DMMU will review the plan and measure the BDSPs and project deliverables against the plan

8.2. Functioning of the OSF

8.2.1. Training of OSF Cadre

- a. BDSPs will undergo complete / partial training programme prior to commencing work on the field
- b. Training agencies empanelled by NRLM /SRLM shall be appointed to conduct training of BDSPs. States may also contract the existing SVEP National Resource Organisations (NROs), Rural Self Employment Training Institutes (RSETIs), State Institute of Rural Development (SIRD)s etc. for training BDSPs. The training content shall be vetted by the states to suit the technical capabilities required by BDSPs. The draft training content shared by the NMMU may be used as base for the training module.
- c. DTE-EP and the concerned BTC-EP shall intimate BDSPs about the details of the training programme at least two weeks prior to conduct of training
- d. A certificate shall be issued by the training agency on completion of training; The NRLM / SRLM may also choose to get the cadre certified through an appropriate institution
- e. Only those BDSPs who obtained certificate of completion from the training agency will be allowed to work in the OSF.
- f. The BDSPs shall also be provided on the job training by the functional experts empanelled by the SRLM.
- g. At least one refresher training must be organised every 6-months for BDSPs. DTE-EP shall identify the topics for training
- h. The trainings of the BDSPs will be ideally done at the block level and the existing facilities in the Community Managed Training Centres (CMTCs) may be explored.
- i. The common cost norms of training of the ministry of skill development shall apply for these trainings as well.

8.2.2. Identification of Entrepreneurs for Support

- a) CRP-EPs from the nearby SVEP blocks should be given preference in the BDSP selection.
- b) The SRLM shall conduct an enterprise survey of the larger enterprises under the SHG fold through the BDSPs and use this data for making the initial shortlist of the SHG enterprises which can be considered for the intervention of the OSF component (450 enterprises). This exercise would also form the baseline survey.
- c) Based on the above baseline survey, the enterprise potential analysis shall be done.
- d) After enterprise potential analysis, 150 - 200 enterprises shall be further shortlisted (from the initial shortlist) for support under OSF. e) The enterprises willing to take the risk of growing their business and having the requisite skills should be supported under OSF

- f) The final list should be communicated to the NMMU along with baseline parameters.
- g) In the blocks where SVEP has been implemented, the short list of enterprises meeting the eligibility criteria may be created from the SVEP PTS.

8.2.3. Engaging with Entrepreneurs

Existing Enterprises

Enterprises functioning for a minimum period of 12 months shall be considered existing enterprises

- a. The BDSPs shall submit monthly activity plan to the OSF-MC and get their approval. The monthly activity plan should take into account the targets proposed in annual plan for the block
- b. The BDSP(s) shall visit the identified enterprises
- c. They shall explain their role in detail and seek to develop a relationship with the entrepreneur and maintain confidentiality of information
- d. Baseline information on existing enterprise must be collected and filed at the OSF in case the entrepreneur is willing to access OSF services
- e. OSF shall make the service-fee known to the entrepreneur before supporting the enterprise
- f. The BDSP's shall identify the training needs of the entrepreneur and provide business management training and facilitate linkage with skill training institutes for imparting technical know-how, wherever required by the enterprises. Skill training of entrepreneurs may be done in convergence with Deen Dayal Upadhyaya Grameen Kaushal Yojana (DDU-GKY)/MSME skill training programs
- g. The BDSPs shall inform the DTE-EP, with BTC-EP in loop in case any assistance needs to be sought from the pool of functional experts and mentors
- h. A business plan may be developed based on business viability for accessing enterprise finance from community organisations / financial institutions
- i. Inform nodal CLFs of the concerned blocks about enterprise being supported to verify credentials of SHG members on factors including credit history, repayment, and outstanding loan, etc. These will be verified by the SHG and subsequently by concerned VO and CLF. All three CBOs will issue a No- Objection Certificate (NOC) on satisfactory creditworthiness of the entrepreneur to be granted loan for her enterprise. The NOC shall also be attached to the business plan
- j. The BDSPs shall support the enterprise in raising the funds from the various sources - CIF, CEF and formal financial institutions. A minimum of 10% of the fund requirement should come from the own sources of the entrepreneur in

- case of existing individual enterprises. The state may decide on reducing the contribution from the members of group enterprises or new enterprises.
- k. The business performance shall be tracked on a regular basis by the BDSPs and financial statements will be shared with the entrepreneur, BTC-EP and DTE-EP on a monthly basis, preferably on a digital platform – so that the DTE-EP and other functional experts can monitor the data and provide guidance to the BDSPs and enterprises
 - l. The BDSP's, with assistance from BTC-EP and DTE-EP, shall analyse the performance of the enterprise over time and discuss improvements in the business
 - m. Enterprise will be supported till it meets the success criteria. The success criteria of the enterprise are defined in section 10 of this guideline
 - n. All interactions with the entrepreneur shall be minuted and stored properly

New Enterprises

- a. The DTE-EP, BTC-EP and BDSPs shall scout for available business opportunities based on an analysis of markets and demand.
- b. The BDSPs shall engage with potential women members from the community organisations to identify their interest in setting up growth enterprises from the identified opportunities.
- c. They will then do a feasibility analysis of the same in the defined village / market and evaluate the opportunity and check if it has the potential to grow (i.e. they can reach the minimum turnover as defined in section 3.1 of this guideline after a period of one year of business development support)
- d. Concurrence shall be sought from BTC-EP and DTE-EP on the feasibility study conducted prior to moving the proposal for support to the enterprise
- e. Entrepreneurs may be chosen based on their attitude and aptitude, for which necessary tests and activities may be conducted
- f. The BDSPs shall identify the training needs of the entrepreneur and provide business management training and facilitate linkage with skill training institutes for imparting technical know-how, wherever required by the enterprises. Skill training of entrepreneurs may be done in convergence with DDU-GKY
- g. A business plan shall be prepared for the new business based on business viability and after consultation with the pool of functional experts for accessing enterprise finance from community organisations / financial institutions
- h. Inform nodal CLFs of the concerned blocks about enterprise being supported to verify credentials of SHG members on factors including credit history, repayment, and outstanding loan, etc. These will be verified by the SHG and subsequently by concerned VO and CLF. All three CBOs will issue a NOC on satisfactory creditworthiness of the entrepreneur to be granted loan for her enterprise. The NOC shall also be attached to the business plan

- i. The BDSPs shall support the enterprise in raising the funds from the various sources – CIF, CEF, and formal financial institutions. A minimum of 10% of the fund requirement should come from the own sources of the entrepreneur.
The state may decide on reducing the contribution for new enterprises
- j. After sanction of the loan the BDSPs shall support in the starting of the enterprise.
- k. The business performance shall be tracked on a regular basis by the BDSPs and financial statements will be shared with the entrepreneur, BTC-EP and DTE-EP on a monthly basis
- l. The BDSPs, with assistance from BTC-EP and DTE-EP, shall analyse the performance of the enterprise over time and discuss improvements in the business
- m. Enterprise will be supported till it meets the success criteria. The success criteria of the enterprise are defined in section 10 of this guideline
- n. All interactions with the entrepreneur shall be minuted and stored appropriately

8.3. Orientation to CBOs

8.3.1. Orientation of CBOs on Enterprise Development and Enterprise Finance

- a. DTE-EP along with BTC-EP and BDSPs shall explain to the CLF their role in supporting business development and providing enterprise finance. A training module may be developed by SMMU (in consultation with the IB-CB team). The SPM (non-farm) will be responsible for developing the module
- b. DTE-EP shall be responsible for administering training to all CLFs, including nodal CLF in local language
- c. Nodal CLFs shall also be oriented about disbursal, recovery, and accounting of CEF through the accounting system
- d. The BTC-EP along with BDSPs shall undertake similar orientation at VO and SHG level as and when they are informed about the OSF and their working
- e. The place and date of the training shall be scheduled in advance at the convenience of the community members

8.3.2. Training of OSF-MC

- a. The members of the OSF-MC shall be given specific training on appraising projects, sanctioning loans, ensuring loan recovery, and monitoring of enterprises and work of BDSPs
- b. The SPM (non-farm) will be responsible for developing content in alignment with the financial inclusion team and DTE-EP
- c. DTE-EP may administer the training to OSF-MC
- d. If members in the OSF-MC change, DTE-EP shall ensure provision of training to all new members within a period of 2 months

9. Enterprise Finance

9.1. Provision of Funds

The funding for the enterprises will come from four sources:

- a. **Community Investment Fund (CIF)** that has been provided to the individual CLF that exists in the selected OSF blocks
- b. **Community Enterprise Fund (CEF)** of INR 100 lakh per block will be provided with the nodal CLF.
- c. **Undrawn bank credit at the SHG level** (which will be facilitated by FI teams at State, district, and block level)
- d. **Loans from formal financial institutions** (which will be facilitated by FI teams at State, district, and block level)

The entrepreneur will (in all probability) get loans from a combination of these sources. As the functional area of the OSF will cater to more than one CLF, each entrepreneur can access loans from CIF of her own CLF whereas the CEF loan shall come from the nodal CLF of the block.

9.2. Enterprise type to be considered for Funding

Individual Enterprise: An enterprise, run by an individual, complying with a minimum annual turnover / projected turnover as stated in “ section 3” of this guideline will be considered as an individual enterprise for assistance under the programme.

Group Enterprise: Any enterprise, run by group of 3-10 members, complying with a minimum annual turnover / projected turnover as stated in section 3.1 of this guideline and with collective ownership of assets will be considered as a group enterprise for assistance under the programme. The group enterprises have to be formally registered during the course of the project support. OSF should facilitate governance norms in groups related to the transparency in sharing of assets and profit sharing.

Existing Enterprise: Any enterprises that has been running for a minimum period of one year will be considered as existing enterprise

New Enterprise: Any enterprise that is being set up afresh by BDSPs will be considered as new enterprise

9.3. Scale of Financing

The scale of financing available to individual and group enterprises is provided

| Enterprise Category | Maximum Finance from CEF | Entrepreneur Contribution (minimum) | Moratorium | Repayment Period * | Interest Rate |
|------------------------|--------------------------|-------------------------------------|------------|--------------------|--|
| Individual Enterprises | INR 2.50 lakh | 10% | 6 months | 12-36 months | 1% per month (12% per annum) on reducing balance |
| Group Enterprises | INR 5.00 lakh | 10% | 6 months | 12-36 months | 1% per month (12% per annum) on reducing balance |

below:

* *The repayment period will be decided by the technical committee of the OSF-MC appraising business plans based on cash flow of the enterprise.*

9.4. Appraisal and Approval Process

1. The BDSPs will reach out to potential / existing entrepreneurs based on the process defined in section 8.2.3. A viability assessment of the enterprise will be conducted and subsequently a business plan will be prepared. The details of the entrepreneurs will be shared with the nodal CLF to verify the credential of the SHG members on factors including credit history, repayments, outstanding loans etc. by BDSPs. These factors will be verified by SHG-VO-CLF and a no-objection certificate (NOC) will be obtained in a predefined format from each concerned institution. This NOC will be appended along with the business plan
2. The application, including viability assessment, business plan, NOCs shall be submitted by the BDSPs to OSF-MC for appraisal
3. The OSF-MC will evaluate the proposal at two levels:
 - a. **Credit appraisal** – The OSF-MC will assess the creditworthiness of the entrepreneur by checking past loan and repayment history from community institutions and determine the maximum amount of loan that can be sanctioned to the entrepreneur
 - b. **Technical appraisal** – The OSF-MC will then convene technical committee meeting to appraise business plans. The committee shall have the following composition –

| S. No. | Category | Minimum Representation (Quorum) | Maximum Representation |
|---------------|--|--|-------------------------------|
| 1 | Representatives from the DMMU: (District Project Manager/ District Manager – FI) | 1 | 2 |
| 2 | DTE-EP (mandatory) | 1 | 1 |
| 3 | External functional experts (based on the type of the projects being appraised) | 2 | 3 |
| 4 | Mentors | 1 | 2 |
| 5 | Representatives from OSF-MC | 5 | 7 |
| | Total | 10 | 15 |

entrepreneur(s), representatives from BDSPs, BPM, Block Manager – Financial Inclusion (BM-FI), and BTC-EP will be present during technical committee meeting to provide any clarification regarding the proposal

d. The technical committee shall:

- i. Ensure the technical viability of the business plan
- ii. Assess if the activities proposed can be undertaken within the loan amount sanctioned by the OSF-MC during credit appraisal. If not, the committee may recommend additional sources of finance
- iii. Vet and finalise loan repayment schedule prepared by BDSPs based on projected cash flows
- iv. Suggest combination of funds to be used for loaning (CIF, CEF, or undrawn bank-credit limit of the SHG)
- v. Assess the possibility of recommending the business plan for financing from formal financing institutions (particularly applications requiring loans exceeding INR 1 lakh). At least 10 enterprises from each block should be bank linked. The DPM and DM (FI) have to ensure that the bank linkage targets are achieved.

e. The technical committee will send its recommendations to the OSF-MC who will act upon the recommendation either to

- i. Technically accept the proposal
- ii. Instruct the BDSP's and entrepreneur to revise the proposal
- iii. Reject the proposal

4. If the proposal is accepted by OSF-MC, it will recommend the loan to be released by the nodal CLF of the concerned block to the entrepreneur (from CIF / CEF / or both)

5. Nodal CLF based on recommendation of the committee will sanction recommended loans to the entrepreneur within 15 days of the receipt of recommendation

9.5. Fund Flow Mechanism

Once the OSF-MC sanctions the proposal, the intimation is sent to respective nodal CLFs for transferring the loan amount to the entrepreneurs account through CLF- VO-SHG. The CEF loan amount and repayments must be recorded in the books of accounts of all concerned community organisations. The CEF may be transferred directly from nodal CLF to the entrepreneur's account, with intimation to concerned SHG-VO-CLF, if the state so desires. The BDSPs have to ensure that the intimation reaches the VOs and SHGs and the loan is recorded in their books.

The entrepreneur should repay the loan to the SHG to ensure that the CBO's are aware of the loan repayment. The repayment amount must flow from SHG-VO-CLF to nodal CLF. The SHG may also transfer the fund directly to the account of the nodal CLF with intimation to the VO and concerned CLF, if the state so desires.

The repayment should be recorded in all the blocks. The SRLM should take steps to ensure that the reverse flow of funds from the entrepreneurs to the nodal CLF is done speedily, so that the same funds can be rotated. Necessary process guidelines may be issued by the SRLM to facilitate this.

The task-based remuneration to the BDSPs should be released only if the loan has been recorded in the books of the concerned VO and SHG.

In case of loans above INR 2.50 lakhs the fund to the entrepreneur may be released in two to three tranches, depending upon the loan amount and the requirement of funds. The second / third tranche will be released only if the entrepreneur is maintaining regular books of records.

Digital payment systems or services of business correspondents shall be accessed, wherever possible to speed up loan disbursement and recovery process.

SRLM should ensure that the entrepreneur is insured for an amount that is at least as much as the loan amount. The BDSP's may also facilitate the entrepreneurs insurance through the Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY).

9.6. Rate of Interest Charged

The rate of interest charged by the nodal CLF for CEF disbursed to the entrepreneur should not be more than 1% per month on a reducing balance basis (or 12% per annum on a reducing balance basis). Decision on rate of interest should be taken by OSF-MC and should be facilitated by the SRLM team. The rate of interest should be

decided ensuring that the enterprises supported are financially viable at that rate of interest. The rate of interest charged from the enterprise may vary among different OSF's in the State.

The interest amount may be divided among participating SHGs, VO's, CLF's and the nodal CLF in the ratio of 25%, 25%, 15% and 35% respectively.

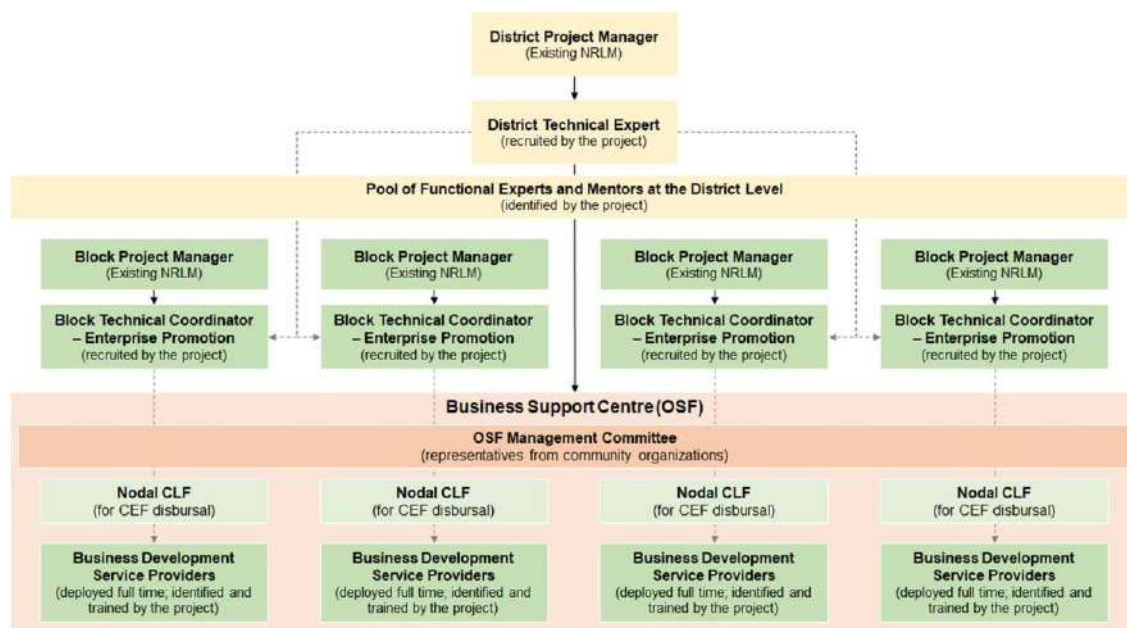
10. Success Criteria of Enterprise

An enterprise will be considered successful if it meets all of the following conditions:

- It meets or exceeds the turnover projections as mentioned in the business plan projections for at least one year
- It meets or exceeds the net profit projections as mentioned in the business plans for at least one year from the time of commencement of OSF support
- The enterprise is able to generate enough cash flows to repay the loan to the lenders as per the repayment schedule.
- It maintains records and its performance is meets or exceeds sectoral benchmarks set by NRLM / SRLM
- The entrepreneur is able to generate enough cash to meet aspirational income per month after repaying the loan for at least 6-month period

11. Human Resources

The key element in the OSF is the human resources available to support the entrepreneurs. The diagram below shows the various resources and their roles in the functioning of the OSF.



11.1. Business Development Service Providers (BDSP)

Each block under OSF will identify and select 5-7 BDSPs from the local community for outreach to SHG members and extending last mile business extension services to entrepreneurs. BDSPs should be selected based on their capabilities and representation from each block is not mandatory but is preferable. BDSPs may or may not be selected from the existing community network. An OSF will have about 10-28 BDSPs in total. The BDSP will provide support to at least 25-30 enterprises and not more than 30 enterprises at any one point of time.

The preferred criteria for selection of BDSPs is as under. SRLMs may finalise the same based on their experience:

- a. Capable of communicating in the local dialect
- b. Between 21-45 years of age
- c. Minimum class 10th pass, preference may be given to candidates with higher educational qualifications, However, in exceptional cases the SRLM may relax this criteria with the approval of the NRLM.
- d. Should have a working knowledge / aptitude for maths and business understanding
- e. Willing to work for minimum 15 days per month outside her / his village
- f. Prior experience in entrepreneurship will be given preference
- g. 51% of the BDSPs in a particular block should be women candidates
- h. Existing CRP-EPs/MECs for MED/SVEP blocks should be given preference for the position of the role of BDSP

Services

BDSPs shall provide the following services to the entrepreneur:

- a. Business ideation and conceptualization for growth
- b. Handholding support to initiate / grow business
- c. Conducting viability assessment and preparing business plans for growth (specifying loan requirement, repayment duration, and repayment schedule)
- d. Facilitating setting-up, running and growing an enterprise
- e. Entrepreneur training
- f. Market and business linkages
- g. Ensure necessary regulatory compliances such as Udyog Aadhar, FSSAI, PAN, GST etc.
- h. Linkages with schemes of other Ministries and Departments
- i. Ensure maintenance of financial books of records and tracking business performance against benchmarks
- j. Ensure enterprises follow governance protocols (particularly for group enterprises) for transparency and smooth operations
- k. Facilitating insurance for the entrepreneur and enterprise assets.

The State shall make SOPs for the services to be offered by the BDSPs.

Remuneration

The remuneration structure of the cadre will be fixed pay (subsistence allowance) plus variable pay. The variable pay will come from fee earned from task based worked done for OSF and fee from entrepreneurs.

Fixed pay

The fixed subsistence allowance (not higher than INR 3,500 per month) of the BDSPs. This will also take care of travel and communication allowance for travel within the block.

Variable Pay

The BDSPs shall earn a service fee, based on rate list approved by the SRLM, from OSF for providing specific services to the OSF or to the entrepreneurs. The BDSPscan also earn a service fee, based on rate list approved by the SRLM, from entrepreneurs for providing specific services to them. The entrepreneurs have to be provided a receipt against payment to BDSPs.

Process of Approving Remuneration

BDSPs will submit the work done report to BTC-EP of the concerned block at the end of every month, who will sign it and submit it to the OSF-MC. Based on the report, the OSF-MC will calculate the variable pay and subsequently direct the nodal CLF in which OSF is housed to pay the entire amount (fixed plus variable pay) to the bank accounts of BDSPs.

The BDSPs may function as individuals or as a group. If the BDSPs function as a group then the service fee may be shared amongst BDSPs in a pre-decided ratio decided by the BDSPs themselves with facilitation being provided by the DTE-EP and BTC-EP.

BDSPs may use their existing smartphones / tablets for the project or may be given a loan to purchase the same from the nodal CLF of blocks they belong to. Therecovery of the loan amount may be done from the remuneration to be paid to them.If the BDSPs are members of SHGs they may take the loan from their SHGs, if not they may be provided loans directly by the nodal CLF. BDSPs shall purchase android smartphones with specified features not exceeding INR 8,000.(This amount may be changed by NRLM from time to time based on inflation and the price of a smart phone with the desired features) Advisory on specific features of smartphones will be shared separately

11.2. Mentors

Each OSF will identify and select mentors to handhold BDSPs and entrepreneurs, in some cases. The mentors should preferably be existing entrepreneurs or people who have experience of running businesses to guide the BDSPs on business processes specific to the type of enterprises being supported. The mentor should be able to set aside some time each month to provide technical assistance to BDSPs. They should be selected based on their capabilities. The DTE-EP will coordinate with the mentor.

The preferred criteria for selection of mentors is as under. SRLMs may finalise the same based on their experience:

- a. Capable of communicating effectively in the local dialect
- b. Between 24-68 years of age
- c. Minimum class 12th pass
- d. Should have a working knowledge of business understanding and business accounting
- e. Willing to set aside at least 4-7 working days a month to support the OSF
- f. At least 5 years of prior experience in entrepreneurship is mandatory
- g. Preference should be given to women entrepreneurs

Services

The primary role of Mentors is to handhold BDSPs and support them in their work. They may also accompany the BDSP to the entrepreneur for initial meeting and help them in convincing the entrepreneur on the proposed growth plan of the business. It is envisaged, during the first 6 months of entering the block, the mentors will need to provide a more dedicated handholding support to BDSPs.

Services by Mentors will include:

- a. Handholding and mentoring support to BDSPs
- b. Reviewing the viability assessment and business plans prepared by BDSPs
- c. Facilitating market and business linkages
- d. Providing inputs for activities such as packaging and labelling
- e. Helping enterprises secure necessary regulatory compliances
- f. Identifying need for functional intervention in an enterprise and will place a request for accessing services of functional experts through BTC-EP/ DTE-EP
- g. Proposing ideas for new enterprises

Mentors will also be expected to participate in the technical committee convened by the OSF-MC to appraise the business plans based on the invitation extended to them by the DTE-EP.

Remuneration

The Mentors will be paid a fixed per diem according to norms of the SRLM, up to a maximum amount of INR 4,000. The mentors will submit the work done report to the

DTE-EP at the end of every month, who will sign it and submit it to the DPM. The DMMU will release the payment on vetting the work done report against the work plan. The fixed per diem pay will also include travel and communication allowance, and no additional amount shall be paid for this.

11.3. Functional Experts

Each district will identify 5-10 functional experts in the district, such as chartered accountants, food technicians, lawyer, skill training institutes, retired banker, designers, experienced entrepreneurs etc. Their services may be accessed by BDSPs to provide technical support to entrepreneurs, as and when required. The functional experts should be able to set aside 3-7 days each month to provide technical assistance to enterprises. The DTE-EP will coordinate with these experts.

Remuneration

The functional experts will be paid a fixed per diem according to norms of the SRLM, up to a maximum amount of INR 5,000. The mentors will submit the work done report to the DTE-EP at the end of every month, who will sign it and submit it to the DPM. The DMMU will release the payment on vetting the work done report against the work plan. The fixed per diem pay will also include travel and communication allowance, and no additional amount shall be paid for this. Travel expenses for field visits will be reimbursed as per SRLM norms.

The mentors and functional experts are expected to be empanelled using State's existing policy for State Resource Persons (DRPs). In case any state does not have a State Resource Person policy, they may make one based on the NRP policy of National Institute of Rural Development and Panchyati Raj (NIRD&PR) These mentors and experts shall be available on call to the OSF.

11.4. Block Technical Coordinators – Enterprise Promotion (BTC-EP)

BTC-EP will be responsible for overseeing all entrepreneurship related activities in the block, particularly the OSF and its related tasks being done by the Nodal CLF in the block. BTC-EP shall be recruited under the project in all blocks which are catered to by the OSF (they will also be recruited in blocks where OSF renders services but is not physically present).

BTC-EP will have a dual reporting relationship. S/he will report administratively to the BPM of the concerned block, and functionally to the DTE-EP of the concerned district

The BTC-EP shall:

- a) Assist in selection of BDSPs

- Identify potential candidates, with assistance from the BPMs and existing community cadre, for BDSPs based on the selection criteria and file their nomination
 - Conduct first level screening of BDSPs on the eligibility criteria
 - Communicate the date for written test and group activities to the screened candidates at least two weeks before the conduct of the test
 - Communicate result of the written test and group activities to candidates and CLFs in their block
 - Intimate the candidates about date of the personal interview within the prescribed time limit
 - Participate in the interview panel for selecting BDSPs
 - Communicate final result of the selection process to candidates and CLFs in their block and to other stakeholders
 - Communicate details of the training program to BDSPs at least two weeks prior to conduct of the training
- b) Assist in setting-up of infrastructure in blocks
- Assist BPM in identification of suitable office space for working of BDSPs
 - Facilitate opening of bank account of the nodal CLF
 - Ensure all BDSPs in the block have functioning bank accounts
 - File necessary office set-up documents with SMMU to ensure release of OSF set-up costs
 - Assist the Nodal CLF in purchasing necessary infrastructure for the office
- c) Conduct CBO orientation on enterprise finance
- Intimate details of the orientation to CLFs, VOs, and SHGs (as the case may be) in their blocks well in advance
 - Conduct orientation of CLF's, VOs and SHGs on their role in providing enterprise finance, monitoring and repayment.
- d) Ensure smooth functioning of the OSF
- Introduce BDSPs to the community organisations (CLF-VO-SHG) and apprise them about OSF and their working
 - Assist BDSPs in analysing performance of enterprises over time and discuss problem cases
 - Assist BDSPs in developing fee-sharing received from entrepreneurs, if required (if BDSPs operate as a group)
 - Assist OSF-MC in setting annual targets for the block in consultation with the DTE-EP. S/he shall apprise BPM of the developments. The targets shall be documented in the annual work plan of the block and submitted to OSF-MC on approval from BMMU. A copy of the targets should be shared with DMMU and SMMU

- Follow-up with nodal CLF for release of enterprise finance on approval of business plans within 15 days of acceptance of business plans by OSF-MC
 - Follow-up with financial institutions for release of enterprise finance on approval of business plans
 - Collect, scrutinise, and sign the work done report from BDSPs and Mentors and submit the same to OSF-MC for release of fixed and variable remuneration (inclusive of travel and communication allowance)
 - Ensure proper documentation and book keeping in the OSF and also monitor the proper usage and repayment of the loans sanctioned for enterprises supported by the OSF.
- e) Ensure regular monitoring and reporting of OSF activities
- Participate in review meetings at the SMMU
 - Attend technical appraisal committee meeting convened by OSF-MC
 - Ensure participation of the BDSPs (and mentors, if required) in all review meetings
 - Monitor the day-to-day functioning of OSF and report performance and issues to OSF-MC, DTE-EP, and BPM on a monthly basis
 - Monitor the business performance of the supported enterprises and ensure that the project MIS report is updated and submitted regularly on time
 - Ensure the monthly P&L and performance management system and reports are prepared for all the enterprises supported in her block and also ensure that the business is achieving growth in both sales and profits as per the plan.

11.5. Block Project Manager (BPM)

The BPM shall:

- a. Assist in identification of suitable office space for OSF
- b. Approve annual and monthly work plans of the OSF in consultation with the DTE-EP and DPM.
- c. Be apprised of work undertaken by OSF
- d. Participate in the block and district level review meetings of the OSF

11.6. District Technical Expert – Enterprise Promotion (DTE-EP)

DTE-EP will be responsible for ensuring technical and management support to the OSF and other business-related initiatives in the concerned district. DTE-EP will be recruited in each NRLM district where the OSF is proposed to be implemented.

DTE-EP will report administratively to the DPM of the concerned district and shall coordinate with the SPM (non-farm)/ Technical Expert- Entrepreneurship Promotion (TE-EP) for functional expertise and guidance. The DTE-EP will also have functional authority over the BTC-EP of the OSF blocks.

DTE-EP will be responsible for guiding and overall functioning of the OSF. S/he will ensure that targets are met, quality is ensured, and all matters arising in the OSF including sharing of service-fee between the BDSPs are resolved in time. DTE-EP will also provide data-driven market intelligence, support market linkages, scout for new business opportunities, and facilitate access to technology and skills. S/he shall ensure roll-out of technology platform for enterprise promotion, monitoring the enterprise development activities in the district, and identification and coordination with the pool of functional experts. S/he shall also co-ordinate with the District Administration with the support of the DPM to ensure convergence with the other schemes of the central and state governments, particularly the schemes of the MSME.

DTE-EP shall:

- a) Ensure selection of BDSPs
 - Conduct written tests and activities for selecting BDSPs
 - Organise and participate in interview panel for selecting BDSPs
 - Assist SMMU in collating results for selection of BDSPs
- b) Ensure conduct of training program for BDSPs
 - Ensure proper conduct of training and refresher training for BDSPs and shall ensure provision of certificate of completion by the training agency
 - Conduct training needs analysis to identify topics for refresher training for BDSPs
- c) Conduct CBO orientation on enterprise finance
 - Prepare necessary training material to orient CBOs on their role in enterprise finance
 - Conduct orientation of CLFs on their role in providing enterprise finance
 - Orient OSF-MC on their roles and responsibilities
- d) Assist DPM in identification of functional experts and mentors to support the OSF
- e) Assist in smooth functioning of the OSF
 - Scout business opportunities based on market analysis
 - Assist OSF in analysing performance of enterprises over time and discuss problem cases

- Ensure quality of OSF services being provided to the enterprises
 - Assist BDSPs in developing fee-sharing received from entrepreneurs, if required (if BDSPs operate as a group)
 - Take decision on retrenchment of BDSPs based on unsatisfactory performance shall be taken by the DTE-EP in consultation with the BTC-EP and OSF-MC
 - Ensure re-nomination of OSF-MC members from CLFs and nodal CLFs after completion of the stated tenure and facilitate timely re- election of President, Vice-President and Secretary in the OSF-MC and intimate change in the signatories to all concerned parties
 - Ensure OSF-MC meets regularly for credit appraisal of business plans
 - Ensure OSF-MC convenes technical committee meeting for appraising business plans and informs the attendees in advance
- f) Coordinate with functional experts and mentors
- Orient functional experts on NRLM institutional structure OSF design, functioning of OSF and their expected roles.
 - Coordinate with them to seek their services as and when required / requested by the Mentor or the BTC-EP
- g) Ensure regular monitoring and reporting of OSF activities
- Convene monthly review meeting of OSF and share minutes of the meeting with all participants and stakeholders, including OSF-MC, BMMU, DMMU and SMMU
 - Review progress of the OSF against targets and understand the issues in the field. DTE-EP shall facilitate discussions on possible solutions and identify good practices. The financial statements of enterprises shall be reviewed and strategy and plan for the coming month must be prepared
 - Participate in review meetings at the SMMU
 - Analyse performance of OSF supported enterprises on key performance indicators on a monthly basis and share the report with the DPM
 - Participate in technical committee meeting convened by the OSF-MC

11.7. District Project Manager

In addition to his/her existing job responsibilities, the DPM shall:

- a. Identify functional experts and mentors to support OSF
- b. Attend technical appraisal meetings of OSF-MC (or ensures that the District Manager – FI participates the meeting)
- c. Chair review meeting at the district level
- d. Approve the report prepared by DTE-EP and send it to SMMU

- e. Be apprised of work undertaken by OSF
- f. Participate in technical committee meeting convened by the OSF-MC
- g. S/he shall also co-ordinate with the District Administration to ensure convergence with the other schemes of the central and state governments, particularly the schemes of the MSME.

11.8. SPM (non-farm)

The SPM (non-farm) shall:

- a) Identify OSF geographies
 - Identify blocks to be supported by each OSF based on the selection criteria
 - Facilitate process for selection of DTE-EP and BTC-EP
- b) Provide assistance in selection of BDSPs
 - Ensure preparation of necessary material for and conduct written test and group activities for selection of BDSPs. Assistance may be sought from NMMU, if required
 - Ensure result of written test and group activities are collated and declared for BDSPs within the specified time limit
 - Participate in the panel conducting interview for the selected candidates and collate and declare result along with waitlist for BDSPs
- c) Assist DPM in identification functional experts and mentors to support OSF
- d) Ensure conduct of training program for BDSPs
 - Approach training organisations for training and refresher training for BDSPs and Mentors and ensure quality of training
 - Support DTE-EP in conducting training needs analysis of BDSPs to identify topics for refresher training
 - Ensure timely payments are made to the training organisations
- e) Ensure timely release of finance to nodal CLF / DMMU upon submission of necessary documents
- f) Ensure regular monitoring and reporting of OSF activities
 - Convene review meeting of all OSFs in the State and share minutes of the meeting with all participants and stakeholders, including NMMU
 - Review progress of the OSF against targets and understand the issues in the field. DTE-EP shall facilitate discussions on possible solutions and identify good practices. Strategy and plan for the coming quarter must be discussed

- Collate (and analyse, if required) performance of all OSF supported enterprises on key performance indicators on a monthly basis and share the report with NMMU
- S/he shall also co-ordinate to ensure convergence with the other schemes of the central and state governments, particularly the schemes of the MSME.

12. Implementation model

The implementation requires the deployment of adequate human resources with understanding and knowledge of enterprise development. It also requires personnel with expertise in the different sectors of the non-farm livelihoods space.

While planning the OSF implementation, preference should be given to districts where SVEP has been implemented and completed in the past. This will ensure the basic parameters of knowledge, financial, and incubation ecosystem being met in the block before taking up growth enterprises.

- a) Preference will be given to the districts where SVEP implementation in at least one block is completed. Each OSF should not have more than one SVEP block, unless and until the process of saturation of the district's by OSF entails covering more than one SVEP block.
- b) Each selected district should get saturated with a maximum of 2 OSFs of a maximum of 4 blocks each.
- c) In case any SVEP block(s) is selected as OSF block, budget shall be provided for all components except the CEF.

SRLMs can choose between the following options for implementation:

- I. SRLMs take the responsibility of the entire implementation of the programme. This will involve recruiting the human resources at all levels as per the guidelines, train and develop capacities of personnel, implement all the components including setting up institutions, strengthen capacities of CBO and monitoring the implementation of the components.
- II. SRLMs take up implementation of the programme but engage a PIA/TSA for handling the training and capacity building components. This will include the training of programme staff, field level functionaries, community institutions etc.
- III. SRLM can hire a PIA/TSA from amongst qualified organisations with expertise in providing incubation support to growth enterprises to set-up and facilitate the functioning of the OSF. The PIA/TSA will ensure delivery all tasks entrusted with the OSF. They may place additional resources at the OSF based on their requirement.

Option III above is available only to the States who are implementing the OSF

component for the first time and/or who have implemented SVEP in less than 8 blocks in the State.

It is ideal that the agency selected as PIA/TSA should have the following preferred qualities:

- a) Demonstrated experience of promoting and supporting enterprises exceeding a turnover of INR 6 lakhs per annum.
- b) Domain knowledge and experience in business ideation and conceptualization, training in setting-up and running an enterprise, business plan preparation, hand-holding support to initiate business, facilitation support to access required finance, technology, skills; regulation compliances; market intelligence, information, and linkages; and mentoring
- c) Experience of working with local community and / or state governments in previous three years.
- d) Preference will be given to organizations with innovative methods of delivery of business development services (e.g., use of mobile applications, alternative risk profiling, existing partnerships with financial institutions)
- e) The existing NROs for SVEP and non-farm livelihoods can also be engaged for supporting OSF implementation (Options b and c above)

It is ideal that the agency selected as TSA should have the following preferred qualities:

- a) Demonstrated experience of promoting and supporting enterprises exceeding a turnover of INR 6 lakhs per annum
- b) Domain knowledge and experience in business ideation and conceptualization, training in setting-up and running an enterprise, business plan preparation, hand-holding support to initiate business, facilitation support to access required finance, technology, skills; regulation compliances; market intelligence, information, and linkages; and mentoring
- c) Experience of working with local community and / or state governments in previous three years
- d) Preference will be given to organizations with innovative methods of delivery of business development services (e.g. use of mobile applications, alternative risk profiling, existing partnerships with financial institutions)

13. Convergence

Entrepreneurs supported under OSF will be supported to avail the benefits of various schemes of Government of India operated by various Ministries. Besides, there are number of schemes are being implemented by State Government for supporting enterprises. The support for entrepreneurs is in the area of project finance, technology adoption, marketing support including support for attending sales events, infrastructure support, training and capacity building etc.

Some of the schemes promoted by Government of India like the Pradhan MantriMudra Yojana (PMMY), MUDRA provides opportunity for new enterprise to avail loans at

competitive rates. In the cases of enterprises supported under OSF, MUDRA loans can be leveraged for entrepreneurs. The SRLM should make efforts to converge with the various schemes so that the supported entrepreneurs are able to maximise the opportunity for scaling-up.

MSME had number of schemes covering the entire gamut of services that are needed by enterprises. Some of the possible schemes that can be leveraged are provided as Annexure I.

14. Fund Release

Fund shall be released from the annual allocation under the AAP (SVEP) of the State approved by the EC of this Ministry. The details of instalments and conditions for subsequent fund release shall be as per the extant guidelines from the Department of Expenditure.

14.1. Availability of Funds

The project provides for the following funds for supporting activities under OSF:

- a. OSF set-up and operational cost
- b. Costs for identification and training of BDSPs
- c. Remuneration – Both fixed (inclusive of travel and communication allowance) and variable for BDSPs
- d. Costs towards mobilisation, identification, and training of entrepreneurs
- e. Costs towards initial orientation of CBOs (CLF-VO-SHG) (existing fund for IB- CB within NRLM will be used for this purpose). Budgetary provisions has been made for the remuneration to be paid to the qualified accountant and auditor of the Nodal CLF.
- f. Additional remuneration to be paid to accountants at nodal CLF and other community organisations for recording transactions pertaining to CEF disbursement and repayment (existing fund for IB-CB within NRLM will be used for this purpose)
- g. Remuneration to OSF-MC for conducting meetings, participation in technical appraisal committee, and monitoring of enterprises
- h. Costs for orientation service fee for functional experts and mentors
- i. CEF for each OSF supported block

How States/UTs can apply for the OSF under NRLM

The States/UTs can apply for the OSF as part of their Annual Action Plans (AAP) from FY 2023-24 onwards. However, proposals for OSF in the FY 2022-23 shall be through supplementary AAP. The States can engage PIA empanelled under non-farm livelihoods in DAY-NRLM for the training of the BDSPs and entrepreneurs in the OSF blocks.

The supplementary AAP format is attached at Annexure II.

The proposals shall be evaluated as per the criteria defined in the guidelines. The proposal of the eligible blocks shall be presented to the Empowered Committee of this Ministry for approval.

15. Budget/Costs

The budget for OSF is as under:

| Sn o. | Head | Funds to be given to | Unit | Funding type | Cost per unit/per annum for recurring expenses Rs. Lakhs | No. of units /OSF (Max) | Period of funding | Maximum amount per OSF Rs. Lakhs (If OSF has 2 blocks) | Maximum amount per OSF Rs. Lakhs (If OSF = 3 block) | Maximum amount per OSF Rs. Lakhs (If OSF has 4 blocks) |
|-------|---|----------------------|-------|--------------|--|-------------------------|-------------------|--|---|--|
| 1 | Infrastructure support to Nodal CLFs | Nodal CLF | Block | One time | 1.00 | 4 | 1 | 2.00 | 3.00 | 4.00 |
| 2 | Operational cost support for Nodal CLFs | Nodal CLF | Block | Recurring | 1.80 | 4 | 3 | 10.80 | 16.20 | 21.60 |
| 3 | Identification of BDSP (6 per block and attrition rate of 30%) - 1 BDSP =30 enterprises | DMMU | OSF | One time | 0.03 | 28 | 1 | 1.20 | 1.80 | 2.40 |
| 4 | Capacity Building for BDSP | NRO/PIA | OSF | One time | 0.69 | 28 | 1 | 9.60 | 14.40 | 19.20 |
| 5 | Honorarium for BDSP (3-years) | Nodal CLF | OSF | Recurring | 1.08 | 28 | 3 | 44.43 | 66.65 | 88.87 |
| 6 | Mobilisation and Identification of Entrepreneurs including enumeration (baseline DPR) | BDSP's thru PIA | OSF | One time | 4.00 | 4 | 1 | 6.40 | 9.60 | 12.80 |
| 7 | Capacity Building for Entrepreneurs (Individual & Group - 2 people) | NRO/PIA/ Trg Agency | OSF | One time | 0.08 | 750 | 1 | 24.00 | 36.00 | 48.00 |
| 8 | Mentor & Functional expert Identification | DMMU | OSF | One time | 0.05 | 18 | 1 | 0.88 | 0.88 | 0.88 |
| 9 | Orientation Mentor & Functional expert | DMMU | OSF | One time | 0.15 | 18 | 1 | 2.63 | 2.63 | 2.63 |
| 10 | Honorarium for Mentors | DMMU | OSF | Recurring | 2.40 | 8 | 3 | 57.60 | 57.60 | 57.60 |
| 11 | Resource Fee for Functional Experts | DMMU | OSF | Recurring | 2.40 | 6 | 3 | 43.20 | 43.20 | 43.20 |
| 12 | Enterprise CEF | Nodal CLF | Block | One time | 100.00 | 4 | 1 | 200.00 | 300.00 | 400.00 |
| 13 | OSF - MC members training | NRO/PIA/ Trg agency | Block | One time | 11.54 | 4 | 1 | 23.07 | 34.61 | 46.14 |
| 14 | OSF - MC members sitting fees | Nodal CLF | Block | Recurring | 7.81 | 4 | 1 | 15.62 | 23.44 | 31.25 |
| 15 | BTC cost | NRO/PIA | Block | Recurring | 21.82 | 4 | 1 | 43.63 | 65.45 | 87.26 |
| 16 | DTE cost | DMMU | OSF | Recurring | 37.98 | 1 | 1 | 37.98 | 37.98 | 37.98 |
| 17 | Accountant and audit costs | Nodal CLF | OSF | Recurring | 21.65 | 1 | 1 | 21.65 | 21.65 | 21.65 |
| 18 | Endline survey | SMMU | Block | One time | 4.00 | 4 | 1 | 8.00 | 12.00 | 16.00 |
| | Total | | | | | | | 552.69 | 747.07 | 941.46 |
| | Avg cost per block | | | | | | | 276.35 | 249.02 | 235.36 |

15.1. Fund Release

The SRLM will submit the Annual Action Plan (AAP) which will have the details of the blocks where the OSFs will be set-up including the budget estimates.

The following will be the timeline for release of funds:

| Fund | Time for Release | Frequency | Released by | Released to |
|--|---|------------------|----------------------------------|-----------------------------------|
| Infrastructure support to Nodal CLFs | Submission of rent agreement of office space in the block/ letter of authorisation of use of space and bank passbook of nodal CLF to SMMU | One-time | SMMU | Nodal CLFs of the OSF blocks |
| Operational cost support for Nodal CLFs | Submission of annual work plan of all blocks under OSF | Annually | SMMU | Nodal CLFs of the OSF blocks |
| Identification of BDSP (5 per block and attrition rate of 30%) | Submission of rent agreement of office space in the block/ letter of authorisation of use of space and bank passbook of nodal CLF to SMMU | One-time | SMMU | Nodal CLFs in which OSF is housed |
| Capacity Building for BDSP | As per contractual agreement with training agencies | As per contract | SMMU | Training agency |
| Honorarium for BDSP (3-years) | Submission of annual work plan of all blocks under OSF | Annually | SMMU | Nodal CLF in which OSF is housed |
| | Approval of work-done report of the BDSPs by the OSF-MC | Monthly | Nodal CLF in which OSF is housed | Respective bank accounts of BDSPs |
| Mobilisation and Identification of Entrepreneurs (including survey to enumerate enterprises) | Submission of annual work plan of all blocks under OSF | Annually | SMMU | Nodal CLFs in which OSF is housed |

| Fund | Time for Release | Frequency | Released by | Released to |
|---|--|------------------|--------------------|--|
| Capacity Building of Enterprises (individual and two persons per group) | Submission of annual work plan of all blocks under OSF | Annually | SMMU | DMMU |
| Identification and orientation of Functional Experts and Mentors | Submission of annual work plan of all blocks under OSF | One-time | SMMU | DMMU |
| Honorarium / Resource fee for Mentors / Functional Experts | Submission of annual work plan of all blocks under OSF | Yearly | SMMU | DMMU |
| | Submission of a visit report work done reports by mentors /functional experts on a monthly basis | Monthly | DMMU | Respective bank accounts of mentors / functional experts |
| Enterprise CEF | Setting up of OSF-MC and opening of a separate bank account of the Nodal CLF housing the OSF. | One time | SMMU | Nodal CLFs of the OSF blocks |

Utilisation Certificates shall be submitted to competent authorities as per the financial guidelines released by each SRLM

15.2. Pre-condition for Release of Fund

The release of funds for OSF will be contingent on all following conditions being met:

- a. Positioning of DTE-EP
- b. Positioning of BTC-EP in at least the block where the OSF is housed

16. Monitoring and Reporting

16.1.Review at the District Level

- a. The DTE-EP shall convene a meeting of each OSF under his / her jurisdiction every month. The DPM shall chair the meeting

- b. The agenda shall be circulated by the DTE-EP at least 5 days prior to conduct of the meeting
- c. The BTC-EP of all blocks the OSF caters to shall attend the meeting. The BPMs of all OSF supported blocks along with representatives from OSF-MC must be invited for the meeting. Representatives from BDSPs will also attend the meeting
- d. The DTE-EP shall review the progress against targets for each OSF block and understand the issues in the field. The group shall contemplate a solution to the problems and identify good practices. The financial statements of enterprises shall be reviewed and plan for the coming month must be prepared
- e. The meeting must be documented and the minutes shall be shared with all participants and stakeholders, including SMMU within 5 days of meeting being held

16.2. Review at the State Level

- a. At the State level, the SPM (non-farm) and the State Mission Director (whenever possible) should review the progress of the OSF every quarter
- b. The agenda of the meeting shall be circulated by the SPM (non-farm) at least 10 days prior to conduct of the meeting through e-mail
- c. The meeting shall be attended by the DTE-EP, BTC-EP and representatives from BDSPs
- d. The meeting must be documented and the minutes shall be shared with all participants and stakeholders, including NMMU within 10 days of meeting being held

16.3. Reporting on Key Indicators

DTE-EP will be responsible for reporting progress on key indicators on a monthly basis. The report shall be submitted to SMMU along with minutes of the monthly review meeting. The indicators shall also be reported at the State level by STP-EP and shared with NMMU on a monthly basis. An indicative list of indicators is presented as under:

- a. Number of BDSPs trained and working in each block along with their demographic details
- b. Number and type of individual and group enterprises supported so far in each block
- c. Number and type of individual and group enterprises supported in the previous month in each block
- d. Number and type of women-owned enterprises supported so far in each block
- e. Number and type of women-owned enterprises supported in the previous month in each block

- f. Number of enterprises availing OSF services recording at least 10% increase in turnover over a period of previous 3-months continuously
- g. Number of enterprises availing OSF services recording at least 10% growth in net profit over a period of previous 3-months continuously
- h. Number of enterprises availing OSF services generating enough cash flows to repay the loan (both interest and principal) as per the repayment schedule and making timely repayments.
- i. Number of enterprises availing OSF services recording an increase in hired employment (report by number of workers hired)
- j. Number of enterprises availing OSF services that accessed finance from commercial banks in each year and loan amount
- k. Number of enterprises meeting success criteria (as defined in section 10 of this guideline) after the first year of support
- l. Number (and percentage) of enterprises accessing CBO loan repaying principal and interest on time
- m. Amount of CEF, CIF, and unutilised credit limit disbursed to the enterprises

The list of indicators may be enhanced during the course of the project

17. Technology Platform

An app-based technology platform with web-interface shall be placed to prepare business plans, ensure adherence to processes, and track performance of enterprise being supported on the field. The app may be developed afresh or the existing app developed by NMMU may be used. Details on enterprise software and its use shall be intimated in due course

18. Grievance Redressal

Conflicts in professional space are inevitable occurrences. However, it is in the OSFs best interests that conflicts are resolved immediately. In cases where the conflicts cannot be resolved internally, a conflict resolution mechanism will be put in place for their timely resolution.

In case of issues that cannot be resolved internally, a redressal committee will meet to understand the issue and arrive at a mutually acceptable decision. In case the committee cannot arrive at a mutually acceptable decision, the final decision will rest with the DPM and in some cases with the SPM (non-farm). A report of the grievance and the redressal measures shall be submitted at the DMMU, signed by the concerned conflicting parties. The redressal mechanism will be as follows:

| Party 1 | Party 2 | Redressal Committee | Final Authority |
|---------|---------|-------------------------------|-----------------|
| BDSP | BDSP | Representative(s) from BDSPs, | BPM |

| Party 1 | Party 2 | Redressal Committee | Final Authority |
|----------------|------------------------------|--|------------------------|
| | | BMMU | |
| BDSP | Entrepreneur | Representative(s) from BDSPs, nodal CLF, and BMMU | BPM |
| BDSP | OSF-MC | Representative(s) from BDSPs, OSF-MC, BMMU, and DMMU | DPM |
| BDSP | Functional experts / mentors | Representative(s) from BDSPs, functional experts / mentors, BMMU, and DMMU | DPM |
| BDSP | BMMU | Representative(s) from BDSPs, BMMU, and DMMU | DPM |
| BDSP | DMMU | Representative(s) from BDSP, BMMU, DMMU, and SMMU | SPM (non-farm) |

19. Annexure I: Schemes of MSME that have potential for Convergence

A. Prime Minister Employment Generation Programme (PMEGP), MSME

The scheme provides financial support to new and existing entrepreneurs. It is implemented at the state level through State KVIC Directorates, State Khadi and Village Industries Boards (KVIBs), District Industries Centres (DICs) and banks.

| Nature of Assistance | Eligibility Criteria |
|---|--|
| Loans are provided to new enterprises to the tune of Rs 25 lakhs in case of manufacturing sector and Rs 10 lakhs in case of business/service sector. Subsidy to the tune of 25% in case of general category and 35% in case of members (including SC/ ST/ OBC/ Minorities/Women, Ex-servicemen, Physically handicapped, NER, Hill and Border areas, etc.) | Individuals above 18 years of age. Education of at least VIII standard pass in cases of projects above Rs.10 lakh in the manufacturing sector and Rs. 5 lakhs in the business / service sector. Enterprises that have availed benefits of other Government schemes are not eligible. |

The scheme guidelines have been modified to support existing enterprises (successful PMEGP/MUDRA Units) under PMEGP. The details are provided below:

| Nature of Assistance | Eligibility Criteria |
|--|--|
| Loans provided to manufacturing enterprises to the tune of Rs 100 lakhs and Rs 25 lakhs to service/trading sector. Maximum subsidy permissible is Rs 15 lakhs in manufacturing and Rs 3.75 lakhs in service/trading. | All existing units financed under PMEGP/MUDRA Scheme whose have repaid the loans. The unit should have been making profit for the last three years. Registration of Udyog Aadhaar Memorandum (UAM) is mandatory. |

B. Credit Linked Capital Subsidy for Technology Upgradation (CLCSS)

The scheme facilitates technology upgradation by providing 15% up front capital subsidy to MSEs, including tiny, khadi, village and coir industrial units, on institutional finance availed by them for induction of well-established and improved technologies in specified sub-sectors/products approved under the scheme.

| Nature of Assistance | Eligibility Criteria |
|--|---|
| Subsidy of up to 15% subsidy for additional investment of Rs 100 lakhs for technology upgradation. | All MSME units are eligible for this support. |

C. Entrepreneurship Skill Development Programme (ESDP)

Entrepreneurship Development Programmes are organized to create awareness about various aspects of industrial activity required for setting up MSEs. This includes a range of activities undertaken by institutions like ITIs, Polytechnics and other technical institutions. Some of the components of the programme are

i. Industrial Motivational Campaign (IMC): activity to identify and motivate traditional/non-traditional entrepreneurs, having potential for setting up MSEs with an objective of leading them towards entrepreneurship/self-employment.

ii. Entrepreneurship-cum-Skill Development Programme (E-SDP): the six weeks' activity is aimed at conducting special entrepreneurship development programmes for new livelihood enterprise creation and rural enterprise development. Comprehensive training programmes will be organized to upgrade skills of prospective entrepreneurs coupled with specific skills hands on practice or demonstration relating to activities.

D. Management Development Programme (MDP)

This one-week activity is aimed at capacity building of MSMEs through inputs on management practice system is to improve their decision-making capabilities resulting in higher productivity and profitability of existing and potential entrepreneurs and developing new enterprises.

| Nature of Assistance | Eligibility Criteria |
|--|--|
| <p>The programmes are conducted through different field offices of the office of DC(MSME) i.e. EDCs, MSME- DIs and Technology Centres.</p> <p>No participation fee will be charged from SC, ST, Physically Handicapped, Below Poverty Line (BPL) participants and women.</p> | <p>Field offices of DC MSME shall be involved in identifying the candidates for the programme, through inviting applications.</p> <p>The minimum age of participants in the programmes should be 18 years.</p> <p>40% of the targeted beneficiaries of EDPs and E-SDPs should be from weaker sections of the Society (SC/ST/Women/Physically Handicapped).</p> |

E. Marketing Assistance Programme

This scheme is to enhance the marketability of products and services in the MSME sector. Under this there are specific components for Organising buyer-seller meets, intensive campaigns and marketing promotion activities, Co-sponsoring of exhibitions organised by other organisations/industry associations/ agencies and Organisation of exhibitions abroad and participation in international exhibitions/ trade fairs

| Nature of Assistance | Eligibility Criteria |
|--|---|
| Capacity building in packaging techniques; the cost to the tune of 100% of cost of training for agencies in case of women enterprises. Awareness Programs about trade fairs, digital advertising, e-marketing platform, GST, GeM portal and other such related topics etc. An amount of Rs 70,000 per program is set aside for the trainings. | Manufacturing/Service sector units registered at Udyog Aadhaar Memorandum (UAM)Portal. MSME units are selected based by the field offices of DC. |

F. Design Clinic for Design Expertise to MSMEs

The scheme is for increasing competitiveness of MSMEs through adoption of design and its learning. This is to facilitate MSMEs to develop new design strategies and or design related products and services through project interventions and consultancy.

| Nature of Support | Eligibility Criteria |
|---|---|
| Expert agencies (Industry Associations, Technical Institutions or other appropriate bodies), for conducting seminars and workshops, MSMEs or groups of MSMEs, Academic Institutes/ design companies/ design consultants, etc., applying as co-applicants along with a designated MSME. Funding support of (1) ₹60,000 per seminar and 75% subject to a maximum of ₹3.75 lakhs per workshop | MSMEs can apply to field offices of DC. |

Annexure II**20. NATIONAL RURAL LIVELIHOODS MISSION****ANNUAL ACTION PLAN for One Stop Facility (OSF) under Non-Farm Livelihoods****A. Provide a brief analysis of current livelihoods scenario in the State.**

1. List and describe the key livelihoods of the poor in the state; e.g. agriculture, NTFP based livelihoods, Non-farm livelihoods, artisanal or any other livelihood stream primarily among the most vulnerable/poorest of poor section of community like landless, SC/STs, PVTGs, women headed HHs, single women etc.
2. Also, include any relevant information that helps in understanding the context of self-employment and rural micro-enterprises development in the state. Provide any relevant secondary data available to give clear idea. (Please refer to census data, MSME survey, SECC data, MGNREGA Job Card data, NSSO Consumption data, District GDP data, Bank deposits and Advances data, RSETI trainings data, DDU GKY training data, among others).
3. Give an analytical listing of key constraints and problems related to promotion of sustainable livelihoods of rural poor (e.g. issues related to access and control of productive resources, availability of raw material, production process, post production process, producers' organization, value addition, trading, providing services, marketing, realization of value/profit to the producers and any other issues, especially lack of training, distance from markets, low numeracy and business skills etc.). Please attach or refer to any relevant data/research or primary analysis done on this by SRLM or others.

B. Please explain livelihoods/enterprises promotion strategies of the state.

1. In reference to the existing livelihood opportunities and the issues, what is the overall strategy of the state to promote key livelihoods? How the state aims at addressing the constraints in the field of livelihoods and enterprise development. Also please explain the states strategy to create a holistic livelihoods promotion and enhancement plan, covering the multiple livelihoods of the poor across all streams – Agriculture, livestock, NTFP, off farm, artisanal manufacturing, skilling for employment, wage labour, enterprise promotion and support etc. Give a summary of past experiences (success and failures) and share learning with respect to enterprises development and self -employment activities in the state. Please support with any relevant source of information, hyperlinks or report.
2. What is the overall strategy of livelihoods promotion in the intensive blocks, and non-intensive blocks, how has livelihoods layering activities been taken up?
3. Please share the best practices or case studies of experiences/interventions in self-employment, micro enterprise development, and any other off farm intervention which helped in increase in income and improvement in standard of living of rural people. Please share insights on important factors, non-negotiables for such interventions realized by the state.
4. Please share briefly the process, steps and major components of initiating any livelihoods, income generation or enterprise development before, during and post implementation.
5. How the state is planning to integrate OSF with its' overall livelihoods promotion strategy.

C. Existing project management and monitoring of SRLM.**1. Readiness Indicators**

Please describe the readiness of SRLM to implement the AAP on OSF

- 1.1. What does SRLM aim to achieve through implementation of OSF. What is the overall goal?
 - 1.1 Whether full time livelihoods team in place at the state level- Please give details of the team in the table at the end
 - 1.2 How does OSF implementation fit into the overall livelihoods and employment generation activities plan of the state.
 - 1.3 Whether livelihoods' team is positioned in the proposed block for OSF - Please give details of the team in the table at the end.
 - 1.4 Whether the livelihood team has undergone well designed and detailed induction training (specifically the team at the state and the proposed OSF blocks) – PI give details of the training programs organized for the LH team and attended by them.

D. OSF Preparation Plan**2.1 Name of the blocks identified under OSF**

- a. Please also explain how the state SRLM proposes to monitor the implementation of the OSF projects in the state, and what are the parameters planned to be used to evaluate the performance of the implementation as per their existing internal systems and planned systems (as per the OSF framework and guidelines).

E. Please provide the following details for the blocks selected under OSF**1. Demographic details**

| 2. Block Name | Block 1 | Block 2 | Block 3 | Block 4 | Block 5 |
|---|---------|---------|---------|---------|---------|
| 3. District Name | | | | | |
| 4. District GDP and per capita income of the district | | | | | |
| 5. IAP District / schedule V or schedule VI district | | | | | |
| 6. Name of Block selected | | | | | |
| 7. Is the block an IPPE block | | | | | |
| 8. Name of the block headquarter | | | | | |
| 9. Population of the block head quarter | | | | | |
| 10. No of villages in the block | | | | | |
| 11. Population of the block | | | | | |
| 12. SC/ST population of the block | | | | | |
| 13. Female population of the block | | | | | |
| 14. No of females/1000 males in block | | | | | |

| | | | | | |
|---|--|--|--|--|--|
| 15. Average population per village in the block | | | | | |
| 16. Min. and Max. population of a village in the block | | | | | |
| 17. Literacy level in block | | | | | |
| 18. Female school enrolment % above 10 years | | | | | |
| 19. Male school enrolment % above 10 years | | | | | |
| 20. No of Gram Panchayats in the block | | | | | |
| 21. Any artisanal cluster within the block, if yes, please give details | | | | | |
| 22. Any cluster development program under any government program has been undertaken or are in progress in block, if yes, please give details | | | | | |
| 23. Whether MKSP/CMSA projects have been undertaken, or are in progress in the blocks, if yes, please give details | | | | | |
| 24. Whether any other non-farm projects have been undertaken, or are in progress in the blocks, if yes, please give details | | | | | |
| 25. In case any of these projects are already taken up and a baselinesurvey of the block was done, please attach a copy of the baseline survey also | | | | | |
| 26. Number of NREGA job card holders in the block | | | | | |
| 27. Number of NREGA job card holders in the block who worked in the last financial year | | | | | |
| 28. Number of NREGA man-days demanded in the block in the last financial year | | | | | |
| 29. Number of NREGA man-days of work provided in the block in the last financial year | | | | | |
| 30. No of SAGY villages in the block, if Any | | | | | |
| 31. No of households classified for automatic inclusion in SECC in block | | | | | |
| 32. No of households with 4 or more deprivations in SECC in block | | | | | |

| | | | | | |
|--|--|--|--|--|--|
| 33. Distance from the nearest town/trading centre | | | | | |
| 34. Name of nearest town/trading centre | | | | | |
| 35. Number of bank branches in the block | | | | | |
| 36. Total deposit and advances of the banks in the block | | | | | |
| 37. Major sources of livelihood for people in the block, please elaborate | | | | | |
| 38. Please specify the reasons for choosing this block, is it representative of the majority of the blocks in the state? | | | | | |

2. Details on Community Based Organizations (within the selected blocks –block wise)

| 1. Name of block | Block 1 | Block 2 | Block 3 | Block 4 | Block 5 |
|---|---------|---------|---------|---------|---------|
| 2. No of SHG's in the block | | | | | |
| 3. No of SHG's in the block, following <i>panchsutra</i> | | | | | |
| 4. No of members of SHGs in the Block | | | | | |
| 5. No of SC/ST SHG members in the block | | | | | |
| 6. No of SHG's in the block, having bank accounts, and as % of total SHG's | | | | | |
| 7. No of SHG's in the block, having bank linkages, and as % of total SHG's | | | | | |
| 8. No of SHG's in the block, eligible for receiving CIF | | | | | |
| 9. No of SHG's in the block, eligible for receiving CIF, and have received CIF. | | | | | |
| 10. No of VO's in block | | | | | |
| 11. Total amount lent by the VO's | | | | | |
| 12. Total amount overdue to the VO's, by the SHG's | | | | | |
| 13. Total amount borrowed by the VO's | | | | | |
| 14. Total amount overdue by the VO's to the CLF/Banks/Others | | | | | |
| 15. Total Unutilized balance in the VO's | | | | | |

| | | | | | |
|--|--|--|--|--|--|
| 16. Amount lent by the CLF, in case CLF not there, please provide these details for the VO which is proposed to host the OSF | | | | | |
| 17. Amount overdue to the CLF, in case CLF not there, please provide these details for the VO which is proposed to host the OSF | | | | | |
| 18. Amount borrowed by the CLF, in case CLF not there, please provide these details for the VO which is proposed to host the OSF | | | | | |
| 19. Amount overdue by the CLF, in case CLF not there, please provide these details for the VO which is proposed to host the OSF | | | | | |
| 20. Unutilized balance in the CLF, in case CLF not there, please provide these details for the VO which is proposed to host the OSF | | | | | |
| 21. What has been the top 3 livelihoods for which the borrowed funds have been used by the SHG members (please share % of users if possible) | | | | | |

A. Contacts of Livelihoods Team in SRLM

| S.no. | Name of the Livelihood head /Anchor person in SRLM for OSF (Mention separately, if there are more than one official for different streams like MKSP/CMSA/other non-farm interventions/ SVEP / etc.) | | Contact Number | Email Id. | Office Address |
|-------|---|--|----------------|-----------|----------------|
| | | | | | |
| | Name of the state level livelihoods team members | | Contact Number | Email Id. | Office Address |
| | | | | | |
| | | | | | |

B. Please share the details of the SRLM staff currently posted in the block (Names, designation, thematic responsibilities, and date of expiry of contract).

| Name | Designation | Thematic/Key responsibilities | Contract Period |
|------|-------------|-------------------------------|-----------------|
| | | | |
| | | | |
| | | | |
| | | | |

*Explain the plan considered for fulfilling HR requirement for OSF implementation.

C. Non-Farm, Off-Farm and self-employment activities planned under OSF

Please provide summary of ongoing non-farm/off –farm projects below:

There may be some ongoing projects under micro enterprises, self-employment initiatives and other production/trading activities /others already being implemented in the state. A brief description of these projects needs to be provided. Also please clearly specify which all components of OSF are already covered in the previous projects (in the blocks in which OSF is proposed to be implemented) and which do not need to be funded under OSF.

Table A

| Name of project | Funding Source | Type of Project SVEP/MEC/Others | Total Project Cost (in lakhs) | Funding outlay (Rs Lacs) | | |
|-----------------|--------------------------|---------------------------------|-------------------------------|--------------------------|--------|--------|
| | | | | Year 1 | Year 2 | Year 3 |
| | MoRD/Central (Any other) | | | | | |
| | State share | | | | | |

Table B

Non -Farm Project/Field Implementing Agency details/NRO (existing)

| S. No. | Name of the Project | Name of the PIA | State share/share of other donor of the project (Rs) | Central share of the project (Rs) | Area (Districts & blocks Names) | Total No. of beneficiaries covered |
|--------|---------------------|-----------------|--|-----------------------------------|---------------------------------|------------------------------------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

Please mention how many of the blocks under these schemes intensive-blocks are. Also, in case 25% share had come from any other source than the state government, please mention the source.

Table C

Contact details of Existing Non-Farm Project/Field Implementing agencies/NROs

| S. No. | Name of the PIA | Contact Details |
|--------|-----------------|---|
| | | Contact Person/s Name Telephone & Mobile No. Email Id. PIA's Office postal address |
| | | |
| | | |

D. OSF Project Promotion Plan and Major Outputs

- i. How the best practices will be identified by the state in each of the stream and the resource agencies to be identified by state to replicate and scale up those best practices and models (OSF framework and guidelines to be followed).
- ii. Explain why and how the organizations fit in with the Objectives of OSF (as per the framework and guidelines) and NRLM, in reference to their past experience in the proposed livelihoods sector (Non-Farm LH) and in women centric community institution promotion.
- iii. What are outreach/ coverage planned by the state through OSF interventions, e.g., How many women entrepreneurs/and their families are envisaged to be covered. What are the geography where these pilots are planned and what are the basic rationale for selection of those areas and families?
- iv. How many BDSPs trained in the livelihoods interventions are envisaged to emerge from the projects proposed in 3 years' time period?

E. Scaling up plan for the livelihood initiatives started under OSF

- i. How the state plans to scale up these initiatives/ projects across the state in the intensive blocks and resource blocks planned under NRLM. How it envisages integrating the learning from the projects to the state livelihoods plan/ strategy.
- ii. How the state plans to integrate the BDSPs emerged and trained from the OSF projects, into State's livelihood plan?

F. FINANCIAL PLANNING FOR LIVELIHOODS INITIATIVES**Table: Proposed funding for OSF Plan**

| Components | Source | Total Project Cost (in lakhs) | Funding outlay (Rs Lacs) | | |
|------------|--------|-------------------------------|--------------------------|--------|--------|
| | | | Year 1 | Year 2 | Year 3 |
| | | | | | |

| | | | | | |
|---|---------------------|--|--|--|--|
| Total Budget Outlay for livelihood promotion plan under OSF | MoRD /Central Share | | | | |
| | State share | | | | |

Please note that the state contribution cannot be drawn from the allocation made to SRLMs under NRLM.

Guidelines for Promoting Artisan Cluster

17/11/2022

S-11051/2020-21/NRLM(SVEP)/NRETPEC (374087)
Government of India
Ministry of Rural Development
Department of Rural Development
<https://rural.nic.in>
(Rural Livelihoods Division)

7th Floor, NDCC – II Building,
Jai Singh Road,
New Delhi – 110001

Dated: 17th November, 2022

To,
The SMD/CEO SRLMs
All States/UT

Subject: Promoting Artisan Cluster guidelines under NRLM

Madam/Sir,

I am directed to share the guidelines of Promoting Artisan Cluster, a component under the Start-up Village Entrepreneurship Programme (SVEP) sub-scheme of Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM) of Ministry of Rural Development (MoRD).

The earlier Promoting Artisan Cluster guidelines approved under NRETP will be applicable to all the States in which Promoting Artisan Cluster are already approved.

This guideline of Promoting Artisan Cluster issues with the approval of Secretary (RD).

Yours faithfully,


(Raghvendra Pratap Singh)
Director (RL)
Ph. 011-23438102
17/11/2022

Encls:A/a

To,

1. All NROs
2. All State anchors

Guidelines for Promoting Artisan Clusters

National Rural Livelihoods Mission
Ministry of Rural Development (Government of India)

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Acronyms

| | |
|-----------------|---|
| AAP | Annual Action Plan |
| B2B | Business to Business |
| B2C | Business to Customer |
| CBO | Community Based Organisations |
| CDE | Cluster Development Executive |
| CEO | Chief Executive Officer |
| CFC | Common Facility Centre |
| CLF | Cluster Level Federation |
| CPC | Common Production Centre |
| CSR | Corporate Social Responsibility |
| DAY-NRLM | Deendayal Antyodaya Yojana - National Rural Livelihoods |
| Mission DDU-GKY | Deen Dayal Upadhayay Grameen Kaushalya Yojna |
| DMMU | District Mission Management Unit |
| DPM | District Project Manager |
| DSR | Diagnostic Study Report |
| EC | Empowered Committee |
| FGD | Focus Group Discussion |
| NGO | Non-Governmental Organisation |
| NRLM | National Rural Livelihoods Mission |
| NRP | National Resource Person |
| PC | Producer Collective |
| PRA | Participatory Rural Appraisal |
| RFP | Request for Proposal |
| RSETI | Rural Self Employment Training Institutes |
| SFURTI | Scheme of Fund for Regeneration of Traditional Industries |
| SHG | Self Help Groups |
| SMD | State Mission Director |
| SMMU | State Mission Management Unit |
| SRLM | State Rural Livelihoods Mission |
| SRP | State Resource Person |
| SWOT | Strengths Weaknesses Opportunities Threat |
| TE – EP | Technical Expert Enterprise Promotion |
| TOR | Terms of Reference |
| TSA | Technical Support Agency |

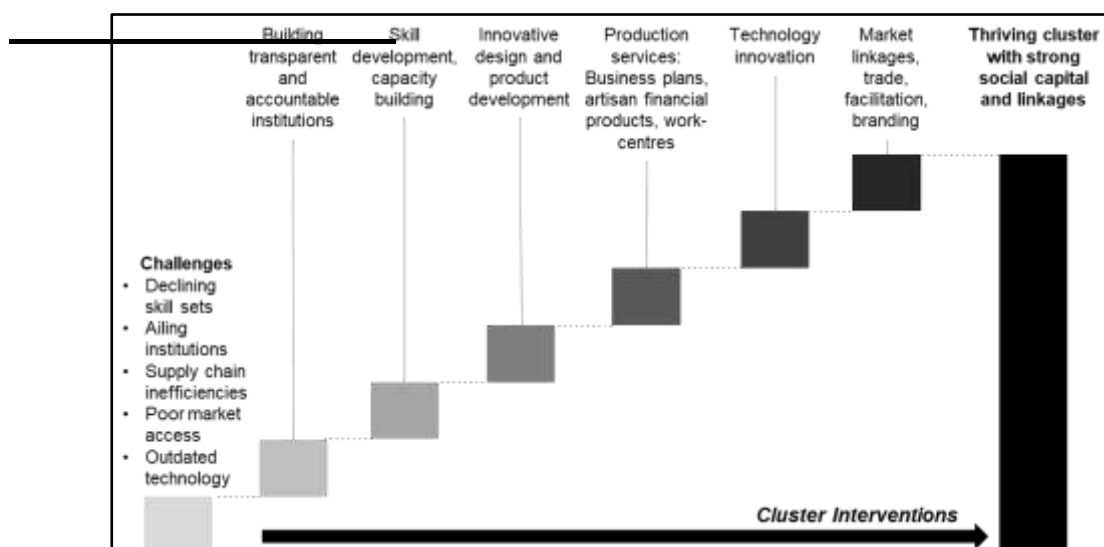
1. Context

Promoting and strengthening non-farm clusters has been an important strategy for nurturing rural livelihoods under the Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM). The cluster approach allows for combining efforts, making use of synergies, and pooling resources to increase competitive advantage while sharing market risk. While several states have made significant progress in promoting agricultural clusters, there is a huge untapped opportunity in the non-farm space.

Geographical agglomeration of enterprises does not automatically yield advantages associated with clustering. Under the cluster component, DAY-National Rural Livelihood Mission (DAY-NRLM) seeks to:

- Map the existing enterprise agglomerations
- Understand the economic potential of the cluster, and
- Provide specific technical, capacity building, marketing, governance and infrastructure support to transition them into remunerative clusters

The pro-poor growth potential of cluster development resides not just in its capacity to stimulate high rates of livelihood generation for the economically underprivileged, but also in the conducive environment it provides for the promotion of broad-based and inclusive forms of development. Cluster-based community enterprises and their members often share a similar social, cultural and economic backgrounds and practice reciprocity and self-help. It tends to lend itself to growth patterns that are likely to be more inclusive than in most other economic contexts. Hence the rationale behind this approach rests in joint actions that allow cluster stakeholders to overcome limitations and reap opportunities beyond their reach.¹



¹ 'The UNIDO Approach to Cluster Development', 2013

Under NRLM, over 50 million women have been organized into Self Help Groups (SHGs) and higher-level federations. These women's collectives and networks have evolved into an institutional architecture that serves as a platform for enterprise and skill development, enhanced access to financial services, improved access to nutrition and sanitation public services, and a range of technical and business development services in farm/non-farm sectors.

Under DAY-NRLM, two types of clusters shall be promoted:

1. Artisan clusters (handloom and handicrafts)
2. Sectoral clusters (food service, tourism, nutrition etc.) This guideline pertains to the development of artisan clusters.

2. Definitions

2.1 Cluster

A cluster of micro enterprises (including formal / informal factory level / informal household level enterprises) is defined as a geographic concentration of enterprises making the same or similar range of products (goods / services) and that are:

- spread across a village or several villages in a block or a district
- producing a similar range of goods / services and
- facing similar opportunities and challenges

The firms that make the cluster product shall be called the principal firms. A selected cluster for this scheme should have a minimum representations/critical mass of 100 formal / informal enterprises of principal firms. A single individual producing a cluster product from her home whether part time / full time will be considered as an informal household level enterprise (and hence a principal firm). Besides the principal firms, a cluster also often houses support firms (or auxiliary firms), service providers, technical and financial institutions, and governance bodies.

2.2 Cluster Development

Development of cluster will primarily take place through:

- Soft interventions including design development, quality assurance, enterprise creation, market development, financing, technology upgradation, skilling, promoting responsible business interventions, strengthening the local ecosystem including development of collective enterprises, and
- Hard interventions like creation of Common Facility Centres (CFCs) / Common Production Centres (CPCs)

2.3 Cluster Development Objectives

Objectives of cluster development will include improvement in parameters like increase in wages, turnover, employment (hours / days / months of engagement), number of enterprises, exports etc. A typical cluster may witness the following flow of intervention:

- Need assessment
- Design development
- Market linkage through
 - producing for partners and
 - producing for own sales through (i) own sales outlet, (ii) B2C, etc.
- Skilling, capacity building, and quality assurance
- Developing CFCs / CPCs

3. Key Deliverables and Features

- a) Each cluster should have a potential of engaging at least 100 micro enterprises over the period of intervention
- b) A maximum of 10% of the members of the cluster may be outside the SHG fold. Ideally, all the members of the cluster may be motivated to become members of SHGs
- c) The states may on-board a Technical Support Agency (TSA), with specific experience, for the cluster to provide technical assistance to the cluster
- d) Each state shall conduct a cluster scoping study (as per format mentioned in annexure 1) for all potential clusters. The SRLM may provide for a sum of upto INR 1.5 lakh (once) for engaging consultants (NRPs / SRPs) to prepare scoping study for the proposed Artisan clusters. The scoping study shall be sent to the NRLM for approval.
- e) A few clusters will be selected based on the data collected from the scoping study. Post the shortlisting of clusters and approval by the NRLM, the SRLM and the TSA will prepare a cluster Diagnostics Study Report (DSR) and implementation plan, engaging the services of a TSA. The DSR will include the baseline of the cluster and must clearly articulate all the aspects mentioned in Annexure 3. The cost of preparation of the DSR and implementation plan (including baseline information) for each cluster of up to 300 households will be INR 3 lakh. For clusters benefitting above 300 enterprises, DSR preparation cost may be on a pro-rata basis, upto a maximum of INR 8 lakh.
- f) The fund for scoping study and DSR may be provided by each SRLM from its NRLM budgets under the budget head of Technical support under Non-farm livelihood budget head, as it is not confirmed that the scoping study and/or DSR shall result in an approved cluster proposal.

It must be ensured that the TSA that prepares the DSR also implements the cluster development project. Hence while selecting a TSA, a combined quotation of preparation of DSR and project implementation should be taken.

4. Selection of Clusters

The SRLM will select clusters in consultation with the NRLM.

1. Each state must conduct scoping studies in all clusters that can potentially be supported under NRLM. The scoping study shall cover aspects mentioned in Annexure 1. SRLM may add to the scope, if required.
2. Post the scoping study, the SRLM shall, internally vet the Scoping study (with a committee of artisanal cluster experts and if they approve of the scoping study outcome, inform the same to the NRLM. The NRLM shall evaluate the scoping study and in case the same is approved, inform the SRLM of its decision within 15 days of the receipt of the scoping study
3. For each selected artisan cluster, the SRLM will engage a TSA.
4. Once the agency is on board, it will prepare the DSR (including baseline) for the cluster and propose an intervention plan along with expected outputs and outcomes. The framework for conducting diagnostic study is appended in annexure 3.
5. The SRLM will submit the plan to NRLM for approval. The NRLM may accept the proposal or may suggest modifications.
6. The TSA and SRLM will initiate activities in the cluster post-approval of intervention plan by the NRLM.
7. It is to be noted that only those artisan clusters will be selected for which the cost-benefit ratio (at the culmination of the project) is proposed to be at least 1:1.25 within the stipulated project implementation time period. The cost being the cost of approved values of the soft and hard interventions as per the action plan.

The formula for calculating benefit is the sum total of all the incremental income of the beneficiaries of the artisan cluster and the profit /(loss) of the cluster for the duration of the project. The cost is the total cost of the project (central and state share), including TSA costs.

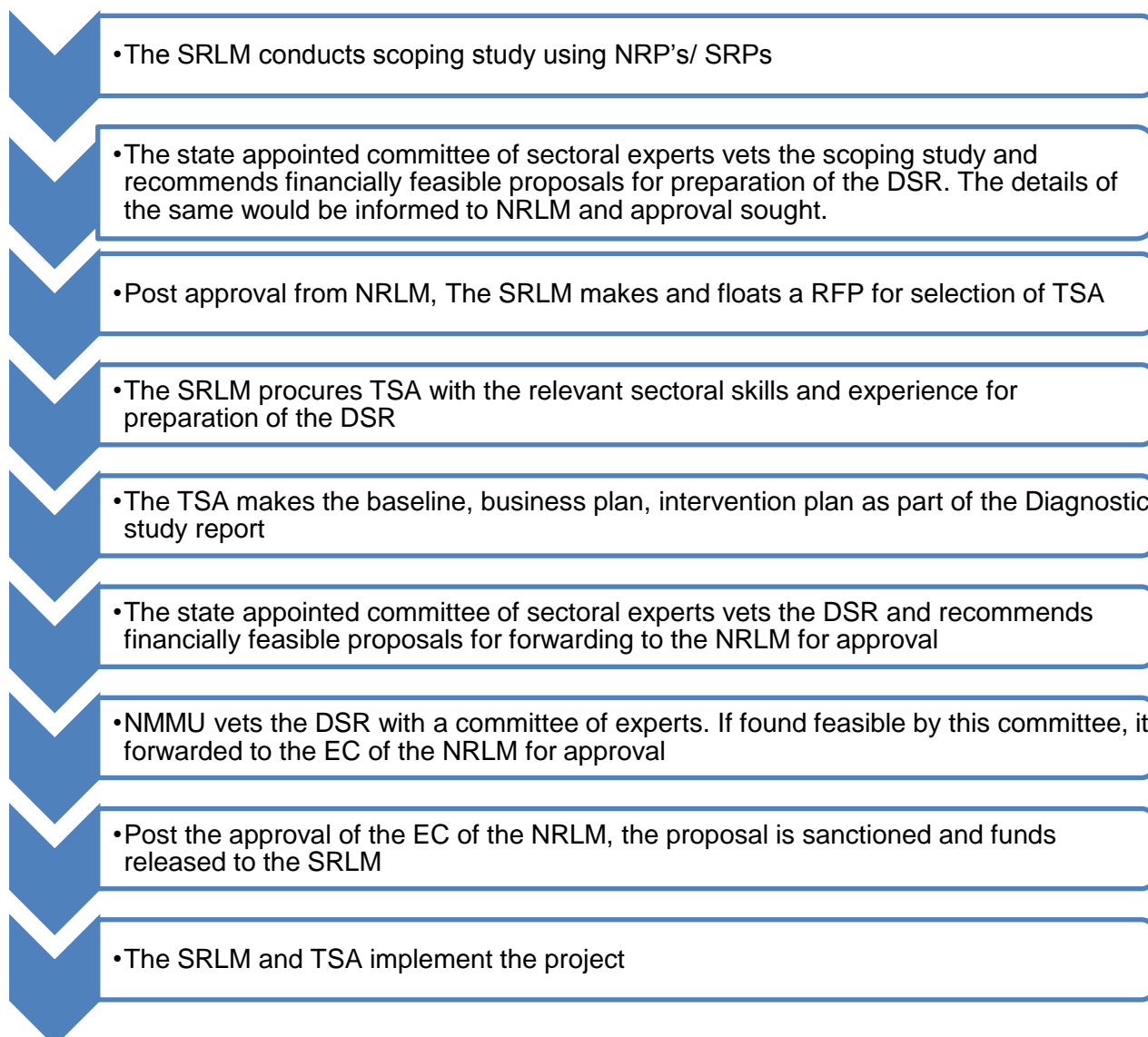
The formula for the benefit cost ratio is

$$\frac{\sum \text{Incremental income of the beneficiaries for the project duration} + \sum \text{Profit/(loss) of the cluster for the project duration}}{\text{The total project cost}} > 1.25$$

The detailed process of artisan cluster approval and timelines are presented below:

1. The SRLM conducts scoping study using NRP's/ SRPs
2. The state appointed committee of sectoral experts vets the scoping study and recommends financially feasible proposals for preparation of the DSR. The details of the same would be informed to NRLM. The NRLM shall evaluate the scoping study and in case the same is approved, inform the SRLM of its decision within 15 days of the receipt of the scoping study

3. The SRLM prepares and floats a RFP for selection of TSA
4. The SRLM procures TSA with the relevant sectoral skills and experience for preparation of the DSR.
5. The TSA makes the baseline, business plan, intervention plan as part of the Diagnostic study report
6. The state appointed committee of sectoral experts vets the DSR and recommends financially feasible proposals for forwarding to the NRLM for approval. (The benefit cost ratio should be greater than 1.25 during the project period)
7. NMMU vets the DSR with a committee of experts. If found feasible by this committee, it forwarded to the EC of the NRLM for approval
8. Post the approval of the EC of the NRLM, the proposal is sanctioned and funds released to the SRLM
9. The SRLM and TSA implement the project



An indicative timeline for the activities is as under:

| Activity | Timeline | Remarks |
|--|-----------|---|
| SRLM identifies and proposes clusters | Month 0 | Clusters will be shortlisted after consultation with NRLM |
| The SRLM conducts scoping study using NRP's/ SRPs | Month 1 | SRLM can engage NRPs / SRPs with relevant experience to conduct scoping study |
| The state appointed committee of sectoral experts vets the scoping study and recommends financially feasible proposals for preparation of the DSR. The details of the same would be informed to NRLM. | Month 1.5 | Vetting to be carried out at the state level on the scoping study. |
| The NRLM approves the scoping study and gives the go-ahead to the SRLM for going ahead with preparation of DSR | Month 2 | |
| The SRLM prepares and floats a RFP for selection of TSA | Month 2 | |
| The SRLM procures TSA with the relevant sectoral skills and experience for preparation of the DSR. | Month 2.5 | |
| The TSA makes the baseline, business plan, intervention plan as part of the Diagnostic study report | Month 4 | |
| The state appointed committee of sectoral experts vets the DSR and recommends financially feasible proposals for forwarding to the NRLM for approval | Month 4.5 | |
| NMMU vets the DSR with a committee of experts. If found feasible by this committee, it forwarded to the EC of the NRLM for approval | Month 5 | |
| Post the approval of the EC of the NRLM, the proposal is sanctioned and funds released to the SRLM | Month 5.5 | |

| | | |
|--|--------------|--|
| The SRLM and TSA implement the project | Month 5.5 | Immediately after approval of intervention plan by TSA |
|--|--------------|--|

5. Institutionalization of the Cluster

The artisans will be organized into enterprises or in one or more producer collectives in close coordination with the SRLM. The collective may be a Producer Company, a Cooperative or any other appropriate registered legal body, having mandatory ownership of artisans, with the ability to conduct business on behalf of the artisans. This collective will also own any physical infrastructure developed by the project. Each producer collective will hire a CEO, an Admin and Finance officer, one or more Production Managers (as dictated by the geographical spread of operations) and other staff (wherever required) to facilitate smooth operations. The services of designers, market specialists, skill trainers, etc., should be made available to the artisans through the collective itself.

In case the artisans operate as enterprises, they should be registered in due course to be able to conduct business with external entities. The physical infrastructure developed or equipment invested in by the project will be owned and operated by a selected CLF. The fund for developing such infrastructure or purchasing equipment shall also be routed through the selected CLF. Under no circumstance should the TSA or an organization representing TSA own the assets. The SRLM should ensure that a new producer enterprise/cooperative/society is formed under the intervention through a fair process and the governance mechanism is properly established.

6. Technical Support Agencies for Cluster

The SRLM will recruit TSAs to support one or more cluster(s) in the state. The concerned SRLM shall support the TSA in discharging its responsibilities. Experienced CBOs who have done the cluster activities and have capable resource persons may also be selected as TSAs. The state may also train existing CBOs to take on this role. Each TSA will place a Cluster Development Executive (CDE) in the cluster.

A CDE must:

- a) have no personal / organizational business interest in the cluster product
- b) be at least a post-graduate
- c) has at least 3 years of experience in operations of artisan/ related enterprise
- d) operate full time in the cluster
- e) be stationed in the cluster

The TSA must declare the name of the CDE at the inception, i.e., at the time of preparation of the DSR. The same CDE must be involved during the project implementation. A CDE cannot be changed more than once during the stipulated project period.

6.1 Selection of TSA

The selection of TSA will be based on demonstrated experience and proven ability in the following areas. The TSA must have:

- Prepared at least four DSRs in clusters or undertaken similar studies, preferably for micro and informal enterprises
- Implemented / provided technical assistance to at least four cluster development projects or similar programmes.
- Should have an office and staff (or a full-time consultant) in the state where it has applied for
- Experience of engaging in market promotion for micro and informal enterprises.
- Has experience of implementing skill development activities on at least three occasions
- Has been in existence for at least three years, barring the current year and has audited balance sheet of three years
- Joint bidding of at most two organization is permitted and in such cases the organizations should jointly possess the above minimum criteria
- It is recommended that TSA's incentives are tied to outputs / outcomes. For example, 15-20% of contract value may be tied to a measurable outcome such as a specific quantum of sales facilitated over the duration of the contract. Draft TOR for TSA is appended in Annexure 2.
- Individual or proprietary establishments are not permitted to apply

6.2 Working of the TSA

- The TSA will prepare the DSR along with the baseline study and the intervention plan. The TSA must submit an annual work plan, detailing activities and budget for that year. The annual work plan must align with the larger implementation plan approved by the NRLM.
- The annual work plan must be approved by the State Mission Director of the concerned SRLM and must be communicated to NRLM.
- Once a year (preferably during the sixth month), the SRLM and TSA may jointly review the work plan and can modify the same as per mutual agreement. The State Mission Director can authorize a change in activities amounting to up to 10% of the budget allocated in the annual work plan.
- Any change in activities that warrant a change of more than 10% of the annual budget, must be brought to the notice of the DAY-NRLM, and necessary authorization may be sought.

6.3 Roles and Responsibilities

Technical Support Agency

- Preparatory activities
- Establish an office in the cluster area
- Put a team in place as per resumes submitted during application
- Appoint a nodal person to actively coordinate with the SRLM. The nodal person can be one of the proposed team members of the TSA.
- Engage with the DMMU to discuss the last-mile support, wherever required
- Finalise questionnaire and sampling methodology for DSR and baseline exercise with SRLM
- Simultaneously prepare cluster DSR and baseline through surveys, FGDs, PRAs, etc.
- DSR should include direct / group-level interaction for at-least 10 percent or 50 principal firms, whichever is higher.
- The baseline survey should cover at least 30 percent or 100 principal firms, whichever is higher.
- Get DSR validated at the cluster level
- Get DSR, including the overall action plan including budget, overall target outcomes, detailed action plan for year 1 (and subsequent years, during the course of the project) and the budget thereof through SRLM / NRLM.

Implementation

- Implement action plans for the year and achieve the approved outcomes of year 1
- Get action plan and targeted outcome for subsequent years approved by SRLM/ NRLM and implement the same
- Get action plan, exit strategy and targeted outcome for the last year approved by SRLM / NRLM and implement the same
- Ensure artisans are organised into producer collectives or developed as enterprises with appropriate registration in due course. The TSA will also ensure that the formalities for registration are complied with
- Assist SRLM in preparing guidelines / policy for cluster sustainability (how will the cluster sustain institutionally, operationally, and financially once the TSA / SRLM withdraw support)
- Learn from similar initiatives in other clusters
- Participate in quarterly review meetings
- Create at least 10 case studies and get approved by SRLM

- Create a quarterly and annual report for each year and get approved by SRLM and NRLM
- Create DSR and get approved by SRLM and NRLM
- Wherever possible, the TSA must seek to converge with the existing skill development programmes of the Ministry of Rural Development (such as DDU-GKY, RSETI etc.)
- Participate in review meetings organized by the SRLM and provide regular reports on performance of supported enterprises as per agreed terms
- The TSA must ensure achievement of a cost-benefit ratio of at least 1:1.25 at the culmination of the project and at least 1:1 during the mid-term of the project.

State Rural Livelihoods Mission

- I. Scoping Study**
 - a) Engage NRPs / SRPs/ consultants to conduct cluster scoping study
 - b) Scoping study to be approved by the committee of sectoral experts and decide if DSR is to be prepared.
 - c) Send approved report to the NRLM for getting clusters finalized with the NRLM
- II. Selection of TSA and managing the selected TSA**
 - a) Select TSA(s) for preparing DSRs in all the selected clusters
 - b) Active coordination with the TSA.
- III. DSR and Baseline Study**
 - a) Introduce the TSA to the cluster
 - b) Make available to the TSA secondary data and cluster studies that may have been commissioned in the past
 - c) Approve the sample size and questionnaire for the DSR and baseline coverage
 - d) Participate and support TSA in completing the DSR validation
 - e) Form a technical committee at the state level and get the DSR approved at the state level before sharing at the national level. the final DSR submitted should have the minutes of the technical committee discussions
 - f) Get DSR approved with the NRLM
- IV. Intervention**
 - a) Support TSA to mobilise cluster stakeholders
 - b) Approve and review action plan developed by TSA
 - c) Monitoring of cluster activities
 - Organize review meetings with TSA and representatives of cluster members / cluster enterprises at regular intervals
 - Regular tracking of cluster activities through DMMU (DPM) and SMMU
 - Regular (minimum at annual intervals) monitoring of the financial and process audit of the producer enterprises set up as part of the cluster.

- d) Support TSA for mobilising artisans into producer collectives / enterprises and assist them in the registration process
- e) Provide support for ensuring cluster sustainability
 - Issue guidelines / policy for operations of the cluster
 - Lead institution building activities in the cluster to strengthen institutional platform for joint / collective actions
 - Identify and facilitate setting up of training / production spaces such as Common Facility Centres as well as other cluster assets as required based on diagnostic study and intervention plan
 - Ensure institution and capacity building of the cluster governance structure and the office bearers of the producer collectives supported
 - Ensure convergence with other government schemes to enhance profitability of the cluster enterprises.
- f) Appoint staff at the district level to oversee the cluster development activities
- g) Appoint a nodal person at the SRLM to coordinate with the TSA.
- h) The SRLM shall inform and work with the concerned DMMU and ensure their support to the TSA.

V. Financial linkages and funds flow mechanism

- a) Create processes and mechanisms for project funding to the cluster's bank account from either the SRLM or via the CLF whichever is feasible in the cluster. Grant for collectives should ideally flow directly to their account from the SRLM
- b) Create processes for facilitating working capital loans to clusters from the CLFs at maximum 12% rate of interest per annum on a reducing balance basis
- c) Create processes and systems for facilitating loans to clusters from the banking system and other financial institutions
- d) Pay the TSA for the services rendered. The state may consider linking the release of a maximum of 8-12% of the project funds earmarked for TSA costs to the TSA to the financial performance of the collectives / enterprises promoted.
- e) The balance amount of project funds may be released based on completion of activities planned to be done by the TSAs

6.4 TSA Training

Once the TSA is on-boarded by the state, the CDE along with other key persons (whose resumes have been furnished) will need to attend a training organised by the SMMU/ NMMU. The training will be to:

- Provide an orientation to the DAY-NRLM community network and community cadre approach
- Introduce the district and block SRLM structure
- Explain the components of the DSR and the expected outcomes from the exercise

7. Duration of the project

The SRLM should ensure that the cluster project is completed in four years from the date of approval of the proposal by the DAY-NRLM. The Benefit-Cost Ratio of 1.25 should be achieved within the stipulated time frame.

If, in exceptional cases, the TSA and the SRLM expect the project to be of a longer time frame than the stipulated 4 years, then this should be clearly spelt out in the DSR. A maximum of seven years duration may be planned.

The GOI shall fund the project only for a period of up to four years. The funding for the project beyond four years shall have to be provided by the state. However, all reports of the cluster and its interventions and activities should be communicated to the NRLM, till the project ends.

Clusters that will NOT be supported under the DAY-NRLM

Clusters engaged in producing and selling tobacco and tobacco products and/or, alcohol will not be supported/considered.

8. Fund Release

8.1 Availability of Funds

The project has planned a maximum of INR 5 crore per cluster for setting-up and operationalizing clusters. SRLM/TSAs may leverage additional funds through convergence with existing government schemes such as SFURTI and those of the Development Commissioner (Handicrafts) and Development Commissioner (Handloom).

Shyama Prasad Mukherji Rurban Mission (SPMRM), a scheme under the Ministry of Rural Development, aims to stimulate local economic development, enhance essential services, and create well planned Rurban clusters. There are opportunities within these clusters for developing economic activities. Opportunities to leverage these should be explored while preparing cluster proposals.

If some states are unable to use the funds in the first year of the NRLM, the unutilized funds may be offered to other states with viable projects on a first-come, first-serve basis. In such a case, the maximum cap per state may be increased.

| Fund | Time for Release | Released by | Released to |
|-----------------------|----------------------|-------------|-------------|
| Cluster Scoping Study | On submission of AAP | SRLM | NRP / SRP |

| | | | |
|-------------------------------|--|------|--|
| Cluster Project Costs | Fund will be sanctioned on approval of clusters (based on scoping study) by NRLM EC. Fund will be disbursed on request by SRLM on approval of intervention plan submitted by TSA. | SMMU | CBOs / Institutions like Producer Company set-up for the purpose |
| Technical Support Agency Cost | The release of funds to the cluster should be as per the timeline given in DPR for the expenditure of six months. 2 nd instalment may be released on utilization of 70% utilization of the available funds and achievement of corresponding deliverables | SMMU | TSA |

Not more than 40% (up to a maximum of INR 100 lakh) of the total project cost for each cluster should be spent on infrastructure (such as common production centers/ common facility centers) and machinery. This fund is not permissible for spending on purchase of land and civil constructions (such as buildings). The cluster / TSA should leverage existing government constructions for this purpose. The TSA should not exceed 15% of the total project cost

9.2 Fund Release

The SRLM will submit the Annual Action Plan (AAP) which will have the details of clusters to be supported by the state. The cluster will be selected after a detailed cluster diagnostic study. The NRLM Empowered Committee set up under the Chairmanship of the Secretary (Rural Development) need to approve the DSR.

The fund release protocol of the sub-scheme SVEP/Non-Farm Livelihood Interventions shall determine the overall annual budget for fund releases. All the projects under the sub-scheme shall be clubbed together to establish the percentage expenditure levels required to release the next installment.

Physical progress targets for all the sub-component should be provided by the SRLM for each sub-component. The state should ensure that no idle funds are in the system. The TSA should give physical and financial milestones in the final DSR document, and the same should be documented in the MoU between the state and the TSA. All the payments made to the TSA should be made on the completion of the physical and financial milestones.

9. Monitoring and Reporting

Once the cluster is approved, the state should onboard an agency for monitoring of cluster activities. The SRLM should ensure that the agency hired for monitoring purpose should be different from the agency implementing the cluster activities.

The agency should conduct semiannual assessments and reports on output outcome level indicators should be shared with SRLM and NRLM. These reports should be submitted to the SRLM and NRLM and will be used for project appraisal.

For the selection of the agency to do the monitoring activities following are the selection criteria:

- NROs that have had the experience of implementation of cluster activities
- NRPs experienced in cluster assessment and implementation work.
- Other Agencies empanelled by other ministries with extensive experience of implementing cluster development activities.
- Same agency should conduct the evaluation exercise for the entire duration of the cluster project.
- The total cost of monitoring and evaluation may not exceed 1% of the total project cost or Rs.5 lakhs whichever is higher.

10.1 Review at the State Level

- a) The TSA shall submit a progress report on a monthly basis including data on key performance indicators
- b) The nodal person for supporting the artisan clusters along with SPM and the State Mission Director (or their representative) shall review the progress of the artisan cluster every month
- c) Representatives from TSA, artisan cluster, and DMMU (DPM) should attend the meeting
- d) The SMD of the SRLM should review the progress of implementation atleast once every quarter
- e) The intimation of the meeting along with the agenda shall be circulated by the state nodal person for artisan clusters at least 10 days prior to conduct of the meeting through e-mail
- f) The meeting shall be minuted and the minutes of the meeting should be shared with all participants and concerned stakeholders, including NMMU, within 10-days of the meeting being held
- g) In the six-monthly review of the year, the SRLM and TSA may jointly review the work plan and can modify the same as per mutual agreement. The State Mission Director can authorise change in activities amounting up to 10% of the budget allocated in the annual work plan. Any change in activities that warrant a change of more than 10% of the annual budget, must be brought to the notice of NRLM and necessary authorisation may be sought.

10.2 Review at the National Level

- The nodal person supporting artisan cluster development along with Lead – Non-

Farm and the Mission Director (or their representative) shall review the progress of the artisan cluster at least once every quarter

- Representatives from the TSA, SMMU (nodal person for artisan clusters and SPM – non farm) and DMMU (DPM) should also attend the meeting
- The intimation of the meeting along with the agenda shall be circulated by the nodal person for artisan clusters at NMMU at least 10 days prior to conduct of the meeting through e-mail
- The meeting shall be minuted and the minutes of the meeting should be shared with all participants and concerned stakeholders within 10-days of the meeting being held

10. Grievance Redressal

Conflicts in professional space are inevitable occurrences. However, it is in the best interest of all concerned that conflicts are resolved immediately. In cases where the conflicts cannot be resolved internally, a conflict resolution mechanism will be put in place for their timely resolution.

In case of issues that cannot be resolved internally, a redressal committee will meet to understand the issue and arrive at a mutually acceptable decision. The SRLM should form a redressal committee at the district (s) where the cluster project is being implemented. In case the redressal committee cannot arrive at a mutually acceptable decision, the final decision will rest with the DPM / SPM (non farm livelihoods) and, in some cases with the Lead Non-Farm at the national level. In case of dispute between the TSA and the SRLM, the decision of the JS (RL) shall be final and binding on both parties.

The redressal mechanism will be as follows:

| Party 1 | Party 2 | Redressal Committee | Final Authority |
|---------|----------------------------------|--|-----------------|
| TSA | Sectoral cluster beneficiaries | Representative(s) from the TSA, sectoral cluster, and DMMU | DPM |
| TSA | District Technical Expert / DMMU | Representative(s) from the TSA, DMMU, and SMMU | STE-EP |
| TSA | SRLM | Representative(s) from the TSA and SRLM | JS (RL) |

Annexure 1: Template for Cluster Scoping Exercise

1. Introduction to the cluster
 - a) Mention the products produced in the cluster
 - b) Location of the cluster intervention (name of blocks and districts)
 - c) Explain the previous interventions that have taken place in the cluster (SRLM and non-SRLM) along with financial support

- d) Name, designation, and e-mail ID of the nodal SMMU staff responsible for the proposed cluster

2. Nature of Cluster

- a) Mention number and type of units
- b) What is the scope for increasing number of principal firms and support / auxiliary firms?
- c) Mention the existing turnover of the cluster
- d) Has the cluster employed workers (other than the owners)? If yes, indicate the number of workers employed
- e) What is the average, maximum, and minimum wage in the cluster? Mention the wages separately for men and women (mention whether the wage mentioned is monthly or yearly)
- f) What is the volume of production in the cluster?
- g) Indicate the number of people who work:
 - o Full time
 - o Part time
- h) Is the cluster intervention operational 12-months a year? If no, how many months is the cluster intervention operational? Mention the months (names)
- i) Has the cluster been organised into any institution(s) (producer group, producer company, cooperative, etc.)? If so, mention the details of the institution(s)
- j) What percentage of income in the household's income basket comes from cluster activities?
- k) Are there similar clusters in the country? If yes, where?

3. Market

- a) Mention current market linkages in the cluster (for raw material, other inputs, selling finished goods)
- b) Does the cluster presently supply to institutional buyers? If yes, mention the names of institutional buyers and terms of trade
- c) Scope for future market for the cluster (for raw material, other inputs, selling finished goods)
- d) Can the cluster become supply chain partners for other clusters / industry? What is the scope for developing new and unique products?

4. Technical Support

- a) Mention presence of support institutions / firms, service providers, cluster assets such as technical institutes, training centres, common facility centres, raw material banks, etc.
- b) State linkages, if any, with the institutions mentioned above

5. Social and Environmental Challenges

- a) Mention any health risks that the cluster members face
- b) Mention any gender related issues in the cluster
- c) State infrastructural challenges pertaining to water, electricity, transportation, etc. in the cluster
- d) What are the risks (customer, market, raw-material, taxation, availability of finance etc.)¹ that the cluster faces?

6. Complementarities

- a) Explore potential synergies with other development efforts including donor programs, CSR efforts, private sector investments etc.
- b) List other programs and partners that had funded this intervention (govt. programs, bilateral, multi laterals)
- c) Mention specific government schemes that can be leverages to benefit the cluster

Calculating Financial Feasibility of the Artisan Cluster (at the time of scoping study)

| Calculating Financial Feasibility of the Cluster (at the time of scoping study) | | | | |
|---|---|-----------|-----------|-----------|
| | Date (when the analysis was done) | | | |
| # | PARTICULARS | Product 1 | Product 2 | Product 3 |
| A | Existing Situation | | | |
| A1 | Total number of artisans | | | |
| A2 | Total number of units produced in the cluster per annum (single largest manufactured product; or products with same selling price that sell the most) | | | |
| A3 | Average number of days taken by the artisan to produce 1 unit | | | |
| A4 | Total working days per artisan | | | |
| A5 | Average selling price/product (Rs.) | | | |
| A6 | Total annual sales (Rs.) – current | | | |
| | Artisan wage as percentage of sales price | | | |
| A7 | Artisan earning as percentage of sales price (weighted average) | | | |
| A8 | Total artisan earnings (Rs.) | | | |
| A9 | Per artisan earning/annum (Rs.) | | | |
| A10 | Per diem of the artisan (Rs.) | | | |
| | | | | |
| B | Expected Improvements due to Intervention in the Cluster | | | |

¹ **Customer risk** may include change in customer taste and preferences, **raw-material risk** may include unavailability of raw material or seasonality of raw-material, **market risk** may include drop in prices or unavailability of certain markets or entry of new / bigger players / competitors in the market, **taxation risk** may include imposition of tax liabilities on cluster by government, **finance risk** may include unavailability of funds (particularly for working capital) when required from formal and informal sources

| | | | | | |
|----|---|--|-----------|----------------|------------|
| B1 | Number of new artisans / primary production units that will be added to the cluster | | | | |
| B2 | Average number of days taken by the artisan to produce 1 unit (compared to today owing to efficiency in the cluster) - weighted average | | | | |
| B3 | Percentage increase in production (compared to today due to more orders) | | | | |
| B4 | Percentage increase in sales price | | | | |
| B5 | Percentage decrease in raw material cost | | | | |
| | | | | | |
| C | Expected Output | | | | |
| C1 | Total number of artisans | | | | |
| C2 | Total number of products produced in the cluster | | | | |
| C3 | Total work days | | | | |
| C4 | Average selling price/product (Rs.) | | | | |
| C5 | Total annual sales (Rs.) – proposed | | | | |
| C6 | Artisan earning as percentage of sales | | | | |
| C7 | Total artisan earnings (Rs.) | | | | |
| C8 | Per artisan earning/annum (Rs.) | | | | |
| | | | | | |
| D | Analysis | Base year at the time of scoping study | Best Case | Realistic case | Worst case |
| D1 | Increase in cluster turnover per annum (Rs.) | | | | |
| D2 | Increase number of artisans | | | | |
| D3 | Increase in Per artisan earning/annum (Rs.) | | | | |
| D4 | Per diem of the artisan (Rs.)due to intervention | | | | |
| D5 | Increase in the number of working days | | | | |

Annexure 2: Draft TOR for Hiring TSA

I. Scope of Work

- Diagnostic Study and Intervention Plan
- Product Development and Training
- Institutionalize Artisans (into enterprises / collectives)
- Skill Upgradation and Capacity Building

- Production
- Marketing
- Advisory support
- Monitoring of activities
- Handover activities

II. Deliverables and Timeline

III. Firm's Qualification and Experience Requirements

IV. Team Composition

- Reporting
- Payment Schedule

I. Scope of Work

a. Diagnostic Study and Intervention Plan

The TSA's first activity in the proposed clusters is to conduct a diagnostic study. The objective of conducting diagnostic study in a cluster is to map all the business processes of the cluster units viz. manufacturing processes, technology, marketing, quality control, testing, purchase, outsourcing, etc to find out its strengths, weaknesses, opportunities and threats (SWOT), problems and impediments, and accordingly prepare a well-drawn action plan for enhancing competitiveness of the units of the cluster and to position the cluster on a self-sustaining trajectory of growth.

The study should focus on enhanced competitiveness, technology improvement, product diversification, capacity building, adoption of best manufacturing practices, marketing of products, employment generation, etc. The interventions should follow from and directly address the issues highlighted in the report. The agency will seek inputs from the SRLM prior to its study.

The study is expected to include a comprehensive skill assessment exercise on all artisans in the proposed cluster. The TSA is expected to assess the target artisans and categorize them into three categories (for example: A, B and C) on the basis of their skill sets.

Category A artisans refer to the most skilled of the target group of artisans, who will then be developed as Master Crafts persons as part of interventions described in the following subsections.

Apart from skill assessment, the diagnostic study will identify other techno-managerial areas for capacity building and improvement. The TSA, after discussion with SRLM, will develop list of performance indicators to be tracked every quarter. The TSA will conduct a baseline exercise of the cluster and its beneficiaries (presently for existing and subsequently for all new beneficiaries) on the basis of performance indicators developed.

The agency will submit its report comprising

- Diagnostic Study containing skill assessment and baseline report and
- Intervention Plan to be implemented by it

The Intervention Plan prepared in the initial stages is subject to modification as it is expected that the plan may change as new facts, circumstances, requirements and ideas emerge. The TSA is expected to update the plan in consultation with the SRLM, whenever necessary, to enable mid-course corrections.

b. Product Development and Training

The TSA will (a) increase the range of products, and develop fresh, innovative and marketable designs that are attractive to urban consumers and create opportunities to establish new B2B, B2C linkages (b) improve the quality of existing product portfolio. The agency will be working in close collaboration with the SRLM in specific product development activities for the international market.

The TSA will be required to hire the services of a qualified, professional designer for this purpose. These trained Master Crafts persons will then further train other artisans, as part of the production effort or standalone trainings, to disseminate the learnings. Design Development Kits and Specification Manuals for the new products / designs will be developed. The frequency, period and venue of these workshops shall be based on requirements and shall be jointly determined by the TSA and the SRLM.

Design / Product development through these workshops and trainings are part of the larger market strategy and should be accordingly timed by the TSA. The TSA is expected to prepare a market plan / strategy, identify target markets and segments, and accordingly plan product / design development.

c. Institutionalise Artisans (into enterprises / collectives)

The TSA will mobilise and organize artisans into enterprises or in one or more producer collectives in close coordination with the SRLM. The PC may be a Producer Company, a Cooperative or any other appropriate registered legal body, having mandatory ownership of artisans, with the ability to conduct business on behalf of the artisans. In case the TSA is forming enterprises, they should be registered in due course to be able to conduct business with external entities. The TSA will undertake relevant activities such as registration of the name of the entity, registering beneficiary members as shareholders, applying for bank accounts, TIN numbers etc.

Each producer collective will hire a CEO, an Admin and Finance officer, one or more Production Managers (as dictated by the geographical spread of operations) and other staff (wherever required) to facilitate smooth operations. The TSA will provide proactive support in the hiring process to ensure competent personnel are hired.

d. Skill Upgradation and Capacity Building

The TSA shall be responsible for providing training to the target group of artisans on a regular basis to upgrade their skills such that they are able to produce marketable products with substantially improved quality. The TSA will also provide skill up gradation trainings in fabrication / finishing to artisans in the fabrication / finishing unit.

Apart from skill up-gradation workshops and trainings aimed at enhancing the crafts skills of the artisans, the TSA will organise managerial trainings that include trainings in record keeping, quality check, production management, costing, procurement, etc. These trainings will be provided to motivated artisans / youth (identified according to well defined criteria) who will function as field level production managers.

The duration and frequency of the trainings will be as per need and determined jointly by the TSA and the SRLM. The agency will seek SRLM's inputs for developing specific capacity building and skill up gradation modules.

e. Production

The TSA will train the cluster in key business activities i.e. purchasing raw material, collecting raw material from traders, receiving orders, costing / pricing, carrying out production and marketing the finished product.

Based on orders from the market (that the TSA will actively generate), or on the TSA's assessment of potential demand, the TSA will facilitate production. The TSA will endeavour to include all artisans / enterprises in the production process. The TSA will provide incubation support and techno-managerial services in the entire production chain including, but not limited to –

- f. On-going handholding support to clusters, including assisting them in developing a basic business plan and financial projections;
- g. Developing bank linkages for cluster or enterprises in the cluster so as to meet various capital needs of producers;
- h. Providing technical know-how and inputs;
- i. Securing backward linkages;
- j. Maintaining records;
- k. Maintaining quality; and
- l. Fostering linkages with other schemes and interventions working on non-farm livelihoods at the local, state and national levels.

f. Marketing

Developing market linkages for artisans in the proposed cluster is a central activity in this project. All other activities that are part of the project scope (skill assessment, skill up gradation, product development and production) must be carried out with the market in mind. Marketing activities include but are not limited to the following:

- a. Actively generate orders from the market for products
- b. Facilitate participation of the cluster in national and international level fairs, exhibitions, sales, etc. over the project period
- c. Actively use digital and / or traditional media to promote cluster and products
- d. Design a catalogue or brochure for marketing purposes
- e. Design labels for the various products
- f. Assist in getting brochure / catalogue printed and the label made
- g. Develop marketing linkages with outlets / emporia and other boutique buyers

The role of the TSA in participation of fairs / exhibitions will be to execute activities such as (a) identifying the fair, exhibition or other marketing event the cluster will participate in (b) Liaise with the organisers in booking suitable space (c) Set up stalls and make suitable accommodation and transportation arrangements for the participants, and, (d) Provide guidance and advisory support to participating artisans throughout (at least one staff member of the TSA will accompany the participants)

g. Advisory support

Besides the activities listed above, the TSA will provide key advisory support to the SRLM to facilitate project interventions. This will include proactive guidance in areas such as:

- a. Establishment of Common Facility Centres (CFCs)
- b. Establishment of the finishing / fabrication and packaging unit
- c. Establishment of other cluster assets, such as storage centres, support centres (such as childcare centres for women artisans)
- d. Mobilization and institution building activities
- e. Exposure visits that can be organized to improve learning in key areas
- f. Developing marketing and publicity material
- g. Any other area that can significantly contribute to the effectiveness of the project.

h. Handover activities

At the end of the intervention period, the TSA will work with the cluster / enterprises in the cluster in preparing a business plan for the duration of three years after the project period. As part of this business plan, the TSA will clearly chart out actions in terms of skill development activities, design development activities, managerial trainings, supply chain activities, key investments, exposure visits, marketing strategy and business building activities etc. to ensure that cluster / enterprises in the cluster have a clear roadmap beyond the project period. The TSA will seek SRLM's inputs especially in the area of product development and marketing in developing this. The TSA will also ensure that the cluster / entrepreneurs have the capacity to scout, negotiate, and close orders.

II. Deliverables and Timeline

The duration of the project is 48 months. The deliverables and the corresponding indicative timelines are as follows:

| Expected Deliverables | Indicative Timeline ³ |
|---|----------------------------------|
| Intervention plan and baseline data | 3 rd month |
| Registration of cluster / enterprises in the cluster | 4 th month onwards |
| Skill up gradation trainings of artisans | 12 th month |
| Product / design development workshops for master crafts persons | |
| Managerial trainings for identified persons (in costing, quality control, managing producer groups, other key management areas) | |

³ Timeline may be revised as per the duration of the project

| Expected Deliverables | Indicative Timeline ³ |
|---|----------------------------------|
| Cluster management trainings for identified persons | |
| Marketing workshops for cluster | |
| Catalogue / brochure, label, and website design (at least one catalogue released every month) | After 15 th month |
| Confirmed orders worth INR xx crores of products to artisan enterprises / collective (at least 5 institutional buyers with minimum orders worth INR xx lakh linked with the cluster each year) | By 24 th month |
| Manufacture and delivery of orders worth INR xx crores of products by artisan enterprises / collective | By 30 th month |
| Participation in minimum of 4 national and 1 international level / mainstream exhibitions or fairs | After every 6 months |
| Quarterly report of activities (including reporting of data on key indicators) | After every 3 months |
| Mid Term Report along with case studies | 24 th months |
| 3-year business plans for producer collectives Exit strategy and sustainability plan | 36 th month onwards |
| Project Completion Report | 48 th month |

III. Firm's Qualification and Experience Requirements

The agency must have:

- Prepared at least 4 DSRs in clusters or similar studies, preferably for micro and informal enterprises
- Implemented / provided technical assistance to at least 4 cluster development projects or similar programmes
- Engaged in market promotion for micro and informal enterprises on at least 3 occasions
- Has experience of implementing skill development activities on at least 3 occasions
- Has been in existence for at least 3 years, barring the current year and has audited balance sheet of 3 years
- Experience working with at least 1,500 artisans across a minimum of 2 states in India
- Created and supported at least one artisan producer company, preferably in product segment similar to the proposed cluster
- Demonstrated experience of linking artisan products with e-commerce portal or established a designated page in leading e-commerce portals specialized in artisan products

- Ownership of or linkage with at least one retail store for marketing handicrafts products in metro city or cities
- Proven track record in participating in major exhibitions nationally or internationally
- Experience of working closely and supplying to the international fair trade market and in depth knowledge of fair trade accreditation
- Prior experience of implementing programs supported by national, bilateral, and multilateral agencies will be a plus
- Experience of working in the state is a plus
- Joint bidding of at most two organization is permitted and in such cases the organizations should jointly possess the above minimum criteria
- Individual or proprietary establishments are not permitted to apply

IV. Team Composition

The agency is expected to put in place a competent, dedicated team to ensure that the tasks are achieved with the highest quality. The guidelines for the team composition are as follows:

| Team member | No. of members | Qualification, experience and responsibilities |
|---|----------------|---|
| Team Leader / Program Manager/ Director | 1 | <p>At least 15 years of experience in cluster development (particularly non-farm / artisanal cluster), institutional building, market development and other areas relevant to this assignment.</p> <p>Will be responsible for providing overall direction and guidance to the team. Will interface with government officials, industry experts and other key stakeholders.</p> <p>Qualification: Post-Graduation in Development Studies, Business Management, Rural Management, or related fields</p> |

| | | |
|-------------------------------|---|--|
| Accounts manager | 1 | <p>This role will provide part-time support to the project.</p> <p>At least 10 years of experience in the finance, procurement, drafting TORs and reporting to the grant maker. Experience in the social sector, NGO, government is a plus.</p> <p>Qualification: Graduation in Finance / Economics</p> |
| Cluster Development Executive | 1 | <p>At least 2 years of experience in enterprise promotion</p> <p>Will be placed in the cluster and will be responsible for providing operational support to the cluster.</p> <p>Qualification: Post-Graduation in Development Studies, Business Management, Rural Management, or related fields</p> |
| Cluster Coordinator | 1 | <p>Preferably recruited from the cluster; good rapport / influence in his/her own cluster and in the neighboring ones; a practitioner of the skill practiced in the said skill is a plus. Must have technical knowledge of the product, and be conversant in the local language</p> <p>Will be responsible for regular coordination with the implementing agency for all the interventions implemented in the cluster.</p> <p>Qualification: Graduate in any field</p> |

Additionally, the project may require services of other support providers in the form of the following. These services may be engaged on a part-time / contract basis by the TSA.

| Team member | No. of members | Qualification, experience and responsibilities |
|-------------|----------------|--|
|-------------|----------------|--|

| | | |
|----------------------------------|-------------|--|
| Finance Director | 1 | <p>This role will provide part-time support to the project.</p> <p>At least 10 years of experience in the finance, procurement, drafting TORs and reporting to the grant maker. Experience in the social sector, NGO, government is a plus.</p> <p>Qualification: Graduation in Finance / Economics</p> |
| Creative / Design Lead | 1 | <p>At least 7 years of experience in design and skill training-oriented activities in the artisan skill based creative industries sector, well networked in the designer's fraternity, thorough understanding of the market.</p> <p>Will be responsible for all the skill and design development training programs in the field.</p> <p>Qualification: Graduation in Design</p> |
| Marketing Specialist | 1 | <p>More than 10 years of experience in direct market positioning of artisan products, pricing and costing mechanism; thorough understanding of various market segments such as exhibitions, export, fairs and festivals, retail and e-commerce. Will be expected to have in depth knowledge of products, seasons, packaging, certifications, regulations etc.</p> <p>Qualification: Post-Graduation in Business Administration</p> |
| Designers | 2 | <p>Minimum 5 years of experience in actively engaging in design development activities in the artisan sectors. Prior experience in working in the state is a plus.</p> <p>Qualification: Graduation in various streams of Design</p> |
| Skill Trainers / Master Artisans | As required | <p>Minimum 10 years of experience in relevant skills in active practice at the cluster level as well as outside.</p> |

V. Reporting

The TSA will report directly to the SPM Non-Farm Livelihoods or a suitable official nominated by the State Mission Director of the SRLM

VI. Payment Schedule

Release of funds to the cluster should be as per the timeline given in DPR for the expenditure of six months. 2nd instalment may be released on utilisation of 70% utilisation of the available funds and achievement of corresponding deliverables

Annexure 3: Framework for Preparing Cluster Diagnostic Study Report (excluding baseline)

Diagnostic Study Report

<Name of the Key Product in the Cluster, Location>

<Name of the TSA>

<Name of the SRLM>

<Date of Submission: Month / Year>

How to Use this Document

The template details out the overall format for development of the Diagnostic Study Report (DSR). The primary responsibility of formulating the DSR lies with the Technical Support Agency (TSA) in close collaboration with the State Rural Livelihood Mission (SRLM).

Each section for this document has been broken down into three subsections:

1. **Guidelines:** This section is for the reference of the TSA. It offers guidelines on how to prepare the “Contents” section (see below). This section is coloured in Red and italicized. It should be removed from the DSR document at the time of submission.
2. **Contents:** This section should be completed by the TSA. It discusses about the various points that have to be covered in the particular section. Please ensure that all the points in the contents section are addressed.
3. **Checklist:** This section is for the reference of the TSA. It lists all the main points that need to be covered in a particular section. The TSA is advised to refer to this checklist after completing Contents section to ensure that all key points are addressed. This section is in Green and italicized. It should be removed from the DSR document at the time of submission.

The overall report format is structured in terms of background of the cluster followed by the present status of the activities in the cluster. Then the report should discuss about the intervention details and how will the proposed cluster development program will help the entrepreneurs. This should be followed by financial details and sustainability plan for the cluster.

The overall report should contain precise and specific information of the various details requested. A good DSR will comprise of specific information and it should not be generic. The details of the intervention and the action plan are crucial and should be furnished.

This section should be removed from the document while submitting the DSR.

I. Executive Summary

Guideline:

1. *This section should be written last after preparing the remaining sections of the document.*
2. *The executive summary should not be more than 1-2 pages and it must contain the highlights of each of the subsequent sections.*

Contents

The summary should have a paragraph each for the following points:

1. Current state and the identified problem
2. Future state showing how the intervention through the economies of scale will lead to the solution of the identified problem. The future state should be described by listing of SMART objectives
3. What are the indicators that will demonstrate that the objectives are being met?
4. The top three risks that the intervention may face and the identified treatments to deal with these risks.
5. Key components of the operational plan to achieve the objectives
6. Highlights of the financials (A. Total assets, Total liabilities, and Net worth on day 1, Year 2, and Year 3 B. Revenues, Costs (highlighting salaries and benefits for the beneficiaries), and Net profits and the cost benefit ratio (it is called Social rate of return in the excel sheet. Ensure the names in all documents are consistent). Growth in top line and growth in gross margin
7. Highlight of the governance mechanism to ensure that the operational plan achieves the desired objectives including management of the business by the community after the end of the project period

Overall checklist- please make sure that all of this is fulfilled at the time of submission

- ☐ *Whether objectives of cluster development (increase in wages, increase in revenue, increase in number of working days, exports, etc.) have been clearly spelled out in the DSR?*
- ☐ *Whether intervention plan has been detailed out?*
- ☐ *Whether a benchmark cluster has been mapped and the intervention plan is based on the interventions in the benchmark cluster corrected for local conditions?*
- ☐ *Whether the sales turnover needed to be achieved by the cluster realistic and have steps been taken to achieve that kind of sale?*
- ☐ *Details of proposed community institution architecture*
- ☐ *Ensuring cost-benefit parameters (ensure indicator name is consistent across documents) are higher than the benchmark figures*

II. Background and Understanding the Cluster

Guidelines:

1. *The focus should be on identifying those products/services which are likely to aid clustering. Clusters are about economies of scale. These will come either from revenue side or from the cost side.*
2. *For the identified products (not more than 2 or 3), a clear articulation of existing value chain should be made.*
3. *The remaining points in the existing template about policies, geography, history, present status (along with benchmark), presence of technical and financial institutions should be specific with data points clearly mentioned.*

Contents

1. Policy and country context

a. Capture the main policy incentives and disincentives for the product in the state and the country

7. Geography of the cluster

- a. Location of the cluster with photographs and maps (primary / exploratory survey or secondary information may be used)
- b. State the rationale for selecting that area

8. History of the cluster

a. Mention the past interventions in the cluster (if applicable). Indicate the costs, benefits, etc. For a repeat / follow-up intervention in a cluster please attach a copy of the impact assessment study of the prior intervention and a certificate from the SMD of the SRLM stating that the current project proposal does not envisage repeat funding for any component.

9. Present status of the cluster

- a. State the number and types (principal / auxiliary) of units / firms present in the cluster
- b. State the activities undertaken at (i) the producer level, (ii) aggregation level, (iii) value addition level. Indicate the margin spread at all levels
- c. Is the business seasonal?
- d. At present, what is the volume of various products at each level?
- e. What are the various technologies used in the cluster? (indicate their full potential and the present capacity utilization)
- f. Where is the product being sold?
- g. Explain the terms of exchange with supplier and buyer (credit period offered, etc.)?
- h. Identify existing bottlenecks in (i) production (including design development), (ii) value addition, (iii) marketing, (iv) supply of raw materials and inputs, (v) others
- i. What is the demand for the products proposed? Specify the demand trends and customer segments. This should be specific in nature.
- j. A benchmark cluster to be identified for the cluster. Brief analysis of the benchmark cluster for the particular cluster and some basic financial and marketing related data points to be presented. This should include the sales, financial returns, artisan wages, etc.
- k. Participants in the value-chain – working backwards from the end customer (consumer)
- l. How much value is added at each step and what is the nature of that value-addition
- m. A brief analysis of the value chain and the links in which there exist inefficiencies which can be overcome by economies of scale or other interventions proposed

- n. What is the outreach of the NRLM intervention in the location ? (Details of the number of SHGs and community organizations. Presence of VO and CLF. What is the number of SHGs involved as a part of the intervention? Details of the NRLM intervention in the area. What has been the livelihood intervention done? What is the CIF provided to the CLFs in the intervention area and what is the loan repayment history, what is the level of bank linkages provided to the SHGs in the intervention area, whether a full time block staff for non-farm livelihoods has been positioned in the block or not)

Presence of technical and financial support institutions

- a. State the technical and financial institutions present in and around the cluster
- b. State if there have been any past or present partnerships with the technical institutes
- c. What were / are the major activities done to support the cluster by each institution

Checklist

- Whether specific details of the location and the SHG network mentioned?*
- Whether past interventions in the area has been mentioned?*
- Whether profile of the beneficiary detailed?*
- Whether product and processes of the cluster detailed?*
- Whether market details of the product mentioned?*
- Whether challenges and issues of the current market detailed?*
- Whether challenges and issues in the current production?*
- Whether NRLM intervention in the location has been detailed?*

III. Problem Analysis in the Cluster

Guidelines

The main tool to be used here is SWOT.

What the components of SWOT mean:

- *S - Our strengths are those capabilities (or things which we do well) which can directly influence what goals or objectives we would like to achieve*
- *W - Our weaknesses are those traits (or those things which we do not do well) which will prevent or impede us from achieving our goals*
- *O- These are openings or prospects that are available to us to achieve our goals or objectives*
- *T - These are dangers or pressures applied on us over which we have no control. These may impede our goals or objectives.*

The first half of SWOT (i.e. "SW") is inward looking. It is crucial to realize that S and W components are not absolute but are relative – they are relative to O and T. The second half of SWOT (i.e. "OT") is outward looking. O and T components are to be analysed independent of S and W and they should be done first! Once O & T have been analysed, then identify S and W relative to those O and T.

Once SWOT is completed then a strategic matrix can be created by:

- *Combining an O with one or more of either S or W or S&W*
- *Combining a T with one or more of either S or W or S&W*

After checking the viability (and at least a high-level cost-benefit analysis) of each of the strategies in the strategic matrix, the next step is to propose specific interventions which can address the problem. As a bridging section between this section and that of intervention, choose a strategy that provides highest impact and then take it forward.

Contents

1. Based on the above analysis, what are the gaps in the existing value chain?
2. Conduct SWOT analysis of the existing cluster
3. Based on points a) and b), prepare a matrix of all gaps / problems identified and suggest (i) remedial measures, (ii) who can do it; (iii) possible joint action, convergence that can be promoted

Checklist

- ☐ *Whether there is discussion for strength of the cluster products with respect to competition in the target market*
- ☐ *Whether there is discussion on strength of the cluster with respect to leveraging traditional skills for maximizing income potential?*
- ☐ *Whether major weak links in the value chain and its mitigation strategy have been discussed?*
- ☐ *Whether focus product segments that the CBO must capitalize have been identified?*

IV. Intervention Details

Guidelines

Objectives described using generic statements should be avoided as these can seldom be made specific. The chosen strategy leading to the future state needs to be broken into short-term (to be achieved in less than 12 months) and long-term (to be achieved after 12 months) objectives. These objectives must clearly show that they are needed to achieve the required economies of scale. The chosen objectives need to be SMART:

- *Specific – “What exactly”?*
- *Measurable – How many or how much?*
- *Achievable – Is it realistic?*
- *Relevant – Is it aiding “pro-poorness and inclusiveness” policies?*
- *Time-Related – “When” will “What exactly” take place?*

The discussions around target group for the cluster should include the specification of the communities, villages and group of people that will be a part of the intervention. There should be overall understanding of the target community and also about their skill set.

The intervention strategy should clearly show the “Before” and “After” picture based on economies of scale using the value-chain analysis which began in the section “understanding the cluster”.

The key intervention strategy should be specific and detailed so as to describe the nature of intervention in the area. This should include the number of people and SHGs and the extent of implementation. The future state that will result from the strategy should be described here. It should show how the new community institutional architecture, licenses, permits, registrations etc. These sections (which are standalone sections in the existing template) should be merged into this “Future state” section.

Contents

1. Objectives / Key Deliverables

- b. Depending on the problems identified in the cluster, what are the key objectives and outcomes that the intervention is trying to address?
- c. This may be around:
 - Total units established / collectives established,
 - Number of community professionals trained and groomed for running the cluster / collective? (if applicable)
 - What will be the economic benefits to the producers? (To be consistent with calculations in financial template)
- d. Please mention the deliverables for the project.

2. Target Group

- a. What is the target geography - how many households, how many villages GPs, how many blocks / districts?
- b. What is the pro-poorness and inclusiveness of the activity (what percent of small artisans / SECC deprived households / ST, SC, OBC families are covered in the intervention?)

3. Intervention Plan

- a. Theory of Change: Develop a road map with assumptions /process/ steps involved and strategy that will be adopted to achieve the desired outcomes. (Describe the set of specific assumptions

- and steps that lead to achieving the long-term objectives and connection between project activities and outcomes for each step).
- b. Public Private partnerships: Evaluate the scope for partnerships with Public and Private companies and how these relationships can be built and nurtured. Partnerships with research institutes, Design schools, Technical partners should be focussed.
 - c. What is the key intervention strategy? (this could include productivity enhancement, value addition and processing, collective procurement, storage, different channels for sale, marketing, etc.)
 - d. How will the cluster be organised? What is the legal mechanism for registering cluster? (registration as producer company, or registration of individual enterprises in the cluster)
 - e. Describe the intervention required in (i) pre-production, (ii) production, and (iii) post-production stages? Intervention should describe (wherever applicable):
 - o How will the inputs / raw material reach the producer? What is the interventions for reducing input cost?
 - o What is the capacity building plan?
 - o What are the potential ways to increase the bargaining power of the producers while buying and selling?
 - o Who provides technical knowledge and how it is transferred?
 - o What are the technology interventions? How it is demystified and transferred?
 - o Is there a system of providing services through community extension? What are the roles of the community professionals?
 - o What are the risks associated with the project?
 - o What are the interventions for reducing risks associated with the activity?
 - o At what level the collectivization happens? Is there a need for it?
 - f. Details for common production centre / common facility centre?
 - o Explain the need for physical infrastructure
 - o Will the building be rented or constructed?
 - o What will be the location of the physical infrastructure and why it is chosen as location?
 - o Is there a plan for convergence with the scheme of any other ministry for infrastructure subsidy, etc.
 - g. Describe the market, pricing, and marketing strategy. It may include the following:
 - o What are the sizes of the target market segments? Assess the customer segment(s) that would be served – mention their needs, state how are the needs presently been met, and what will make them switch to the products developed in the cluster
 - o How will the price be set and revised?
 - o What is the expected distribution channel / network?
 - o How will the products be promoted?
 - o How will the cluster provide satisfaction guarantee / product warranty?
 - h. Marketing and Promotion
 - o Include the concept of Blue ocean Strategy – Create a market for products where there is no competition or very less competition – Potential for higher profits as competition is irrelevant – way ahead of the market curve. This will help articulate the marketing strategy, product development and existing supply chain and how new markets can be explored.
 - o Brand creation: Brand creation and strategy
 - o Product positioning: Whether products are going be branded, market being targeted - Local, State, National or International.
 - o Market Channels:
 - i. Segmentation of markets based on skills.

- ii. B2C – Elaborate on the list of exhibitions for participation apart from the regular exhibitions – at National and International level with a calendar plan.
 - iii. E-commerce – Mention details of portals /platforms, will use existing marketplace or develop a new platform.
 - iv. Pop-ups stores – List of stores to be targeted in Metro cities, own retail stores or space at government emporiums, kiosks at important tourist locations in the state, etc
 - v. B2 B – List of business houses /organizations to be contacted or in business
 - vi. Retail stores/ Exporters – Shortlist of the stores, exporters for product portfolio to be developed.
- i. Licences and registrations
 - o What licenses or permits will need to be obtained?
 - o How long will it take to get the needed licenses / permits? What is the cost involved?
 - o Describe the insurance coverage if required?
 - j. Describe how the quality will be maintained for the products?
 - k. How will the value chain for each of the products change post the intervention? What will be the impact on various actors and nodes? Present a before and after value chain with all the details.
 - l. State the different government schemes supporting the proposed intervention and how the project can converge with these schemes
 - m. How will monitoring of the cluster intervention take place? What is the MIS? How MIS feeds into course corrections?
 - n. Can the cluster deliver results in the limited 3-year time frame?

Checklist

Whether project objectives clearly been spelt out in terms of

- Whether the DSR discusses advantages due to economies of scale?*
- Whether the profile of beneficiaries have been mentioned?*
- Whether markets and Sales channel identified for all the cluster products?*
- Whether there are details about customer segment identification and demand generation strategy for the cluster products?*
- Whether implementation plan has been detailed?*
- Whether community architecture and legal form of registered organization has been detailed?*
- Whether value chain (VC) analysis conducted for all the products?*
- Whether VC analysis captures all the stakeholders and volumes involved?*
- Whether VC planning and intervention strategy are clearly linked?*
- Whether before and after status of the value chain and monetary impact of the intervention has been detailed?*
- Whether discussion of ease of direct selling & market access has been incorporated?*
- Whether discussion for enhancement in skill levels and productivity has been incorporated?*
- Whether discussion of access to design innovation & new products has been incorporated?*
- Whether discussion of how economies of scale will lower costs has been incorporated?*
- Whether strategy of direct buying quality product at optimum pricing from producers*

has been detailed?

- Whether infrastructure related details have been mentioned?*
- Whether discussion on efficiency enhancement and use of better techniques and technologies has been incorporated?*
- Whether discussion of licences and registrations required has been detailed?*
- Whether monitoring and evaluation plan has been detailed?*

V. Operational Plan for the Intervention

Guidelines

For the Gantt chart: The strategy has already been broken into short- and long-term objectives. These objectives now need to be broken down so that it becomes clear as to “Who” does “What”, “When”, and “How”. The “What” must be defined as a set of activities using “Work Breakdown Structure” (WBS) approach. This is a list of activities in a tabular form with all the details laid out as per strict timelines.

It will be a good idea to show a list of considerations which will aid in listing the activities. These include raw material, capacity building, technical knowledge, marketing, quality, government schemes etc. as outlined in the existing part of the section. This could be a checklist with a Yes/No to cut down on verbosity. The checklist will also help in the valuation criteria used by the appraisal committee.

Responsibility Matrix: Along with this, a high-level plan consisting of the “Who”, “When” and “How” for each activity should be presented in a simple table. The activities must include the risk treatments otherwise the risk management plan remains on a piece of paper and is not translated on the ground.

It is a good idea to define RACI (It is an acronym for charting Responsible, Accountable, Consultants, and Informed persons involved in the implementation plan) matrix. RACI should be at an activity level.

*Reporting mechanism and structure should be described here.
Finally, escalation mechanism should also be described here.*

Contents:

- a. Overall Gantt chart for the specific activities as a part of the cluster development initiative.
- b. Responsibility matrix for the various stakeholders involved
- c. Reporting mechanism and escalation mechanism

Checklist

- Gantt chart with monthly details of tasks and activity detailed out for the project period*
- Deliverables linked with the project defined clearly along with timelines*
- Responsibility matrix with roles and responsibilities of each partner mentioned*
- Escalation matrix described*

VI. Risks in the Intervention

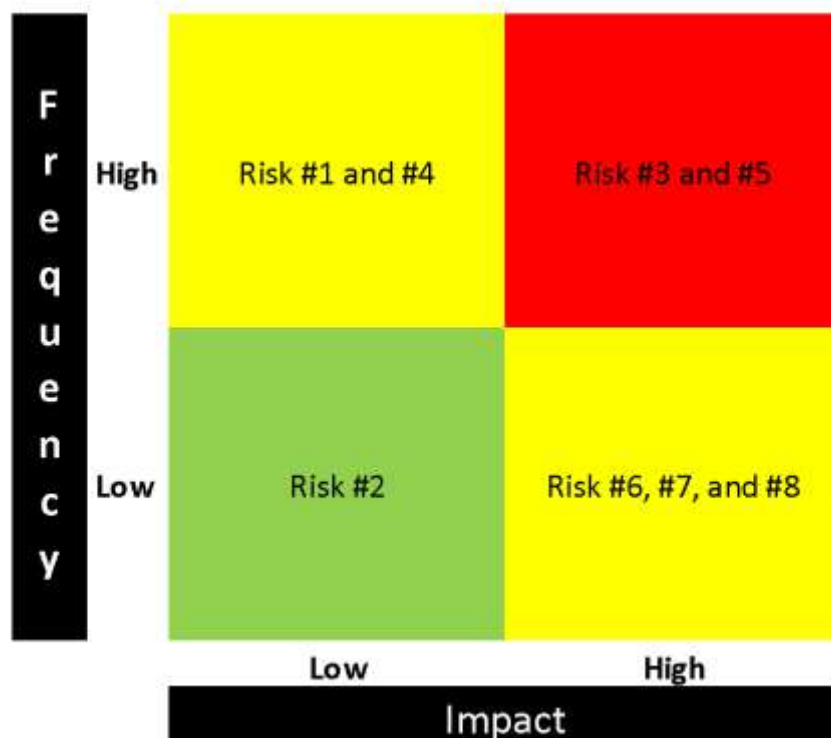
Guideline:

Risk management is a pro-active and damage prevention step in any plan and hence it deserves a section on its own as it drives the implementation plan.

Risk management needs clear understanding of what risks are, which ones are worth looking at, and the four different ways to treat risks (Avoid, Transfer, Mitigate and/or Prepare contingency, and Accept).

Beginning with a definition of risk is useful - Risk is an uncertain event or condition that has not yet occurred or may never occur but has the potential to adversely impact a business or project's objectives. Since only those risks are relevant which impact the objectives, it is a good idea to begin with objectives. For each objective, list one or more risk that will impact the objective adversely.

Quantification of a risk requires a nuanced approach. It requires estimating probability of occurrence and estimating the material impact. When these numbers are multiplied, one gets an expected loss from the risk. This may not be a practical approach for the agencies. Hence, we should recommend a qualitative approach in identifying significant risks as seen in the schematic (and its explanation on the right) below.



The rest of the section, in a tabular form, should list the relevant (prioritized) risks along with the chosen treatments

Contents:

- a. Identify and discuss the risks associated with different components of the business that is proposed as a part of the intervention

- b. Discuss the risk mitigation and risk aversion strategy that will be used.

Checklist

- Whether key risk elements that pose threat to cluster business have been identified?
- Whether risk management plan has been detailed

VII. Budget and Financial Details

Guidelines:

This section should borrow from the excel template that has been prepared for assessment. Please enter the input figures in the excel sheet and paste the data from the P&L and Balance sheet. Please ensure that the workings and figures from both the documents are same.

The proposed budget for the intervention has to be mentioned in detail. The costs for all the subcomponents should be mentioned as a percentage of the overall cost.

The Day-1 balance sheet should be the starting point – It should point out the sources of funds (Liabilities) and utilization of funds (Assets). Required working capital calculation should be based on the current assets and current liabilities along with a justification of credit policies (on the supplier side and the customer side).

Estimated P&L for the project period should be listed next. Revenues should be broken down into top three products / services and then revenues from other products/services. For the top three products, price and volume numbers need to be specified. Assumptions behind changing prices, volumes, and cost items over the project period should be explained through assumptions and must have a basis (e.g. inflation, market share increase, etc.). Salaries and other benefits such as bonuses should be clearly classified as costs in the P&L and must be shown as number of people employed multiplied by average salary and wages earned.

A projection of the balance sheet for the project period should be the next step. The increase in Assets and Liabilities (especially current assets and current liabilities) should be in synch with the revenues and cost numbers from the P&L.

Both the balance sheet and the P&L should be driven by Excel templates. The fund requirement should be based on the projected cash flow of the producer enterprise.

Top three success determination parameters should clearly come out of the financial statements. Some of the candidates are Aggregate salaries and wages earned, Per capita salaries and wages earned, Aggregate salaries and wages earned divided by capital employed (equivalent of ROCE), Number of people getting employment,

In the last step, a set of parameters to which the business success determination parameters are most sensitive should be identified with a brief rationale. Some of the parameters are likely to be product prices and volumes, raw material prices and volumes, competition level and market share, salaries, inflation, etc.

A set of two-dimensional sensitivity analysis tables (such as seen below) will be useful. They should show the impact of simultaneous changes in two parameters on the success determination parameters.

Contents

- a) Proposed budget
 - Cost of technical support agency
 - Community capacity building and institution building
 - Cost of knowledge and technology transfer
 - Cost of developing community nodes (including administrative costs of organizations promoted)
 - Working capital cost
 - Cost of branding / advertising
 - Cost of marketing
 - Cost of processing and value addition of products, etc (including machinery and infrastructure at secondary and tertiary level)
- b) Opening balance sheet for the intervention
- c) Estimated P&L for project period
- d) Balance sheet projection for project period
- e) Cash flow projection for project period
- f) What are the funds proposed to be arranged from banks and other formal financial institutions and the mechanism of the same?
- g) How will the increasing working capital need of the enterprises (as the enterprises grow) proposed to be met?
- h) Calculate the Cost-Benefit Ratio of the intervention
- i) Details of net profit margin, payback period and breakeven analysis
- j) Sensitivity Analysis including details of:
 - a. What if the demand collapses significantly?
 - b. What happens if prices falls significantly?
 - c. What if the raw material price increases?

Checklist

- ☐ *Balance sheet (projected for 3 years)*
- ☐ *Profit and Loss statement (projected for 3 years)*
- ☐ *Cash flow statements*
- ☐ *Cost benefit ratio (or Social Rate of Return)*
- ☐ *Detailed budget with sub heads*

VIII. Sustainability Plan

Guidelines

The section should discuss in detail the plan of action by the TSA and the SRLM to ensure the project is successful in the time frame allocated. There should be a clear transition plan defined which should lay out the activities and the timeframe for the TSA to reduce and wind up operations in the project area. The section should clearly spell out how will the cluster carry out operations smoothly once the TSA withdraws

Contents

- a. What are the action plan and time frame by which the community shall be able to take over the complete operations of the cluster without the support of the TSA? What will be the role of the SRLM after the project ends?
- b. How will the cluster / sector expand its business? (how will the cluster approach new markets, negotiate with buyers and sellers, ensure it is up to date with the latest market trends, etc., after TSA withdraws)
- c. What is the governance structure planned for the cluster to ensure sustainability after the end of the project? Who will ensure that the cluster adheres to the instated governance mechanisms?
- d. In case a producer collective is proposed to be set up, please share details of the type of producer collective (coop, producer co, etc.) and the proposed bye-laws, selection/ election criteria for the board members, the Capacity Building plan for the board members, etc.
- e. How will the cluster / sector ensure the availability of adequate working capital for operations?
- f. Explain the exit plan of the TSA to ensure a proper handover to the community after capacity building to ensure sustainability after the project period. This should include the details of the transition plan, what steps will be taken, and how will the TSA phase out its activities.

Checklist

- Governance plan for the community institution*
- Transition plan is detailed*
- Whether training & capacity enhancement plan have been mentioned?*

- IX. Annexures
- a. Questionnaire (if any)
 - b. List of persons interviewed / met / interacted with
 - c. Minutes of the validation meeting with the stakeholders
 - d. Matrix of suggestions from validation meeting and response to suggestions
 - e. Certificate from the SMD for an existing cluster stating no component of the intervention planned is a repeat funding of any other government scheme.

Guidelines for Promoting Sectoral Cluster

17/11/2022

S-11051/2020-21/NRLM (SVEP)/NRETPEC (374087)
Government of India
Ministry of Rural Development
Department of Rural Development
<https://rural.nic.in>
(Rural Livelihoods Division)

7th Floor, NDCC – II Building,
Jai Singh Road,
New Delhi – 110001

Dated: 17th November, 2022

To,
The SMD/CEO SRLMs
All States/UT

Subject: Promoting Sectoral Cluster guidelines under NRLM

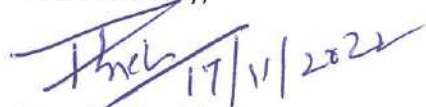
Madam/Sir,

I am directed to share the guidelines of Promoting Sectoral Cluster, a component under the Start-up Village Entrepreneurship Programme (SVEP) sub-scheme of Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM) of Ministry of Rural Development (MoRD).

The earlier Promoting Sectoral Cluster guidelines approved under NRETP will be applicable to all the States in which Promoting Sectoral Cluster are already approved.

This guideline of Promoting Sectoral Cluster issues with the approval of Secretary (RD).

Yours faithfully,


(Raghendra Pratap Singh)
Director (RL)
Ph. 011-23438102

Encls:A/a

To,

1. All NROs
2. All State anchors

Guidelines for Promoting Sectoral Clusters

**National Rural Livelihoods Mission,
Ministry of Rural Development (Government of India)**

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Acronyms

| | |
|----------|--|
| AAP | Annual Action Plan |
| CBO | Community Based Organisations |
| CDE | Cluster Development Executive |
| CEO | Chief Executive Officer |
| CFC | Common Facility Centre |
| CLF | Cluster Level Federation |
| CPC | Common Production Centre |
| CSR | Corporate Social Responsibility |
| DAY-NRLM | Deendayal Antyodaya Yojana - National Rural Livelihoods Mission |
| DDU-GKY | Deen Dayal Upadhyay Grameen Kaushalya Yojna |
| DMMU | District Mission Management Unit |
| DPM | District Project Manager |
| DTE-EP | District Technical Expert - Enterprise Promotion |
| EC | Empowered Committee |
| GO | Government Order |
| KRA | Key Result Areas |
| NRLM | National Rural Livelihood Mission NRLM National Rural Livelihoods Mission |
| NRP | National Resource Person |
| OBC | Other Backward Classes |
| RFP | Request for Proposal |
| RSETI | Rural Self Employment Training Institutes |
| SC | Scheduled Caste |
| SECC | Socio Economic Caste Census |
| SFURTI | Scheme of Fund for Regeneration of Traditional Industries |
| SHG | Self Help Group |
| SMMU | State Mission Management Unit |
| SRLM | State Rural Livelihoods Mission |
| SRP | State Resource Person |
| ST | Scheduled Tribe |
| STE-EP | Senior Technical Expert - Enterprise Promotion |
| TE-EP | Technical Expert - Enterprise Promotion |
| TOR | Terms of Reference |
| TSA | Technical Support Agency |

1. Context

Promoting and strengthening non-farm clusters has been an important strategy for nurturing rural livelihoods under the Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM). Cluster approach allows for combining efforts, making use of synergies, and pooling resources to increase competitive advantage while sharing market risk. While several states have made significant progress in promoting agricultural clusters, there is huge untapped opportunity in the non-farm space.

Geographical agglomeration of enterprises does not automatically yield advantages associated with clustering. DAY-NRLM seeks to:

- Map the existing and potential enterprise agglomerations
- Understand the economic potential of the cluster, and
- Provide specific technical, capacity building, marketing, governance, and infrastructure support to transition them into remunerative clusters

Historically, clusters in DAY-NRLM have largely been beneficiary based, with few examples of consortiums delivering standardised products and services. Clusters in the second category have demonstrated immense potential to tap targeted customer segments, including governments. NRLM recognises this potential and provides for supporting geographically discontinuous clusters catering to a particular sector, such as food, nutrition, construction, retail, rural tourism, etc. Many of these sectors are also incentivised by the larger vision of the central and state governments.

Under NRLM, over 50 million women have been organized into Self Help Groups (SHGs) and higher-level federations. These women's collectives and networks have evolved into an institutional architecture that serves as a platform for enterprise and skill development, enhanced access to financial services, improved access to nutrition and sanitation public services, and a range of technical and business development services in farm/non-farm sectors.

Under NRLM, two types of clusters shall be promoted:

1. Artisan clusters (handloom and handicrafts)
2. Sectoral clusters (food service, tourism, nutrition, etc.)

This guideline pertains to development of sectoral clusters.

2. Definitions

2.1. Sectoral Cluster

A sectoral cluster is a concentration of enterprises making the same or similar range of products (goods / services) and that are:

- a) spread across several block or districts
- b) producing a similar range of goods / services and
- c) facing similar opportunities and challenges

The sectoral cluster could be geographically contiguous or discontiguous, i.e., dispersed within the larger area.

The non-farm sectoral clusters may be developed to:

- a) Recognise and support existing non-farm activities being undertaken in the state at scale
- b) Tap into emerging opportunities based on State priority / identified growth sectors and private sector investments, such as food, tourism, construction, nutrition, facility management, etc.
- c) Consider possibilities of customising and transferring models that have worked elsewhere in the country, including enterprise models that have tapped into the government supplies like the take home food supplement, school uniforms etc.

2.2. Sectoral Cluster Development

Development of sectoral cluster will primarily take place through:

- a) Soft interventions including design development, quality assurance, enterprise creation, market development, financing, technology upgradation, skilling, promoting responsible business interventions, strengthening the local ecosystem, and
- b) Hard interventions like creation of common facility centres (CFCs) / common production centres (CPCs) / common service centres (CSCs)

Common Service Centre is a group of professionals, initially from the open market, to provide technical services on an ongoing basis to the sectoral cluster¹. The professionals from the open market should be replaced by trained entrepreneurs / sectoral cluster members during the course of the intervention.

¹ AIFRHM (Adebha Institute for Food Research and Hospitality Management) in Kerala is one such example supported by Kudumbashree. This CSC provides technical services to Café Kudumbashree units in the state

2.3. Sectoral Cluster Development Objectives

Objectives of sectoral cluster development may include improvement in parameters like increase in member income, employment (hours / days / months of engagement), number of enterprises, etc. Sectoral cluster may also be developed to tap into certain market opportunities, such as government procurements.

3. Key Deliverables and Features

- a) Each sectoral cluster should have a potential of engaging at least 50 sectoral micro-enterprises over the period of intervention
- b) A maximum of 10% of the members in the sectoral cluster may be outside the SHG fold. Ideally, all the members of the sectoral cluster may be motivated to become members of SHGs
- c) The states may on-board a technical support agency (TSA), with specific sectoral experience, to provide technical assistance to the cluster
- d) Each state shall conduct a cluster scoping study (as per format suggested in annexure 1) for all potential clusters. The SRLM may provide a onetime sum of INR 1.50 lakh for engaging consultants (NRPs / SRPs) to prepare a scoping study for the proposed sectoral cluster.
- e) A few clusters will be selected based on the data collected from the scoping study. If selected, a business plan and cluster implementation plan will be prepared for each sectoral cluster (as per format suggested in annexure 2). The business plan will also include a baseline. The TSA must assist the SRLM in preparing the business plan, implementation plan, and baseline. The maximum cost of preparation of the business plan and implementation plan for each cluster of 50 micro-enterprises is INR 5.00 lakhs. For clusters benefitting above 50 micro-enterprises, business plan and implementation plan may be on pro-rata basis, upto a maximum of INR 8.00 lakh.
- f) The fund for scoping study and DSR may be provided by each SRLM from its NRLM budgets under the budget head of Technical support under Non-farm livelihood budget head, as it is not confirmed that the scoping study and/or DSR shall result in an approved cluster proposal.
- g) It must be ensured that the TSA that prepares the sectoral cluster business plan also implements the project. Hence while selecting a TSA, a combined quotation of preparation of business plan and implementation of the project should be taken.
- h) Preference may be given to the selection of SC / ST entrepreneurs and NITI Aayog's aspirational districts. The list of aspirational districts is appended in annexure 5.

4. Selection of Sectoral Clusters

Sectoral clusters will be selected by the SRLM in consultation with NRLM. Each state must conduct a scoping study in all clusters that can potentially be supported under NRLM. The scoping study shall cover aspects mentioned in annexure 1. SRLM may add to the scope, if required. Post the scoping study, the SRLM shall, internally vet the scoping study with a committee of sectoral experts and if they approve of the scoping study outcome, inform the same to the NRLM. The NRLM shall evaluate the scoping study and in case the same is approved, inform the SRLM of its decision within 15 days of the receipt of the scoping study. Post the scoping study, the SRLM in consultation with the NRLM, shall shortlist 3 to 5 clusters (including artisan beneficiary and sectoral clusters). NRLM will form a committee of experts to advise states on selection of clusters. Preference might be given to those clusters with higher proportion of SC / ST entrepreneurs and / or those which cover aspirational districts, as designated by NITI Aayog.

The SRLM may provide for a sum of upto INR 1.5 lakh (once) for engaging consultants (NRPs / SRPs) to prepare scoping studies. The fund for this may be provided by each SRLM from Institution Building & Capacity Building (IBCB) Funds under NRLM.

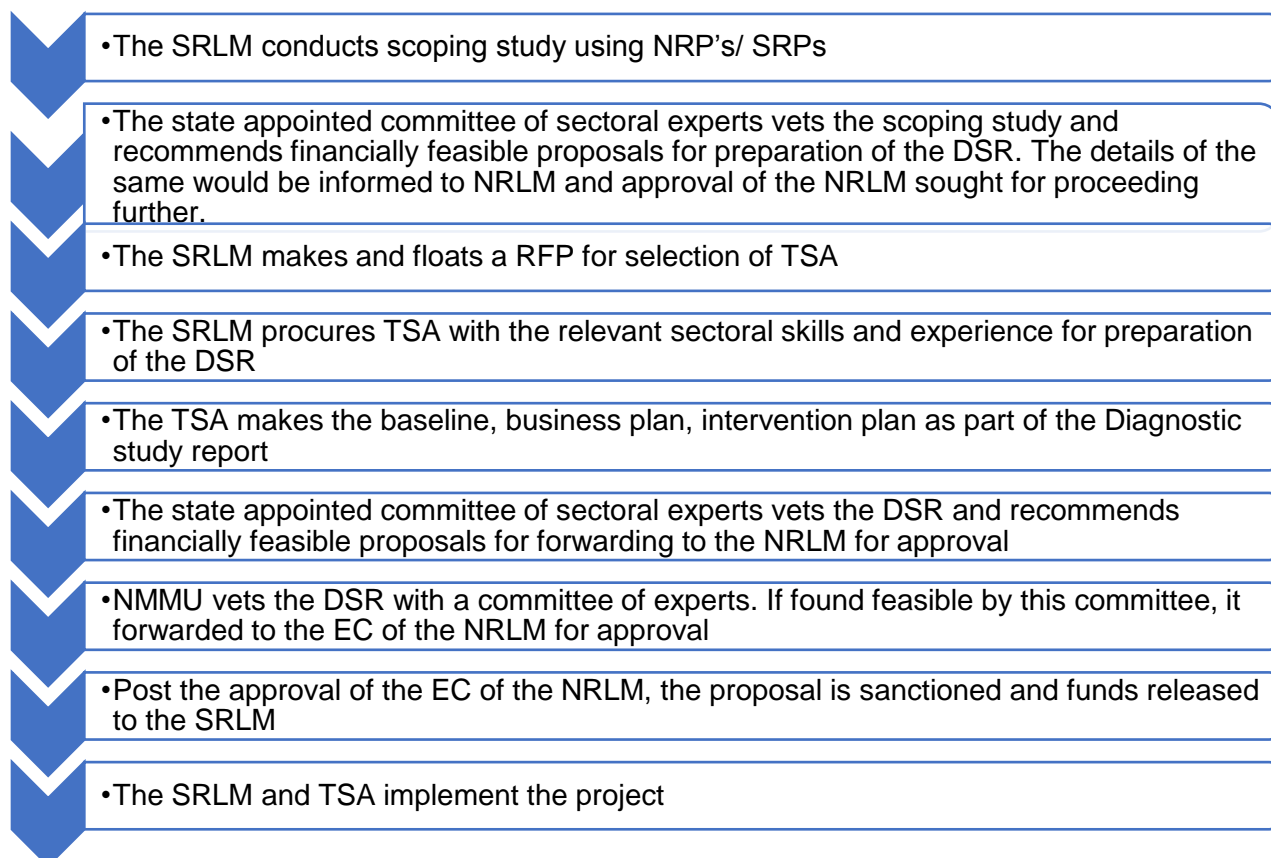
For each selected sectoral cluster, the SRLM will engage a TSA. Once the agency is on board, it will prepare a business plan (including baseline) for the sectoral cluster and propose an intervention plan along with expected outputs and outcomes. The plan will be internally scrutinized by the SRLM and its committee of sectoral experts and if found feasible, submitted by the SRLM to the NRLM for approval. The NRLM may accept the proposal or may suggest modifications. The TSA and SRLM will initiate activities in the sectoral cluster post approval of intervention plan by the NRLM. The framework for conducting diagnostic study is appended in annexure 2. **It is to be noted that only those sectoral clusters will be selected for which the cost-benefit ratio (at the culmination of the project) is proposed to be at least 1:1.25.** The cost being the cost of approved values of the soft and hard interventions as per the action plan. The formula for calculating benefit is the sum total of all the incremental income of the beneficiaries of the sectoral cluster and the profit /(loss) of all the enterprises promoted under the cluster for the duration of the project. The cost is the total cost of the project (central and state share), including TSA costs.

The formula for the benefit cost ratio is

$$\frac{\sum \text{Incremental income of the beneficiaries for the project duration} + \sum \text{Profit/(loss) of all the promoted enterprises for the project duration}}{\text{The total project cost}} > 1.25$$

The detailed process of sectoral cluster approval and timelines are presented below:

1. The SRLM conducts scoping study using NRP's/ SRPs
2. The state appointed committee of sectoral experts vets the scoping study and recommends financially feasible proposals for preparation of the DSR. The details of the same would be informed to NRLM. The NRLM shall evaluate the scoping study and in case the same is approved, inform the SRLM of its decision within 15 days of the receipt of the scoping study
3. The SRLM prepares and floats a RFP for selection of TSA
4. The SRLM procures TSA with the relevant sectoral skills and experience for preparation of the DSR.
5. The TSA makes the baseline, business plan, intervention plan as part of the Diagnostic study report
6. The state appointed committee of sectoral experts vets the DSR and recommends financially feasible proposals for forwarding to the NRLM for approval. (The benefit cost ratio should be greater than 1.25 during the project period)
7. NMMU vets the DSR with a committee of experts. If found feasible by this committee, it forwarded to the EC of the NRLM for approval
8. Post the approval of the EC of the NRLM, the proposal is sanctioned and funds released to the SRLM
9. The SRLM and TSA implement the project



An indicative timeline for the activities is as under:

| Activity | Timeline | Remarks |
|--|-----------|---|
| SRLM identifies and proposes clusters | Month 0 | Clusters will be shortlisted after consultation with NRLM |
| The SRLM conducts scoping study using NRP's/ SRPs | Month 1 | SRLM can engage NRPs / SRPs with relevant experience to conduct scoping study |
| The state appointed committee of sectoral experts vets the scoping study and recommends financially feasible proposals for preparation of the DSR. The details of the same would be informed to NRLM. | Month 1.5 | Vetting to be carried out at the state level on the scoping study |
| The NRLM approves the scoping study and gives the go-ahead to the SRLM for going ahead with preparation of DSR | Month 2 | |
| The SRLM prepares and floats a RFP for selection of TSA | Month 2 | |

| | | |
|--|-----------|--|
| The SRLM procures TSA with the relevant sectoral skills and experience for preparation of the DSR. | Month 2.5 | |
| The TSA makes the baseline, business plan, intervention plan as part of the Diagnostic study report | Month 4 | |
| The state appointed committee of sectoral experts vets the DSR and recommends financially feasible proposals for forwarding to the NRLM for approval | Month 4.5 | |
| NMMU vets the DSR with a committee of experts. If found feasible by this committee, it forwarded to the EC of the NRLM for approval | Month 5 | |
| Post the approval of the EC of the NRLM, the proposal is sanctioned and funds released to the SRLM | Month 5.5 | |
| The SRLM and TSA implement the project | Month 5.5 | Immediately after approval of intervention plan by TSA |

5. Institutionalisation of the Sectoral Cluster

The individual or group enterprises set up as part of sectoral clusters must be registered in due course to be able to conduct business with external entities.

Where possible, the physical infrastructure developed, or equipment invested in by the project will be owned and operated by a selected CLF (for example: canteens, THR). The fund for developing such infrastructure or purchasing equipment shall also be routed through the selected CLF. The enterprises (members) must pay rental to CLF for using the infrastructure or equipment. The rental amount should be enough to meet repair, maintenance, and depreciation costs. The CLF may consider creating a “Sinking Fund” to replace the asset after its useful life.

In cases where it is necessary for the sectoral cluster members to own the asset (example: tailoring), efforts must be made to provide a loan to the members at a maximum interest of 12% per annum from the CLF. The repayment schedule should be such that the enterprise should be able to repay the principal and interest during the intervention period.

It is recommended that SHG members operating enterprises for captive markets

(particularly governments eg Canteens at zero rental in a government office building or School uniform supplying tailoring units), should be rotated after a certain period based on the type of enterprise. This will ensure inclusiveness and provide an opportunity to more SHG members to build capacities and gain experience to be able to subsequently run their own enterprises. This, however, may be exempted for THR or similar sectors, where members may not have an opportunity to set up similar businesses. The SRLM may take a final call on this issue.

In case a CSC is being formed to provide technical, marketing, and quality assurance services to the sectoral cluster, the trained entrepreneurs (from canteen, THR, tailoring, etc.) should eventually replace the professionals from the open market during the course of the intervention.

Where possible, convergence with existing MoRD initiatives (catering in training programmes, uniforms for DDU-GKY trainees) should be explored.

6. Technical Support Agencies for Sectoral Cluster

TSA's can be procured by the SRLM for supporting one or more cluster(s) in the state. The SRLM can also hire the services of a National Resource Organisation (NRO) with experience and competence to support the sectoral cluster activity. Experienced CBOs which have done the sectoral cluster activities and have capable resource persons may also be selected as TSA's. The concerned SRLM shall support the TSA in discharging their responsibilities. The state may also train existing CBOs to take on this role. Each TSA will place a Cluster Development Executive (CDE) in the cluster. A CDE must:

- a) have no personal / organisational business interest in the cluster product
- b) preferably be a post-graduate
- c) has at least 3 years of experience in operations of the specific sectors enterprises
- d) operate full time in the cluster
- e) be stationed in the cluster

The TSA must declare the name of the CDE at the beginning (at the time of preparation of the business plan). The same CDE must be involved during the project implementation. Any change of CDE should be after the approval of SRLM

6.1 Selection of TSA

The selection of TSA will be based on demonstrated experience and proven ability in the following areas. The TSA must have:

- a) Demonstrated experience of implementing / providing technical assistance to at least 2 similar cluster development programmes within the country

- b) Should have an office and staff (or a full-time consultant) in the State where it has applied for
- c) Has been in existence for at least 3 years, barring the current year and has audited balance sheet of 3 years
- d) Joint bidding of at most two organization is permitted and in such cases the organizations should jointly possess the above minimum criteria
- e) Individual or proprietary establishments are not permitted to apply

It is recommended that TSA's incentives are tied to outputs / outcomes. For example, the SRLM may consider linking the release of a maximum of 15-20% of the project funds earmarked for TSA costs to the TSA to the financial performance of the enterprises promoted.

6.2. Working of the TSA

The TSA will prepare the business plan along with the intervention plan and baseline study. The TSA must submit an annual work plan, detailing activities and budget for that year. The annual work plan must be in line with the larger implementation plan approved by the NRLM. The annual work plan must be approved by the State Mission Director of the concerned SRLM and must be communicated to NRLM. Once a year (preferably during the sixth month) the SRLM and TSA may jointly review the work plan and can modify the same as per mutual agreement. The State Mission Director can authorise change in activities amounting up to 10% of the budget allocated in the annual work plan. Any change in activities that warrant a change of more than 10% of the annual budget, must be brought to the notice of NRLM and necessary authorisation may be sought.

6.3. Roles and Responsibilities

6.3.1. Technical Support Agency

I. Preparatory activities

- a) Put team in place as per resumes submitted during application
- b) Appoint a nodal person to actively coordinate with the SRLM. The nodal person can be one of the proposed team members of the TSA
- c) Engage with the DPM and other non farm professionals in the District /The defined Nodal officer from the SRLM for the cluster to discuss on the last-mile support, wherever required
- d) Prepare business plan, implementation plan, and baseline. Baseline survey should cover all SHG-member households engaged in the sectoral cluster activities. The Baseline should cover existing income and proposed income from the intervention.

II. Implementation

- a) Implement action plans for the year and achieve the approved outcomes of year 1

- b) Get action plan and targeted outcome for subsequent years approved by SRLM / NRLM and implement the same
- c) Get action plan, exit strategy and targeted outcome for the last year approved by SRLM / NRLM and implement the same
- d) Ensure enterprises are to be registered in due course. The TSA will also ensure that the necessary legal / registration formalities are complied with
- e) Assist SRLM in preparing guidelines / policy for sectoral cluster sustainability (how will the sectoral cluster sustain institutionally, operationally, and financially once the TSA / SRLM withdraw support)
- f) Participate in quarterly or more frequent review meetings
- g) Create monthly, quarterly, and annual report for each year and get approved by SRLM and NRLM
- h) Wherever possible, the TSA must seek to converge with the existing skill development programmes of Ministry of Rural Development (such as DDU-GKY, RSETI etc.) as well as schemes of other ministries for infrastructure
- i) Participate in review meetings organized by the SRLM and provide regular reports on performance of supported enterprises as per agreed terms
- j) The TSA must ensure achievement of cost-benefit ratio of at least 1:1.25 at the culmination of the project. The income earned by the sectoral cluster members should be more than the aspirational income stated at the beginning of the intervention.
- k) Maintain performance tracking system (PTS) for the sectoral enterprises
- l) Help enterprises prepare financial statements and comply with bank requirements for accessing loans (if required) from banks
- m) Based on the implementation experience, prepare a plan for scalability and replicability of the sectoral cluster across the state

6.3.2. State Rural Livelihoods Mission

I. Scoping Study

- a) Engage NRPs / SRPs / consultants to conduct cluster scoping study

Get scoping study done, approved by the committee of sectoral experts and decide if DSR is to be prepared.

II. Selection of TSA and managing the selected TSA

- a) Select TSA for preparing business plan in all the selected clusters
- b) Active coordination with the TSA
 - Position relevant staff in the non farm vertical at the state (SPM, PM and YP) and the district level) to oversee enterprise activities under the project
 - Appoint a nodal person at the SRLM to coordinate with the TSA.
 - The SRLM shall inform and work with the concerned DMMU and ensure their support
- c) Pay the TSA for the services rendered. The state may consider linking the release

of a maximum of 15-20% of the project funds earmarked for TSA costs to the TSA to the financial performance of the enterprises promoted. The balance amount of project funds may be released based on completion of activities planned to be done by the TSAs

III. Business Plan and Baseline Study

- a) Introduce the TSA to the SHG-households in the sectoral cluster
- b) Make available to the TSA, secondary data and cluster studies that may have been commissioned in the past

IV. Intervention

- a) Mobilise cluster stakeholders
- b) Approve and review action plan developed by TSA
- c) Monitoring of cluster activities
 - Organize review meetings with TSA and representatives of sectoral cluster members / cluster enterprises at regular intervals
 - Regular tracking of cluster activities through DMMU (DPM) and SMMU
 - Regular (minimum at annual intervals) monitoring of the financial and process audit of the producer enterprises set up as part of the sectoral cluster
- d) Support TSA for mobilising sectoral cluster into enterprises and assist them in the registration process
- e) Converge with existing schemes for arranging infrastructure for the cluster and skill-training for entrepreneurs
- f) Provide support for ensuring cluster sustainability
 - Issue guidelines / policy for operations of the cluster
 - Lead institution building activities in the sectoral cluster to strengthen institutional platform for joint / collective actions
 - Identify and facilitate setting up of training / production spaces such as CFCs / CPCs / CSCs as well as other assets as required based on diagnostic study and intervention plan
 - Ensure convergence with other government schemes to enhance profitability of the cluster enterprises.
 - Facilitate government procurement and get government orders (GO) released to give SHG the permission to supply goods and services to government
 - Wherever there is a need for a CFC, get the building allocated from the government for a minimum period of 5 years

V Financial linkages and funds flow mechanism

- g) Create processes and mechanisms for project funding including via the CLF

- h) Create processes for facilitating working capital loans to clusters from the CLFs at maximum 12% rate of interest per annum on a reducing balance basis
- i) Create processes for facilitating loans to clusters from the banks and other financial institutions

6.4. TSA Training

Once the TSA is on-boarded by the state, the Cluster Development Executive (CDE), along with other key persons (whose resumes have been furnished) will need to attend a training organised by SMMU/NMMU. The training will be to:

- Provide an orientation to the NRLM community network and cadres
- Introduce the district and block SRLM structure to the TSA
- Explain the components of business plan and the expected outcomes from the exercise. In case NROs / CBOs are hired to support the sectoral cluster, they must attend the orientation on business plan components

7. Duration of Assistance

The SRLM should ensure that the cluster project is completed in four years from the date of approval of the proposal by the DAY-NRLM. The Benefit-Cost Ratio of 1.25 should be achieved within the stipulated time frame.

If, in exceptional cases, the TSA and the SRLM expect the project to be of a longer time frame than the stipulated 4 years, then this should be clearly spelt out in the DSR. A maximum of seven years duration may be planned.

The GOI shall fund the project only for a period of up to four years. The funding for the project beyond four years shall have to be provided by the state. However, all reports of the cluster and its interventions and activities should be communicated to the NRLM, till the project ends.

8. Fund Release

8.1 Availability of Funds

The project has planned a maximum of INR 5 crore per cluster for setting-up and operationalising the clusters. Additional funds may be leveraged through convergence with existing government schemes such as SFURTI etc.

Not more than 40% (up to a maximum of INR 100 lakh) of the total project cost for each cluster should be spent on infrastructure (such as common production centres / common

facility centres / common service centres) and machinery. This fund is not permissible for spending on civil constructions (such as buildings). The cluster / TSA should leverage on existing government buildings for this purpose. The project funds may be used to carry out minor repairs / upgradations to existing building. The infrastructure fund should ideally be used for purchase of assets for operation of the cluster enterprise. Ministry of Rural Development and Ministry of Micro, Small, and Medium Enterprises shall coordinate with each other to ensure that there is no overlap between CFCs supported by both ministries.

The TSA charges should not exceed 15% of the total project cost.

8.2 Fund Release

The SRLM will submit the Annual Action Plan (AAP) which will have the details of clusters to be supported by the state. The cluster will be selected after reviewing its detailed business plan. The details need to be approved by the NRLM Empowered Committee set-up under the Chairmanship of Secretary (Rural Development).

The following will be the timeline for release of funds:

| Fund | Time for Release | Released by | Released to |
|--------------------------------|--|--------------------|--------------------|
| Cluster Scoping Study | On submission of scoping Study | SMMU | NRP / SRP |
| Sectoral cluster Project Costs | <p>Fund will be sanctioned on approval of clusters (based on DSR) by NRLM EC</p> <p>Fund will be disbursed on request by SRLM on approval of intervention plan submitted by TSA and submission of project initiation report</p> <p>II instalment may be released on utilisation of 60% utilisation of the available funds and achievement of Planned deliverables as per the action plan</p> | NRLM | SMMU |

| | | | |
|-------------------------------|--|------|-----|
| | | | |
| Technical Support Agency Cost | <p>Release of funds to the cluster should be as per the timeline given in action plan for the expenditure of six months.</p> <p>II instalment may be released on utilisation of 60% utilisation of the available funds and achievement of corresponding deliverables</p> | SMMU | TSA |

8.3 Pre-condition for Release of Fund

The release of funds will be contingent on all following conditions being met:

- Positioning of relevant manpower in the non-farm vertical at the state level as per advisory issued by NRLM and identification and appointment of a Nodal officer for the cluster project in the state.

9. Monitoring and Reporting

Monitoring and review of the sectoral clusters will be done at two levels i.e. at the Central level by the NMMU and at the State level by the SRLM. The sectoral cluster will be closely monitored at various levels to ensure that:

- The cluster meets the required cost-benefit ratio and other financial and non-financial indicators defined in the DSR
- The cluster is able to meet its physical and financial targets as planned
- The total cost of monitoring and evaluation may not exceed 1% of the total project cost or Rs.5 lakhs whichever is higher. This amount may be used to conduct mid term and end term (Mandatory) evaluation of the project.

9.1. Review at the State Level

- a) The TSA shall submit a progress report on a monthly basis including data on key performance indicators
- b) The nodal person for supporting the sectoral clusters along with SPM and the State Mission Director (or their representative) shall review the progress of the sectoral cluster every month
- c) Representatives from TSA, sectoral cluster, and DMMU DPM) should attend the meeting
- d) The SMD of the SRLM should review the progress of implementation atleast once every quarter. Minutes of these reviews should be sent to the NRLM
- e) The intimation of the meeting along with the agenda shall be circulated by the state nodal person for sectoral clusters at least 10 days prior to conduct of the meeting through e-mail
- f) The meeting shall be minuted and the minutes of the meeting should be shared with all participants and concerned stakeholders, including NMMU, within 10-days of the meeting being held
- g) In the six-monthly review of the year, the SRLM and TSA may jointly review the work plan and can modify the same as per mutual agreement. The State Mission Director can authorise change in activities amounting up to 10% of the budget allocated in the annual work plan. Any change in activities that warrant a change of more than 10% of the annual budget, must be brought to the notice of NRLM and necessary authorisation may be sought.

9.2. Review at the National Level

- a) The nodal person supporting sectoral cluster development along with Lead – Non-Farm and the Mission Director (or their representative) shall review the progress of the sectoral cluster at least once every quarter
- b) Representatives from the TSA, SMMU (nodal person for sectoral clusters and SPM – non farm) and DMMU (DPM) should also attend the meeting
- c) The intimation of the meeting along with the agenda shall be circulated by the nodal person for sectoral clusters at NMMU at least 10 days prior to conduct of the meeting through e-mail
- d) The meeting shall be minuted and the minutes of the meeting should be shared with all participants and concerned stakeholders within 10-days of the meeting being held

10. Grievance Redressal

Conflicts in professional space are inevitable occurrences. However, it is in the best

interest of all concerned that conflicts are resolved immediately. In cases where the conflicts cannot be resolved internally, a conflict resolution mechanism will be put in place for their timely resolution.

In case of issues that cannot be resolved internally, a redressal committee will meet to understand the issue and arrive at a mutually acceptable decision. The SRLM should form a redressal committee at the district (s) where the cluster project is being implemented. In case the redressal committee cannot arrive at a mutually acceptable decision, the final decision will rest with the DPM / SPM (non farm livelihoods) and, in some cases with the Lead – Non-Farm at the national level. In case of dispute between the TSA and the SRLM, the decision of the JS (RL) shall be final and binding on both parties.

The redressal mechanism will be as follows:

| Party 1 | Party 2 | Redressal Committee | Final Authority |
|----------------|----------------------------------|--|------------------------|
| TSA | Sectoral cluster beneficiaries | Representative(s) from the TSA, sectoral cluster, and DMMU | DPM |
| TSA | District Technical Expert / DMMU | Representative(s) from the TSA, DMMU, and SMMU | STE-EP |
| TSA | SRLM | Representative(s) from the TSA and SRLM | JS (RL) |

Annexure 1: Template for Cluster Scoping Exercise (Sectoral Clusters)

1. Introduction to the sectoral cluster

- a) Mention the sector of the cluster (rural tourism, nutrition supplement, canteen, etc.)
- b) Location of the cluster intervention (name of blocks and districts)
- c) Explain the previous interventions that have taken place in the proposed sectoral cluster (SRLM and non-SRLM) along with financial support
- d) Name, designation, and e-mail ID of the nodal SMMU staff responsible for the proposed sectoral cluster

2. Nature of Sectoral Cluster

- a) Mention number and type of units proposed under the sectoral cluster (type of units may state whether the units will be individual or group)
- b) Does the sectoral cluster have potential to employ workers? (apart from the owners / entrepreneurs running the enterprises)
- c) What is the volume of production in the sectoral cluster?
- d) Will the sectoral cluster be operational 12-months a year? If no, how many months will the sectoral cluster be operational? Mention the months (names)
- e) Will the sectoral cluster be organised as an institution? (producer group, producer company, consortium, cooperative, etc.)? What will be the benefit of such an organisation?
- f) What is the proposed salary of the entrepreneurs (owners) and workers working in the sectoral cluster?
- g) Are there similar sectoral clusters in the country? If yes, where?

3. Market

- a) Mention the customer segment(s) that the sectoral segment will cater to
- b) In case the sectoral cluster proposes to sell to government or proposes to set up enterprises in government facilities, has permission been sought from the government department(s)? Has any government order (GO) been issued?
- c) Mention any linkages that the sectoral cluster proposes to have for purchase of raw material?

4. Technical Support

- a) Mention presence of support institutions / firms, service providers, sectoral cluster assets such as technical institutes, training centres, common facility centres, etc. that may support the sectoral cluster
- b) State linkages, if any, with the institutions mentioned above

5. Social and Environmental Challenges

- a) Mention any health risks that the sectoral cluster members may face
- b) State infrastructural challenges pertaining to water, electricity, transportation, etc. that the sectoral cluster may face
- c) What are the risks (customer, market, raw-material, taxation, availability of finance etc.)² that the sectoral cluster may face?
- d) Will the sectoral cluster be able to adhere to legal and statutory compliances that may be required for the sector?

² **Customer risk** may include change in customer taste and preferences, **raw-material risk** may include unavailability of raw material or seasonality of raw-material, **market risk** may include drop in prices or unavailability of certain markets or entry of new / bigger players / competitors in the market, **taxation risk** may include imposition of tax liabilities on cluster by government, **finance risk** may include unavailability of funds (particularly for working capital) when required from formal and informal sources

6. Complementarities

- a) Explore potential synergies with other development efforts including donor programs, CSR efforts, private sector investments etc.
- b) List other programs and partners that had funded this intervention (govt. programs, bilateral, multi laterals)
- c) Mention specific government schemes that can be leverages to benefit the sectoral cluster

Calculating Financial Feasibility of the Sectoral Cluster (at the time of scoping study)

| SI No | Details | Remarks |
|------------|---|---------|
| I | Name of the Sector | |
| II | Name of the State | |
| | | |
| III | Existing Situation | |
| 1 | Date (when the analysis was done) | |
| 2 | Total number of possible enterprises | |
| 3 | Is there an existing successful enterprise / benchmark enterprise, of the sector in the state | |
| 4 | If yes, has the P&L and Balance sheet for the successful enterprise been made for a minimum period of 3 months? | |
| 5 | Have the financial statements for a benchmark / successful enterprise attached? | |
| 6 | Can the benchmark P&L be replicated in the state? | |
| 7 | If no, has a model P&L been prepared which can be implemented in the state? | |
| 8 | Is the model P&L which is replicable attached? | |
| IV | Business KPI's of the enterprises | |
| 1 | No. of members involved per enterprise - as owners (Ideally all members should be owners) | |
| 2 | Average sale per month | |
| 3 | Gross margin | |
| 4 | Net profit as % of total sales | |
| 5 | Credit sales as % of total sales | |
| 6 | Finance cost as % of total sales | |

| | | |
|----------|---|--|
| 7 | Break - even sales (Rs) | |
| 8 | Net profit of the enterprise | |
| 9 | Net profit per owner member | |
| 10 | Wages earned per owner member per year | |
| 11 | Number of days the owner member worked in the month | |
| 12 | Average per diem per owner member | |
| 13 | Total investment needed for the enterprise | |
| 14 | Capital investment | |
| 15 | Working capital investment | |
| 16 | Closing stock (in no. of days sale) | |
| 17 | Creditors (in no. of days sale) | |
| 18 | Debtors (in no. of days sale) | |
| V | Expected Improvements due to Intervention in the Cluster | |
| 1 | Thematic Interventions - planned (Yes / No) | |
| 2 | Training and compliances (Yes / No) | |
| 3 | Providing access to subsidised rental property (Yes / No) | |
| 4 | Providing access to sales orders (Yes / No) | |
| 5 | Common branding (Yes / No) | |
| 6 | Improving productivity (Yes / No) | |
| 7 | Improving raw material procurement costs (Yes / No) | |
| 8 | Others - please specify | |
| 9 | Expected turnover of the entire cluster enterprises | |
| 10 | Expected cost of the TSA for the project period | |
| 11 | Expected total cost of the project (Total Investment in all enterprises (fixed + working capital) + TSA cost) | |
| 12 | Expected total wages earned by the owner members (for the project period) | |
| 13 | Expected net profits (after wages) of all the enterprises in the cluster during the project period | |

| | | |
|----|--|--|
| 14 | Expected benefit cost ratio | |
| 15 | Sales per Rupee invested in the project | |
| 16 | Unit cost (project cost / total owner members) | |

1. Expected output from the interventions

| Parameters | Base year at the time of scoping study | Project end period (projected) | Percentage change |
|--|--|--------------------------------|-------------------|
| No. of community members involved per enterprise | | | |
| Wages earned per community members per year | | | |
| Annual turnover of the entire enterprise cluster | | | |
| Expected net profits (after wages) of all the enterprises in the cluster | | | |

2. What is the estimated benefit-cost ratio of the cluster in the realistic case scenario at the end of the project period?
 - i. Total wages earned by women SHG members in the cluster
 - ii. Profit earned in the cluster
 - iii. Project cost
 - iv. Cost benefit ratio
3. Other financial benefits due to the implementation of the cluster.

Note: Details of the Benchmark enterprises (those enterprises which the SRLM desires to replicate) and Model enterprise ('model' of the enterprise that the SRLM will be able to implement in the state) also to be captured during the scoping study.

Annexure 2: Framework for preparing Business Plan for the Sectoral Cluster (excluding baseline)³

1. Executive Summary

- a) Summarise vital statistics, nature of stakeholders, and major areas of interventions

2. Understanding the sectoral cluster

a) Policy and country context

- a) Capture the main policy incentives and disincentives for the sector in the state and the country

³ TSA may modify the same if required

b) History of the sectoral cluster

- a) Mention the past interventions in the sectoral cluster (if applicable). Indicate the costs, benefits, etc.
- b) Presence of technical and financial support institutions
- c) State the technical and financial institutions present in and around the sectoral cluster
- d) State if there have been any past or present partnerships with the technical institutes
- e) What were / are the major activities done to support the sectoral cluster by each institution

3. Intervention in the sectoral cluster**a) Objectives / Key Deliverables**

- a) Mention the key objectives of the intervention in measurable terms
- b) Please mention the deliverables
- c) What is the pro-poorness and inclusiveness of the activity (what percent of SECC deprived households / ST, SC, OBC families will be covered by the intervention?)

4. Intervention Plan

- a) Intervention should describe (wherever applicable):
 - Seasonality of the sectoral cluster
 - How will the inputs / raw material be purchased?
 - What is the interventions for reducing input cost?
 - What is the capacity building plan of the entrepreneurs?
 - Who provides technical knowledge and how it is transferred?
 - What will be the credit policy of the sectoral cluster?
 - What are the technology interventions? How it is demystified and transferred?
 - Is there a system of providing services through community extension? What are the roles of the community professionals?
 - What are the interventions for reducing risks associated with the activity?
 - At what level the collectivization happens? Is there a need for it?
- b) Is there a need for a common production centre / common facility centre?
 - Explain the need for physical infrastructure
 - Will the building be rented?
 - What will be the location of the physical infrastructure and why it is chosen as location?
- c) Is there a need for a common service centre?

- Explain the need for a common service centre
 - Who will be the persons in the common service centre?
 - Attach their job descriptions / CVs / Key Result Areas (KRAs) and skill requirements
- d) What will be the fixed assets required for the sectoral cluster and in what quantity? Will they be purchased or rented?
- e) Describe the market, pricing, and marketing strategy. It may include the following:
- What are the sizes of the target market segments? Assess the customer segment(s) that would be served – mention their needs, state how are the needs presently been met, and what will make them switch to the products / services offered by the sectoral cluster enterprises
 - How will the price be set and revised?
 - What is the expected distribution channel / network? (if applicable)
 - How will the enterprise or products be promoted?
 - How will the sectoral cluster provide satisfaction guarantee?
- f) Describe how the quality will be maintained
- g) State the different government schemes supporting the proposed intervention and how the project can converge with these schemes
- h) How will monitoring of the sectoral cluster intervention take place? What is the MIS? How MIS feeds into course corrections?
- i) Can the sectoral cluster deliver results in the project time frame?

5. Community Institutional Architecture

- a) How will the sectoral cluster / sectoral enterprises be organised?
- b) What is the legal mechanism for registering / formalizing the sectoral cluster? (registration as consortium, or registration of individual enterprises in the cluster)
- c) What is the role of CLF?

6. Licenses / Permits / Registrations

- a) What licenses or permits will need to be obtained?
- b) How long will it take to get the needed licenses / permits? What is the cost involved?
- c) Describe the insurance coverage if required?

7. Implementation Arrangement

- a) Prepare a responsibility matrix (state the roles and responsibilities of entrepreneurs, community, SRLM, TSA)
- b) Who are the various partners in the entire implementation process apart from community, TSA, and SRLM? What are their roles and responsibilities?

8. Financial Aspects**(prepare business model for an enterprise in the sectoral cluster)**

- a) What is the proposed revenue for an enterprise in the sector? (give forecast for the project period and mention the assumptions made)
- b) What are the various fixed and variable costs in the enterprise?
- c) Give a Profit and Loss & Balance sheet and cash flow statement for the project duration of the enterprise (give forecast and mention the assumptions made)
- d) What are the funds proposed to be arranged from (i) banks and other formal financial institutions, and from (b) community organizations (if any) for financing enterprises in the sectoral cluster?
- e) How will the increasing working capital need of the enterprises (as the enterprises grow) proposed to be met?

9. Sustainability of the intervention

- a) What is the action plan and time frame by which the enterprises in the sectoral cluster will run profitably without the support of the TSA?
- b) How will the sectoral cluster expand its business? (how will the sectoral cluster approach new markets, negotiate with buyers and sellers, ensure it is up to date with latest market trends etc.)
- c) What is the governance structure planned for the sectoral cluster to ensure sustainability after the end of the project? Who will ensure that the sectoral cluster adheres to the instated governance mechanisms?
- d) How will the sectoral cluster ensure availability of adequate working capital for operations?
- e) Explain the exit plan of the TSA to ensure a proper handover to the community after capacity building for ensuring sustainability after the project period

10. Proposed budget for the sectoral cluster

- a) Cost of technical support agency (max 15% of project cost)
- b) Infrastructure cost of the sectoral cluster
- c) Capacity building cost of the entrepreneurs
- d) Cost of knowledge and technology transfer
- e) Cost of developing community cadre (if required)
- f) Working capital cost
- g) Other costs

11. Output / outcome

- a) Total units established
- b) Number of community professionals trained and groomed for running the sectoral cluster? (if applicable)
- c) What will be the economic benefits to the entrepreneurs?
- d) Calculate the cost-benefit ratio⁴ of the intervention (it should be at least

1:1.125 at the culmination of the intervention)

12. Annexures

- a) Questionnaire (if any)
- b) List of persons interviewed / met
- c) Minutes of the validation meeting with the stakeholders
- d) Matrix of suggestions from validation meeting and response to suggestions

⁴ Total cost of the project divided by total benefits (incremental income of project beneficiaries) over the complete duration of the intervention, excluding CEF and other resources which are perpetual in nature

Annexure 3: Draft TOR for Hiring TSA

I. Scope of Work

- Diagnostic Study and Intervention Plan
- Product Development and Training
- Institutionalize beneficiaries (into enterprises / collectives)
- Skill Upgradation and Capacity Building
- Production
- Marketing
- Advisory support
- Monitoring of activities
- Handover activities

II. Deliverables and Timeline

III. Firm's Qualification and Experience Requirements

IV. Team Composition

- Reporting
- Payment Schedule

I. Scope of Work

A. Diagnostic Study and Intervention Plan

The TSA's first activity in the proposed clusters is to conduct a diagnostic study. The objective of conducting diagnostic study in a cluster is to map all the business processes of the cluster units viz. manufacturing processes, technology, marketing, quality control, testing, purchase, outsourcing, etc to find out its strengths, weaknesses, opportunities and threats (SWOT), problems and impediments, and accordingly prepare a well-drawn action plan for enhancing competitiveness of the units of the cluster and to position the cluster on a self-sustaining trajectory of growth.

The study should focus on enhanced competitiveness, technology improvement, product diversification, capacity building, adoption of best manufacturing practices, marketing of products, employment generation, etc. The interventions should follow from and directly address the issues highlighted in the report. The agency will seek inputs from the SRLM prior to its study.

The study is expected to include a comprehensive skill assessment exercise on all beneficiaries in the proposed cluster. The TSA is expected to assess the target beneficiary and categorize them into three categories (for example: A, B and C) on the basis of their skill sets.

Apart from skill assessment, the diagnostic study will identify other techno-managerial areas for capacity building and improvement. The TSA, after discussion with SRLM, will develop list of performance indicators to be tracked every quarter. The TSA will conduct a baseline exercise of the cluster and its beneficiaries (presently for existing and subsequently for all new beneficiaries) on the basis of performance indicators developed.

The agency will submit its report comprising

- **Diagnostic Study** containing skill assessment and baseline report and
- **Intervention Plan** to be implemented by it

The Intervention Plan prepared in the initial stages is subject to modification as it is expected that the plan may change as new facts, circumstances, requirements and ideas emerge. The TSA is expected to update the plan in consultation with the SRLM, whenever necessary, to enable mid-course corrections.

B. Product Development and Training

The TSA will (a) increase the range of products, and develop fresh, innovative and marketable approaches that are attractive to urban consumers and create opportunities to establish new B2B, B2C linkages (b) improve the quality of existing product portfolio. The agency will be working in close collaboration with the SRLM in specific product development activities for the international market.

Design / Product development through these workshops and trainings are part of the larger market strategy and should be accordingly timed by the TSA. The TSA is expected to prepare a market plan / strategy, identify target markets and segments, and accordingly plan product / design development.

C. Institutionalise Beneficiaries (into enterprises / collectives)

The TSA will mobilize and organize beneficiaries into enterprises or in one or more producer collectives in close coordination with the SRLM. The PC may be a Producer Company, a Cooperative or any other appropriate registered legal body, having mandatory ownership of beneficiaries, with the ability to conduct business on behalf of the beneficiaries. In case the TSA is forming enterprises, they should be registered in due course to be able to conduct business with external entities. The TSA will undertake relevant activities such as registration of the name of the entity, registering beneficiary members as shareholders, applying for bank accounts, TIN numbers etc.

Each producer collective will hire a CEO, an Admin and Finance officer, one or more Production Managers (as dictated by the geographical spread of operations) and other staff (wherever required) to facilitate smooth operations. The TSA will provide proactive support in the hiring process to ensure competent personnel are hired.

D. Skill Upgradation and Capacity Building

The TSA shall be responsible for providing training to the target group of beneficiaries on a regular basis to upgrade their skills such that they are able to produce marketable products with substantially improved quality. The TSA will also provide skill upgradation trainings in fabrication / finishing to beneficiaries in the fabrication / finishing unit.

Apart from skill up-gradation workshops and trainings aimed at enhancing the crafts skills of the beneficiaries, the TSA will organise managerial trainings that include trainings in record keeping, quality check, production management, costing, procurement, etc. These trainings will be provided to motivated beneficiaries / youth (identified according to well defined criteria) who will function as field level production managers.

The duration and frequency of the trainings will be as per need and determined jointly by the TSA and the SRLM. The agency will seek SRLM's inputs for developing specific capacity building and skill up gradation modules.

E. Production

The TSA will train the cluster in key business activities i.e. purchasing raw material, collecting raw material from traders, receiving orders, costing / pricing, carrying out production and marketing the finished product.

Based on orders from the market (that the TSA will actively generate), or on the TSA's assessment of potential demand, the TSA will facilitate production. The TSA will endeavour to include all beneficiaries / enterprises in the production process. The TSA will provide incubation support and techno-managerial services in the entire production chain including, but not limited to –

- On-going handholding support to clusters, including assisting them in developing a basic business plan and financial projections;
- Developing bank linkages for cluster or enterprises in the cluster so as to meet various capital needs of producers;
- Providing technical know-how and inputs;
- Securing backward linkages;
- Maintaining records;
- Maintaining quality; and
- Fostering linkages with other schemes and interventions working on non- farm livelihoods at the local, state and national levels.

F. Marketing

Developing market linkages for beneficiaries in the proposed cluster is a central activity in this project. All other activities that are part of the project scope (skill assessment, skill up gradation, product development and production) must be carried out with the market in mind. Marketing activities include but are not limited to the following:

- Actively generate orders from the market for products
- Facilitate participation of the cluster in national and international level fairs, exhibitions, sales, etc. over the project period
- Actively use digital and / or traditional media to promote cluster and products
- Design a catalogue or brochure for marketing purposes
- Design labels for the various products
- Assist in getting brochure / catalogue printed and the label made
- Develop marketing linkages with outlets / emporia and other boutique buyers

The role of the TSA in participation of fairs / exhibitions will be to execute activities such as (a) identifying the fair, exhibition or other marketing event the cluster will participate in (b) Liaise with the organisers in booking suitable space (c) Set up stalls and make suitable accommodation and transportation arrangements for the participants, and, (d) Provide guidance and advisory support to participating beneficiaries throughout (at least one staff member of the TSA will accompany the participants)

G. Advisory support

Besides the activities listed above, the TSA will provide key advisory support to the SRLM to facilitate project interventions. This will include proactive guidance in areas such as:

- Establishment of Common Facility Centres (CFCs)
- Establishment of the finishing / fabrication and packaging unit
- Establishment of other cluster assets, such as storage centres, support centres (such as childcare centres for women beneficiaries)
- Mobilization and institution building activities
- Exposure visits that can be organized to improve learning in key areas
- Developing marketing and publicity material
- Any other area that can significantly contribute to the effectiveness of the project.

H. Handover activities

At the end of the intervention period, the TSA will work with the cluster / enterprises in the cluster in preparing a business plan for the duration for the project period after the project period. As part of this business plan, the TSA will clearly chart out actions in terms of skill development activities, design development activities, managerial trainings, supply chain activities, key investments, exposure visits, marketing strategy and business building activities etc. to ensure that cluster / enterprises in the cluster have a clear roadmap beyond the project period. The TSA will seek SRLM's inputs especially in the area of product development and marketing in developing this. The TSA will also ensure that the cluster / entrepreneurs have the capacity to scout, negotiate, and close orders.

II. Deliverables and Timeline

The duration of the project is 48 months. The deliverables and the corresponding indicative timelines are as follows:

| Expected Deliverables | Indicative Timeline³ |
|---|--|
| Intervention plan and baseline data | 3 rd month |
| Registration of cluster / enterprises in the cluster | 4 th month onwards |
| Skill up gradation trainings of beneficiaries | 12 th month |
| Product / Service development workshops | |
| Managerial trainings for identified persons (in costing, quality control, managing producer groups, other key management areas) | |
| Cluster management trainings for identified persons | |
| Marketing workshops for cluster | |
| Catalogue / brochure, label, and marketing materials | After 15 th month |
| Confirmed business worth INR xx crores of products to beneficiary enterprises / collective | By 24 th month |
| Manufacture and delivery of orders worth INR xx crores of products/service by enterprises / collective | By 30 th month |
| Quarterly report of activities (including reporting of data on key indicators) | After every 3 months |
| Mid Term Report along with case studies | 24 th month |
| 3-year business plans for producer collectives Exit strategy and sustainability plan | 36 th month |
| Project Completion Report | 48 th month |

³ Timeline may be revised as per the duration of the project

III. Firm's Qualification and Experience Requirements

The agency must have:

- Prepared at least 4 DSRs in clusters or similar studies, preferably for micro and informal enterprises
- Implemented / provided technical assistance to at least 4 cluster development projects or similar programmes
- Engaged in market promotion for micro and informal enterprises on at least 3 occasions
- Has experience of implementing skill development activities on at least 3 occasions
- Has been in existence for at least 3 years, barring the current year and has audited balance sheet of 3 years
- Experience working with at least 1,500 beneficiaries across a minimum of 2 states in India
- Created and supported at least one beneficiary producer company, preferably in product segment similar to the proposed cluster
- Proven track record in participating in major exhibitions nationally or internationally
- Prior experience of implementing programs supported by national, bilateral, and multilateral agencies will be a plus
- Experience of working in the state is a plus
- Joint bidding of at most two organization is permitted and in such cases the organizations should jointly possess the above minimum criteria
- Individual or proprietary establishments are not permitted to apply

IV. Team Composition

The agency is expected to put in place a competent, dedicated team to ensure that the tasks are achieved with the highest quality. The guidelines for the team composition are as follows:

| Team member | No. of members | Qualification, experience and responsibilities |
|-------------|----------------|--|
| | | |

| | | |
|---|---|---|
| Team Leader / Program Manager/ Director | 1 | <p>At least 15 years of experience in cluster development (particularly non-farm / beneficiary cluster), institutional building, market development and other areas relevant to this assignment. Preferably from the sector of the cluster</p> <p>Will be responsible for providing overall direction and guidance to the team. Will interface with government officials, industry experts and other key stakeholders.</p> <p>Qualification: Post-Graduation in Development Studies, Business Management, Rural Management, or related fields</p> |
| Accounts manager | 1 | <p>This role will provide part-time support to the project.</p> <p>At least 10 years of experience in the finance, procurement, drafting TORs and reporting to the grant maker. Experience in the social sector, NGO, government is a plus.</p> <p>Qualification: Graduation in Finance / Economics</p> |
| Cluster Development Executive | 1 | <p>At least 2 years of experience in enterprise promotion</p> <p>Will be placed in the cluster and will be responsible for providing operational support to the cluster.</p> <p>Qualification: Post-Graduation in Development Studies, Business Management, Rural Management, or related fields</p> |
| Cluster Coordinator | 1 | <p>Preferably recruited from the cluster; good rapport / influence in his/her own cluster and in the neighboring ones; a practitioner of the skill practiced in the said skill is a plus. Must have technical knowledge of the product, and be conversant in the local language</p> <p>Will be responsible for regular coordination with the implementing agency for all the interventions implemented in the cluster.</p> <p>Qualification: Graduate in any field</p> |

Additionally, the project may require services of other support providers in the form of the following. These services may be engaged on a part-time / contract basis by the TSA.

| Team member | No. of members | Qualification, experience and responsibilities |
|---------------------------------------|-----------------------|--|
| Finance Director | 1 | <p>This role will provide part-time support to the project.</p> <p>At least 10 years of experience in the finance, procurement, drafting TORs and reporting to the grant maker. Experience in the social sector, NGO, government is a plus.</p> <p>Qualification: Graduation in Finance / Economics</p> |
| Sectoral Lead | 1 | <p>At least 7 years of experience in sectoral skill training-oriented activities in the skill-based sector, well networked in sector's fraternity, thorough understanding of the market.</p> <p>Will be responsible for all the skill and design development training programs in the field.</p> <p>Qualification: Graduation in relevant sector</p> |
| Sectoral Marketing Specialist | 1 | <p>More than 10 years of experience in direct market positioning of Services/ products, pricing and costing mechanism; thorough understanding of various market segments such as exhibitions, export, fairs and festivals, retail B2B and e-commerce. Will be expected to have in depth knowledge of new industry practices, certifications, regulations etc.</p> <p>Qualification: Post-Graduation in Business Administration</p> |
| Skill Trainers / Master beneficiaries | As required | <p>Minimum 10 years of experience in relevant skills in active practice at the cluster level as well as outside.</p> |

V. Reporting

The TSA will report directly to the SPM Non-Farm Livelihoods or a suitable official

nominated by the State Mission Director of the SRLM

VI. Payment Schedule

Release of funds to the cluster should be as per the timeline given in DPR for the expenditure of six months. 2nd instalment may be released on utilisation of 60% utilization of the available funds and achievement of corresponding deliverables or as per the extant guidelines of the Department of expenditure.

Annexure 4: List of NITI Aayog's Aspirational Districts

| # | State Name | District Name |
|----|-------------------|---------------|
| 1 | Andhra Pradesh | Kadapa |
| 2 | Andhra Pradesh | Visakhapatnam |
| 3 | Andhra Pradesh | Vizianagaram |
| 4 | Arunachal Pradesh | Namsai |
| 5 | Assam | Barpeta |
| 6 | Assam | Darrang |
| 7 | Assam | Dhubri |
| 8 | Assam | Goalpara |
| 9 | Assam | Hailakandi |
| 10 | Assam | Baksa |
| 11 | Assam | Udalguri |
| 12 | Bihar | Araria |
| 13 | Bihar | Aurangabad |
| 14 | Bihar | Banka |
| 15 | Bihar | Begusarai |
| 16 | Bihar | Gaya |
| 17 | Bihar | Jamui |
| 18 | Bihar | Katihar |
| 19 | Bihar | Khagaria |
| 20 | Bihar | Muzaffarpur |
| 21 | Bihar | Nawada |
| 22 | Bihar | Purnia |

| | | |
|----|-------------------|----------------|
| 23 | Bihar | Sheikhpura |
| 24 | Bihar | Sitamarhi |
| 25 | Chhattisgarh | Bastar |
| 26 | Chhattisgarh | Dantewada |
| 27 | Chhattisgarh | Kanker |
| 28 | Chhattisgarh | Korba |
| 29 | Chhattisgarh | Mahasamund |
| 30 | Chhattisgarh | Rajnandagaon |
| 31 | Chhattisgarh | Bijapur |
| 32 | Chhattisgarh | Narayanpur |
| 33 | Chhattisgarh | Sukma |
| 34 | Chhattisgarh | Kondagaon |
| 35 | Gujarat | Dohad |
| 36 | Gujarat | Morbi |
| 37 | Gujarat | Narmada |
| 38 | Haryana | Nuh |
| 39 | Himachal Pradesh | Chamba |
| 40 | Jammu And Kashmir | Baramulla |
| 41 | Jammu And Kashmir | Kupwara |
| 42 | Jharkhand | Bokaro |
| 43 | Jharkhand | Chatra |
| 44 | Jharkhand | Dumka |
| 45 | Jharkhand | East Singhbhum |
| 46 | Jharkhand | Garhwa |

| | | |
|----|----------------|----------------|
| 47 | Jharkhand | Giridih |
| 48 | Jharkhand | Godda |
| 49 | Jharkhand | Gumla |
| 50 | Jharkhand | Hazaribag |
| 51 | Jharkhand | Latehar |
| 52 | Jharkhand | Lohardaga |
| 53 | Jharkhand | Pakur |
| 54 | Jharkhand | Palamu |
| 55 | Jharkhand | Ranchi |
| 56 | Jharkhand | Sahibganj |
| 57 | Jharkhand | Simdega |
| 58 | Jharkhand | West Singhbhum |
| 59 | Jharkhand | Khunti |
| 60 | Jharkhand | Ramgarh |
| 61 | Karnataka | Gadag |
| 62 | Karnataka | Kalaburagai |
| 63 | Karnataka | Raichur |
| 64 | Karnataka | Yadgir |
| 65 | Kerala | Wayanad |
| 66 | Madhya Pradesh | Barwani |
| 67 | Madhya Pradesh | Chattarpur |
| 68 | Madhya Pradesh | Damoh |
| 69 | Madhya Pradesh | East Nimar |
| 70 | Madhya Pradesh | Guna |

| | | |
|----|----------------|--------------|
| 71 | Madhya Pradesh | Rajgarh |
| 72 | Madhya Pradesh | Vidisha |
| 73 | Madhya Pradesh | Singrauli |
| 74 | Maharashtra | Gadchiroli |
| 75 | Maharashtra | Jalgaon |
| 76 | Maharashtra | Nanded |
| 77 | Maharashtra | Nandurbar |
| 78 | Maharashtra | Osmanabad |
| 79 | Maharashtra | Washim |
| 80 | Manipur | Chandel |
| 81 | Meghalaya | Ri Bhoi |
| 82 | Mizoram | Mamit |
| 83 | Nagaland | Kiphrie |
| 84 | Odisha | Balangir |
| 85 | Odisha | Dhenkanal |
| 86 | Odisha | Gajapati |
| 87 | Odisha | Kalahandi |
| 88 | Odisha | Kandhamal |
| 89 | Odisha | Koraput |
| 90 | Odisha | Malkangiri |
| 91 | Odisha | Nabarangapur |
| 92 | Odisha | Nuapara |
| 93 | Odisha | Rayagada |
| 94 | Punjab | Ferozepur |

| | | |
|-----|---------------|--------------------------|
| 95 | Punjab | Moga |
| 96 | Rajasthan | Baran |
| 97 | Rajasthan | Barmer |
| 98 | Rajasthan | Dholpur |
| 99 | Rajasthan | Jaisalmer |
| 100 | Rajasthan | Karauli |
| 101 | Rajasthan | Sirohi |
| 102 | Sikkim | East District |
| 103 | Sikkim | West District |
| 104 | Tamil Nadu | Ramanathapuram |
| 105 | Tamil Nadu | Virudhunagar |
| 106 | Telangana | Adilabad |
| 107 | Telangana | Jayashankar Bhupalapally |
| 108 | Telangana | Khammam |
| 109 | Telangana | Kumuram Bheem Asifabad |
| 110 | Telangana | Warangal Rural |
| 111 | Tripura | Dhalai |
| 112 | Uttar Pradesh | Bahraich |
| 113 | Uttar Pradesh | Balrampur |
| 114 | Uttar Pradesh | Chandauli |
| 115 | Uttar Pradesh | Chitrakoot |
| 116 | Uttar Pradesh | Fatehpur |
| 117 | Uttar Pradesh | Shravasti |
| 118 | Uttar Pradesh | Siddharthnagar |

| | | |
|-----|---------------|-------------------|
| 119 | Uttar Pradesh | Sonbhadra |
| 120 | Uttarakhand | Haridwar |
| 121 | Uttarakhand | Udham Singh Nagar |
| 122 | West Bengal | Birbhum |
| 123 | West Bengal | Dakshin Dinajpur |
| 124 | West Bengal | Nadia |

Guidelines for Incubator 17/11/2022

S-11057/03/2019/SVEP/Part1 (367169)
Government of India
Ministry of Rural Development
Department of Rural Development
<https://rural.nic.in>
(Rural Livelihoods Division)

7th Floor, NDCC – II Building,
Jai Singh Road,
New Delhi – 110001

Dated: 17th November, 2022

To,
The SMD/CEO SRLMs
All States/UT

Subject: Incubator guidelines under NRLM

Madam/Sir,

I am directed to share the guidelines of Incubators, a component under the Start-up Village Entrepreneurship Programme (SVEP) sub-scheme of Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM) of Ministry of Rural Development (MoRD).

The earlier Incubator guidelines approved under NRETP will be applicable to all the States in which Incubators are already approved.

This guideline of Incubators issues with the approval of Secretary (RD).

Yours faithfully,


(Raghvendra Pratap Singh)
Director (RL)
Ph. 011-23438102

Encls:A/a

To,

1. All NROs
2. All State anchors

Guidelines for Supporting Growth Oriented Micro Enterprises through Incubators

**DAY - National Rural Livelihoods Mission
Ministry of Rural Development
(Government of India)**

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Acronyms

| | |
|----------|---|
| AIC | Atal Incubation Centre |
| AIM | Atal Incubation Mission |
| BMMU | Block Mission Management Unit |
| BPM | Block Project Manager |
| CEF | Community Enterprise Fund |
| CIF | Community Investment Fund |
| CLF | Cluster Level Federation |
| CRP | Community Resource Person |
| DAY-NRLM | Deendayal Antodaya Yojna – National Rural Livelihoods Mission |
| DDU-GKY | Deen Dayal Upadhayay - Grameen Kaushalaya Yojana |
| DMMU | District Mission Management Unit |
| DPM | District Project Manager |
| DST | Department of Science and Technology |
| FI | Financial Inclusion |
| IBCB | Institution Building & Capacity Building |
| KPI | Key Performance Indicators |
| MeitY | Ministry of Electronics and Information Technology |
| NRLP | National Rural Livelihood Project |
| NRP | National Resource Person |
| RSETI | Rural Self Employment Training Institute |
| SHG | Self Help Group |
| SRLM | State Rural Livelihood Mission |
| SRP | State Resource Person |
| SVEP | Start-up Village Entrepreneurship Programme |
| TIDE | Technology Incubation and Development of Entrepreneurs |

1. Context¹

During the last decade, the Deendayal Antodaya Yojna – National Rural Livelihoods Mission (DAY-NRLM) has expanded to 6,845 blocks spread over 721 districts across 28 States and six Union Territories (UTs). It has been instrumental in building a platform of about ten crore rural women mobilized into community institutions. Since inception, the community organisations have been provided capitalisation support of INR 19,236 crore till August 2022. Further, more than Rs 5,40,122 crore of bank credit has also been accessed by the SHGs since 2013-14 till August 2022.

Of the SHG women-entrepreneur base, approximately 150-200 women enterprises in each focus state have demonstrated growth potential in terms of size, profitability, formalization, access to bank finance etc. These entrepreneurs have an established business case but need dedicated support to grow their business. The DAY-NRLM proposes to have dedicated incubators supporting the State Rural Livelihood Missions (SRLMs) to incubate growth-micro enterprises and enable their transition into self-sustaining growth-enterprises that create local employment opportunities. These enterprises will, in turn, help in developing models which can be replicated across various states.

The rationale for incubators for this specific segment emerges from both the demand and supply-side factors. The existing incubators in the States are primarily focused on social enterprises or urban entrepreneurship, or tech-based enterprises and overlook the rural area-based entrepreneurs especially women, who face additional constraints in accessing such services and knowledge needed for sustenance and growth. On the demand-side, growth enterprises or budding entrepreneurs require specialized business development support in the form of comprehensive and integrated range of support as provided by existing service delivery providers.

A necessity exists to build knowledge and support eco-system for supporting SHG-women-owned enterprises in the manufacturing and services sector, demonstrating minimum economies of scale to engage with larger markets, become financially sustainable, generate local employment, and build models for replication and scalability.

¹ Existing incubation guidelines, including guidelines for Livelihood Business Incubator by ASPIRE and Handbook for Non-Profit Incubator Managers developed by GIZ, SIDBI, AIM, and CIIE (IIM-Ahmedabad), were referenced while preparing the document.

2. Objective

The objective of the initiative is to pilot strategies to scale up at least 150 existing women-owned / women-led growth-oriented enterprises in a State/UT and create models for replicability. The enterprises supported will be in manufacturing and service sectors, which are hamstrung by various facets of market failure and information asymmetry. The total duration of the incubation component is for three years.

Towards this, it is proposed to on-board incubators in the States/UTs who have expertise in incubating rural growth micro-enterprises or working in the social impact space or incubators with an intent to service this segment. The incubators will be expected to:

- a) Develop these women led enterprises (in manufacturing and service sectors) as formal enterprises and build them as legal entities with proper business models
- b) Help the incubated enterprises increase revenue by 15% from the baseline (on year-on-year basis)
- c) Improve creditworthiness of these enterprises and enable them access credit from formal financial institutions
- d) Develop partnerships with innovators/social enterprises/for-profit company/start-ups to catalyse the growth of rural enterprises
- e) Create business models for generating local employment (an average of three to four jobs)
- f) Capacitate the women entrepreneurs to enable them running the business themselves
- g) Create model for replicability across the DAY-NRLM States/UTs

3. Implementing Agency

The implementing agency for this component will be the SRLMs existing in each State/UT.

The incubator will be the execution agency, while the NMMU of DAY-NRLM will engage in regular monitoring and oversight.

3.1 Which state can implement the incubator intervention?

Selection of states for incubation is based on states strength and incubator strengths. The strength of the partner incubator be given 60% weightage and the strength of the SRLM be given 40% weightage while deciding the States/UTs for this component.

The States with the following characteristics shall be prioritized:

- a) The SRLM must have adequate human resources at the State, district, and block. It is essential to coordinate with the incubator at all levels and ensure regular

monitoring of activities as well as learning from the implementation process and building the internal capacity of the SRLM to support enterprises for growth.

- b) To support existing growth-oriented enterprises, it is essential to assess SRLM's enterprise promotion initiatives in the blocks. Hence, the percentage of blocks where existing enterprise support programs are being implemented will also be weightage.
- c) To assess SRLM's capability in implementing enterprise development programmes, SVEP implementation progress will be considered a proxy measure. The percentage of target met as per timelines will be accorded a weightage.
- d) The SRLM shall also have to internally assess and share the details of the approximate number of enterprises meeting the eligibility criteria for support under the incubator intervention – large enterprises / group enterprises, individual enterprises with the minimum required turnover, women led enterprises as specified in Section 4.2.

To ensure that the segment of rural women enterprises is served effectively, DAY-NRLM will also evaluate the incubator selected by the SRLM. It will evaluate the incubator on the following characteristics:

- a) The incubator should be housed in an institute of excellence or national repute like IIT / IIM / IRMA etc., and should have been an incubator in more than one govt sponsored program.
- b) Should have proven experience working with women's enterprises or with social sector enterprises.
- c) The incubator should have experience in mentoring or supporting manufacturing/service enterprises
- d) The incubator should have experience working in rural or peri-urban areas
- e) Amount of funds raised by the incubator in the past five years will also be considered.

DAY-NRLM will evaluate a composite score of the State and the incubator characteristics. The implementation capacity of the State will be accorded a 40% weightage, while DAY-NRLM will give the strength of the incubator for implementing the component with rural women entrepreneurs a 60% weightage.

- The incubator component may only be implemented by States/UTs which have the conviction and data that the State/UT has more than the required number of eligible enterprises as defined in section 4.2. Such data shall have to be substantiated by the state from any MIS data that the state has. Hence, each State/UT may not receive the opportunity to conduct the incubator component.
- SRLMs would conduct an initial screening/pre-feasibility analysis to analyse the scope and expected availability of enterprises eligible for the incubation program.

The state will share a brief report and its analysis with the DAY-NRLM. Post-approval from the DAY-NRLM, the state will take up the incubator component for implementation.

4. Characteristics of Enterprises to be Supported by the Incubator

4.1. Enterprise Type

- The incubator will support enterprises dealing with manufacture of goods or rendering of services.
- Enterprises dealing primarily with trading of goods will not be supported through the incubator component.
- Diversity of enterprises from the state/UT is preferable (Minimum 10 different types of enterprises should be supported by the incubator in the state. Maximum number of one type of enterprises to be supported (eg tailoring enterprises etc) should be 25)

4.2. Turnover Range

Three kinds of enterprises can be supported by the incubator:

Registered Enterprises

- a) **Large Enterprises:** A GST registered enterprise with a minimum annual turnover of at least Rs 20 lakh in the previous two financial years excluding covid impacted years.

Unregistered Enterprises

- b) **Group Enterprises:** An enterprise owned by more than one entrepreneur with a minimum annual turnover of at least Rs 15 lakh in the previous two financial years excluding covid impacted years.
- c) **Individual Enterprises:** An enterprise owned by an individual with a minimum annual turnover of at least Rs 12 lakh in the previous two financial years excluding covid impacted years.

4.3. Entrepreneurs

SHG members or SHG-member households must necessarily own these enterprises. In the case of SHG members households, the project can support the husband / unmarried son / unmarried daughter/ unmarried brother/ unmarried sister/parents of the SHG member.

- Minimum 2/3rd (or 66%) enterprises supported should be women-owned or women-led enterprises.

Women-owned enterprises are those enterprises that are completely owned and managed by women.

Women-led enterprises are those enterprises where at least 60% members in the enterprise's decision-making body (executive committee) are women.

- Application for support under the incubator program should be collected only from those SHG members (or the SHG households) where the SHG members have completed a minimum period of 12 months of membership in SHG and also who've attended a minimum of 30 weekly meetings in the previous 12 months (in states which follow a weekly meeting calendar for the SHGs) or a minimum of 9 monthly meetings in the previous 12 months (in states which follow a monthly meeting calendar for the SHGs), as the case may be.
- It is preferred that a maximum of 50% of enterprises supported by the incubator can be individual enterprises and 50% of enterprises supported could be group enterprises (as defined in section 4.2. The State/UT may relax this criterion based on the local conditions. The stress on supporting group enterprises is due to the fact that group enterprises are more equitable in the share of profits and a large enterprise typically needs a team of leader with complementary skills to expand and grow – one individual usually does not have all the skills needed to run a large enterprise or the time to do all the activities for running a large enterprise.
- SRLM may focus on incubating any other enterprise operating within their framework or functional under their PGs/PEs or such enterprises that they intend to launch/operate in the future.(eg. Sanitary pad manufacturing units, Take home ration units etc) Such enterprises could avail the incubation facility under the incubator component and the incubator shall help them set up a robust business plan and business practices for economic sustainability. The eligibility criteria may be suitably diluted by the state to ensure selection of such nominated enterprises. The percentage of such enterprises should not be more than 10% of the total incubated enterprises (Out of the 150 enterprises, a maximum of 15 enterprises could be in this category). Ideally such nominated enterprises should not be eligible for grants under this program, as the eligibility criteria has been relaxed for such nominated enterprises by the SRLM.

The incubator should ensure that the dependence of such units on government as the sole buyer is reduced and thereby such enterprises are de-risked.

4.4. Geography

The incubator component will support enterprises across the whole State/UT with the SRLM presence. At least 10% of total enterprises supported must be in remote blocks of the State/UT.

Remote blocks for the purpose of this component refers to a block which is at a distance of at least 50 km from the nearest town with a population of at least three lakhs (as per 2011 census). The state may relax the eligibility criteria for the enterprises from the remote blocks in order to facilitate enhanced participation and to build an understanding on how to support remote enterprises for growth.

4.5. Enterprises Ineligible for Incubator Support

The following is an indicative list of enterprises that **will not** be supported by the incubator component:

- a) Agriculture and primary production / aggregation activities
- b) Backyard activities (like backyard poultry, pre-preparation weaving activities like warping, bobbin winding, etc.)
- c) Trading / retail enterprises
- d) Enterprises not compliant with minimum health and safety standards
- e) Enterprises not compliant with environmental safeguards
- f) Enterprises operated by the SRLM staff

5. Services Provided by the Incubator to the Enterprise

The incubator will be engaged to render services across the State/UT. The incubator will provide the following services to the enterprise (indicative):

- a) Preparation of growth plan with financials and mentoring support plan
- b) Professional mentoring support to formulate strategy for growth and guide business operations to achieve growth targets
- c) Raising finance from commercial sources (debt or equity)
- d) Developing strategy for quality control, warehousing, and supply chain for supported enterprises
- e) Facilitating and **diversification** of market linkages (forward and backward linkages), providing market information and intelligence. The incubator must ensure that the incubated enterprises have more than only 1 buyer (eg. Government in case of a uniform unit or take home ration unit) or raw material supplier, so that the business is de-risked.
- f) Assisting with input need assessment and market estimation
- g) Facilitate registrations, certifications, and licences of the enterprise

- h) Handholding support to grow the business
 - i) Identify the training gaps of the entrepreneurs and provide training and capacity building to the entrepreneur
 - j) Develop partnerships with organisations /startups with technologies / innovations to benefit the rural enterprises
 - k) Reduce the business risk and increase the resilience of the incubated enterprises.
- Additionally, each enterprise supported under this component will be given a financial reward or a soft loan (at 0% interest) through a challenge fund to support their growth initiative. The grant / soft loan is being provided to allow the enterprise to mitigate any risk associated with growth – eg. Investment in enhancing capacity shall precede increase in sale and profitability. Details on the challenge fund are mentioned in section 6.
 - The SRLM must ensure that the incubator does not claim the reimbursement / benefits from any other State or Central government for the same incubation activities in the same geography. The incubator should provide an undertaking to this effect.

6. Challenge Fund

A challenge fund is an innovative financing mechanism to mitigate risks for socially worthwhile projects/ growth projects and make them financially sustainable in the project duration. It is a transparent and competitive process to allocate financial support to enterprises.

The DAY-NRLM will provide a challenge fund as a soft loan/grant to selected individual and group enterprises on a competitive basis; that has the potential to substantially increase enterprise revenue and contribute to the local economy through job creation. The enterprises availing challenge fund will also receive professional support from the selected incubation agency for growth.

The enterprises to receive awards via the challenge fund would be selected by a Jury Panel. The jury shall select individual enterprises and group enterprises to award the Challenge Fund.

The entire process of awarding the challenge fund will be anchored and managed by the incubator, with support from the SRLM. The incubator and SRLM should ensure that the outcome of the challenge fund is such that all the boundary conditions set for the enterprises to be supported are selected in the challenge fund process (% of individual and group enterprises, % of women owned/ managed enterprises, enterprises meeting the eligibility turnover criteria, enterprises from remote blocks, diversity in the types of enterprises being supported etc.).

The process of shortlisting of the enterprises for participation in the challenge fund round should itself ensure that adequate number of enterprises meeting the boundary conditions are shortlisted for participation in the challenge fund round and the final selection of the jury also closely meets the boundary conditions.

6.1. Types of Challenge Fund Awards

There are two types of challenge fund that can be awarded:

- a) Grant to enterprises
- b) Soft loan (at 0% rate of interest) to enterprises

Challenge fund award will be provided up to a maximum of 75% of the enterprise's fund requirement for growth (Capital expenditure and working capital for one cycle).

Challenge fund support – either in the form of soft loans or grant **would not** be provided for purchase of land / building, but the support should be for increasing capacity (equipment) and working capital. Capital expenditure mentioned in the guidelines would exclude construction of buildings.

The incubator should ensure that detailed and realistic business plans for the all the shortlisted enterprises (approx. 250) for the challenge fund rounds are prepared (with help and support of the incubator team) and the estimated fund requirement of each shortlisted enterprise should be available with the enterprise before the challenge round.

The incubator may take the help of CRP-EPs in making these business plans (on payment of remuneration to the CRP-EPs). The jury during the challenge fund round must have access of a detailed business model (current business) validated by a panel of industry experts / mentors and also a proposed business plan detailing the funds required for growth by the enterprise – based on the inputs from the entrepreneur and CRP-EP's / incubators teams/ industry mentors etc Adequate time and resources should be planned for this activity before the challenge fund round.

Ideally at the end of the challenge fund round the jury should be clearly able to recommend selection of an enterprise for support by incubation and the amount of soft loan / grant that is needed by the enterprise. The challenge fund round should end with an award ceremony where at least the sanction letter of the soft loan/reward is handed over to the winners of the challenge fund round.

6.2. Eligibility for Applying for the Fund

The enterprise must belong to an SHG-member household and preferably be women-owned or women-led.

1. In case the enterprise is individually owned, the entrepreneur or her immediate family member as defined in section 4.3, should necessarily be a member of SRLM-promoted SHG, which is listed on the DAY-NRLM portal.

2. Application for support under the incubator program should be collected only from those SHG members (or the SHG households) where the SHG members have completed a minimum period of 12 months of membership in SHG and also who've attended a minimum of 30 weekly meetings in the previous 12 months (in states which follow a weekly meeting calendar for the SHGs) or a minimum of 9 monthly meetings in the previous 12 months (in states which follow a monthly meeting calendar for the SHGs), as the case may be.
3. In the case of a group enterprise, a minimum of 51% of members should be members of the DAY-NRLM SHG households

6.3. Administration of the Challenge Fund

The responsibility of conducting the process of awarding challenge fund lies with the incubator.

1. Both SRLM and incubator must appoint a nodal person, each responsible for coordinating/organising a competition to administer the challenge fund.
2. The incubator and SRLM will jointly decide the schedule (including the date and venue of the competition) and modus operandi
3. The notice for applying for the challenge fund should be disseminated in the field at least two months (60-days) before the competition. It will be the responsibility of the SRLM to communicate advance information through the notice to their cadres and staff. This information should also be disseminated through social media and newspapers, etc.
4. DMMU / BMMU shall assist the interested enterprises in applying for the challenge fund, including filling up the application forms. Incubator/SRLMs may also take the support of CRPs / SRPs.
5. The incubator will select and appoint an independent jury, with at least two representatives from the SRLM to evaluate applications. The NRLM representative may be invited to be part of the jury.
6. The jury shall appraise the applications based on performance indicators, including commercial sustainability of the enterprise, scope of increasing turnover by at least 15% over the subsequent 12-months of operation (and maintaining the same for the next 6-months), the scope of creating local jobs, and replicability of the business model. The state may modify the criteria as per their context after seeking the approval of the NRLM with justification.
7. The SRLM will transfer the reward (grant) amount to the incubator within a maximum of 15-days after the culmination of the challenge fund event, who will release it to entrepreneurs/enterprises selected by the jury for reward within 15-days of receipt of funds.
8. The SRLM will transfer the soft loan amount to the concerned CLF maximum within 15-days after the culmination of the challenge fund event, who in turn, will release it to entrepreneurs selected by the jury within 15-days of receipt of funds from the

SRLM. The SRLM may prepare necessary guidelines for the administration of the challenge fund and the CBO's handling of the challenge fund.

9. The incubator will furnish bank statements reflecting the transfer of payment to the enterprises within 15-days of the receipt of funds. The unspent balance amount, if any, shall also be returned to the SRLM within 15-days from the receipt of funds.
10. While selecting enterprises, the incubator must consider both diversity and depth of type of enterprises. Ideally, no less than five (5) and no more than 25 of any kind of enterprises (e.g., apparel manufacturing/ take-home ration) etc., should be selected.

6.4. Fund Amount

The financing mechanism and amount will differ as per the type of enterprise. 75% of the fund required for enterprise growth (total infrastructure cost and working capital for one cycle) will be awarded as a prize / soft loan to selected enterprises.

Table 1: Suggested Mode of Funds Provision

| Enterprise Type | Minimum Annual Turnover* | Is Registration Mandatory | Financing Mechanism | Maximum Number of Enterprises in the State/UT |
|-----------------------|--------------------------|---------------------------|----------------------------|---|
| Large Enterprise | Rs 20 lakh | Yes | Reward | 6 |
| Group Enterprise | Rs 15 lakh | No | Reward | 6 |
| Individual Enterprise | Rs 12 lakh | No | Reward | 6 |
| Group Enterprise | Rs 15 lakh | No | Soft loan (at 0% interest) | 132 |
| Individual Enterprise | Rs 12 lakh | No | Soft loan (at 0% interest) | |

* The amount stated under minimum annual turnover is the average turnover of the previous two non-covid impacted financial years

** The total amount for awarding as grant to individual and group enterprises (as mentioned in section 4.2) is prescribed per state is in the following manner.

- Each incubator will be provided Rs 45 lakh per state to distribute as reward to individual and group enterprises and Rs 60 lakh for the large enterprises (see table below)
- A maximum of 75% of the total infrastructure cost and working capital for one cycle will be awarded as reward up to the maximum ceiling as mentioned below.
- If the SRLM and incubator plan to conduct more than two incubation rounds, the reward amount may be apportioned downward appropriately to ensure the overall budget for the class of reward is not breached.
- If a sufficient number of large enterprises are not identified even after two incubation rounds, and 6 winner cannot be declared among the large enterprises, in such case the remaining balance of the 6 winners may be added to the winners in the Group and Individual enterprises based on the selected proportion for the jury round, subject to the cap of reward for each category.

Table 2: Enterprise Types and Rewards to the Winners

| Enterprise Type | Maximum First Reward | Maximum Second Reward | Maximum Third Reward | # Rounds | # Winners | Total |
|------------------------|-----------------------------|------------------------------|-----------------------------|-----------------|------------------|--------------------|
| Large | Rs 15 lakh | Rs 10 lakh | Rs 5 lakh | 2 | 6 | Rs 60 lakh |
| Group | Rs 7.50 lakh | Rs 3.75 lakh | Rs 1.25 lakh | 2 | 6 | Rs 25 lakh |
| Individual | Rs 6 lakh | Rs 3 lakh | Rs 1 lakh | 2 | 6 | Rs 20 lakh |
| Total | | | | | | Rs 105 lakh |

The policy for disbursement of challenge fund may be reviewed in due course to incorporate necessary changes, with appropriate approvals from the DAY-NRLM.

6.4.1. Terms of Reward (Grant)

- a) Each incubator will be provided with a maximum of Rs 105 lakh (per state/UT) to distribute as reward to individual and group enterprises (Rs 45 lakh per state to distribute as reward to individual and group enterprises and Rs 60 lakh for the large enterprises)
- b) Large enterprises (registered; as mentioned in section 4.2) will be eligible for a receiving grant if they meet conditions for evaluation by the independent jury constituted as described above.

- c) Top three individual and group enterprises (unregistered; as mentioned in section 4.2) in each incubation round will be given financial rewards if they meet conditions for evaluation by the independent jury.
- d) A maximum of 75% of total fund requirement for growth (total infrastructure cost and working capital for one cycle) may be given as a reward, subject to the ceiling defined for the reward (See Table No. 1).
- e) If the SRLM and incubator plan to conduct more than 2 challenge funds rounds, the reward amount (Rs 105 lakh) may be apportioned downwards appropriately to ensure the maximum cap per reward and the total amount allocated for each class of rewards is not breached.
- f) Reward may be transferred in tranches to SHG member's bank account based on the achievement of the milestones as decided in the business plan and as approved by the jury / incubator.

6.4.2. Terms of Soft Loan (Loan at 0% Interest)

- a) Soft loan may be given to enterprises if they meet the conditions for evaluation by the independent jury.
- b) 75% of the total fund requirement for growth (total infrastructure cost and working capital for one cycle), up to the maximum ceiling defined for the type of enterprise in the table above, may be given as a soft loan. The balance of 25% may be raised by a mixture of the following: own funds, loans from banks, loans from CIF, any grants from CSR/convergence, etc. This has to be facilitated by the incubator with the support of the IBCB and Financial Inclusion teams of the SRLMs.
- c) The jury will specify the duration of the soft loan at the time of awarding the loan, but the term cannot be more than three years. The jury may also decide to grant a moratorium period of up to six months for the principal repayment of the soft loan to the enterprise depending upon the business case.
- d) The soft loan amount will be given to the concerned CLF, who will route it further to the enterprise through the SHG.
- e) The loan will be repaid to the concerned CLF of the block in which the enterprise is located. If the CLF is routing the CEF, the amount will become a part of the CIF but will be routed directly to the enterprise's / entrepreneur's account from the CLF at 0% interest. In case there is no CEF, the amount will become a part of the CIF and will be routed directly to the enterprise's / entrepreneur's account from the CLF at 0% interest.
- f) The CLF will earn interest income on the subsequent rotation of the loan amount. The fund routing mechanism may be decided by the state while ensuring minimal time lapse between the fund received from the state and the time it reaches the enterprise's bank account.

- g) The soft loan amount repaid by the entrepreneurs should be clubbed with the CEF (if exists) of the CLF or if CEF is not there then with the CIF of the CLF and should become part of the CEF /CIF and used for onward lending at the same rate of interest as the other funds of the CIF/ CEF.
- h) The concerned CLF and BMMU will be responsible for ensuring the repayment of soft loans awarded to the enterprise as part of the challenge fund. This repayment of loan may be to the CLF directly or may be routed through the SHG/VO route, as may be decided by the state. The incubator shall also monitor and track the soft loan repayment status for the duration of the project.
- i) SRLM should take adequate measures to explain to the supported/funded enterprises that they should use the total reward or soft loan amount for the specific purpose it has been awarded, and there should be no diversion of the funds for any other usage. The state may decide its penalties if any enterprise diverts funds to other uses.
- j) Soft loan may be transferred in tranches to SHG member's bank account either directly by the CLF or through the CLF-VO-SJHG route as decided by the state, based on the achievement of the milestones as decided in the business plan and as approved by the jury / incubator.

7. Incubation Process

The proposed incubation process is presented below. The primary objective of the process is to recognise indigenous enterprise models and explore ways of replicating them across the DAY-NRLM states/UTs. The states/UTs may modify the process as per their experience and context.

- a) Procure an incubator to support growth-oriented enterprises
- b) Identification of growth-micro enterprises

Stage 0

- i) SRLM and the incubator will finalize the definition and criteria for selecting growth-micro enterprises based on state context (the definition essentially involves the minimum threshold of revenue, sector, number of employees, the scope for growth, replicability of the enterprise etc.)
- ii) Shall prepare indicators to appraise applications (indicators should measure commercial sustainability of the enterprise, scope of increasing turnover by at least 15% over subsequent 12-months of operation, scope of creating local jobs), and replicability of the business model
- iii) Disseminate information to the potential enterprises/incubates to apply for challenge fund and incubation support at least 60-days prior to organizing the challenge fund competition using the states district and block units, the

CBOs and community cadre in the field, as well by advertising in the local language press and promotional activities as per the agreed plan.

Stage 1

- iv) SRLM will invite applications from SHG enterprises for accessing incubation support in the defined format. The state may seek assistance from SRPs /CRPs for filling applications. The BMMU / DMMU must also lend support wherever necessary.
- v) SRLM and incubator will scrutinize applications and shortlist adequate enterprises so that it can finalise 150 enterprises for support.

If the SRLM and incubator are unable to select 150 enterprises in one round, the incubation process may be conducted in 2-3 rounds.

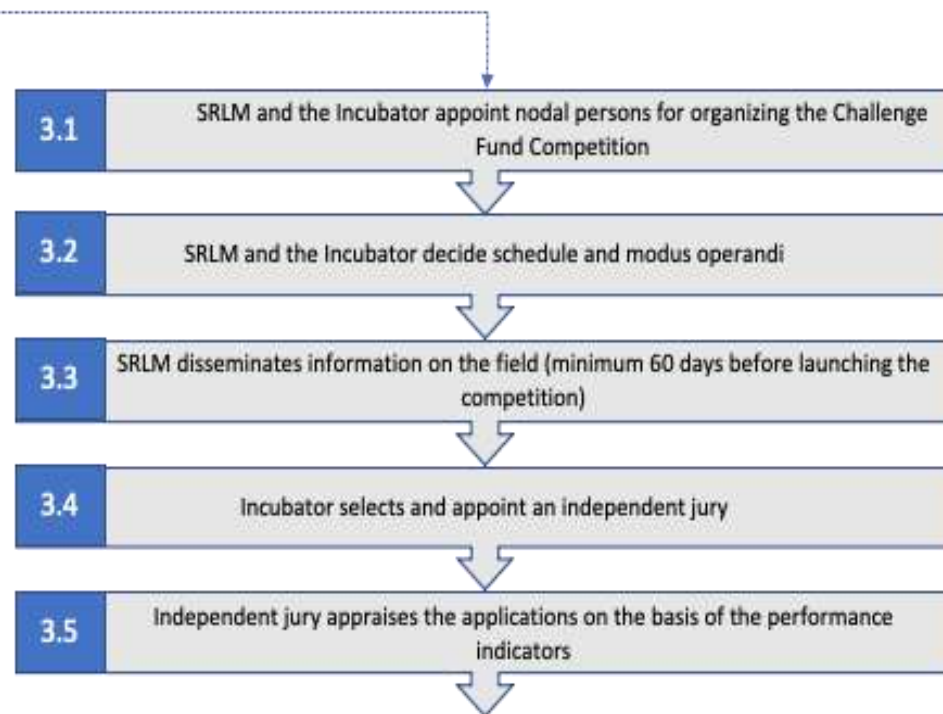
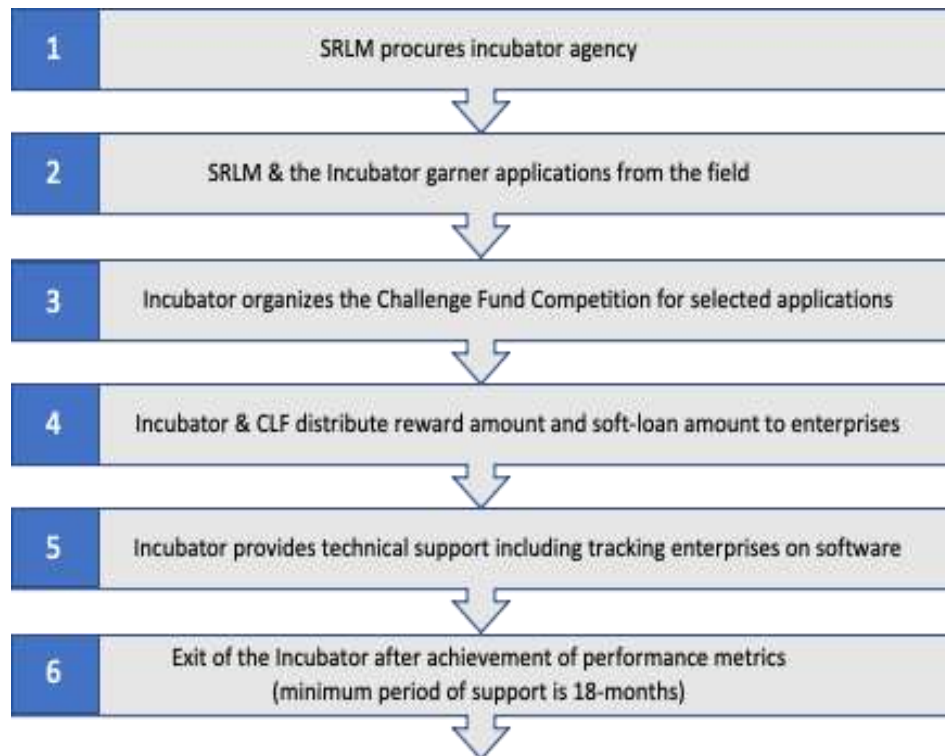
Stage 2

- vi) The incubator will support these shortlisted enterprises in fine-tuning their applications and in preparing a detailed business plan, including collecting some of the baseline information about these shortlisted enterprises and prepare them for the final challenge fund competition.
- c) Organise challenge fund competition (as per process elaborated in section 6.3)
 - i) Choose a convenient date and venue (preferably at / near the state capital) for the challenge fund competition and disseminate information to the eligible applicants at least 30-days in advance
 - ii) Appoint a jury (with at least two representatives from the SRLM and an invitee from the NRLM). The jury should include industry experts and well reputed persons in start-up ecosystem.
 - iii) Organise the challenge fund competition and have entrepreneurs make presentations about their enterprise's commercial sustainability and growth plan
 - iv) Award challenge fund to selected enterprises
 - d) Transfer of challenge fund by the SRLM
 - i) To the incubator
 - i. The SRLM shall transfer the amount of reward (grant) under challenge fund to the incubator within 15-days of culmination of the event
 - ii. The incubator shall transfer the amount to the selected enterprises within 15-days of receipt of funds

- iii. The incubator will furnish bank statements to the SRLM (both incubator and rewardee's bank accounts) reflecting transfer of payment to the enterprises at the end of the 15-day period
 - ii) To the concerned CLFs
 - i. The SRLM shall transfer the amount of reward (Soft-Loan) to the CLF. The amount of soft-loan for the selected enterprise must be deposited in the accounts of concerned CLF's within 15-days of culmination of the event
 - ii. The CLF shall transfer the amount directly to the enterprise's / entrepreneur's account within 15-days of receipt of the funds
- e) Provide incubation support to selected enterprises
 - i) The selected enterprises for incubation support would have to be supported for a minimum of 18 months or until it achieves 15% growth over baseline revenue, is commercially sustainable, replicable, and can create local employment, whichever is later.
 - ii) Collect and validate baseline information for selected enterprises
 - iii) Engage with the selected enterprises more closely to prepare a detailed growth plan/ validate the business prepared for the challenge fund competition (to increase revenue, employment, profits, etc. that will be achieved through incubation support) and fine tune /delineate their capital and non-financial business development needs
 - iv) Assist the enterprise in securing financial linkages (to meet requirements over and above the finances received as part of the challenge fund exercise) based on the requirement of the enterprise ensuring necessary backward and forward linkages, and assisting with registrations and certifications
 - v) Link enterprises with sector experts or mentors who will provide strategic and operational inputs
 - vi) Ensuring the managers appointed by the incubators for supporting enterprises engage with the enterprises on at least monthly intervals and hand-hold the enterprises for growth and also helping them prepare monthly P&L statements and business MIS statements.
- f) The incubator will use an IT-based application to track enterprise health and share the information on a regular basis with the SRLM/NRLM. The IT application should have the capability to integrate with the DAY-NRLM MIS.
- g) SRLM, along with support from the incubator, will document the scope of replicability of each type of enterprise and steps to achieve the same

The incubator will plan for exit of incubating an enterprise after a minimum 18-month period of incubation (The 18 months period is exclusive of the Challenge Fund Competition time). It has to ensure that the enterprise is able to meet performance metrics consistently for a period of six-months prior to exit.

Table 3: Diagrammatic representation of the incubation process



7.1. Selection of Incubator

SRLM may select a suitable incubator from the list of incubators empanelled/funded by any government scheme or run by an academic institution of excellence like the IIMs /IITs and other premium institutes. The tentative list of such incubators has been appended in annexure 1.

The incubator must have at least three years of operational excellence and a proven track record of incubation. The same is to be shared with the DAY-NRLM to undergo the evaluation process.

The incubators shall be selected through a process including submitting a performance report of the existing incubator program of the government/other largest funder. Any organization which has not achieved 70% or more of the adjusted targets (till the date of application) of the government/largest funder supported incubator program may not be selected as an incubator by the SRLM. The achievement of targets must be validated by the respective government department/largest funder.

An advisory body constituted by the DAY-NRLM shall also support the NRLM / SRLM in selecting the incubator. The incubator shall be chosen based on its capability to mentor and support enterprises for growth and provide them with enhanced market access. Any agency should not have blacklisted the incubator.

The project shall be awarded to a state after the incubator selected by the State has been approved by the EC of the MORD / the SRD based on a presentation made by the incubator on its prowess and mentoring strategy for the enterprises in the State to achieve the project objectives.

7.2. Roles and Responsibilities

7.2.1. Incubators

The role of the incubator is envisaged as under:

- a) Provide an undertaking to that the incubator is not claiming reimbursement / benefits from any other state or central government for the same incubation activity in the same geography and that it has not been blacklisted by any other government agency.
- b) Scrutinize and identify enterprises for support
 - Develop Challenge Fund competition implementation plan
 - Assist enterprises in filing nominations for grant awards under the challenge fund administered by the project
- c) Support to identified enterprises

- Baseline information for selected enterprises, including enterprise details and financial performance
 - Identify skills gaps and address the same either through mentoring or through formal training
 - Engage with the selected enterprises to prepare a growth plan (to increase revenue, employment, profits) and delineate the need for specific interventions
 - Identify products with the potential for scale up, aggregation, and marketing through the higher-order institutions
 - Develop a strategy for quality control, warehousing, and supply chain for supported enterprises
 - Provide technical assistance for product refinement and design and development as per market needs
 - Assist enterprises in accessing finance, ensuring necessary backward and forward linkages, supporting with obtaining licenses and certifications, and providing regular mentoring and handholding, especially for raising the balance 25% of the funding required.
 - Provide market information / intelligence, conduct input need assessments and quality control checks at various stages
 - Mentor and handhold the enterprises for a minimum 18-month period or till that growth is achieved on the journey to achieve 15% year on year growth in revenue and profit in the period (whichever is earlier) and to be financially sustainable
 - Ensure registration of enterprises if they are not registered at the time of lending support
- d) Administer the challenge fund
- Set-up the process of administering challenge fund
 - Execute the entire selection process organizing the competition for challenge fund ensuring transparency, fairness, and objective selection process
 - Identify jury to evaluate applications for receiving challenge fund. The jury must include a minimum of two representative(s) from the SRLM / NRLM and also third-party experts.
 - Ensure dissemination of challenge fund within 30 days of the culmination of the event
- e) Ensure capacity building / training of entrepreneurs
- Conduct a training needs assessment to understand areas where an entrepreneur may need capacity building (technical skills, business management skills, soft-skills) and ensure the provision of training

- Identify training institute jointly with the SRLM. The incubator should ideally conduct the training as per the SRLM' capacity building norms (refer to section 8 for additional details).
- f) Develop and meet performance benchmarks
 - Discuss with the SRLM and finalize performance benchmarks, which the enterprises will have to consistently meet for a period of six-months, before the incubator withdraws support. Ideally, the incubated enterprise should be supported for a minimum of 18 months or until it achieves 15% growth over baseline revenue, is commercially sustainable, and can create local employment
 - Ensure that health of supported enterprises are tracked regularly and is shared with relevant stakeholders
 - Ensure a regular enterprise wise business MIS and overall project implementation MIS is maintained; This MIS would have the capacity to be integrated with the state / DAY-NRLM national MIS. The same will be tracked in review meetings.
 - Develop metrics of assessment of the incubatee supported incorporating the fact that absolute progress may not be possible to track for all the parameters.
- g) Development of communication products and SoPs
 - Develop documents / toolkits for replication of enterprise models across the state / other states
 - Develop knowledge products, SoPs, learning notes, policy briefs, and compendium encapsulating the knowledge derived from the program.
 - Share enterprise stories across relevant platforms – social media, development news platforms, etc.
 - NMMU advises that these SoPs and probable customized SoPs could be included by the SRLMs (as per their requirements and local condition) during their MOU with the incubator agency. A few examples of the SOPs are as follows (but not limited to)
 - i. SoP on development of the model business plan of an enterprise
 - ii. SoP on the best practices to be incorporated during the promotion of an enterprise or a pool of enterprises
 - iii. SoP on the legal compliance for enterprises/ businesses (Non-Farm & Food focused) with the process for registration
 - iv. SoP, on the analysis of the current business situation of an enterprise
 - v. SoP on growth analysis of the business (How the SRLMs could analyze an enterprise - the toolkit)

- vi. SoP on building supply chain, and integration of forwarding and backward linkages
 - vii. SoP on product marketing processes (offline & Online)
 - viii. SoP on product packaging, labelling, standardization etc.
 - ix. SoP on indicators for the measurement of success of an enterprise
 - x. Compendium capturing the complete end to end cycle of the Incubator Program implementation, techniques deployed, mentoring, exit strategy, long-term sustainability techniques, best practices generated, etc.
 - xi. Development of a regular enterprise wise business MIS and overall project implementation MIS; The MIS would have the capacity to be integrated with the state / DAY-NRLM national MIS (This MIS should be developed by the incubator before the completion of the Jury Panel round)
- h) Active coordination with the SRLM
- Appoint a nodal person in the state to coordinate with the SRLM
 - Participate in review meetings organized by the SRLM and provide regular reports on performance of supported enterprises as per agreed terms
 - Engage with the District Project Manager (DPM) / Block Project Manager (BPM) and other DMMU / BMMU staff to leverage on the last-mile support, wherever required
- i) Develop a mentor pool of industry experts and conduct regular round tables of industry leaders on rural entrepreneurship growth and enterprise promotion (at last six such round tables should be organized)
- j) Develop partnerships with innovators to catalyse the growth of rural enterprises and pilot the usage of their innovations with the incubated enterprises as well as facilitate the adoption of their innovations by other DAY-NRLM supported enterprises (See section 9).

7.2.2. State Rural Livelihoods Mission

- a) Identify an incubator to partner
- b) Mobilize applications for seeking incubation support
 - Advertise for applications from growth enterprises seeking incubation support
 - Engage NRPs / SRPs and DMMUs / BMMUs to assist entrepreneurs in filling applications
- c) Bear costs of capacity building of entrepreneurs
 - Select agency for training / upskilling existing entrepreneurs jointly with the incubator

- Meet training cost of entrepreneurs as per cost norms
- d) Ensure provision of challenge fund reward and soft loan amount to selected enterprises
 - Ensure participation of SRLM representatives in the jury for administering challenge fund
 - Ensure incubator conducts the competition with transparency and fairness
 - Transfer reward (Grant) amount to the incubator and soft loan amount to the CLF on time
 - Make State-level guidelines about the handling of the soft loan amounts received by the CLFs as part of the challenge fund and train the CLFs receiving the soft loan funds, about the fund management rules, accounting and reporting.
 - Ensure proper utilisation of the challenge fund reward/ soft loan for the desired and defined use.
- e) Monitoring of growth micro-enterprises
 - Collaborate with the incubator to arrive at the benchmarks which the enterprises have to consistently meet for a period of 6-months, before the incubator withdraws support. Ideally, the incubated enterprise should be supported for a minimum of 18 months or until it achieves 15% growth over baseline revenue, is commercially sustainable, and can create local employment
 - Analyse the data from the MIS / enterprise software and monitor the performance of incubator supported enterprises.
 - Regular field visits by the State Nodal Person and the SRLM team must be made to obtain feedback from the entrepreneurs
 - Track performance of supported enterprises against performance benchmarks
- f) Active coordination with the incubator
 - Position staff at the state and the district level to oversee enterprise activities under the project
 - Appoint a nodal person at the SRLM to coordinate with the incubator
 - The SRLM shall inform the concerned DMMU about the enterprises that will be supported in their district and ensure their support
 - Organize review meetings at regular intervals (minimum once a month)
 - Ensure timely payments to the incubator - within 30 days from the receipt and acceptance of invoice
 - Ensure timely approvals of front-ending promotion and other material & processes requested by the incubator
- g) Ensure that the SRLM learns from the incubation process and replicates the learnings for support to replicable enterprises creating and documented by the incubator. The SRLM should also make efforts to empanel the mentors used by

the incubators as State Resource Persons, so that their technical skills can be used by the SRLM for supporting enterprises even after the incubator program gets over.

8. Entrepreneur Training and Reimbursement of Training Cost

The entrepreneur skilling and training is a critical aspect of ensuring smooth operations of the enterprise. Entrepreneur training is the responsibility of the state-appointed incubator agency. The incubator should ensure the following to ensure reimbursement of entrepreneur training costs:

- a) Conduct and document training needs analysis of all entrepreneurs supported by the incubator
- b) Select the training partner from the empanelled list of training agencies at the state / national level. The incubator could identify other technical training agencies as per the requirements.
- c) Besides, the incubator can conduct business mentoring & knowledge-based training, considering this may be the incubator's speciality area. However, it has to comply with the DDU-GKY cost norms.
- d) Consider convergence opportunities with skilling programmes, such as RSETI, DDU-GKY offered within the Ministry of Rural Development and by other ministries (Ministry of Skill Development and Entrepreneurship, Ministry of Textiles, Ministry of Micro Small and Medium Enterprises, etc.)
- e) In case a trade is not available in the empanelled list of agencies, the entrepreneurs can be sent to institutes that are above the SRLM community training cost norms. However, the cost should not exceed the norms applicable for staff / consultant training at the state level
- f) Bear the initial cost of training and keep all necessary documents safe for claiming reimbursement
- g) Monitor conduct of training periodically and prepare monitoring reports
- h) File the claim for reimbursement as per approved format complying with approved training norms and attaching necessary documents such as training needs analysis, monitoring reports, etc.
- i) Follow-up with the SRLM for timely release of the training cost.

9. Partnerships for Piloting Innovations

Each incubator shall get an amount of Rs 50 lakh, which it shall invest in equity in a minimum of three and a maximum of five partner organizations. These organizations must have cutting-edge innovations or technologies to support SHG family-owned manufacturing, trade and service enterprises. These partner organizations can be in logistics, technology, market linkages, etc., favourably impacting the NRLM / SRLMs

value chain initiatives. These partner agencies should preferably have past relationship with the incubator and should be in the line of business/ service in which they could support/ add value to the enterprises selected under this programme. An incubator may invest a maximum of Rs 25 lakh from this fund in one partner organization.

These partner organizations will sign a tri-partite agreement with NRLM / SRLM and the incubator to provide SHG-household owned enterprises access to services² for a minimum period of four years at a beneficial rate compared to that charged by other market players. In case the partner organization is unable to sign the tri-partite agreement or fails to abide by the agreement, the incubator shall return the amount invested in the partner organization to the SRLM at a pre-decided rate of interest (not less than the Fixed Deposit rate of SBI for a tenure of one year). If the incubator cannot invest in partner organizations, the unspent amount shall be returned to the SRLM along with any interest earned at the end of the engagement period.

10. Human Resources to be Deployed by the Incubator

The incubator shall deploy the following personnel:

- a) Project Lead (part-time)
- b) Manager(s)
- c) Mentors

Apart from this the Incubator should be at liberty to employ resources like subject matter experts, project associates and outreach executives as and when required within the overall budgeted cost.

10.1. Profiles of Human Resources to be Deployed

Table 4: Qualifications for the personnel to be employed by the incubator

| Team member | Number of Members | Qualification, Experience, and Responsibilities |
|--------------------------|--------------------------|--|
| Project Lead (part-time) | 1 | At least 12-15 years of experience in setting up and / or managing a manufacturing business preferably in the food processing or handicraft sector in a leadership position, answerable for the P&L of the unit. |

² Services may include access to technology, logistics support, standardization and market-linkage services, etc.

| | | |
|-------------------|-------------------------|---|
| | | <p>Should have expertise in the entire business operations specially in sales and business accounts and should have extensive industry contacts.</p> <p>Will be responsible for providing overall direction and guidance to the team. Will interface with government officials, industry experts and other key stakeholders.</p> <p>Qualification: Post-Graduation in Business Management, Development Studies, Rural Management, Accounts, Economics, or related fields or a professional degree like CA, ICWA, etc.</p> |
| Business Managers | As required (Minimum 2) | <p>At least three (03) years of experience in enterprise promotion / management – in a functional area like production/sales / procurement etc.</p> <p>It is advisable that out of two of Business Managers, one of them, should have at least three years sales experience.</p> <p>Will be expected to travel extensively and provide hands-on mentoring to approximately 60-75 enterprises selected for support by the incubator.</p> <p>Shall be responsible to ensure that his / her supported enterprises grow as per the desired rate and meet other defines business and governance KPI targets, on a monthly, quarterly, and annual basis. Shall seek help from the functional specialists for specific technical support and report to the Project Lead.</p> <p>Qualification: Post-Graduation in Business Management, Development Studies, Rural Management, Accounts, Economics or related fields or a professional degree like CA, ICWA, etc. Preference will be given to candidates from premier institutions like IRMA, IIMs, IITs, NITs, and other such institutions. The educational criteria may be relaxed,</p> |

| | | |
|--|--|---|
| | | in consultation with the SRLM in case the candidate has higher relevant experience. |
|--|--|---|

The remuneration for the personnel employed for the project shall not exceed 15% of their last drawn monthly remuneration, corrected for the number of working days.

In case the team (incubator and the SRLM) feels the need, they can add another Manager if:

- The enterprises supported by each manager are more than 60-75
- The enterprises to be supported are spread out across the state
- The enterprises need the manager to be physically present in the enterprise or its market
- The time duration of the project needs additional people to ensure parallel working and meet the project objectives within the defined time lines
- The total budget for manpower provided to the incubator is adhered to.

The number of Managers to be hired will depend upon the number of enterprises selected for support during the challenge fund process. Incubator may hire one Project Lead (part-time) and one Manager may be hired at the beginning of the project. Additional Managers or human resources may be hired as required in due course.

The personnel selected by the incubator need to be approved by the SRLM / NRLM before they are formally on-boarded. The approval process by the SRLM / NRLM can be through an e-interview process. The Incubator may modify the number of people to be hired as per its own assessment of the work, within the overall budget for the manpower cost.

The Mentors empanelled by the incubator shall be approved by the SRLM / NRLM based on mutually agreed parameters. The selection of Mentors can also be through an e-interview process.

10.2.Reimbursement of Human Resource Cost to the Incubator

The maximum HR cost to be reimbursed to the incubator is as under.

Table 5: Maximum Reimbursable HR Cost

| Position | Annual remuneration (excluding variable pay) | Total budget (max) |
|--------------------------|--|--------------------|
| Project Lead (part-time) | Rs 10 lakh per year for three years | Rs 30 lakh |
| 2 Managers | Rs 12 lakh per year for three years | Rs 72 lakh |

| | | |
|-------------------------------------|---|--------------------|
| Mentors / Functional Experts | Rs 5,000 per day for 480 person days per year for three years | Rs 72 lakh |
| Total Salary Cost | | Rs 174 lakh |
| Travel and incentive | 40% of salary cost | Rs 69 lakh |
| Total Salary and Travel Cost | | Rs 243 lakh |
| Overhead cost | 10% of total expenses | Rs 24 lakh |
| Total Cost | | Rs 267 lakh |

- Travel and incentive expenses for Project Lead and two Managers have been accounted at 40% of salary expenses (40% of Rs 174 lakh = Rs 69 lakh).

The travel entitlements for the Project Lead, Managers, and Mentors shall be equal to that of an A1 grade NRP as per National Institute of Rural Development and Panchayat Raj (NIRD&PR). For travel in the field, taxi fare shall be allowed to be reimbursed for all the human resources deployed by the incubator.

- For the post COVID period, expenses related to broadband / Wi-Fi and resource fee to CRPs who will co-ordinate and facilitate e-meetings between the Managers / Mentors and the enterprises in the field may be claimed under the head of travel expenses. The remuneration to the CRPs shall be as per the state policy for CRP payments, and can at most be equal the skilled wages under MGNREGA for the state.
- The costs associated with members of Jury Panel could be claimed under the Mentor/Functional Experts. The costs should be for number of days engaged for the specific purpose.

In case of delay in the commencement of the program, the incubator may add additional resources to complete the tasks with reduced timelines (as explained above). The process of selection of additional resources and defining their remuneration shall remain the same.

In addition to the salary, the incubator may add an incentive of up to 20% of the maximum fixed remuneration allowed for all positions. This incentive will be based on achievement of project targets on quantitative and qualitative basis. The budget for this incentive amount must be met out of the budget allocated to incubator for the project (inter-head funds can be used for this incentive amount). The incentive amount, the parameters, and release shall be approved by the SRLM / NRLM during regular review meetings (discussed in section 13.2).

The amounts given in the guideline are maximum and reimbursement shall be based on actuals. The amount claimed by the incubator shall be supported by a Utilisation

Certificate (UC). All necessary vouchers and supporting documents must be presented for audit, if required.

10.3.Variable Reimbursement to the Incubator (Overheads)

The 10% allocation for overheads (Rs 24 lakh) shall be released on 6-monthly rests to the incubator. The release will be based on achieving targets for the six months. The amount deducted for a period due to underachievement of the target shall not be carried forward to the next period. Any non-achievement of the target due to delays in approvals etc., by the SRLM / NRLM, should be documented in writing by the incubator and submitted with the claim to be considered for any relaxation.

The suggested release percent is as under:

Table 6: Achievement of Target Vs Percentage of the Allocated Overheads amount

| Achievement of Target | Percent of the Allocated Overheads amount that can be Released |
|--|---|
| >85% of weighted average target for the period | 100% |
| 70% to 84% of weighted average target for the period | 65% |
| 50% to 69% of weighted average target for the period | 45% |
| Below 50% of weighted average target for the period | 0% |

11. Duration of Assistance

The project shall engage the incubator for a period of three years.

NMMU may assess the performance at the mid-term and revise/adjust based on performance and experience.

12. Fund and Release

12.1.Target

Each SRLM shall engage an incubator to provide high-end business development support to growth-oriented micro-enterprises. The incubator shall support at least 150 enterprises within the state. At least 10% of enterprises must be from remote areas (as mentioned in section 4.4).

12.2.Availability of Funds

The total cost envisaged per state/UT is as under:

Table 7: Total Cost per state/UT

| Particulars | Quantity | Rate per Unit (Rs Lakh) | Amount (Rs Lakh) | Remarks |
|--|----------|-------------------------|------------------|---|
| Incubator cost | | | 267.00 | As calculated in section 10.2 |
| Equity investment for partnerships | | | 50.00 | Given once to the incubator |
| Expenses for selection of applications and organizing challenge fund event | 3 | 10.00 | 30.00 | A maximum of three (3) rounds of incubation support have been considered |
| Challenge fund (Grant for large – registered enterprises) | 6 | 10.00 | 60.00 | Assuming two (2) large enterprises per incubation round |
| Challenge fund (Grant for individual and group - unregistered enterprises) | 12 | *** | 45.00 | ***To be given to top three (3) individual and group enterprises, as calculated in section 6.4 |
| Challenge fund (Soft loan for individual and group enterprises) | 132 | 4.00 | 528.00 | Assuming a total of 150 enterprises to be supported. The number of enterprises to which grant will be administered has been excluded. |
| Capacity building for entrepreneurs including digital tools, digital training platform, digital content, tabs, etc | 225 | 0.40 | 90.00 | One (1) member each from 75 individual enterprises and two (2) members from each 75 group enterprises |
| Total | | | 1,070.00 | |

12.3.Fund Release

The following will be the timeline for release of funds for the incubator:

Table 8: Timeline for fund release to the Incubator Agency

| Fund | Time for Release | Released by | Released to |
|---|---|-------------|---------------------------|
| State-level incubator cost | <ul style="list-style-type: none"> ▪ Once per year for three years. ▪ Costs for first year will be released upon placing required human resources and submission of the inception report. ▪ Costs for subsequent years would be released upon plan document for the year, placement of adequate HR, and satisfactory performance report by the SRLM and on submission of a UC for 80% of the funds released in the previous year. ▪ Adequate security in terms of a bank guarantee/indemnity bond may be sought by the State as per the State finance rules | SMMU | Incubator (reimbursement) |
| Expenses for selection of enterprises and organising challenge fund competition | <ul style="list-style-type: none"> ▪ After signing the agreement, submission of the inception report, and on submission and acceptance of the selection criteria for the potential innovators | SMMU | Incubator (reimbursement) |
| Fund for equity investment for partnerships | <ul style="list-style-type: none"> ▪ 3 months post call for applications ▪ Reimbursement to incubator based on approved norms | SMMU | Incubator |
| Challenge fund (Grant) | <ul style="list-style-type: none"> ▪ Within 15-days after culmination of the challenge fund competition | SMMU | Incubator |
| | <ul style="list-style-type: none"> ▪ Within 15-days of receipt of funds from SMMU | Incubator | Growth-micro enterprises |
| Challenge fund (Soft Loan) | <ul style="list-style-type: none"> ▪ Within 15-days after culmination of the challenge fund competition | SMMU | CLF |
| | <ul style="list-style-type: none"> ▪ Within 15-days of receipt of funds from SMMU | CLF | Growth-micro enterprises |

| Fund | Time for Release | Released by | Released to |
|------------------------------------|---|--------------------|---|
| Capacity building of entrepreneurs | Reimbursement to incubator / training agency based on approved training norms | SMMU | Incubator (reimbursement) / training agency |

Utilisation certificates shall be submitted to competent authorities as per the financial guidelines released by each SRLM.

12.4. Pre-condition for Release of Fund

The release of funds to the State will be contingent on the following conditions being met:

- **Positioning of 90% of the HR for Non-farm Livelihoods at the State level as per advisories issued by the DAY-NRLM**

13. Monitoring and Reporting

Monitoring and review of the incubators will be at two levels i.e. at the Central level by the NMMU and at the State level by the SRLM.

13.1. Review at the State Level

- a) The state nodal person for supporting the incubation component in the SRLM, along with State Project Manager – Non-Farm and the State Mission Director (or their representative) shall review the progress of the enterprises supported by the incubator every month
- b) Representatives from the incubator agency and DMMU (District Project Manager or equivalent) should also attend the meeting
- c) The intimation of the meeting along with the agenda shall be circulated by the state nodal person for incubation at least 07-days prior to the conduct of the meeting through e-mail
- d) The meeting shall be minuted by the SRLM, and the minutes of the meeting should be shared with all participants and concerned stakeholders, including NMMU, within 10-days of the meeting being held
- e) The minutes must necessarily include the profit and loss statement and cash flow of the enterprises supported and their plan for growth
- f) Documents / plan for replication of enterprise models across state / other states must also be reviewed in the meeting
- g) The performance of the managers appointed by the incubator shall be reviewed during these monthly reviews, and the quantum of incentive earned by them will be quantified and declared as part of this review

- h) Apart from this state-level review, the state, district, and block teams are expected to coordinate with the incubator and monitor the incubator support provided to the selected enterprises in their block/district
- i) A representative of the NMMU shall also be part of this review

13.2.Review at the National Level

- a) The nodal person for supporting the incubation component at the national level along with Lead – Non-Farm / Entrepreneurship and the Mission Director (or their representative) shall review the progress of the enterprises supported by the incubator every quarter. The meeting can be physical or through an electronic medium. In case of an electronic review, the national and state level quarterly reviews can be combined.
- b) Apart from these quarterly reviews, a periodic national review of all the incubators supported by this program shall be conducted by the DAY-NRLM. The periodicity of these reviews may be between one to four per year (maximum quarterly and minimum annual review)

14. Grievance Redressal

Conflicts in professional space are inevitable occurrences. However, it is in the best interest of all concerned that conflicts are resolved immediately. In cases where the conflicts cannot be resolved internally, a conflict resolution mechanism will be put in place for their timely resolution.

In case of issues that cannot be resolved internally, a redressal committee will meet to understand the issue and arrive at a mutually acceptable decision. In case the committee cannot arrive at a mutually acceptable decision, the final decision will rest with the DPM and in some cases with the JS (RL) at the national level. The redressal mechanism will be as follows:

Table 9: Dispute Redressal Mechanism

| Party 1 | Party 2 | Redressal Committee | Final Authority |
|-----------|--------------|---|-----------------|
| Incubator | Entrepreneur | Representative(s) from Incubator agency, community institutions, and DMMU | DPM |
| Incubator | DMMU | Representative(s) from Incubator agency, DMMU, and SMMU | SPM-NF |
| Incubator | SMMU | Representative(s) from Incubator agency and SMMU | JS (RL) |

Annexure 1: List of Government Approved / Government Funded Incubators (as of Aug 2022) – please look up the updated list from the respective websites of the Ministry’s.

| # | Name of the Incubator | State | AIM ³ | TIDE (MeitY) ⁴ | DST ⁵ | ASPIRE ⁶ |
|----|---|----------------|------------------|---------------------------|------------------|---------------------|
| 1 | Aditya Global Business Incubator | Andhra Pradesh | | | Y | |
| 2 | AIC AMTZ MediValley Incubation Council | Andhra Pradesh | Y | | | |
| 3 | Atal Incubation Centre - Centre for Cellular & Molecular Biology (AIC-CCMB) | Andhra Pradesh | Y | | | |
| 4 | AIC-SKU Confederation at Sri Krishnadevaraya University | Andhra Pradesh | Y | | | |
| 5 | Center For Innovation, Incubation and Entrepreneurship (CIIE), Shri Vishnu Engineering College for Women (SVECW) | Andhra Pradesh | | | Y | |
| 6 | Siddharth Technology and Business Incubator | Andhra Pradesh | | | Y | |
| 7 | Sri Padmavati Mahila Visvavidyalam (SPMVV) Society for Innovation Incubation Entrepreneurship – TBI | Andhra Pradesh | | | Y | |
| 8 | Sri Padmavati Mahila Visvavidyalam (SPMVV) Livelihood Business Incubator | Andhra Pradesh | | | | Y |
| 9 | Atal Incubation Centre - Assam Agricultural University (AIC-AAU) - North East Agriculture Technology Entrepreneurs Hub (NEATEHUB) | Assam | Y | | | |
| 10 | AIC-SELCO Foundation, Guwahati | | Y | | | |

³ AIM: Atal Incubation Mission supported incubators (Detailed list can be accessed from: <https://aim.gov.in/selected-atal.php>)

⁴ TIDE MeitY: Technology Incubation and Development of Entrepreneurs is a scheme under Ministry of Electronics and Information Technology (Detailed list of incubators can be accessed from: https://meity.gov.in/writereaddata/files/List_Technology_TIDE_Centres.pdf)

⁵ DST: Department of Science and Technology supported incubators (Detailed list can be accessed from: <http://www.nstedb.com/institutional/tbi-list.htm>)

⁶ ASPIRE: Incubators supported by ASPIRE scheme of Ministry of Micro Small and Medium Enterprises (Detailed list can be accessed from: https://aspire.msme.gov.in/Map/UA_IndiaMap.aspx)

| # | Name of the Incubator | State | AIM ³ | TIDE (MeitY) ⁴ | DST ⁵ | ASPIRE ⁶ |
|----|---|--------------|------------------|---------------------------|------------------|---------------------|
| 11 | Indian Institute of Entrepreneurship, Guwahati (IIEG) | Assam | | | | Y |
| 12 | Indian Institute of Entrepreneurship, Kamrup (IIEG) | Assam | | | | Y |
| 13 | Indian Institute of Entrepreneurship, Sivasagar (IIEG) | Assam | | | | Y |
| 14 | IITG-Technology Incubation Centre (IITG-TIC), IIT Guwahati | Assam | | Y | | |
| 15 | AIC - BV Foundation | Bihar | Y | | | |
| 16 | Foundation for Innovators in Science and Technology (FIST) - Indian Institute of Technology Patna | Bihar | | | Y | |
| 17 | Dr. Rajendra Prasad Multi-Disciplinary Training Centre, Khadi and Village Industries Commission | Bihar | | | | Y |
| 18 | Bhartiya Harit Khadi Gramodaya Sansthan(BHKGS)-KVIC, Khanwa, Nawada (BHKS-KVIC) | Bihar | | | | Y |
| 19 | National Small Industries Corporation (NSIC), Nawada | Bihar | | | | Y |
| 20 | AIC @36INC Society | Chhattisgarh | Y | | | |
| 21 | AIC Ambedkar University Delhi Foundation | Delhi | Y | | | |
| 22 | AIC – EMPI Incubation Foundation | Delhi | Y | | | |
| 23 | AIC Foundation for Innovation and Social Entrepreneurship (Social Alpha) | Delhi | Y | | | |
| 24 | AIC Jawaharlal Nehru University Foundation For Innovation | Delhi | Y | | | |
| 25 | Foundation for Innovation and Technology Transfer (FITT) IIT Delhi | Delhi | | Y | Y | |
| 26 | IAN Mentoring and Incubation Services | Delhi | | | Y | |

| # | Name of the Incubator | State | AIM ³ | TIDE (MeitY) ⁴ | DST ⁵ | ASPIRE ⁶ |
|----|--|---------|------------------|---------------------------|------------------|---------------------|
| 27 | Indigram Labs Foundation – ILF | Delhi | | | Y | |
| 28 | Indraprastha Institute of Information Technology, Delhi (IIITD) Innovation and Incubation Centre | Delhi | | | Y | |
| 29 | Pusa Technique Se Vyavsay (PUSA TAKSAY) | Delhi | | | Y | |
| 30 | Shriram Institute – Technology Business Incubator (SRI-TBI) | Delhi | | | Y | |
| 31 | Atal Incubation Centre, Goa Institute of Management (AICGIM) | Goa | Y | | | |
| 32 | Centre for Incubation and Business Acceleration | Goa | | | Y | |
| 33 | Forum for Innovation Incubation Research and Entrepreneurship | Goa | | | Y | |
| 34 | Ahmedabad University Support Foundation (AUSF) | Gujarat | | | Y | |
| 35 | Atal Incubation Center at Gujarat Technological University (AIC-GISC Foundation) | Gujarat | Y | | | |
| 36 | AIC ISE Foundation | Gujarat | Y | | | |
| 37 | AIC - LM College of Pharmacy Foundation (AIC-LMCP) | Gujarat | Y | | | |
| 38 | AIC SURATi iLAB Foundation, Surat Smart City Development Limited | Gujarat | Y | | | |
| 39 | Association for Harnessing Innovation and Entrepreneurship - SVNIT, Surat | Gujarat | | | Y | |
| 40 | Centre for Innovation Incubation and Entrepreneurship (CIIE), IIM Ahmedabad | Gujarat | | Y | Y | |
| 41 | Comcubator | Gujarat | | | Y | |
| 42 | DA-IICT Centre for Entrepreneurship and Incubation (DCEI) | Gujarat | | Y | | |

| # | Name of the Incubator | State | AIM ³ | TIDE (MeitY) ⁴ | DST ⁵ | ASPIRE ⁶ |
|----|--|------------------|------------------|---------------------------|------------------|---------------------|
| 43 | Gujarat Foundation for Entrepreneurial Excellence, (GFEE-i create) | Gujarat | | | Y | |
| 44 | Gujarat University Start-up and Entrepreneurship Council (GUSEC) | Gujarat | | | Y | |
| 45 | IIT Gandhinagar Research Park | | | | Y | |
| 46 | IIT Gandhinagar Innovation and Entrepreneurship Center | Gujarat | | Y | Y | |
| 47 | LEAF (Leadership Entrepreneurship and Acceleration Foundation) - GLS University Incubator | Gujarat | | | Y | |
| 48 | NIDHI- Technology Business Incubator (TBI) - Association for Harnessing Innovation and Entrepreneurship (ASHINE) | Gujarat | | | Y | |
| 49 | NIF Incubation and Entrepreneurship Council (NIFientreC) | Gujarat | | | Y | |
| 50 | National Design Business Incubator | Gujarat | | | Y | |
| 51 | NSIC- Technical Services Centre | Gujarat | | | Y | |
| 52 | NSIC, Rajkot | Gujarat | | | | Y |
| 53 | TBI - Centre for Advancing and Launching Enterprises (CrAdLE) | Gujarat | | | Y | |
| 54 | AIC IIT DELHI SONIPAT INNOVATION FOUNDATION | Haryana | Y | | | |
| 55 | AIC Sangam Innovation Foundation | Haryana | Y | | | |
| 56 | Society for Innovation & Entrepreneurship in Dairying (SINED) Technology Business Incubator | Haryana | | | Y | |
| 57 | IIT Mandi Catalyst | Himachal Pradesh | | | Y | |
| 58 | AIC Jammu and Kashmir EDI | Jammu & Kashmir | Y | | | |

| # | Name of the Incubator | State | AIM ³ | TIDE (MeitY) ⁴ | DST ⁵ | ASPIRE ⁶ |
|----|--|-------------------|------------------|---------------------------|------------------|---------------------|
| 59 | NIDHI- Technology Business Incubator (TBI) - Indian Institute of Integrative Medicine-Technology Business Incubator (IIIM-TBI) | Jammu & Kashmir | | | Y | |
| 60 | Shri Mata Vaishno Devi University Technology Business Incubator Center Society (SMVDU-TBIC) | Jammu and Kashmir | | | Y | |
| 61 | MSME Tool Room, Dumka | Jharkhand | | | | Y |
| 62 | MSME Tool Room, Ranchi | Jharkhand | | | | Y |
| 63 | STEP-Birla Institute of Technology | Jharkhand | | | Y | |
| 64 | AIC CCRI Foundation for Entrepreneurship Development | Karnataka | Y | | | |
| 65 | AIC Dayanand Sagar University Innovation Foundation (AIC-DSU) | Karnataka | Y | | | |
| 66 | AIC - Jyothi Institute of Technology Foundation (AIC-JITF) | Karnataka | Y | | | |
| 67 | AIC NCORE Developmental Impact Foundation | Karnataka | Y | | | |
| 68 | AIC NITTE Incubation Centre | Karnataka | Y | | | |
| 69 | AIC Shiksha Infotech Foundation | Karnataka | Y | | | |
| 70 | AIC SRS-ICAR-NDRI Foundation, The National Dairy Research Institute | Karnataka | Y | | | |
| 71 | AIC STPINEXT INITIATIVES | Karnataka | Y | | | |
| 72 | Amrita TBI | Karnataka | Y | Y | | |
| 73 | ARTI Lab Foundation | Karnataka | | | Y | |
| 74 | BEC STEP (Bagalkot Engineering College- Science & Technology Entrepreneur's Park) | Karnataka | | | Y | |

| # | Name of the Incubator | State | AIM ³ | TIDE (MeitY) ⁴ | DST ⁵ | ASPIRE ⁶ |
|----|--|-----------|------------------|---------------------------|------------------|---------------------|
| 75 | Centre for Cellular and Molecular Platforms | Karnataka | Y | | | |
| 76 | DERBI Foundation | Karnataka | | | Y | |
| 77 | E-Health TBI | Karnataka | | | Y | |
| 78 | Foundation for Innovation and Social Entrepreneurship (FISE) | Karnataka | | | Y | |
| 79 | Foundation for Sandbox Start-up Initiatives, Hubli | Karnataka | | | Y | |
| 80 | Global Incubation Service (GINSERV) | Karnataka | | | Y | |
| 81 | IIITB Innovation Center, IIIT Bangalore | Karnataka | | Y | | |
| 82 | IKP EDEN NIDHI TBI, Bangalore | Karnataka | | | Y | |
| 83 | International Centre for Innovation Technology Transfer and Entrepreneurship (IN-CITE) | Karnataka | | | Y | |
| 84 | Jain University Incubation Centre (JUincubator) | Karnataka | | | Y | |
| 85 | KLE Technological University | Karnataka | | | Y | |
| 86 | Manipal University Technology Business Incubator | Karnataka | | | Y | |
| 87 | National Design Business Incubator (NDBI) –Bengaluru | Karnataka | | | Y | |
| 88 | NIDHI-Technology Business Incubator (TBI) – Business Entrepreneurship and Start-up support through Technology in Horticulture (BESST-HORT) | Karnataka | | | Y | |
| 89 | NITK - Science Technology Entrepreneurship Park (NITK-STEP), NITK Surathkal | Karnataka | | Y | Y | |
| 90 | NSRCEL (Nadathur S Raghavan Centre for Entrepreneurial Learning) – IIMB | Karnataka | Y | Y | | |
| 91 | SJCIT, Chikballarpur | Karnataka | | | | Y |
| 92 | Society for Development of Composites | Karnataka | | | Y | |

| # | Name of the Incubator | State | AIM ³ | TIDE (MeitY) ⁴ | DST ⁵ | ASPIRE ⁶ |
|-----|--|----------------|------------------|---------------------------|------------------|---------------------|
| 93 | Society for Innovation & Development (SID), IISc Bangalore | Karnataka | Y | Y | | |
| 94 | Sri Jayachamarajendra College of Engineering – Science & Technology Entrepreneurs Park (SJCE-STEP) | Karnataka | | | Y | |
| 95 | VTU, Dandeli | Karnataka | | | | Y |
| 96 | AIC IIIT KOTTAYAM FOUNDATION | Kerala | Y | | | |
| 97 | Amal-Jyothi Rural Technologies Business Incubator (ARTBI) | Kerala | | | Y | |
| 98 | Amrita Technology Business Incubator (Amrita TBI) | Kerala | | | Y | |
| 99 | CET-TBI | Kerala | | | Y | |
| 100 | IMK LIVE (Laboratory for Innovation, Venturing and Entrepreneurship), Indian Institute of Management, Kozhikode | Kerala | | | Y | |
| 101 | Kerala Start-up Mission (Formerly Technopark Technology Business Incubator) | Kerala | | | Y | |
| 102 | Sree Chitra Tirunal Institute for Medical Sciences and Technology (SCTIMST-TIMed) | Kerala | | | Y | |
| 103 | Start-up Village | Kerala | | | Y | |
| 104 | Technology Business Incubator - NITC (TBI-NIT Calicut) | Kerala | | Y | Y | |
| 105 | AIC Aartech Solonics Pvt. Ltd. | Madhya Pradesh | Y | | | |
| 106 | AIC – RNTU Foundation | Madhya Pradesh | Y | | | |
| 107 | AIC- Prestige Inspire Foundation | Madhya Pradesh | Y | | | |
| 108 | Innovation and Incubation Centre for Entrepreneurship (IICE), Indian Institute of Science Education & Research (IISER) | | | | Y | |

| # | Name of the Incubator | State | AIM ³ | TIDE (MeitY) ⁴ | DST ⁵ | ASPIRE ⁶ |
|-----|--|----------------|------------------|---------------------------|------------------|---------------------|
| 109 | Laghu Udyog Nigam Ltd.-Govt of MP, Dewas | Madhya Pradesh | | | | Y |
| 110 | Madhya Pradesh Laghu Udyog Nigam Ltd., Katni | Madhya Pradesh | | | | Y |
| 111 | Maulana Azad National Institute of Technology (MANIT) | Madhya Pradesh | | | Y | |
| 112 | MPSBM, Satna | Madhya Pradesh | | | | Y |
| 113 | NIDHI-Technology Business Incubator (TBI)- Innovation and Incubation Centre for Entrepreneurship (IICE) | Madhya Pradesh | | | Y | |
| 114 | RGTU-Amarkantak, Amarkantak | Madhya Pradesh | | | | Y |
| 115 | ROLTA Innovation and Incubation Centre, MANIT Bhopal | Madhya Pradesh | | Y | | |
| 116 | Technology Innovation and Incubation Centre (TIIC), Atal Bihari Vajpayee Indian Institute of Information Technology & Management (ABV-IIITM) | Madhya Pradesh | | Y | | |
| 117 | Agriculture Development Trust, Baramati | Maharashtra | | | | Y |
| 118 | AIC BAMU Foundation | Maharashtra | Y | | | |
| 119 | AIC-ADT Baramati Foundation at Agricultural Development Trust Baramati | Maharashtra | Y | | | |
| 120 | AIC IISER Pune Seed Foundation | Maharashtra | Y | | | |
| 121 | AIC-MIT ADT Incubator Forum | Maharashtra | Y | | | |
| 122 | AIC - NMIMS Incubation Centre | Maharashtra | Y | | | |
| 123 | AIC - Pinnacle Entrepreneurship Forum | Maharashtra | Y | | | |
| 124 | AIC - Rambhau Mhalgi Prabodhini (RMP) | Maharashtra | Y | | | |
| 125 | Centre For Incubation And Business Acceleration (CIBA) | Maharashtra | | | Y | |
| 126 | College of Engineering, Pune | Maharashtra | | | Y | |
| 127 | DKTE TBI, DKTE Textile and Engineering Institute | Maharashtra | | | Y | |

| # | Name of the Incubator | State | AIM ³ | TIDE (MeitY) ⁴ | DST ⁵ | ASPIRE ⁶ |
|-----|--|-------------|------------------|---------------------------|------------------|---------------------|
| 128 | Dr.B.R.Ambedkar Institute of Rural Technology and Management, Nashik by KVIC | Maharashtra | | | | Y |
| 129 | Entrepreneurship Development Center (Venture Center) | Maharashtra | | | Y | |
| 130 | KVIC-MDTC, Nashik | Maharashtra | | | | Y |
| 131 | KVIC-MDTC, Pune | Maharashtra | | | | Y |
| 132 | MGIRI, Wardha | Maharashtra | | | | Y |
| 133 | Mitcon Technology Business Incubation Centre (A Division of MITCON Consultancy & Engg. Services Ltd.) | Maharashtra | | | Y | Y |
| 134 | MITPune Technology Business Incubator | Maharashtra | | | Y | |
| 135 | National Centre for Aerospace Innovation and Research (NCAIR) | Maharashtra | | | Y | |
| 136 | NIDHI-Technology Business Incubator (TBI) – Symbiosis Centre for Entrepreneurship and Innovation (SCEI-TBI) | Maharashtra | | | Y | |
| 137 | Ramdeobaba Engineering College, Nagpur | Maharashtra | | | | Y |
| 138 | Rayat Shikshan Sanstha's Dahiwadi College, Satara | Maharashtra | | | | Y |
| 139 | RiiDL (Research Innovation Incubation Design Labs) | Maharashtra | | | Y | |
| 140 | Sardar Patel Technology Business Incubator | Maharashtra | | | Y | |
| 141 | Science and Technology Park, Pune | Maharashtra | | | Y | |
| 142 | Society for Innovation and Entrepreneurship (SINE), IIT Bombay | Maharashtra | | Y | Y | |
| 143 | TBI-Foundation for Innovation and Social Entrepreneurship (FISE) | Maharashtra | | | Y | |
| 144 | VJTI-TBI | Maharashtra | | | Y | |
| 145 | Yashwantro Chavan College of Engineering, Nagpur | Maharashtra | | | | Y |
| 146 | Zone Start-ups India (BIL-Ryerson Fututes Pvt Ltd.) | Maharashtra | | | Y | |

| # | Name of the Incubator | State | AIM ³ | TIDE (MeitY) ⁴ | DST ⁵ | ASPIRE ⁶ |
|-----|---|------------|------------------|---------------------------|------------------|---------------------|
| 147 | Mizoram University Incubation Centre | Mizoram | | | Y | |
| 148 | AIC CV Raman College of Engineering Foundation | Odisha | Y | | | |
| 149 | AIC-Nalanda Institute of Technology Foundation | Odisha | Y | | | |
| 150 | Coir Board, RO, Bhubaneswar | Odisha | | | | Y |
| 151 | Foundation for Technology and Business Incubation (FTBI), National Institute of Technology Rourkela | Odisha | | | Y | |
| 152 | KIIT Technology Business Incubator (KIIT-TBI), KIIT University | Odisha | | Y | Y | |
| 153 | MSME Dept. Odisha-IED-Govt. of Odisha, Bhubaneswar | Odisha | | | | Y |
| 154 | MSME Dept. Odisha-IED-Govt. of Odisha, Jajpur | Odisha | | | | Y |
| 155 | National institute of Technology Rourkela | Odisha | | | Y | |
| 156 | NSIC, Sundargarh | Odisha | | | | Y |
| 157 | Atal Incubation Centre - Pondicherry Engineering College Foundation (AIC-PECF) | Puducherry | Y | | | |
| 158 | AIC Indian School of Business Association | Punjab | Y | | | |
| 159 | Center for Innovation and Business Incubation (CIBI), IIT Ropar | Punjab | | Y | | |
| 160 | CU-TBI | Punjab | | | Y | |
| 161 | Science & Technology Entrepreneur's Park | Punjab | | | Y | |
| 162 | Society for Technology Business Incubator (TBI-IISERM) | Punjab | | | Y | |
| 163 | TBI-NITJ Technology Business Incubator, Dr B R Ambekdar National Institute of Technology (NIT), Jalandhar | Punjab | | | Y | |

| # | Name of the Incubator | State | AIM ³ | TIDE (MeitY) ⁴ | DST ⁵ | ASPIRE ⁶ |
|-----|---|-----------|------------------|---------------------------|------------------|---------------------|
| 164 | AIC - Banasthali Vidyapith Foundation | Rajasthan | Y | Y | | |
| 165 | AIC Catalyst | Rajasthan | Y | | | |
| 166 | AIC JKLU (Atal Incubation Center- JK Lakshmipat University) | Rajasthan | Y | | | |
| 167 | AIC - Manipal University Jaipur | Rajasthan | Y | | | |
| 168 | AIC MUJ Incubation Foundation | Rajasthan | Y | | | |
| 169 | GEC, Ajmer | Rajasthan | | | | Y |
| 170 | GEC, Bikaner | Rajasthan | | | | Y |
| 171 | GITI, Alwar | Rajasthan | | | | Y |
| 172 | GITI, Jaipur | Rajasthan | | | | Y |
| 173 | Govt. Production Center, Udaipur | Rajasthan | | | | Y |
| 174 | IIM Udaipur Incubation Centre | Rajasthan | | | Y | |
| 175 | Kumarappa National Hand Paper Institute, Jaipur | Rajasthan | | | | Y |
| 176 | MNIT Innovation and Incubation Center (MIIC) | Rajasthan | | | Y | |
| 177 | Pilani Innovation and Entrepreneurship Development Society | Rajasthan | | | Y | |
| 178 | Rajasthan Technical University, Kota | Rajasthan | | | | Y |
| 179 | RIICO-GCE, Jhalawar | Rajasthan | | | | Y |
| 180 | Society for Technology Incubation & Development of Entrepreneurs (STIDE), CURAJ | Rajasthan | | Y | | |
| 181 | Start-up Oasis Incubation Center | Rajasthan | | | Y | Y |
| 182 | Technology Business Incubator, BITS Pilani | Rajasthan | | Y | | |
| 183 | AIC - Sikkim Manipal University | Sikkim | Y | | | |
| 184 | AIC SMU Technology Business Incubation Foundation | Sikkim | Y | | | |

| # | Name of the Incubator | State | AIM ³ | TIDE (MeitY) ⁴ | DST ⁵ | ASPIRE ⁶ |
|-----|--|------------|------------------|---------------------------|------------------|---------------------|
| 185 | AIC Anna University Incubation Foundation | Tamil Nadu | Y | | | |
| 186 | AIC CODISSIA Defence Innovation and Atal Incubation Centre | Tamil Nadu | Y | | | |
| 187 | AIC - Great Lakes Balachandran Incubator (AGBI) | Tamil Nadu | Y | | | |
| 188 | AIC NIFT TEA Incubation Centre for Textiles and Apparels | Tamil Nadu | Y | | | Y |
| 189 | AIC RAISE Business Incubator | Tamil Nadu | Y | | | |
| 190 | Atal Incubation Centre- Rambhau Mhalgi Prabodhini (RMP) Foundation | Tamil Nadu | Y | | | |
| 191 | BAIT-TBI (Bannari Amman Institute of Technology - Technology Business Incubator) | Tamil Nadu | | | Y | |
| 192 | Central Palmgur and Palm Products Institute, Chennai | Tamil Nadu | | | | Y |
| 193 | Centre for Entrepreneurship Development and Incubation (CEDI), NIT Trichy | Tamil Nadu | | Y | | |
| 194 | Coimbatore Innovation and Business Incubator (CIBI) | Tamil Nadu | | | Y | |
| 195 | Coir Board Regional Extension Center, Tanjavore | Tamil Nadu | | | | Y |
| 196 | Development of Entrepreneurs Through Incubation (DETI@ACE) | Tamil Nadu | | | Y | |
| 197 | IIFT, Thanjavur | Tamil Nadu | | | | Y |
| 198 | IITM Incubation Cell | Tamil Nadu | | | Y | |
| 199 | IITMS Rural Technology and Business Incubator (RTBI) | Tamil Nadu | | | Y | |
| 200 | Incubating IoT Dreams , CIET-TBIS | Tamil Nadu | | | Y | |
| 201 | Nanotechnology Research, Innovation and Incubation Centre (NRIIC) | Tamil Nadu | | | Y | |

| # | Name of the Incubator | State | AIM ³ | TIDE (MeitY) ⁴ | DST ⁵ | ASPIRE ⁶ |
|-----|--|------------|------------------|---------------------------|------------------|---------------------|
| 202 | NIDHI-Technology Business Incubator (TBI)-Foundation for Innovation and Research-SASTRA TBI SASTRA TBI | Tamil Nadu | | | Y | |
| 203 | NSIC, Chennai | Tamil Nadu | | | | Y |
| 204 | Periyar Technology Business Incubator | Tamil Nadu | | | Y | |
| 205 | PSG CT - Science & Technology Entrepreneurial Park, (PSG - STEP) | Tamil Nadu | | | Y | |
| 206 | Rural Technology and Business Incubator(RTBI), IIT Madras | Tamil Nadu | | Y | | |
| 207 | Sathyabama University - Technology Business Incubator | Tamil Nadu | | | Y | |
| 208 | St. Peter's Engineering College – TBI | Tamil Nadu | | | Y | |
| 209 | TBI-MaDeIT Innovation Foundation | Tamil Nadu | | | Y | |
| 210 | Technology Business Incubator (TBI) - Agribusiness Incubation Society (ABIS) | Tamil Nadu | | | Y | |
| 211 | Technology Business Incubator (TBI), University of Madras | Tamil Nadu | | | Y | |
| 212 | Technology Business Incubator @ Kongu Engineering College (TBI@KEC) | Tamil Nadu | | | Y | |
| 213 | Technology Business Incubator Centre for Biotechnology, Anna University | Tamil Nadu | | | Y | |
| 214 | Thiagarajar College of Engineering - Technology Business Incubator (TCE-TBI) | Tamil Nadu | | | Y | |
| 215 | Tiruchirappalli Regional Engineering College - Science and Technology Entrepreneurs Park (TREC-STEP) | Tamil Nadu | Y | | Y | Y |
| 216 | Vel Tech Technology Incubator (Vel Tech TBI) | Tamil Nadu | | | Y | |
| 217 | Villgro Innovations Foundation | Tamil Nadu | | | Y | |
| 218 | VIT-Technology Business Incubator (VIT-TBI) | Tamil Nadu | | | Y | |

| # | Name of the Incubator | State | AIM ³ | TIDE (MeitY) ⁴ | DST ⁵ | ASPIRE ⁶ |
|-----|---|-----------|------------------|---------------------------|------------------|---------------------|
| 219 | Agri Business Incubator International Crops, Research Institute for the Semi-Arid Tropics ICRISAT | Telangana | | | Y | |
| 220 | AIC Centre for Cellular & Molecular Biology (AIC-CCMB) | Telangana | Y | | | |
| 221 | AIC T-Hub Foundation | Telangana | Y | | | |
| 222 | ALC India | Telangana | Y | | | |
| 223 | Association for Innovation Development of Entrepreneurship in Agriculture (a-IDEA) | Telangana | | | Y | |
| 224 | BITS-Pilani, Hyderabad Campus, Jawahar Nagar | Telangana | | | Y | |
| 225 | Centre for Innovation & Entrepreneurship (CIE), IIIT Hyderabad | Telangana | | Y | | |
| 226 | DLabs Incubator Association | Telangana | | | Y | |
| 227 | IIIT-H Foundation (International Institute of Information Technology-Hyderabad Foundation)(Formerly known as Banyan Intellectual Initiatives) | Telangana | | | Y | |
| 228 | IKP Life Science Incubator (IKP-LSI) | Telangana | | | Y | |
| 229 | i-TIC Foundation, IIT Hyderabad TBI | Telangana | | | Y | |
| 230 | NIDHI - TBI - Nesting Incubation and Entrepreneurship for Leveraging Agri-innovations in Nutricereals (NIELAN) | Telangana | | | Y | |
| 231 | NIDHI- Technology Business Incubator (TBI) - SR Foundation | Telangana | | | Y | |
| 232 | TBI@UoH, University of Hyderabad | Telangana | | | Y | |
| 233 | Technology Incubation and Development of Entrepreneurship (TIDE-UoH), University of Hyderabad | Telangana | | Y | | |

| # | Name of the Incubator | State | AIM ³ | TIDE (MeitY) ⁴ | DST ⁵ | ASPIRE ⁶ |
|-----|--|---------------|------------------|---------------------------|------------------|---------------------|
| 234 | AIC-BIMTECH | Uttar Pradesh | Y | | | |
| 235 | AIC - Birla Institute of Management Technology | Uttar Pradesh | Y | | | |
| 236 | AIC Mahamana Foundation For Innovation and Entrepreneurship - IM-BHU | Uttar Pradesh | Y | | | |
| 237 | AIC Shiv Nadar Research Foundation, Shiv Nadar University | Uttar Pradesh | Y | | | |
| 238 | Amity Innovation Incubator | Uttar Pradesh | | | Y | |
| 239 | Government ITI, Balia | Uttar Pradesh | | | | Y |
| 240 | Government ITI, Basti | Uttar Pradesh | | | | Y |
| 241 | Government ITI, Faizabad | Uttar Pradesh | | | | Y |
| 242 | Government ITI, Ghazipur | Uttar Pradesh | | | | Y |
| 243 | Government ITI, Kushinagar | Uttar Pradesh | | | | Y |
| 244 | HBTI-STEP (Harcourt Butler Technological Institute) | Uttar Pradesh | | | Y | |
| 245 | Info Communication Incubation Centre (IIIC), IIIT-A | Uttar Pradesh | | Y | | |
| 246 | JSSATE-STEP, Noida | Uttar Pradesh | | | Y | |
| 247 | Malviya Centre for Innovation, Incubation & Entrepreneurship (MCIIE) | Uttar Pradesh | | | Y | |
| 248 | NIESBUD, Gautam Buddha Nagar | Uttar Pradesh | | | | Y |
| 249 | NSIC, Allahabad | Uttar Pradesh | | | | Y |
| 250 | NSIC, Deoria | Uttar Pradesh | | | | Y |
| 251 | Samadhan, Lucknow | Uttar Pradesh | | | | Y |
| 252 | Sanjay Gandhi PolyTechnic, Amethi (Chhatrapati Shahuji Maharaj) | Uttar Pradesh | | | | Y |
| 253 | Shretron IT UPVAN Society | Uttar Pradesh | | | Y | |

| # | Name of the Incubator | State | AIM ³ | TIDE (MeitY) ⁴ | DST ⁵ | ASPIRE ⁶ |
|-----|---|---------------|------------------|---------------------------|------------------|---------------------|
| 254 | SIDBI – Innovation & Incubation Centre (SIIC), Indian Institute of Technology Kanpur (IITK) | Uttar Pradesh | | Y | Y | |
| 255 | Sobhit University, Meerut | Uttar Pradesh | | | | Y |
| 256 | Technology Business Incubator-KIET | Uttar Pradesh | | | Y | |
| 257 | Technology Business Incubator, Graphic ERA University (TBI-GEU), Graphic Era University | Uttarakhand | | | Y | |
| 258 | TIDES Centre, TIDES Incubation Centre, IIT Roorkee | Uttarakhand | | Y | Y | |
| 259 | Ekta Incubation Centre | West Bengal | | | Y | |
| 260 | IIM Calcutta Innovation Park (IIM CIP) | West Bengal | | | Y | |
| 261 | Science Technology Entrepreneurship Park (STEP), IIT Kharagpur | West Bengal | | Y | Y | |
| 262 | Tagore Centre for Green Technology Business Incubation, Indian Institute of Engineering | West Bengal | | | Y | |
| 263 | 91springboard | | Y | | | |

Annexure 2 FAQs – Incubator Guidelines

1. What is the objective of the incubator program of the DAY-NRLM?

The primary objective of the incubation program is to recognise indigenous enterprise models and explore ways of replicating them across the states / UTs. The program will play a pioneering role in reinforcing comprehensive development through grassroots penetration, enterprise growth, and facilitating innovations to resolve some of the critical challenges permeating India's rural livelihood development sector.

2. What is incubation

Incubation is a business support process that accelerates the development of start-ups, companies, and enterprises by providing them with the required business support and services.

3. How many Incubators can a state/UT implement?

A state/UT can only implement one incubator program.

4. What are the steps that SRLM will follow to apply for the incubator program of the DAY-NRLM?

Step 1: The SRLM would conduct an initial screening/pre-feasibility analysis to analyse the scope and expected availability of enterprises eligible for the incubation program through the Challenge Fund Competition.

Step 2: The SRLM will share the brief report, including their analysis and recommendation, with the DAY-NRLM.

Step 3: Post-approval from the DAY-NRLM, the state will take up the incubator component for implementation as explained in the guidelines.

The SRLM shall endeavour to complete the initial analysis within two weeks and share the report at the maximum within the next 15 days.

5. Who will implement the incubator program?

SRLM is the implementing agency. The Incubator TSA is the executing agency.

6. What services can an enterprise avail in the incubator program?

An enterprise can avail of the following services in the incubator program (not limited to):-

1. Business development advisory
2. Enterprise assessment and needs analysis
3. Identification of skill gaps of the entrepreneurs and steps to facilitate skill-building
4. Establish and validate proof of concept (where required)
5. Growth plan preparation (to increase revenue, employment, profits, etc.)
6. Technical Assistance and Strategy development
7. Market Assessment and sales strategy
8. Assistance in accessing finance, necessary backward and forward linkages
9. Support with obtaining licenses and certifications
10. Capacity building of the entrepreneurs
11. Networking and exposure with the market, potential investors, and industry experts
12. Development of tools to assist in scaling up the enterprises
13. Regular mentoring and handholding

7. Can an enterprise avail financial support through the incubator program?

Yes, in the form of grant and/or soft-loan (at zero percent interest rate)

8. What type of enterprises would receive support under this program

- a. Enterprises engaged in manufacturing
- b. Enterprises engaged in Services

9. What may be the usual duration of a Challenge Fund Competition?

A Challenge Fund Competition should be completed in a maximum of six months duration.

10. What are the different phases of a Challenge Fund Competition?

Different phases could be as follows (not limited to)

- Call of Applications/Sourcing of the enterprises
- Selection Phase
- Preparation of the business model and proposed business plan
- Pitch Training Phase
- Jury Panel Phase
- Award ceremony

11. Number of enterprises who will receive support under this program

An incubator/Executing agency is expected to provide extensive support to 150 SHG enterprises

12. Who can participate in the Challenge Fund Competition and receive incubation support from the incubator agency?

Only DAY-NRLM registered SHGs members who meet the eligibility criteria (minimum 12 months of membership of SHG and minimum number of SHG meetings attended in the previous 12 months) can avail this incubation opportunity. SHG members or SHG-member households must necessarily own these enterprises. In the case of non-SHG members, the project can support the husband / unmarried son / unmarried daughter/ unmarried brother/ unmarried sister/parents of the registered SHG member with the DAY-NRLM.

The SHG enterprises spread across the state/UT can participate following the due application process of the Challenge Fund Competition route.

13. How does an entrepreneur obtain the license and necessary registrations?

The Incubator agency will facilitate the necessary licensing and registration of the SHG enterprises as per their requirements and eligibility.

14. What is the process of dispute redressal among the stakeholders?

The dispute redressal mechanism is laid out in Section 14 of the incubator guidelines. The final decision rests with the JS (RL)/Mission Director, DAY-NRLM, MoRD, GoI. The executing agency or the implementing agency can escalate the matter on due time and when necessary.

Guidelines for Aajeevika Grameen Express Yojana
(AGEY)
28/09/2023

File No: J-11011/1/2016-RL (E 352855)
Government of India
Ministry of Rural Development
Department of Rural Development
<https://rural.nic.in/>
(Rural Livelihoods Division)

7th Floor, NDCC-II Building
Jai Singh Road, New Delhi

Dated: 26th September, 2023

To,

The SMD/ CEO, SRLMs
All the State/ UTs

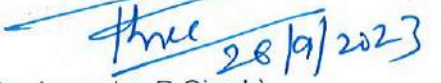
Sub: Revised Aajeevika Grameen Express Yojana (AGEY) guidelines

Madam/ Sir,

I am directed to share the revised guidelines of Aajeevika Grameen Express Yojana (AGEY), a component of SVEP umbrella project under DAY-NRLM .

This guidelines of AGEY issues with the approval of competent authority.

Yours faithfully,


(Raghvendra P Singh)
Director – RL

Encls: A/a

Copy to

1. All NROs
2. All State Anchors



**Aajeevika Grameen Express Yojana
(AGEY) Guidelines – Sep, 2023**

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1 Introduction

- 1.1 The Ministry of Rural Development (MoRD) is implementing the DAY-NRLM with the objective to eliminate rural poverty through innovative implementation strategies involving mobilisation and organisation of the rural poor. It focuses on the promotion of their financial and economic inclusion as well as promotion of convergence with other livelihood programmes. DAY-NRLM aims to promote efficient and effective CBOs, such as SHGs and their federations as institutional platforms of the poor as mediating institutions to boost their collective bargaining power, and to leverage resources to augment livelihoods and improve their quality of life.
- 1.2 In addition, the DAY-NRLM has an objective of achieving increased access to rights, entitlements and public services, diversifying risk and bettering social indicators of empowerment. DAY-NRLM has believed in harnessing the innate capabilities of the women from poor households and complementing them with capacities (information, knowledge, skills, tools, finance and collectivization) to participate in the growing economy of the country. DAY-NRLM facilitates livelihood opportunities to women who are members of Self-Help Groups (SHGs) in both traditional livelihood and non-traditional livelihood areas where women are engaged.
- 1.3 Rural transportation facilitates people's access to jobs, markets, schools, health care and other services; it supports the movement of essential goods into rural areas and the movement of agricultural produce to markets. Rural transportation services are often inadequate and fall short in meeting the demands of mobility. It is important to improve access to transport facilities for passengers and goods in an effort to stimulate economies and alleviate poverty, and this needs to be looked at in the context of mobility and accessibility of rural women.
- 1.4 The MoRD builds rural roads under PMGSY to facilitate the above mentioned access, however, it has been noticed that in remote villages, though roads have been constructed, there is no regular public transport plying on these roads, thereby defeating the purpose of the construction of these roads. The AGEY component of the SVEP umbrella schemes proposes to overcome this gap, by supporting plying of CBO monitored public transport vehicles (of appropriate passenger carrying capacity)
- 1.5 The Government of India is continuing the "Aajeevika Grameen Express Yojana" (AGEY) a component under the SVEP Umbrella schemes under Deendayal Antyodaya Yojana-National Rural Livelihoods Mission (DAY-NRLM). While the AGEY was launched in the financial year 2017-18 it is being continued till 2025-26, to run concurrently with DAY-NRLM.
- 1.6 An evaluation study was done by NIRD&PR to understand the impact of the AGEY and its scope for further continuation.

- 1.7 The study found that the AGEY has largely fulfilled its mandates of providing alternate sources of livelihood to women by assisting them to run safe, affordable and community monitored transport services in backward and remote rural areas, connecting people to key services and amenities.
- 1.8 The key findings from the study revealed that the AGEY was found impactful in the rural areas among the beneficiaries [both Individual and Group] as well as the consumers. AGEY's unique outreach in remote villages, its positive impact on improving access to facilities (health, social and economic) for the targeted communities, support for marketing, employment generation, and access to opportunities in areas of economic growth makes the AGEY incredibly effective.
- 1.9 All the stakeholders of the AGEY had strongly endorsed the success of the AGEY program during the study. The study pointed out that the AGEY has given an opportunity to CBOs to work in a new domain to support livelihoods through public transportation services. The study results revealed vehicles were well accessed and distributed to the targeted beneficiaries and the majority of the vehicles are allocated to the backward and socio-economically poorer section of the society. The study recommended the further continuation of AGEY needs revised implementation guidelines with a robust monitoring framework.
- 1.10 These revised guidelines are based on the study finding and feedback from the states, The AGEY component of the SVEP umbrella schemes is proposed to continue till 2025-26 concurrently with the DAY-NRLM.

2 Objectives of Aajeevika Grameen Express Yojana (AGEY)

AGEY aims to

- 2.1 To provide safe, affordable and community monitored rural transport services to connect remote villages with key services and amenities including access to markets, education, and healthcare for the overall economic development of the area.
- 2.2 To provide an alternative source of livelihoods to members of SHGs under DAY-NRLM by assisting them to operate public transport services in backward rural areas.
- 2.3 To provide an opportunity to CBOs to work and also to support the livelihoods of SHG members in a new domain of public transport to address the limits to mobility and accessibility to public transport facilities faced by rural women.

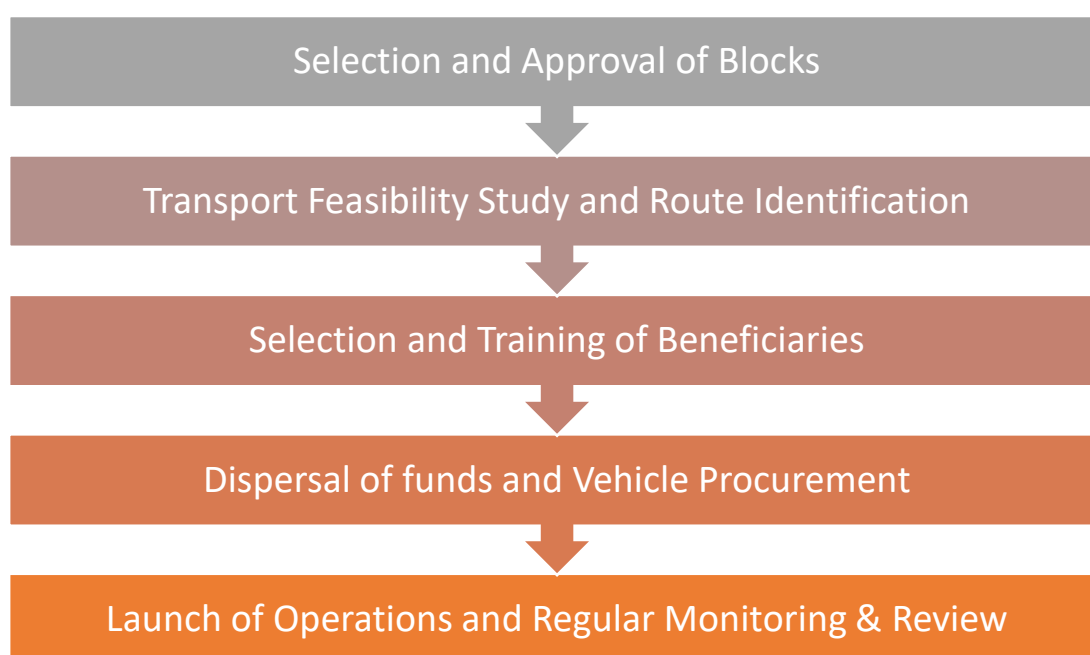
3 Salient features of Aajeevika Grameen Express Yojana (AGEY)

- 3.1 AGEY aims to provide alternate livelihood opportunities to community members by providing rural transport services to connect remote villages with key services and amenities including access to markets, education, and healthcare.

3.2 As the vehicles are to be provided in rural areas where the economic feasibility for operating commercial transport vehicles was low, the AGEY provides a provision of meeting the viability gap by providing an interest free loan to the SHG members/CBOs for the purchase of the vehicle and it is envisaged that this will help in the overall economic development of the area.

3.3 The AGEY is a demand based program and the states can seek to support vehicles in remote blocks (which meet the eligibility criteria defined in these guidelines) and villages of the state based on need and demand, which shall be assessed and approved by the EC of the MoRD.

AGEY Phase II – Overview Process Map



3.4 Key Processes under the program are:

- 3.4.1 The state shall identify villages and blocks where there is a gap in terms of vehicular connectivity.
- 3.4.2 The state shall undertake a route feasibility survey before finalising a route for the villages with no or little connectivity. Efforts must be made to converge with the state transport department and panchyati raj institutions.
- 3.4.3 Based on the route feasibility survey the appropriate vehicle (3 wheeler or 4 wheeler /passenger vehicle or goods vehicle) may be suggested for the route. The estimated P&L for the vehicle operations should be worked out and the viability gap should be estimated. According to the viability gap it should recommend SHG member owning the vehicle or the CBO owning the vehicle. A proposed business plan for the

operations of the proposed vehicle on the proposed route must be made.

- 3.4.4 Post step 3.4.3, the SRLM should take steps to motivate the CBOs and SHG members about the AGEY and the opportunity available.
- 3.4.5 Accordingly, the SRLM through the CBO network, should identify potential SHG members who'd be interested in and are eligible as per the norms given below, for buying and operating an AGEY vehicle.
- 3.4.6 The SRLM should club all the selected potential AGEY entrepreneurs and upto 2 CBO members from every CBO funding an AGEY vehicle into a batch and get them trained by RSETI or similar organisation for learning how to manage a business of running a vehicle. The states Capacity building budget may be used for the funding of these trainings.
- 3.4.7 The state should also make Standard Operating procedures and guidelines for selection of and operating a 3 wheeler (e-rickshaw) and 3 wheeler (fuel operated) and 4 wheeler as a business. These SOPs should clearly specify the cash flow needs for managing the vehicle and its related expenses, including lumpy and periodic expenses like changing of tyres, payment of taxes, renewal of permits, renewal of insurance policy etc, and suggest mechanisms to keep aside sums from the revenue earned for these expenses. It is critical that the operators understand and appreciate that cash in flows from the operation of the vehicle is NOT EQUAL to profit. The SOP on E-rickshaw may focus on the pre-conditions for successful operations of the e-rickshaw – access to regular power supply for battery recharging, access to spares and maintenance workshops etc.
- 3.4.8 The AGEY funds as per guidelines (Maximum of Rs. 8.5 lakhs for a community owned vehicle and Rs. 6.5 lakhs for an individual owned vehicle) as per the type of vehicle and ownership pattern proposed by the route feasibility report, may be transferred to the relevant CBO after the training for purchase of the vehicle.
- 3.4.9 The SHG beneficiary or the CBO shall purchase a new vehicle of any brand and model, which is suitable and has a good after sales and service network on or near the route of the vehicle using the AGEY funds. (Old/ Second hand vehicles shall not be supported under AGEY). A minimum of 10% of the cost of the vehicle has to be contributed by the beneficiary in case of an individual owned vehicle. The baseline information of each beneficiary and village should be clearly captured by the SRLM to compare and evaluate the impact of the AGEY post implementation.
- 3.4.10 The CBO should ensure and monitor the operation of the vehicle on the predefined route and at the pre-agreed frequency. The CBOs should also monitor the repayment of the loan or lease rent as the case may be and ensure that there are no defaults on the repayment.
- 3.4.11 The SRLM block team should enter the one time data of the vehicle, the starting and ending point of the defined route for the vehicle and one time details of the beneficiary.

- 3.4.12 The SRLM would also enter the monthly repayment data on the DAY-NRLM MIS portal, as well as the achievement of revenue and profit as compared to the business plan. The entry on the DAY-NRLM MIS portal shall be the basis for measuring the physical achievement of targets by the states. Non entry in the DAY-NRLM MIS portal shall make the state ineligible to apply for new vehicles under AGEY or to claim expenditure under AGEY.
- 3.4.13 The cost of the route transport survey, the business plan preparation and training costs should be borne by the SRLM under the Capacity Building head in its overall allocation under DAY-NRLM.

3.5 The States will have the following 2 options to implement the AGEY :

3.5.1 Option I:

- 3.5.1.1 Vehicle will be financed and owned by the Community Based Organisations (CBOs) out of the funds transferred under the AGEY. The vehicle will be purchased and owned by CBO and leased to SHG members. A tripartite lease agreement in non-judicial stamp paper to be signed between CLF/VO – SHG and SHG member. In case the amount under AGEY is not adequate, the CBO may take a top-up loan from a commercial financial institution as long as the operation of the larger and more expensive vehicle is financially viable.
- 3.5.1.2 The CBO, based on the route viability and identified type of vehicle, may buy the relevant vehicle using either the funds available under the AGEY or using a top-up loan from banks in case the vehicle cost is more than the maximum cost available under AGEY. The cost of interest on the top-up bank loan shall be borne by the CLF and recovered as part of the lease rental. In case the route viability survey finds out that the Rs. 2 lakhs for maintenance of the vehicle is not required for the viability of the vehicle, then the CBO with approval from the SRLM utilise the entire Rs. 8.5 lakhs for the purchase of the vehicle.
- 3.5.1.3 The beneficiary SHG member will operate the vehicle on the selected route and will pay a monthly lease rental to the CBO. Care will be taken to ensure that the monthly lease rental fixed is reasonable and supports viability of the enterprise for the SHG member and the cost of the vehicle is also recovered from the SHG member over a maximum period of 6 years. The SRLM in consultation with the CBO may decide if the beneficiary needs to be rotated periodically, or rotated based on a periodic evaluation of the performance of the beneficiary.
- 3.5.1.4 Interest will not be charged while recovering the cost through lease rental.
- 3.5.1.5 Annual cost of insurance, road tax, permit cost and annual maintenance cost like replacement of tyres would be borne by the CBO. The maximum funding for such items shall not exceed Rs. 2.00 lakhs per vehicle per CBO for the duration of the AGEY from 2022-23 to 2025-26. The expenditure on this account will be incurred by the CBOs, as per requirement with proper supporting documents as per the audit requirements of the CBOs.

- 3.5.1.6 The running cost of the vehicle and routine maintenance (i.e., fuel, oil, engine oil, servicing etc.) shall be borne by the SHG member who's operating the vehicle.
- 3.5.1.7 In the initial period till the CBO owns the vehicle, the vehicle shall be registered in the name of the CBO. This means that the CBO shall necessarily have to be a registered legal entity.. In case, the CBO is unregistered, the SRLM may take a call on registering the vehicle in the name of a nominated person from the CBO.
- 3.5.1.8 The decision regarding the ownership of the vehicle after the cost of vehicle is fully paid up through lease rental will be taken by the CBO, which may include transfer of ownership of the vehicle to the SHG member for a consideration or the sale of the vehicle to any other person or continue the operation of the vehicle on lease.

3.5.2 Option II:

- 3.5.2.1 CBO will provide an interest free loan from the Fund transferred under the AGEY to the selected SHG member for purchase of the vehicle. A tripartite agreement in non-judicial stamp paper to be signed between CLF/VO – SHG and SHG member.
 - 3.5.2.2 The SHG member will repay the loan over a maximum period of 6 years and bear all the costs connected with the operation of the vehicle, including annual cost of insurance, road tax, permit cost, maintenance cost and all other running costs of the vehicle (i.e., fuel, oil, etc.). Care will be taken to ensure that the monthly EMI fixed is reasonable and supports viability of the enterprise for the SHG member and the cost of the vehicle is also recovered from the SHG member over a maximum period of 6 years.
 - 3.5.2.3 The vehicle is registered in the name of the SHG member.
 - 3.5.2.4 Copies of all documents pertaining to the vehicle – RC, insurance, RTO permit etc. shall be kept with the lending CBO.
 - 3.5.2.5 In case the individual beneficiary has to buy a larger vehicle then she may take a top up loan from any bank and repay the bank loan directly. The hypothecation of the vehicle and other documentation needed for bank loan may be done.
- 3.5.3 In order to maximise the reach of AGEY and to increase the number of vehicles that can be supported under the allocated budgets, the SRLMs are expected to facilitate loans for the SHG members from banks under the Women Enterprise Acceleration Fund under DAY-NRLM, SIDBI Prayas enterprise financing program, PMEGP or any other bank loan product. Since the interest subsidy under the Women acceleration fund is limited to a maximum loan amount of Rs. 1.5 lakhs, this option may be used for funding cheaper vehicles like e-rickshaw etc. In case of mixed funding, partially from AGEY and partially from bank / PMEGP / any other convergence, the AGEY should ideally fund only the balance amount required for the viability of the vehicle as per the business plan.

- 3.5.4 The State is expected to facilitate the convergence with other state government schemes for availing part financial assistance and balance of the finance requirement would be met from the Fund of AGEY in any of the 2 options chosen by the state / CBO for the ownership and finance of the vehicle.
- 3.5.5 The SHG member shall repay the EMI to the bank and at the end of every quarter the CBO shall reimburse the interest amount (less the interest subvention amount) paid for the EMI to the entrepreneur. The state may transfer either the appropriate amount to the CBO (either the amount lent to the SHG member for purchase of the vehicle, or the amount used by the CBO for vehicle purchase + expected annual cost of maintenance / insurance and other regulatory expenses for a period of 2 years, or the cost of interest to be reimbursed to the SHG member for bank / other loans).
- 3.5.6 At least 20% of the total vehicles supported by the state under AGEY should have either part financing from banks or through convergence.
- 3.5.7 In case of savings in the maximum allocated cost per vehicle under AGEY (Rs.8.5 lakhs per vehicle) due to any reason – cheaper vehicle selected, part finance from convergence or from bank loan, the state may use the funds allocated to the state under AGEY to increase the number of AGEY vehicles to be provided in the state.
- 3.5.8 The fund transfer to the concerned CLFs shall be done by the SRLM using the Electronic Fund management and accounting solution (EFMAS) and Fund disbursement module (FDM) of the DAY-NRLM.

4 Operational details:

4.1 Block selection

- 4.1.1 The State wise distribution of the number of blocks allocated to each State will be decided based on the allocation criteria and past performance of the state under the AGEY.
- 4.1.2 The project blocks will be selected by the States based on the criteria given in the table below. All the non-negotiable criteria have to be met by the state and minimum 6 of out of the 8 criteria have to be met in the block selected for AGEY implementation.
- 4.1.1 The state may sanction a maximum of 6 vehicles per block (or Rs.51 lakhs budget per block for AGEY) in the hill and NE states and a maximum of 4 vehicles per block (or Rs.34 lakhs budget per block for AGEY) in the remaining states. Backwardness, lack of transportation link and sustainability of service would be the other guiding factors in the selection of blocks and routes.
- 4.1.2 Blocks in which Start-up Village Entrepreneurship Programme (SVEP), Mahila Kissan Shashaktikaran Pariyojana (MKSP), producer collectives are being implemented may also be given priority in selection of blocks, provided they meet the block selection criteria in the table given below.
- 4.1.3 A maximum of 10% of the AGEY vehicles sanctioned to a state can be used to provide goods carrying vehicles/mobile sales outlets to FPOs/ PEs promoted under SRLM on the same terms and conditions as an individual beneficiary (the FPO/PE shall get an interest free loan for the vehicle which has to be repaid in a maximum of 72 monthly

instalments).The vehicles provided to the FPO's/ PE's also have to be financially viable and should be able to cover the cost of vehicle operations and EMI from the income generated / cost saved by the operations of the vehicle.

- 4.1.4 Villages in the selected block where existing vehicles are operating should not be selected under AGEY to avoid unfair competition with /unfair advantage over the existing vehicles which don't have benefit of interest free loans.
- 4.1.5 The list of blocks and villages where the AGEY shall be implemented shall need to be ratified by the MoRD basis the traffic study, route survey and the proposed business plan of the vehicle. The SRLM may submit these in lots of vehicles for ease of transaction.

| Block selection criteria for the states for AGEY | | | | | |
|--|-----------------------|--|---------|---------|--------------|
| | | | Others | NE | Hills states |
| Non negotiables | State readiness | Manpower at the state - Dedicated non farm SPM, PM and YP at the state (> 6 blocks) | Yes/No | Yes/No | Yes/No |
| Non negotiables | State readiness | Manpower at the state - Dedicated non farm 1 SPM, 1 PM at the state (3 to 6 blocks) | Yes/No | Yes/No | Yes/No |
| Non negotiables | State readiness | Manpower at the state - Dedicated non farm 1 PM at the state (< 3 blocks) | Yes/No | Yes/No | Yes/No |
| Non negotiables | State readiness | Manpower in the district for block where the AGEY is applied for- Dedicated DPM in place | Yes/No | Yes/No | Yes/No |
| Non negotiables | State readiness | Manpower in the block for the block where the AGEY is applied for - Dedicated BPM in place | Yes/No | Yes/No | Yes/No |
| Non negotiables | Block appropriateness | NPAs of the SHGs in the bank linkage portal (should be max 5%) | 5% | 5% | 5% |
| | | | | | |
| | Block appropriateness | Minimum saturation of HH in SHG in the block before taking up AGEY | 80% | 60% | 60% |
| | Block appropriateness | Minimum Villages entered with SHG mobilisation in the block | 90% | 90% | 90% |
| | Block appropriateness | Is there a CLF in the block proposed ? | CLF | CLF | CLF |
| | Block appropriateness | Minimum years of federation of SHGs into BLF or CLF in the block before taking up AGEY | 1 | 1 | 1 |
| | Block appropriateness | Minimum RF disbursed as % of eligible SHGs in the block before taking up AGEY | 75% | 75% | 75% |
| | Block appropriateness | Minimum CIF disbursed as % of eligible SHGs in the block before taking up AGEY | 60% | 60% | 60% |
| | Block appropriateness | Minimum amount of CIF disbursed to the identified CLF which shall get the AGEY | 50 lakh | 50 lakh | 50 lakh |
| | Block appropriateness | Minimum achievement of SHG bank linkage in the block before taking up AGEY | 60% | 50% | 50% |

* Exceptions may be approved by the competent authority. Data on the above criteria shall be as per DAY-NRLM MIS and bank linkage portal.

4.2 Identification of routes

- 4.2.1 The SRLMs will do a feasibility study and traffic survey in the selected blocks to identify the routes and the number and capacity of the vehicles which can be operated on a sustainable basis. Broad framework for feasibility study and traffic survey is shared as Annexure 1.
- 4.2.2 The feasibility study and traffic survey study could be done by CRP-EPs in the block or by the technical support agency to be empanelled by the state. The CRP-EPs need to be trained in building their expertise in transport network planning. The training could be done at RSETIs or at technical institutions. The cost of these trainings and studies can be met from the budget available for capacity building under DAY-NRLM as part of the state's annual allocation.
- 4.2.3 The traffic survey study should recommend multiple options of the routes after the feasibility study to the CBOs and CBO and BMMU may jointly select the final route. Format for the route assessment recommendation is attached as annexure 2.
- 4.2.4 Based on the confirmation of final routes, CLF/ VO selects the beneficiary for the final route selected.
- 4.2.5 The SRLMs through DMMU shall coordinate with the Transport Department for the issue of permit to the vehicle under the AGEY based on the findings of the traffic survey.

5 Financial arrangement

- 5.1 Depending on traffic potential, the type of vehicle and its capacity will be determined by the CBO for each route. The choice of vehicle could be either e-rickshaw, 3-wheeler or 4-wheeler. The maximum cost of each vehicle to be funded by AGEY funds shall be kept within a limit of Rs. 6.50 lakh or Rs. 8.5 lakhs in case of a CBO owned vehicle. In case any beneficiary / CBO/ FPO wants to buy a larger vehicle and the larger vehicle is financially viable, the vehicle owner may fund the top-up amount from either its own funds or from a loan from formal financial institutions like banks etc and repay the top-up loan directly.
- 5.2 The maximum tenure of the loan would be six years (72 months)
- 5.3 The state to ensure that provision under Option 1 mentioned above for the Annual cost of insurance, road tax, permit cost and annual maintenance cost like replacement of tyres would be borne by the CBO. The maximum funding for such items shall not exceed Rs. 2 lakhs per vehicle per CBO or 25% of the vehicle costs whichever is lower for the duration from 2022-23 to 2025-26. This amount needs to be included in the overall budget allocation of the state.
- 5.4 In order to avoid higher maintenance and operating cost only new vehicles shall be purchased. No second-hand vehicle will be purchased for operating the AGEY.
- 5.5 In case of individual ownership, minimum 10% of the cost of the vehicle must be contributed by the beneficiary as her contribution and to ensure she has skin in the game.

6 Selection of Beneficiary

6.1 Individual beneficiary: The individual beneficiary selection will be through a transparent process keeping in view the poverty status based on SECC data/criteria and capability of the SHG member to operate and manage the service. Essential requirements are:

6.2 The individual beneficiary must be:

- 6.2.1 A member of a SHG, and the SHG must be at least 1 year old
- 6.2.2 Should be a member of the SHG for minimum period of 1 year
- 6.2.3 Should have attended minimum 80% of the SHG meetings held the previous 12 months. (as evidenced from the minutes book)
- 6.3.4 Should have borrowed and repaid at least 1 SHG loan
- 6.3.5 Should not be a defaulter of a SHG or CIF loan or a bank loan
- 6.3.6 Preferably should live in the village where the vehicle route shall begin
- 6.3.7 Preferably should be willing to or should have a family member willing to drive the vehicle and should have a commercial driving license.

6.3 Special provisions for the NE states and J&K :

For the NE states and J&K where 2/3 of the rural population can be members of the SHG irrespective of their economic status, the SRLMs must ensure that the beneficiary selection under AGEY gives priority to such beneficiary for whom the vehicle shall be the primary source of income. For the NE and hill states it is mandatory that the SHG member or family member should be the driver of the proposed AGEY vehicle.

6.4 FPO/PE beneficiaries :

FPO/PE's which shall be allotted AGEY vehicles should fulfil the following criteria:

- 6.4.1 FPO/PE should have been in existence for atleast 1 year
- 6.4.2 The FPO/ PE should not have been provided a grant for purchase of vehicles as part of its government funding.
- 6.4.3 The FPO/ PE should be able to generate enough income/saving from the running of the vehicle to be able to repay the principal amount in EMI's to the CLF in a maximum period of 6 years. Should be a registered entity and should have maintained audited accounts for at least a year.
- 6.4.4 Should have atleast 60% of membership comprising of SHG members or their immediate family members.
- 6.4.5 FPO/PE should procure a goods carrying vehicle

6.4.6 A FPO/PE can procure a passenger vehicle only if the PE/FPO is in the business of tourism or other business that involves transport of customers.

6.5 CBO beneficiaries:

CBOs which shall be allotted AGEY vehicles should fulfil the following criteria:

6.5.1 The block should be eligible as per the eligibility criteria mentioned in this guideline. The CBO selected should have been recommended by the SRLM's district team, certifying the following points :

6.5.2 CBO should have been in existence for atleast 1 year.

6.5.3 CBO should have held regular monthly meetings as documented in the minutes book of the CBO.

6.5.4 Should preferably a registered entity.

6.5.5 The NPA on CIF/CEF/Livelihood fund loans for the CBO should be lower than 5%.

The CLF should give a signed declaration that only eligible beneficiaries as per these guidelines have been chosen under AGEY.

7. Application process

- 7.1 The applicants must submit their application to their SHG in the format as prescribed by SRLM within stipulated time, as decided by concerned CLF. A sample format of the application is attached as Annexure 3. States to formulate the application form as per their requirement.
- 7.2 BMMU/CRP-EPs/CRP's shall aid the applicant in filling up the application.
- 7.3 In case of multiple applications the CBOs may select one beneficiary based on an objective grading criteria. The BMMU may assist the CBOs in drawing up the grading criteria. An indicative framework for the grading is shared as Annexure 4. States may modify the grading criteria as per their requirement.
- 7.4 The CLF must publicly release the result of all the shortlisted candidates i.e. their scored marks in the grading sheet and the reason for selection/rejection in case of a tie.

8. Onboarding of Beneficiary

8.1 Training and Capacity building

- 8.1.1 After the selection of beneficiary from all interested applicants, the selected beneficiary should undergo a training on the operation of a vehicle as a business.

- 8.1.2 The training shall include driving training, vehicle management & maintenance and understating economic viability in public transports. SRLMs in consultation with RSETIs to finalise the training modules according to available skill set and current capabilities.
- 8.1.3 SRLMs shall undertake the capacity building for CRP-EPs in the areas of feasibility study, traffic survey study, preparation of business plan, vehicle management & maintenance and understating economic viability in public transports.
- 8.1.4 SRLMs shall undertake the capacity building for their staff at State, District and Block levels for operating the AGEY.
- 8.1.5 Training and capacity building are mandatory for the beneficiary and CBO members before the vehicle is operationalised in the block.
- 8.1.6 The cost of these trainings can be met from the provision available for capacity building under DAY-NRLM.
- 8.1.7 Post the training she would submit a business plan to its SHG along with all the relevant documents including the quotation of the vehicle which the applicant finds most suitable to run on the selected route.
- 8.1.8 CRP-EPs will assist SHG members in the preparation of a Business plan as per the (Annexure-5).
- 8.1.9 SHG in turn submits the business plan with the supporting documents to VO and after verifying the same, VO recommends to CLF.
- 8.1.10 The BMMU staff shall assist the CLF in verifying all the documents.

9 Vehicle procurement:

- 9.1 AGEY does not support the purchase of old/second hand vehicles nor does it support the purchase of luxury vehicles for personal use. Luxury vehicles are defined as passenger vehicles costing more than Rs. 15 lakhs. The state may detail the list of passenger vehicles falling the luxury segment, based on the ground reality and needs of the state – like sedans / compact SUV etc. In case any vehicle in the luxury segment is procured, the need and utility for the same should be clearly mentioned and justified.
- 9.2 DAY-NRLM’s community procurement policy to be followed for the procurement in case of ownership of the vehicle by CBO.
- 9.3 No procurement policy needs to be followed in case of individual ownership of vehicle.
- 9.4 Kindly note that that all the vehicles would be commercial and not used as private vehicles.

10 Operation the vehicle

- 10.1. The salary of the driver shall be borne by the SHG member out of earning from the operation of the vehicle. In the interest of economic viability of the vehicle it is recommended that the beneficiary herself or her family member is the driver of the vehicle.
- 10.2 The lessee / operator shall run the vehicle on approved routes at predetermined frequency as jointly agreed between the CBO and the operator. The routes should be approved based on financial viability and the need for transport link.
- 10.3 All vehicles under the AGEY shall have a defined colour code and carry AGEY branding to ensure their identity and avoid diversion to other routes,
- 10.4 The charges per trip shall be fixed jointly by the operator and the CBO subject to rules / regulations of the Transport Department of the State Administration.
- 10.5 The CBO may fix some discounted fares for girls going to school or college.
- 10.6 Based on the transport survey and feasibility study, if any relaxation becomes necessary in the provisions of these guidelines in the case of LWE districts and other difficult areas, the proposals for such relaxation shall be submitted to the DAY-NRLM Empowered Committee for a decision.
- 10.7 While being operational under the selected beneficiary, if the vehicle is seized by the administration with the allegations of being an instrument in a criminal offence; the entire responsibility for this shall be borne by the beneficiary. CBOs, State or Central Government or its agencies shall not be liable for any accidents or damages arising from operation of the transport services envisaged under the AGEY and entire responsibility would be on the beneficiary. The above details need to be mentioned in the agreement with the beneficiary.

11 Documentation

- 11.1 The SHG member operating the vehicle shall ensure that all the necessary legal and statutory requirements for operating the vehicle such as valid permit, road tax payment, valid insurance policy etc., are met. The CBO may also check the validity of these documents.
- 11.2 CLF to keep a file for each of the vehicles with the following basic details - valid permit, road tax payment, valid insurance policy, copy of the licence, identity & address proof, tripartite agreement, SHG-VO recommendation, application form, business plan.
- 11.3 Annual insurance, pollution certificate, permit renewal etc to be collected on an annual basis and kept in the file for each vehicle. A copy of these documents must also be kept with the BMMU.

12. Loan repayment

- 12.1 The repayment of the loan must be ensured on time. The repayment needs to be completed in a maximum of 72 monthly instalments.
- 12.2 If the beneficiary stops the repayment of the loan for three continuous months, the CLF will reserve the right to impose a fine / penal interest for the delayed payment. CLF has the freedom to charge prevailing SBI FD annual rate interest as fine / penal interest for the default amount for the delayed period.

- 12.3 If the non-payment of loan continues for beyond 3 months, Loan Repayment Committee of the concerned VO & CLF will evaluate the issue and upon deliberation it will decide the future course of action, which may include the decision to seize the vehicle and take necessary action to ensure the recovery of the loan.
- 12.4 The repaid instalments of AGEY loan to the CLF to be used for further purchase of vehicles, either under the same norms as detailed under AGEY or in case of saturation of vehicles connecting all the villages in the CLF, for interest bearing funding of vehicles or other livelihood activities, preferably related to the business support of the vehicles (eg. Tyre shops, repair shops etc)
- 12.5 Wherever feasible, the CLF should use the experience of funding AGEY vehicles to start funding more financially viable vehicles as an income generating activity for the SHG members.

13. Approval process

- 13.1 The SRLM shall propose the total requirement of funds for all the AGEY in the state in a financial year as part of its Annual Action Plan to the DAY-NRLM.
- 13.2 Annual Action Plan (AAP) submitted by SRLM's along with budget estimates which will be considered and approved by the DAY-NRLM Empowered Committee set-up under the Chairmanship of Secretary (Rural Development)

14. Release of funds

14.1 From Centre to State

- 14.1.1 The release of funds to the SRLMs would be based on the annual allocation as mentioned in the AAP or Supplementary AAP and approved by the EC of the MoRD. The state is expected to implement the AGEY component using the consolidated funds released under the SVEP umbrella of schemes.
- 14.1.2 All releases would be subject to the procedures and processes prescribed in the Framework document of DAY-NRLM. All the funds released would be as part of the AAP and shall follow the extant instructions of the DoE. The current conditions for release of funds are in four instalments per annum. The first instalment can be released as an advance; however the subsequent instalments must be linked with physical progress.
- 14.1.3 Funding pattern under the AGEY is currently 60% centre and 40% state. (Exception being 90% centre and 10% state for the North eastern states and Himalayan states). However, the same may change in case any new set of guidelines are notified by the government of India
- 14.1.4 However, currently the Ministry of Rural Development has the mandate to fund the program for the years 2022-23- till 2025-26 only.

14.2 From SRLM to CLFs :

- 14.2.1 The SRLM should plan and ensure that the funds are released to the CBOs in a timely manner so that the programme implementation does not suffer.
- 14.2.2 Under AGEY, a maximum of Rs. 6.5 Lakhs per vehicle may be provided to individual beneficiaries and a maximum of Rs. 8.5 lakhs per vehicle may be provided to CBOs who are beneficiaries.
- 14.2.3 State to release funds to CLFs using the consolidated funds released under the SVEP umbrella budget head.

14.3 From CLF to beneficiary :

- 14.3.1 The CLF to transfer the loan amount to the concerned VO, who shall transfer it to the respective SHG as needed. The SHG to then transfer the loan amount to the beneficiary's account in the case of individual ownership.
- 14.3.2 From the date of submission of the business plan to the SHG, the final transfer of loan amount to the account of the beneficiary shall be completed within 45 days.
- 14.3.3 The states may modify this fund routing procedure in the interest of time and may fund the beneficiary directly. However, the loan should be reflected in the books of the VO and SHG.
- 14.3.4 Similar pathway to be followed for CBOs/FPO/PEs also ensuring that the loan reflects in the books at every appropriate level.
- 14.3.5 All the Provisions of DOE and DAY-NRLM for financial management should be followed, including but not limited to using the FDM for funds transfer.

15. Roles and responsibility of stakeholders

15.1 Community Based Organisations (CBOs)

- 15.1.1 Identify the type of vehicle jointly with SHG members based on traffic potential survey and viability of operations.
- 15.1.2 To select the beneficiary
- 15.1.3 To ensure that the vehicle runs regularly on the defined route on the defined timing and is not diverted to other routes. CBO will also ensure that there is no sub-contracting of the vehicle by the SHG member.
- 15.1.4 Fix charges per trip jointly with the operator with provision for discounted fare for girls going to school or college. Also ensure that the operator charges only the agreed rates from the passengers. Fare discounts may also be allowed for differently-abled persons.
- 15.1.5 Ensure that all the legal and Statutory documents relating to the vehicle are kept updated and valid at all times. A separate file to be maintained for keeping the records of the vehicle supported.
- 15.1.6 Ensure that the vehicle operator takes proper care of the vehicle and pays the agreed rent / repayments on time. Ensuring regular service is done for the vehicle as per the manufacturer norms
- 15.1.7 Ensure that the VO members are trained in the management of transport vehicles on business lines. The training would be organised by the SRLM.

15.2 State Rural Livelihoods Missions

- 15.2.1 Select the block for implementation of the AGEY from among the intensive blocks of DAY-NRLM where well established CBOs are functioning and which are under connected.
- 15.2.2 Ensure that a rural transport network study is done for the selected block and routes are selected based on the connectivity gaps.
- 15.2.3 Select the CBO for implementation. Build the capacity in the CBO to decide on the vehicle lease rental to factor in lower maintenance costs in the first 1-2 years when the vehicle is new and is covered under the manufacturer's warranty.
- 15.2.4 Ensure that coordination and convergence is done with the State Transport Department to get the route permit allotted to the CBOs/SHG member/s based on the transport network study and also to provide other benefits available with the transport department to the AGEY.
- 15.2.5 Ensure that the State Transport Department gives a permit for carrying both passengers and goods by these vehicles subject to Motor Vehicle Regulations.
- 15.2.6 Ensure that the office bearers of the CBO and the Vehicle operator are provided training in transport business management and driving and maintenance aspects of vehicle.
- 15.2.7 Ensure that the operation of the vehicle is in the defined area and on the routes as specified by the CBO after the feasibility study.
- 15.2.8 Handhold the CBO and the operator so that they are able to manage the service in an economically sustainable manner.
- 15.2.9 Monitor the AGEY component and report progress to DAY-NRLM periodically and also upload details on DAY-NRLM-MIS.
- 15.2.10 Issue state specific guidelines for the implementation of the project
- 15.2.11 Appoint a State Nodal officer for the AGEY who will ensure coordination, provision of technical support and successful implementation of the component.

15.3 Community Resource Person – Enterprise Promotion (CRP-EPs) /Other CRP's

- 15.3.1 The feasibility study and traffic survey study could be done by CRP-EPs/CRP's in the block or by a competent technical agency selected by the state for this purpose.
- 15.3.2 CRPs shall aid the applicant (SHG member) in filling up the application.
- 15.3.3 CRP will assist SHG members in the preparation of a Business plan.

15.4 RSETI and other partner institutions

- 15.4.1 Developing module for the feasibility study, traffic survey study, preparation of business plan, vehicle management & maintenance and understating economic viability in public transport.
- 15.4.2 Undertaking training of CRP-EPs, beneficiary and SRLM team.

16 Convergence

16.1 SRLM/DMMUs to converge with the State/ Regional Transport Offices for the following activities:

- 16.1.1 Identification of routes.
- 16.1.2 Procurement of route permit.
- 16.1.3 Training of Beneficiaries (Drivers) on learning to drive and acquiring license for the same.
- 16.1.4 Any other inputs as found necessary.

16.2 SRLM/DMMU to converge with RSETI, and other NROs, Technical institutions for the following:

- 16.2.1 Training of CRPs on conducting route feasibility study.
- 16.2.2 Training and Orientation of interested applicants and family members who may be operating the vehicle on management of transport vehicles as a business including driving training
- 16.2.3 Refresher training for final beneficiaries on management of transport vehicles as a business.
- 16.2.4 Any other trainings as necessary.

16.3 SRLM/BMMU to converge with PRIs and local administration for the following :

- 16.3.1 Identification and selection of routes.
- 16.3.2 Preference to AGEY vehicles for government transport and procurement.

16.4 SRLM to converge with multiple partners for funding and allied activities

- 16.4.1 Other government schemes/ funds like PMEGP, District Mineral Fund etc.
- 16.4.2 Women Enterprise Acceleration Fund under DAY-NRLM.
- 16.4.3 Enterprise financing schemes of financial institutions like SIDBI Prayas enterprise financing program etc
- 16.4.4 CSR, NGO partners, civil society organisations etc.

16.5 SRLM / BMMUs to converge with State Discoms and other firms in the solar power sector

- 16.5.1 BMMUs to encourage beneficiaries with battery operated vehicles to adopt solar power towards cost savings. BMMUs to converge with local DISCOM branch to provide Central Financial Assistance/ Subsidy to beneficiaries under the Grid Connected Rooftop Solar Programme and other programmes
- 16.5.2 SRLMs to also explore partnerships with solar power firms for convergence possibilities including infrastructure such as charging ports and public charging stations.

16.5.3 There are subsidies available under the Ministry of Power for charging stations and battery swapping stations and the same may be developed as an enterprise opportunity for SHG members in states where feasible.

16.6 Other Convergences as seem viable

16.6.1 Multiple states have provided free/subsidised driving training for women and SRLM to explore options for the same.

17. Monitoring and Reporting

17.1 MIS

- 17.1.1 AGEY nodal officer for the state to be in charge of M&E for the state and report the same to DAY-NRLM.
- 17.1.2 Nodal officer to ensure that one time data collection as per the AGEY MIS is uploaded for every beneficiary and route.
- 17.1.3 State to ensure that the AGEY module for the effective monitoring and management of the component in the DAY-NRLM module is updated on a regular basis. The module has two components
- 17.1.4 Static information of AGEY Vehicle which includes collection of basic information of the vehicle and beneficiary. The baseline information of each beneficiary and village should be clearly captured by the SRLM to compare and evaluate the impact of the AGEY post implementation. This needs to be updated within 30 days from the date of purchase of vehicle.
- 17.1.5 Monthly information of AGEY Vehicle which includes monthly Tracking of Vehicle Information including status of repayment of loan.
- 17.1.6 SRLMs shall ensure that the MIS is updated for all the previous vehicles sanctioned earlier under AGEY and AGEY (CAP). If, this is not completed, then the AGEY component of Annual Action Plan (AAP) submitted to MoRD for approval, shall **not be** considered for approval.

17.2 Review at the State Level

- 17.2.1 A monthly progress report to be prepared on the performance of the AGEY in the state. The report should capture the details like whether the vehicle was operational during the month, monthly net income from AGEY vehicle, if the vehicle ran on the predefined route, loan repayment status, number of Kms operated etc.
- 17.2.2 The SRLM should specifically monitor (At the blocks and the district level also), the status of the following points with respect to the vehicles owned by the CBO's
 - 17.2.2.1.1 Time lease rent payments (if operated by an SHG member)
 - 17.2.2.1.2 Profitability (if operated by the CBO)
 - 17.2.2.1.3 Ownership status of the vehicle
 - 17.2.2.1.4 Operations of the vehicle by an SHG member or by the CBO itself
 - 17.2.2.1.5 Maintenance status of the vehicle
- 17.2.3 The nodal person for AGEY along with SPM and the State Mission Director (or their representative) shall review the progress of the AGEY every month.
- 17.2.4 Representatives from DMMU (DPM) and BMMU should ideally attend the meeting.
- 17.2.5 The SMD of the SRLM should review the progress of implementation at least once every quarter.

- 17.2.6 The intimation of the quarterly meeting along with the agenda shall be circulated by the state nodal person for AGEY at least 10 days prior to conduct of the meeting through email.
- 17.2.7 The meeting shall be minuted and the minutes of the meeting should be shared with all participants and concerned stakeholders, including NMMU, within 10-days of the meeting being held.

17.3 Review at the National Level

- 17.3.1 The nodal person supporting AGEY along with Lead – Non-Farm and the Mission Director (or their representative) shall review the progress of the AGEY at least once every quarter.
- 17.3.2 The intimation of the meeting along with the agenda shall be circulated by the nodal person for AGEY at NMMU at least 10 days prior to conduct of the meeting through email.
- 17.3.3 The meeting shall be minuted and the minutes of the meeting should be shared with all participants and concerned stakeholders within 10-days of the meeting being held.

18. Grievance Redressal

- 18.1 Conflicts in professional space are inevitable occurrences. However, it is in the best interest of all concerned that conflicts are resolved immediately. In cases where the conflicts cannot be resolved internally, a conflict resolution mechanism will be put in place for their timely resolution. In case of issues that cannot be resolved internally, a redressal committee will meet to understand the issue and arrive at a mutually acceptable decision.
 - 18.1.1 The SRLM should form a redressal committee at every district where the AGEY is being implemented.
 - 18.1.2 In case of conflict, the decision taken by the respective CLF shall be the first stage of resolution.
 - 18.1.3 In case it is not resolved, the redressal committee at the district comprising DMMU and selected representatives from the CLFs concerned will meet to arrive at a mutually acceptable decision.
 - 18.1.4 In case the redressal committee cannot arrive at a mutually acceptable decision, the final decision will rest with the SPM (non-farm livelihoods). In case the dispute still persists, the decision of the CEO/SMD of SRLM shall be final and binding on all parties.

Annexure 1: Suggested Broad framework for feasibility study and traffic survey

CRPs to be provided training in carrying out route feasibility survey and traffic study either with the assistance of RSETI or NRPs. The state should modify the survey as necessary and ensure that the same is available in the local language.

BMMUs & DMMUs with the assistance of Regional Transportation Office to identify villages with gaps in transportation access in the selected blocks. CRPs may discuss with the local community and PRI officials to compile a list of possible routes. CBOs to assist CRPs in this.

Backwardness, lack of transportation link and sustainability of service to be the guiding factors in the final selection of routes.

Route Feasibility Study

- 1 What is the normal traffic along this route?
 - a) Daily travel for work.
 - b) Student traffic along the route.
 - c) Travel for other irregular needs such as market / health care on average every day.
 - d) Weekend traffic along the route e.g. for leisure activities.
 - e) Volume of movement of goods along the route
- 2 Are there seasonal variations along the route? If yes, please explain.
- 3 Is there connectivity through this road to other major roads/highways
- 4 Key locations along the route
 - a) Healthcare facilities
 - b) Local/regional markets
 - c) Government offices

- d) Railway stations / Bus hubs
- e) Major towns / Market centers such as Mandis
- f) Any tourist hot spots
- g) Others

5 Current transport facility along the route

What are the current modes of transport available along the route and their capacity (if possible this may be accessed from the RTO also based on permits provided)

| Vehicle | No. of Vehicles | No. of Seats | 6-8 A.M | 8-10 A.M | 10-12 A.M | 12 A.M – 4 P.M | 4-6 P.M | 6-10 PM |
|----------|-----------------|--------------|---------|----------|-----------|----------------|---------|---------|
| Bus | | | | | | | | |
| Jeep | | | | | | | | |
| Rickshaw | | | | | | | | |
| Others | | | | | | | | |

6 Are there gaps in the transport service in the area

- a. What is the average waiting time for access to transport?
 - I. During peak hours (8 – 10 A.M and 4-6 P.M)
 - II. During non peak hours
- b. Are there students who have dropped out because of lack of safe transportation options? – Yes/No
 - I. How many students on average?
- c. Are there individuals who are unable to seek work due to lack of transport? – Yes/ No
 - 1. How many individuals on average

7 Cost of Transport

- a) What is the average one-way cost of transport along the route on sharing basis?
- b) What is the cost of hiring a private vehicle along the route, say for health care needs/goods transport?

8 Status of Roads

- a) Does the route have a pucca road?
- b) Is the road in good condition and accessible during all seasons including monsoons?
- c) What is the terrain along the route – level/hilly

Prioritisation of routes shall be done on following basis:

1. Current situation of the transportation facility
2. Necessity & need of the community members.
3. Number of expected passengers and volume of goods on a certain route
4. Availability & Non-availability of roads
5. Access to major utility centres i.e. schools, hospitals, markets/mandis etc

For the AGEY vehicle to be financially viable, the above study should be used to inform the ownership and mode of operation of the vehicle as detailed in the state guidelines provided in Annexure 3.

Annexure 2: Guidelines for vehicle selection and operation

Separate brief guidelines to be made by SRLM for the following categories of vehicles.

1. Battery operated 3 wheeler
2. Fuel operated 3 wheeler
3. Fuel operated 4 wheeler

Guidelines to include the following:

Enumerated list of representative cash flow needs including but not limited to

- a) Payment of taxes
- b) Renewal of permits
- c) Renewal of policies
- d) Periodic expenses such as vehicle servicing, replacement of tyres
- e) Buffer savings in order to deal with possible emergency repairs

SRLM to encourage AGEY beneficiaries to keep aside the above total from revenue earned over the first few months in order to be able to manage these expenses.

Additional guidelines for battery operated vehicles

- a) Mandatory access to 6-8 hours of power supply overnight or for the duration when the vehicle would normally be docked for charging.
- b) Access to specialised spare parts and maintenance workshops within a radius of 30 Kms from the operator's residence/allocated route

Vehicle Selection

The selection of the vehicle is dependent on the following criteria

- a) Average volume of traffic along the route selected – passenger and/or goods.

Where the average expected volume of passenger traffic is 4-5 per ride, 3 wheeler vehicles to be selected. Where this is greater, 4 wheelers may be selected. Similarly depending on capacity for goods, vehicle to be selected.

- b) Terrain of the area

Hilly areas and or difficult/rough terrain are not suited for electric vehicles and under such situations, fuel operated vehicles to be promoted. At the same time, electric vehicles, where otherwise feasible, to be promoted in plain regions.

- c) Profitability

Profit to be calculated for the route based on the required capacity. It is essential that within one year or at most 2 years along this route, this particular model of vehicle will be able to make a profit that is equal to the opportunity cost detailed

below. It is critical that the operators understand and appreciate that cash inflow from the operation of the vehicle is NOT EQUAL to profit.

| Parameters | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 |
|---|--------|--------|--------|--------|--------|--------|--------|
| No of Days in a month the vehicle will be on road (X) | | | | | | | |
| No of Kilometre it will run per day (Y) | | | | | | | |
| Fare Rate Per Kilometre per member (M) | | | | | | | |
| Average passengers in vehicle (Q) | | | | | | | |
| Average Income per month (XYMQ) | | | | | | | |
| Total Income Per Year (B) | | | | | | | |
| | | | | | | | |
| Cost of fuel per litre (Z) | | | | | | | |
| Number of kms the vehicle will run (N) | | | | | | | |
| Fuel cost (XYZ/N) | | | | | | | |
| Annual expenses as per state guidelines | | | | | | | |
| Other expenses (if any) | | | | | | | |
| Total Expenses per year (C) | | | | | | | |
| | | | | | | | |
| Surplus per year (B-C) | | | | | | | |

Example, monthly profit should be equal to or greater than opportunity cost to be calculated as Opportunity Cost = Rs. (2 X MGNREGS daily wage for the state X 10)

Further guidelines for vehicle selection

In addition to the aforementioned guidelines for vehicle selection, please note that the AGEY scheme is not intended to subsidise the purchase of personal luxury vehicles for SHG members but rather to support economically vulnerable families to earn a viable livelihood and to improve connectivity.

In order to ensure this the following points to be noted:

- Total cost of vehicle to not exceed Rs. 12.75 lakhs, including the mandatory contribution from the SHG member / CBO.
 - Maximum of Rs. 6.5 Lakhs may be provided to individual beneficiaries under AGEY and Rs. 8.5 Lakhs to CBO beneficiaries.
- Vehicles considered to be luxury vehicles category to not be purchased.

Annexure: 3: Format of the SHG member application format to concerned CLF

| Sl No | Particulars | Details |
|-------|---|---------|
| 1 | Name of the Applicant | |
| 2 | Name of the Husband/Father/Mother | |
| 3 | AADHAAR Number | |
| 4 | Address | |
| 5 | Age | |
| 6 | Education | |
| 7 | Name of the SHG | |
| 8 | Date of Formation of SHG | |
| 9 | Date of joining of SHG | |
| 10 | No. of SHG meetings held in the previous 12 months | |
| 11 | No. of SHG meetings attended in the previous 12 months | |
| 12 | Primary Source of Household Income | |
| 13 | Monthly Household Income | |
| 14 | Vehicle to be Driven by - (Self/Daughter/Husband/Son) | |
| 15 | Driver's Licence Number (if applicable) | |
| 17 | Bank account details - Bank name, branch name, account number, IFSC code, | |

SHG loan history

| Particulars | Amount of Loan Taken (In Rs.) | Date of loan taken | Repaid (Yes/No) | Outstanding (In Rs.) | Repayment % (As per repayments schedule) | Remarks |
|--------------|-------------------------------|--------------------|-----------------|----------------------|--|---------|
| SHG loan 1 | | | | | | |
| SHG loan 2 | | | | | | |
| SHG loan 3 | | | | | | |
| Bank linkage | | | | | | |

Date:

Signature of Applicant

Supporting documents to be submitted

- 7** Driver's licence
- 8** Identity and address proof.

Note: SRLMs are encouraged to prioritise individuals willing to drive the vehicle themselves. Not only does this make the business more financially viable, this has important social benefits that must not be ignored. All support and handholding necessary for the SHG member to do the same to be provided by CRP-EPs and SRLM including identification of SHG members across the state/country who do the same.

Annexure 4: Suggestive Format of the SHG member applicants' grading sheet

Name of the applicant:

Name of the SHG:

| SL No | Points of Evaluation | Basis of Evaluation | Max. Marks | Marks Obtained |
|-------|---|---------------------|------------|----------------|
| 1 | SHG member in the SECC data/criteria | Yes | 3 | |
| | | No | 0 | |
| 2 | Age of the SHG (As per minutes register) | >3 | 3 | |
| | | 2-3 | 2 | |
| | | <2 | 1 | |
| 3 | Attendance in Weekly Meeting (To be verified by SHG OB Members) | 80%-90% | 0 | |
| | | 90%-95% | 2 | |
| | | > 95% | 3 | |
| | | | | |
| | | | | |
| 4 | Loan Repayment by The Member as per repayment schedule (To be verified by SHG OB Members) | = 90% | 1 | |
| | | 90%-99.99% | 2 | |
| | | =100% | 3 | |
| | | | | |
| 5 | SHG member / of immediate family member knows driving, has driving licence & is planning to drive the vehicle | Yes | 3 | |
| | | No | 0 | |

Note:

Among all the applicants, those who score the highest marks shall be declared beneficiary/beneficiaries. In case of a tie, the decision taken by the CLF shall be final.

This format is to be filled by the concerned SHG.

The grading sheet shall be filled only for those who fulfil other criteria as mentioned in the AGEY Implementation Guidelines.

If more than one applicant scores the highest marks, the one belonging to the older SHG shall be given priority.

Signature of SHGs President & CRP-EP shall be considered as proof of verification Loan Repayment percentage by the applicant, subject to verification by the SRLM officials.

Signature of SHG President

Signature of VO/CLF

Date:

Annexure-5: Format of the Business plan of the SHG member/ CBO to be supported by CRP-EPs

SHG Applicant Name:

SHG Name:

VO Name:

CLF Name:

| Sl No | Particulars | Details |
|-------|--|--|
| 1 | Basic profile of the village | Introduction to the area (district and block, terrain etc) |
| 2 | Mapping existing players | |
| 3 | Analysis of Distance travelled, Frequency, consistency of services, time of travel | |
| 4 | Selected Route (From-To) | |
| 5 | Customer base | |
| 6 | Total One Way Distance of the Route (in K.M) | |
| 7 | Total One Way Trips Expected in a Day | |
| 8 | Estimated No. of passengers per trip (Avg for the day – peak & non peak times) | |
| 9 | Expected fare from a single trip | |
| 9 | Total one way trips expected in a month | |
| 10 | Total expected fare in a month | |
| 11 | Cost of vehicle (As per quotation) | |
| 12 | Loan demand | |
| 13 | Estimated cost of fuel in a month | |

| | | |
|----|---|---|
| 14 | Estimated cost of maintenance in a month | |
| 15 | Estimated cost of driver salary and other expenses in a month | |
| 16 | Estimated cash cost of other running the vehicle in a month (stand charges, facilitation charges etc) | |
| 17 | Estimated deferred monthly expense of the vehicle (tyre/ battery replacement, tax, insurance renewal etc) | |
| 18 | Cash profit (Pt.10 – Pt.13 – Pt.14- Pt.15-Pt.16- Pt.17) | |
| 19 | Expected monthly instalment (should be lower than or equal to 18) | |
| 20 | Training and skills needed | |
| 21 | Ancillary support systems | Service centres, Fuel stations/ Charging locations Mechanics/ workshops |

Additionally, applicants to attach their training completion certificate as well as copy of driving license / learner's license.

Annexure 6: List of Orientations and Trainings – Summarised

1. Orientation to BMMUs/DMMUs from eligible blocks on AGEY.
2. Orientation to CRPs from approved blocks on AGEY as well as on managing commercial transport vehicle business.
3. Orientation to CBOs and members on AGEY as well as on commercial transport vehicle business by CRPs.
4. Training to CRPs on conducting transport route feasibility study.
5. One day formal orientation for interested applicants on AGEY and managing a commercial transport vehicle business.
6. Detailed training for approved beneficiaries on managing a commercial transport vehicle business including sessions with existing AGEY beneficiaries, preferably those who operate their vehicle themselves and CBOs that lease the vehicle.
7. Training on learning to drive for eligible beneficiaries who are willing to operate their own vehicles or female family members willing to do the same.

Advisory and Guidelines for PM Formalisation of
Micro food processing Enterprises (PMFME)
04/12/2020

Government of India
Ministry of Rural Development
Department of Rural Development
(RL Division)

PMFME Advisory and Guidelines : 04-12-2020

7th Floor, NDCC-11 Building
Jai Singh Road, New Delhi

Dated: December 04, 2020

To,
The State Mission Director/ CEOs
All States/UTs

Subject: Implementation of PM Formalisation of Micro food processing Enterprises (PM FME) scheme”

Madam/ Sir,

As you may be aware, DoRD and MoFPI are collaborating for the implementation of the PM FME scheme for supporting enterprises involved in the food processing sector. The guidelines of the scheme have already been shared. Additional information about the scheme can be accessed at <https://mofpi.nic.in/pmfme/>.

Of all the components of the scheme, the seed capital for supporting SHG members is to be implemented by the SRLMs. The component supports DAY-NRLM SHG members who are engaged in food processing activities. They can avail a seed capital support up to Rs. 40,000/- per SHG member through the Cluster Level Federation (CLF).

MoFPI has recently issued the Implementation guidelines for rolling out of seed capital component of PMFME scheme along with the joint advisory letter signed by the Secretaries of both the Ministries. The same is attached as Annexure I. These instructions bring clarity to all the stakeholders of the PMFME scheme including the State Nodal Agencies (SNA). The instruction also has the application format for the SHG members.

NRLM is in final stage of developing specific MIS module that has provision for capturing the application and relevant data at the BMMU. DAY-NRLM will provide training on PM-FME process and software in the coming days.

States are requested to start implementation of process of the scheme as per the attached guidelines. You can contact the NMMU team for any clarification.

Yours Faithfully,


4/12/2020
(Raghvendra Pratap Singh)
Director – RL

Copy to -

Secretary , MoFPI -For kind Information please.

F.No- FM-11/134/2020-FME
Government of India
Ministry of Food Processing Industries
Panchsheel Bhawan, August Kranti Marg,
New Delhi- 110049

Date: 26.11.2020

OFFICE MEMORANDUM

Subject: Guideline for implementation of Seed Capital component of PM FME Scheme

The undersigned is directed to enclose a copy of the approved guideline for implementation of Seed Capital component of PM FME Scheme for information and necessary action.

2. This has the approval of the competent authority.


(Ramkesh Meena)

Senior Inspecting Officer

Phone No. 011 26406545

Email:-ramkesh.meena30@gov.in.

To

1. All States/ UTs

Copy to:

1. Sr. PPS to Secretary, FPI/ Sr. PPS to Addl. Secretary, FPI/ PS to JS (FME)/ DS (RS)

Guidelines for implementation of Seed Capital component of PM FME Scheme

1. Context

1.1. Ministry of Food Processing Industry (MoFPI) has launched Prime Minister Formalisation of Micro food processing Enterprises (PM FME) scheme under the Aatmanirbhar Bharat Abhiyan with the aim to enhance the competitiveness of existing individual micro-enterprises in the unorganized segment of the food processing industry and promote formalization of the sector. The scheme to be implemented over a period five years from 2020-21 to 2024-25 with a total outlay of Rupees 10,000 crore. The scheme has a special focus on supporting Groups engaged in Agri-food processing such as Farmer Producer Organizations (FPOs), Self Help Groups (SHGs) and Producers Cooperatives along their entire value chain. The PMFME scheme support in terms of:

- i. Seed capital @ Rs. 40,000/- per SHG member for working capital and purchase of small tools
- ii. Food processing entrepreneurs through credit-linked capital subsidy@35% of the eligible project cost with a maximum ceiling of Rs.10 lakh per unit
- iii. Credit linked grant of 35% for capital investment to FPOs/ SHGs/ producer cooperatives.
- iv. Support for marketing & branding to micro units

1.2. Under Deendayal Antyodaya Yojana-National Rural Livelihoods Mission (DAY-NRLM), financial and handholding supports are extended to SHGs, their Federation at village and Cluster level. SHG members are being supported for various livelihood interventions in farm and non-farm sectors. Under the non-farm livelihoods space, a large number of enterprises in the food processing sector are supported. As on July 2020, 63.39 lakh SHGs have been formed covering 697.57 lakh households. In the context of implementation of PM FME scheme, the Ministry of Food Processing Industries (MoFPI) and Ministry of Rural Development (MoRD) have agreed to work together to ensure that SHG members are facilitated to avail the benefits under the scheme. The designated State Nodal Agencies (SNAs) appointed by the State Governments for this scheme and State Rural Livelihood Missions (SRLMs) under DAY-NRLM would work closely for providing scheme benefits to the target beneficiaries. The joint advisory of MoFPI and MoRD for ensuring convergence of services offered by both the Ministries has been issued. (**Annexure-A**)

2. Role of MoFPI/ SNAs and NRLM/ SRLMs

2.1. State Nodal Agencies (SNAs) under PMFME scheme are responsible for implementation of the scheme at the state level. The component under PM FME for providing seed capital to SHGs would be implemented with the support of NRLM and its network of SRLMs operating at the state level. The PMFME scheme envisages financial support of Rs. 40,000 for working capital and purchase of small tools for each member of SHGs engaged in food processing activities. MoFPI will release funds to SNAs for the Seed Money component, as a grant, to SNAs. The SNAs will in turn release funds to SRLMs. For channeling funds to SHGs, the seed money would be provided to CBOs¹ (Cluster Level Federation/ Village Organizations) by SRLMs as a grant and in turn provided to the SHG members as a loan. The repaid loans will be in the corpus of the SHG networks. The total number of SHG members to be supported during the project period would be decided by MoFPI.

2.2. MoFPI has identified focus products for each district under the One District One Product (ODOP) concept. Priority would be given for support to SHG manufacturing ODOP products.

2.3. SRLMs shall take up the following activities for supporting the SHG members under the scheme:

- i. Provide training to SRLM and handholding & Capacity Building support to SHG network about the components of the scheme
- ii. Identify SHG members engaged in food processing sector who are eligible for the benefits under the scheme;
- iii. Provide details of SHG members operating food processing enterprises
- iv. Establish systems and procedures in the CBO structure to identify enterprises, process applications, disburse loans, monitor utilization and track repayments
- v. Use of the NRLM MIS system developed to capture the details of the SHG enterprises and necessary updation on PMFME MIS.

3. Eligibility Criteria for Seed Capital for SHGs

- i. Only SHG members that are presently engaged in food processing would be eligible for financial support;
- ii. The SHG member has to commit to SHG and CBO for utilization of this amount only for working capital and purchase of small tools related to food manufacturing
- iii. Before providing the seed capital, SRLM through its CBOs would collect basic details for each of the members viz. Details of the product being processed, annual turnover, Source

¹ Under NRLM, Cluster Level Federation (CLF) and Village Organizations (VOs) are higher federated structure for SHGs and are referred to as Community Based Organizations (CBOs).

of raw materials and marketing of produce etc. The detailed format is provided as **Annexure C**.

4. Steps and Process

- 4.1. SRLMs, in coordination with SNAs, would create awareness about the PM FME scheme among the SHG members. Special campaigns can be organised to ensure that information about the scheme reaches all the SHG members. SNAs would provide the content and materials for the campaigns to SRLM. The use of any other AV material and digital platforms or any other innovative platform can also be explored by SRLM and propose to respective SNA. If additional fund is required for promotions, then SRLM can put up a proposal to SNAs. SNAs would transfer the fund to SRLM after approval from MoFPI.
- 4.2. SRLM team members belonging to all the domains, especially the Institution Building and Capacity Building (IB-CB) and non-farm livelihoods team members would anchor the implementation of the PM FME scheme among SHGs.
- 4.3. All the team members of SRLM at the State, district and block level including the CBOs and Community Resource Persons (CRPs) supporting SHGs at the field level involved in the anchoring and implementation of PMFME scheme would trained on the processes, activities, monitoring etc. Training will Training of trainers under the scheme would be also be undertaken on EDP, ODOP and minor Forest Produce etc. for subsequent training functionaries and the beneficiaries.
- 4.4. Proposal for fund is required for training and learning materials by SRLM would be submitted to the respective SNAs. SNA would then review and recommend the fund proposal to MoFPI. After approval from MoFPI, SNA would transfer the fund to SRLM. Training Modules, training content, Trainers and Master Trainers would be provided by SNA and MoFPI wherever required.
- 4.5. SRLM may issue office orders on the provision of honorarium for CRPs and use of the training budgets for the implementation of the programme.
- 4.6. SRLM would be responsible for identification and collection of data of SHG members involved in food processing activities and interested to enhance their business through capital investment and working capital. SHGs are federated at Village Organization (VOs) and VOs at Cluster Level Federation. For the implementation of the PMFME scheme under SRLM, the Cluster Level Federations would take the leadership role in the identification exercise for SHGs. The interested members of SHGs would be required to apply for assistance under the PMFME programme in a prescribed format (**Annexure B-Form1,2 &3**)
- 4.7. The request for availing seed money should be applied on the online platform of PMFME after their own process of scrutiny. These applications from SRLM for seed money would be

reviewed by SNA and recommended with MoFPI for approval. After approval from MoFPI, the fund for seed capital amount would be transferred to SRLMs by SNAs.

5. Application process in SRLM structure:

- 5.1. The applications received from SHG members and groups would be approved in the SHG (*Format for application approval-Annexure D*) and Village Organization meetings (*Format for application approval-Annexure E*) and further submitted to the Cluster Level Federations (CLFs).
- 5.2. SRLMs would assign the CRPs (trained under PMFME scheme), on need basis, to support the SHG members in submitting the application forms.
- 5.3. The Livelihood Sub-committee of the CLF would scrutinize the application and submit it with their observations and recommendations to CLF Executive Committee (EC) for approval.
- 5.4. The applications approved by CLF-EC for coverage under the PMFME scheme would be sent to the Block Mission Management Unit (BMMU) where it is entered in the separate PMFME module created in the NRLM Database.
- 5.5. SRLMs would set time limits for the processing of the applications at the various levels; the same may be included in the monitoring parameters.
- 5.6. SRLMs will share the final list of SHG members identified as beneficiaries under this scheme with the State Nodal Agency (SNA). The list provided to SNAs would have to be signed by the competent authority in the SRLM.
- 5.7. The transmission of application to SNAs would be through online mode. The applications recommended for assistance would be submitted through the NRLM Database to PMFME –MIS which would then be received by SNAs and approved in the respective State Level Approval Committee. These approved list of SHGs by SLAC would then be shared to MoFPI for approval. After approval from MoFPI, the seed capital amount would be transferred to SRLM by SNA.

6. Scale of Assistance to SHGs

- 6.1. The loans to SHG members for working capital and procurement of the tools would depend on the annual turnover of their existing enterprises.
- 6.2. The enterprises could be of two categories – those that are seasonal and others that operate throughout the year. The funding support would vary depending on the nature of operations. The following table provides the maximum loans amount and the details of release permissible under the working capital and for purchasing equipment:

| No | Type of enterprise | Annual Turnover Rs. | Maximum Loan amount for working capital Rs. | Maximum Loan for small tools / equipment Rs. | Maximum loan amount Rs. |
|----|----------------------|---------------------|---|--|-------------------------|
| 1 | Seasonal enterprise | X | 100% of X | 40% of X | 40,000 |
| 2 | Perennial enterprise | X | 50% of X | 40% of X | 40,000 |

6.3. If a seasonal enterprise has a turnover of Rs 20,000, then the maximum permissible loan for meeting the working capital is 100% of 20,000 ie. Rs 20,000. For tools it is 40% of 20,000 ie. Rs 8,000. So, the maximum permissible loan to SHG member is Rs 28,000. If the perennial enterprise has a turnover of Rs 20,000, the maximum permissible loan for meeting the working capital is 50% of 20,000 ie. Rs 10,000. For tools, it 40% of 20,000 ie. Rs 8,000. So, the maximum permissible loan is Rs 18,000.

6.4. Both seasonal or perennial enterprises would be eligible to receive the maximum permissible loan amount of working capital / small tools & equipment as indicated in the table above subject to the maximum loan amount Rs. 40,000.

6.5. Transmission of Funds to SRLM and their Functionaries:

6.5.1. The details of the Bank Account of the SLRM would be provided to SNAs for transfer of requisite funds by the SNA.

6.5.2. This funds in turn would be transferred to respective CBO (CLF/VOs) accounts by SRLM. The CBOs under SRLM are managing community funds like Community Investment Fund (CIF) and Community Enterprise Fund (CEF). There are established processes for operationalizing and management of these funds. The funds provided under PM FME may also be handled and processed accordingly. The fund transferred to SRLM should be utilized for the PM FME scheme only for the intended purpose expressed by SRLM.

6.5.3. The seed capital amount transferred to SRLM are to be transferred to the CBOs (CLF/VOs); this in turn would be transferred to the SHGs and finally to the members.

6.6. Interest Rate for loan to SHGs:

The PM FME beneficiary can be charged a maximum interest of 6% for the loan. The interest spread to be provided to SHG, VO and CLF would be decided by the SRLM.

7. Reporting and Compliance Mechanism

- 7.1. A separate ledger would be maintained at CLF, VO and SHG to capture the fund details under this scheme. Report should be shared by SRLM to SNAs biannually.
- 7.2. SRLMs are required to upload all the necessary relevant documents of fund transfer in the PMFME MIS as provisioned and required under the scheme.
- 7.3. SRLM would ensure that CRPs/VOs benefitted under PMFME are utilized for the purpose for which it has been taken. The declaration would be taken from each PMFME beneficiary and details should be uploaded on the NRLM MIS.
- 7.4. SRLM should train their cadre/team members for the MIS data update/GST registration/safety standards /FSSAI registration to further facilitate the SHG /SHG members if required.
- 7.5. For all the beneficiaries received seed capital under PMFME scheme, following would be ensured by SNAs:
- i. Tracking and monitoring of the beneficiaries
 - ii. Usage of seed capital by the beneficiaries.
 - iii. Tracking of beneficiaries on eligibility and application for credit linked subsidy.
- 7.6. SRLM would ensure that all the details are captured in the PMFME MIS. The formats will be designed by NRLM and shared with the SRLMs. The information regarding this would be shared with respective SNAs and NRLM.

Government of India
Ministry of Rural Development/Food Processing Industries
New Delhi
November 2020

To,

The Chief Secretary (All States)

Subject: Joint Guidelines for Convergence of Deendayal Antayodaya Yojana - National Rural Livelihood Mission (DAY-NRLM), Department of Rural development and Ministry of Food Processing Industries (MoFPI) to promote food processing enterprises by SHGs under the PM Formalisation of Micro food processing Enterprises (PM FME) scheme

Madam/Sir,

Ministry of Food Processing Industries (MoFPI), Government of India, is involved in development of infrastructure for storage, transportation and processing of agro-food produce, introduce of modern technology into the food processing industries, Encourage R&D, capacity expansion/ Upgradation and other supportive measures for the growth of the sector. MoFPI is implementing the scheme **Prime Minister Formalisation of Micro food processing Enterprises (PM-FME) Scheme**. It is a landmark initiative under **Aatma Nirbhar Bharat Abhiyan** to support Micro Level Food Entrepreneurs, FPOs/SHGs/ Cooperatives. The scheme would formalize two lakh Micro Food Processing Enterprises with an outlay of Rs10000/- Crore, over five years from 2020-21 to 2024-25. Main purpose of the scheme is to enhance the competitiveness of existing individual micro- enterprises in the unorganized segment of the food processing industry and support Farmer Producer Organizations (FPOs), Self Help Groups (SHGs) and Producers Cooperatives along their entire value chain. The program has four major components i.e., Support to individual and groups of micro enterprises; Branding and Marketing support; Strengthening institutional support and Setting up robust project management frameworks with Tribal Sub plan being one of the important elements.

1.2 DAY-NRLM mobilizes rural households to SHGs and their higher institutions and supports in their livelihood interventions. As on July 2020, 63.39 lakh SHGs have been formed covering 697.57 lakh households. SHG members are being supported for various livelihood interventions in farm and non-farm sectors. Under the non-farm livelihoods space, a large number of enterprises in the food processing sector are supported.

1.3 MoFPI and MoRD have agreed to work together to ensure that SHG members are able to avail the benefits of the scheme, especially in the component to support SHGs.

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1.4 The State Rural Livelihood Missions (SRLMs) under DAY-NRLM and the designated State Nodal Agency (SNA) appointed by the State Governments for this scheme would work closely for providing scheme benefits to the target beneficiaries.

2. Role of DAY-NRLM

DAY NRLM will act as a partner institute with MoPFI. DAY-NRLM and MoPFI will extend their support to target beneficiaries under the PMFME scheme between SRLM and SNA. NRLM through SRLM would provide handholding support to identified SHGs/Federations and their members in preparation of DPRs, getting bank loans, getting necessary technical training, etc. so as to enable them to benefit from various provisions under PMFME scheme including for capital investment.

DAY-NRLM and their SRLMs will take up the following responsibilities for the various components:

A. Identification of SHGs/Federations:

- a. DAY-NRLM with the help of their SRLMs would provide the list of SHGs/Federation involved in Food Processing sector that could be supported under the PM-FME Scheme in the mutually agreed formats.
- b. Identification of Scheduled Caste and Schedule Tribe entrepreneurs, including SHGs/ Federations to provide priority support under the DAPSC and DAPST of PMFME Scheme.

B. SHG seed capital component:

- a. SRLM in association with SNA would shortlist the SHGs/Federation eligible for Seed Capital.
- b. SRLM would prepare the DPR for the selected SHGs/Federation for consideration and approval from State Nodal Agency under PMFME scheme.
- c. NRLM has its own system for processing loan applications of members. The applications from SHG members are screened for credit worthiness of borrowers, purpose etc. and approved through the three -tier system of SHG, Village Organizations (VO) & Cluster

Level Federation (CLF). NRLM would integrate other parameters relevant for data collection under the PMFME scheme.

C. Training and Capacity Building:

- a. SRLM would provide training and handholding support to selected SHGs with the support for conduction of onsite trainings in close coordination of State Nodal Agencies.
- b. NRLM would also support in establishment of incubation centers under PMFME scheme by providing its support in identifying the cluster areas, technical know-how, cluster area for minor forest produces and providing its resources for facilitating benefits to identified SHGs and Federations.
- c. Trained Resource Persons of SRLM having expertise in agro-produce would be utilized for training, upgradation of units, DPR preparation, handholding support, etc

D. Marketing and Branding:

DAY-NRLM with its SRLM provides platform for marketing and branding of its SHG products.

- a. NRLM would provide its platform of marketing and branding to the SHGs benefitted under PMFME scheme.
- b. NRLM would support SNA in preparation of DPR for marketing and branding with factors like common brand, standard packaging, facilitation process for quality certification and linkages with state and national level institutions.

3. Role of MoFPI

MoFPI will support DAY-NRLM in carrying out the functions mentioned, by providing funds and other assistance as per the provisions of the PM-FME scheme. MoFPI will support the NRLM through following:

- a. MoFPI will provide its assistance to members of SHGs through its State Nodal Agency by approval of identified list of target beneficiaries by extending support to prepare DPR, process of allocation of seed money and capital subsidy.
- b. MoFPI with its State Nodal Agencies and district nodal points will support NRLM in preparation of DPR for project proposals, access to common facilities, access to incubation centers and marketing & branding. MoFPI would provide fund for the same under the provisions of the PMFME scheme. MoFPI would provide fund for training and capacity building required to train NRLM staff at various levels for identification process, DPR preparation, approval process of loan applications, disbursement of loan etc. Training materials and curriculum would be made available to NRLM and its SRLMs. Training plan and schedule for NRLM Resource Persons would be discussed and agreed upon jointly.
- c. MoFPI would also extend its support in Training and Capacity Building of NRLM units by its association with National Level Technical Institutions and State Level Technical Institutions.
- d. MoFPI plans to establish incubation centers to facilitate common services at farmgate level and also serve as training space. MoFPI would provide fund and resources to NRLM for facilitating access to services and training to identified SHGs and Federations.
- e. Marketing and Branding is important endeavor under the scheme. MoFPI would make available its resources and fund to support marketing and branding. MoFPI with its State Nodal Agencies will collaboratively work towards promotion and marketing of produce of SHGs and Federation supported under the scheme.
- f. MoFPI is developing an MIS module for PMFME Scheme including for filing of applications for support under the Scheme for capital investment grant for individuals/groups, common infrastructure, marketing & branding, incubation centers and capacity building. MoFPI would integrate its MIS system for input and monitoring of data of SHGs and Federations and track their activities along their life cycle under the PMFME scheme. DAY-NRLM and its SRLM will be provided with necessary credentials for working in integrating MIS system between MoFPI and DAY-NRLM.

4. Monitoring & Coordination

- The State Level Approval Committee set up for monitoring the components under PM-FME will also monitor the various components for convergence listed under these guidelines and shall include Secretary I/C of Rural Development.
- The District Level Committee constituted under the chairmanship of District Collector will review the activities listed under the convergence guidelines and make an assessment of the SHG enterprises supported through seed capital. The support to SHG enterprises for branding and marketing support will also be monitored.
- MoFPI and Day-NRLM will review the status and implementation modalities time to time. Any revisions on the guidelines may be jointly reviewed and agreed upon. The States / UTs are requested to prioritize activities for supporting the SHGs under DAY- NRLM in accordance with guidelines of Schemes.

.....
Secretary

Ministry of Rural Development
NAGENDRA NATH SINHA
Secretary
Government of India
Ministry of Rural Development
Krishi Bhawan, New Delhi

.....
Secretary

Ministry of Food Processing Industries
PUSHPA SUBRAHMANYAM
Secretary
खाद्य प्रसंस्करण उद्योग मंत्रालय
Ministry of Food Processing Industries
भारत सरकार / Govt. of India
पंचशील भवन, अगस्त क्रांति मार्ग
Panchsheel Bhawan, August Kranti Marg
नई दिल्ली/New Delhi-110049

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Annexure B**Application for Seed Capital Support under PMFME Scheme**

The form has two sections. Section I is the format for the details of the entrepreneur. The format 1 is to be used by an Individual SHG member, format 2 for SHG group where either the entire group or some members are involved in the activity and format 3 for activity groups that are comprised of members from various SHGs.

Form 1 : Basic Details of SHG member/Entrepreneur (Individual Enterprise)

| No | Questions | Responses |
|----|---|--|
| 1 | Name of entrepreneur | |
| 2 | Name of enterprise | |
| 3 | Mention the Agri-produce/ food product/ MFP | |
| 4 | SHG Name / SHG code | |
| 5 | Address: (Door/Block/House No.): | |
| 6 | Village name | |
| 7 | Gram Panchayat | |
| 8 | Name of the block | |
| 9 | Name of the district | |
| 10 | Name of State | |
| 11 | Entrepreneur Bank Account Details** | A/c No.: Bank Name: Branch: IFS Code: |

*** Copy of the bank passbook showing name, account number and IFSC should be enclosed.*

(Signature of Entrepreneur)
Date

Form 2 : Basic Details of SHG /Group Enterprise for Group Enterprise

| S. No | Questions | Responses |
|-------|--|--|
| 1 | Name of enterprise | |
| 1.1 | Mention the Agri-produce/ food product/ MFP | |
| 1.2 | SHG Name / SHG code/ ID: | |
| 1.3 | Address: (Door/Block/House No.): | |
| 1.4 | Village name | |
| 1.5 | Gram Panchayat | |
| 1.6 | Name of the block | |
| 1.7 | Name of the district | |
| 1.8 | Name of State | |
| 2 | Is the entire Group involved (Y/N) | |
| 3 | If answer for Q2 is No, then indicate the No of SHG members involved | |
| 4 | Name of SHG members involved | 1. 2. |
| 5 | Name of leader / nodal person | |
| 6 | SHG / Group Bank Account Details** | A/c No.: Bank Name: Branch: IFS Code: |

* The details to be collected in hard copy and to be submitted to respective CLF

** Copy of the bank passbook showing name, account number and IFSC should be enclosed.

Form 3. A : Basic Details for Group Enterprises (members from different SHGs)

| S. No | Questions | Responses |
|--------------|---|--|
| 1 | Name of Enterprise | |
| 2 | Mention the Agri-produce/ food product/ MFP | |
| 3 | Address: (Door/Block/House No.): | |
| 4 | Village name | |
| 5 | Gram Panchayat | |
| 6 | Name of the block | |
| 7 | Name of the district | |
| 8 | Name of State | |
| 9 | Bank Account details of the enterprise | A/c No.: Bank Name: Branch: IFS Code: |
| 10 | Name of leader | |

Form 3. B : Details of Members

| No | Name of Person | Name of SHG |
|-----------|-----------------------|--------------------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

(Signature of Entrepreneur)
Date

Annexure C:**Details of Enterprise**

| S. No | Details | |
|-----------|---|--|
| Section I | | |
| 1 | When did you start the operations? (MM/YYYY) | |
| 2 | Nature of operations: | 1. Seasonal 2. All year long |
| 3 | If seasonal enterprise, number of months in the year the enterprise is operational | |
| 4 | Number of persons to whom salary is paid (family and outside family both) employed: | Full time |
| | | Part time |
| 5 | Is the enterprise engaged in ODOP / Non ODOP | ODOP/ Non ODOP |
| 6 | Paid family workers: Unpaid family workers: | |
| 7 | Finished product category (tick all relevant) | 1. Arecanut 2. Bakery Products 3. Cashew Based Products 4. Cattle and Poultry Feed 5. Cereals and Pulses Based products 6. Citrus based products 7. Coconut and Coconut based products 8. Coffee 9. Corn Products 10. Fish and allied products 11. Fruit based products 12. Groundnut based products 13. Herbs and Herbal products 14. Meat and Poultry 15. Minor Forest Produce 16. Milk and Milk based products 17. Mushroom and Mushroom based products 18. Oilseed based products 19. Rice and Rice based products 20. Ready To Cook 21. Ready To Eat 22. Soyabean based products |

| | | |
|----|---|--|
| | | 23. Spices and Spices based product 24. Sugarcane based products 25. Tapioca and Tuber based products 26. Tea 27. Vegetable based products 28. Others (Amaranthus, Chikori, Flower, Fig etc.) |
| 8 | Finished Product Details (text) | |
| 9 | Sources of Raw Material (Main) (select from drop down) | 1. Procured within Block 2. Procured within District 3. Procured outside District 4. Procured outside the State 5. Others |
| 10 | Approx. Turn Over (previous FY) (INR) | |
| 11 | Is the unit run from your home? | 1. Yes 2. No |
| 12 | Do you use any Machines (with power connection) | 1. Yes 2. No |
| 13 | Do you use any tools? (Y/N) | 1. Yes 2. No |
| 14 | Place of selling finished product | 1. Within District 2. Outside District |
| 15 | Whether FSSAI registration is available: | 1. Yes 2. No |
| 16 | Is FSSAI available, what is the validity of FSSAI? | (MM/YYYY) |
| 17 | FSSAI registration/ license no. (<i>Attach copy of the FSSAI license</i>) | |
| 18 | Is GST registration available..? | YES/ No |
| 19 | If Yes, GST registration no. | |
| 20 | Total investment in setting up the enterprise? (In INR) | |
| 21 | Did you take any external loan for the set-up cost of the enterprise? | 1. Yes 2. No |

| | | |
|------------|--|---|
| 22 | If yes, how much loan did you take (total loan)? (in INR) | |
| 23 | Where did you take the loan from? (Tick one or more options. Also mentioned amount taken from each source) | <ol style="list-style-type: none"> 1. SHG (INR.....) 2. Bank (INR.....) 3. MFI (INR.....) 4. Money Lender (INR.....) 5. Relative/Friend (INR.....) 6. Others (INR.....) |
| Section II | | |
| 1 | Do you need any other food processing equipment? | <ol style="list-style-type: none"> 1. Yes 2. No |
| 2 | If yes, what are the additional Processing facilities required? List provided ^[1] | <ol style="list-style-type: none"> 1. Blenders 2. Oven 3. Dryers 4. Roasting instrument 5. Milling instrument 6. Crushing instrument 7. Slicing machine 8. Refrigerators 9. Others ...please specify |
| 3 | What is the cost of additional tools/machines planned to be purchased? (INR) | |
| 4 | Additional working capital required (INR) | |
| 5 | Total funds required | |
| 6 | Picture of the food enterprise and post in the NRLM MIS (as on application date) | Hard or Soft Copy of the photograph to be collected. |
| 7 | I hereby declare that the information furnished above in Application 1 and 2 is true and correct and if any seed capital amount is provided to me as loan, it will be used for scaling up of this business as working capital and for purchase of small tools and equipment. | |

Annexure D

SHG Approval

We approve the loan application of ----- (name of enterprise and SHG member) member of ----- (name SHG) of _____ (name of Village organisation) for Rs. _____ (Rupees _____) under the Seed Capital scheme for Food processing enterprises.

This loan application has been approved in the SHG meeting no, ----- dated ----- and minuted on page no. ----- of the SHG's minutes book.

Signature of SHG office bearer 1

Signature of SHG office bearer 2

Annexure E**VO approval**

We approve the loan application of ----- (name of enterprise and SHG member) member of ----- (name SHG) of _____ (name of Village organisation) for Rs. _____ (Rupees _____) under the Seed Capital scheme for Food processing enterprises.

This loan application has been approved in the VO meeting no, ----- dated --- ----- and minuted on page no. ----- of the VO's minutes book.

Signature of VO office bearer 1

Signature of VO office bearer 2

** The details to be collected in hard copy and to be submitted to respective CLF, through the SHG and VO.*

^[1] *Blenders, Oven, Dryers, Roasting instrument, Refrigerators, milling instrument, Crushing instrument, Slicing machines etc*

Annexure B**Application for Seed Capital Support under PMFME Scheme**

The form has two sections. Section I is the format for the details of the entrepreneur. The format 1 is to be used by an Individual SHG member, format 2 for SHG group where either the entire group or some members are involved in the activity and format 3 for activity groups that are comprised of members from various SHGs.

Form 1 : Basic Details of SHG member/Entrepreneur (Individual Enterprise)

| No | Questions | Responses |
|----|---|--|
| 1 | Name of entrepreneur | |
| 2 | Name of enterprise | |
| 3 | Mention the Agri-produce/ food product/ MFP | |
| 4 | SHG Name / SHG code | |
| 5 | Address: (Door/Block/House No.): | |
| 6 | Village name | |
| 7 | Gram Panchayat | |
| 8 | Name of the block | |
| 9 | Name of the district | |
| 10 | Name of State | |
| 11 | Entrepreneur Bank Account Details** | A/c No.: Bank Name: Branch: IFS Code: |

*** Copy of the bank passbook showing name, account number and IFSC should be enclosed.*

(Signature of Entrepreneur)
Date

Form 2 : Basic Details of SHG /Group Enterprise for Group Enterprise

| S. No | Questions | Responses |
|--------------|--|--|
| 1 | Name of enterprise | |
| 1.1 | Mention the Agri-produce/ food product/ MFP | |
| 1.2 | SHG Name / SHG code/ ID: | |
| 1.3 | Address: (Door/Block/House No.): | |
| 1.4 | Village name | |
| 1.5 | Gram Panchayat | |
| 1.6 | Name of the block | |
| 1.7 | Name of the district | |
| 1.8 | Name of State | |
| 2 | Is the entire Group involved (Y/N) | |
| 3 | If answer for Q2 is No, then indicate the No of SHG members involved | |
| 4 | Name of SHG members involved | 1. 2. |
| 5 | Name of leader / nodal person | |
| 6 | SHG / Group Bank Account Details** | A/c No.: Bank Name: Branch: IFS Code: |

* The details to be collected in hard copy and to be submitted to respective CLF

** Copy of the bank passbook showing name, account number and IFSC should be enclosed.

Form 3. A : Basic Details for Group Enterprises (members from different SHGs)

| S. No | Questions | Responses |
|--------------|---|--|
| 1 | Name of Enterprise | |
| 2 | Mention the Agri-produce/ food product/ MFP | |
| 3 | Address: (Door/Block/House No.): | |
| 4 | Village name | |
| 5 | Gram Panchayat | |
| 6 | Name of the block | |
| 7 | Name of the district | |
| 8 | Name of State | |
| 9 | Bank Account details of the enterprise | A/c No.: Bank Name: Branch: IFS Code: |
| 10 | Name of leader | |

Form 3. B : Details of Members

| No | Name of Person | Name of SHG |
|-----------|-----------------------|--------------------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

(Signature of Entrepreneur)
Date

Annexure C:**Details of Enterprise**

| S. No | Details | |
|-----------|---|--|
| Section I | | |
| 1 | When did you start the operations? (MM/YYYY) | |
| 2 | Nature of operations: | 1. Seasonal 2. All year long |
| 3 | If seasonal enterprise, number of months in the year the enterprise is operational | |
| 4 | Number of persons to whom salary is paid (family and outside family both) employed: | Full time |
| | | Part time |
| 5 | Is the enterprise engaged in ODOP / Non ODOP | ODOP/ Non ODOP |
| 6 | Paid family workers: Unpaid family workers: | |
| 7 | Finished product category (tick all relevant) | 1. Arecanut 2. Bakery Products 3. Cashew Based Products 4. Cattle and Poultry Feed 5. Cereals and Pulses Based products 6. Citrus based products 7. Coconut and Coconut based products 8. Coffee 9. Corn Products 10. Fish and allied products 11. Fruit based products 12. Groundnut based products 13. Herbs and Herbal products 14. Meat and Poultry 15. Minor Forest Produce 16. Milk and Milk based products 17. Mushroom and Mushroom based products 18. Oilseed based products 19. Rice and Rice based products 20. Ready To Cook 21. Ready To Eat 22. Soyabean based products |

| | | |
|----|---|--|
| | | 23. Spices and Spices based product 24. Sugarcane based products 25. Tapioca and Tuber based products 26. Tea 27. Vegetable based products 28. Others (Amaranthus, Chikori, Flower, Fig etc.) |
| 8 | Finished Product Details (text) | |
| 9 | Sources of Raw Material (Main) (select from drop down) | 1. Procured within Block 2. Procured within District 3. Procured outside District 4. Procured outside the State 5. Others |
| 10 | Approx. Turn Over (previous FY) (INR) | |
| 11 | Is the unit run from your home? | 1. Yes 2. No |
| 12 | Do you use any Machines (with power connection) | 1. Yes 2. No |
| 13 | Do you use any tools? (Y/N) | 1. Yes 2. No |
| 14 | Place of selling finished product | 1. Within District 2. Outside District |
| 15 | Whether FSSAI registration is available: | 1. Yes 2. No |
| 16 | Is FSSAI available, what is the validity of FSSAI? | (MM/YYYY) |
| 17 | FSSAI registration/ license no. (<i>Attach copy of the FSSAI license</i>) | |
| 18 | Is GST registration available..? | YES/ No |
| 19 | If Yes, GST registration no. | |
| 20 | Total investment in setting up the enterprise? (In INR) | |
| 21 | Did you take any external loan for the set-up cost of the enterprise? | 1. Yes 2. No |

| | | |
|------------|--|---|
| 22 | If yes, how much loan did you take (total loan)? (in INR) | |
| 23 | Where did you take the loan from? (Tick one or more options. Also mentioned amount taken from each source) | <ol style="list-style-type: none"> 1. SHG (INR.....) 2. Bank (INR.....) 3. MFI (INR.....) 4. Money Lender (INR.....) 5. Relative/Friend (INR.....) 6. Others (INR.....) |
| Section II | | |
| 1 | Do you need any other food processing equipment? | <ol style="list-style-type: none"> 1. Yes 2. No |
| 2 | If yes, what are the additional Processing facilities required? List provided ^[1] | <ol style="list-style-type: none"> 1. Blenders 2. Oven 3. Dryers 4. Roasting instrument 5. Milling instrument 6. Crushing instrument 7. Slicing machine 8. Refrigerators 9. Others ...please specify |
| 3 | What is the cost of additional tools/machines planned to be purchased? (INR) | |
| 4 | Additional working capital required (INR) | |
| 5 | Total funds required | |
| 6 | Picture of the food enterprise and post in the NRLM MIS (as on application date) | Hard or Soft Copy of the photograph to be collected. |
| 7 | I hereby declare that the information furnished above in Application 1 and 2 is true and correct and if any seed capital amount is provided to me as loan, it will be used for scaling up of this business as working capital and for purchase of small tools and equipment. | |

Annexure D

SHG Approval

We approve the loan application of ----- (name of enterprise and SHG member) member of ----- (name SHG) of _____ (name of Village organisation) for Rs. _____ (Rupees _____) under the Seed Capital scheme for Food processing enterprises.

This loan application has been approved in the SHG meeting no, ----- dated ----- and minuted on page no. ----- of the SHG's minutes book.

Signature of SHG office bearer 1

Signature of SHG office bearer 2

Annexure E**VO approval**

We approve the loan application of ----- (name of enterprise and SHG member) member of ----- (name SHG) of _____ (name of Village organisation) for Rs. _____ (Rupees _____) under the Seed Capital scheme for Food processing enterprises.

This loan application has been approved in the VO meeting no, ----- dated --- ----- and minuted on page no. ----- of the VO's minutes book.

Signature of VO office bearer 1

Signature of VO office bearer 2

** The details to be collected in hard copy and to be submitted to respective CLF, through the SHG and VO.*

^[1] *Blenders, Oven, Dryers, Roasting instrument, Refrigerators, milling instrument, Crushing instrument, Slicing machines etc*

AATMANIRBHAR BHARAT

GUIDELINES FOR IMPLEMENTATION OF

“PM Formalisation of Micro Food Processing Enterprises Scheme (PM FME Scheme)”



Registration



Handholding Support



DPR and FUPs



Application for the Subsidy



Banking Linkages



Technological Upgradation



Support to FPOs/
SHGs/ Cooperatives



Common Facilities



Branding & Marketing

VOCAL FOR LOCAL



सत्यमेव जयते

**MINISTRY OF FOOD PROCESSING INDUSTRIES
GOVERNMENT OF INDIA**

Panchsheel Bhawan, August Kranti Marg, New Delhi- 110049

DAY-NRLM Non-Farm Livelihoods: Guidelines & MOUs - April 2024 www.mofpi.nic.in

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Abbreviations and Acronyms

| | |
|--------|--|
| DPR | Detailed Project Report |
| DLC | District Level Committee |
| FPI | Food Processing Industry |
| FPO | Farmer Producer Organisation |
| FUP | Firm level Upgradation Plan |
| GOI | Government of India |
| FME | Formalization of Micro Enterprises |
| IA | Implementing Agency |
| IMEC | Inter Ministerial Empowered Committee |
| IIFPT | Indian Institute of Food Processing Technology |
| MIS | Management Information System |
| MOFPI | Ministry of Food Processing Industries |
| MoU | Memorandum of Understanding |
| MSDE | Ministry of Skill Development and Entrepreneurship |
| MSME | Micro, Small and Medium Enterprise |
| NABARD | National Bank for Agriculture and Rural Development |
| NCDC | National Co-operative Development Corporation |
| NIFTEM | National Institute for Food Technology Entrepreneurship and Management |
| NGO | Non-governmental Organizations |
| NRLM | National Rural Livelihood Mission |
| ODOP | One District One Product |
| PEC | Project Executive Committee |
| PIP | Project Implementation Plan |
| PMU | Project Management Unit |
| PMKSY | Pradhan Mantri Kishan Sampada Yojana |
| PMU | Project Management Unit |
| R&D | Research and Development |
| RP | Resource Person |
| SC | Schedule Caste |
| ST | Schedule Tribe |
| SHG | Self Help Group |
| SIDBI | Small Industries Development Bank of India |
| SLAC | State Level Approval Committee |
| SNA | State Nodal Agency |
| SRLM | State Rural Livelihood Mission |
| TOR | Terms of Reference |
| UT | Union Territory |

1.0 Background

1.1 Overview

- 1.1.1 The unorganized food processing sector in the country comprises nearly 25 lakh food processing enterprises which are unregistered and informal. With only 7% of investment in plant & machinery and 3% of outstanding credit, the unorganized enterprises contribute to 74% of employment (a third of which are women), 12% of output and 27% of the value addition in the food processing sector. Nearly 66% of these units are located in rural areas and about 80% of them are family-based enterprises¹. Most of these units falls under category of micro manufacturing units in terms of their investment in plant & machinery and turnover.
- 1.1.2 The unorganized food processing industry in India faces challenges that limit its development and weakens performance. These challenges include: (a) lack of productivity and innovation due to limited skills and access to modern technology and machinery for production and packaging; (b) deficient quality and food safety control systems, including lack of basic awareness on good hygienic and manufacturing practices;(c) lack of branding & marketing skills and inability to integrate with the supply chains, etc.:(d) capital deficiency and low bank credit.
- 1.1.3 Unorganized micro food processing units, need intensive hand holding support for skill training, entrepreneurship, technology, credit and marketing, across the value chain, necessitating active participation of the state government for better outreach. In the last decade, Central and State Governments have made intensive efforts to organize farmers in Food Processing Organisations (FPOs) and women's Self Help Groups (SHGs). SHGs have achieved considerable progress in thrift and their repayment record with 97% NPA level is among the best. Governments have made efforts to enable SHGs to undertake various manufacturing and service sector activities including food processing. However, there are few Government schemes to support FPOs and SHGs to make investment and upscale their operations.
- 1.1.4 This scheme is a centrally sponsored scheme that is designed to address the challenges faced by the micro enterprises and to tap the potential of groups and cooperatives in supporting the upgradation and formalization of these enterprises.

1.2 Aims

- 1.2.1 The scheme aims to:
- i) Enhance the competitiveness of existing individual micro-enterprises in the unorganized segment of the food processing industry and promote formalization of the sector; and

¹NSSO, 2015

- ii) Support Farmer Producer Organizations (FPOs), Self Help Groups (SHGs) and Producers Cooperatives along their entire value chain.

1.3 Objectives

1.3.1 The objectives of scheme are to build capability of microenterprises to enable:

- i) Increased access to credit by existing micro food processing entrepreneurs, FPOs, Self Help Groups and Co-operatives;
- ii) Integration with organized supply chain by strengthening branding & marketing;
- iii) Support for transition of existing 2,00,000 enterprises into formal framework;
- iv) Increased access to common services like common processing facility, laboratories, storage, packaging, marketing and incubation services;
- v) Strengthening of institutions, research and training in the food processing sector; and
- vi) Increased access for the enterprises, to professional and technical support.

1.4 Outlay

1.4.1 The scheme envisages an outlay of Rs. 10,000 crore over a period of five years from 2020-21 to 2024-25. The expenditure under the scheme would to be shared in 60:40 ratio between Central and State Governments, in 90:10 ratio with North Eastern and Himalayan States, 60:40 ratio with UTs with legislature and 100% by the Center for other UTs.

1.5 Coverage

1.5.1 Under the scheme, 2,00,000 micro food processing units will be directly assisted with credit linked subsidy. Adequate supportive common infrastructure and institutional architecture will be supported to accelerate growth of the sector.

2.0 One District One Product

2.1 The Scheme adopts One District One Product (ODOP) approach to reap the benefit of scale in terms of procurement of inputs, availing common services and marketing of products. ODOP for the scheme will provide the framework for value chain development and alignment of support infrastructure. There may be more than one cluster of ODOP product in one district. There may be cluster of ODOP product consisting of more than one adjacent district in a State.

2.2 The States would identify the food product for a district, keeping in perspective the focus of the scheme on perishables. A baseline study would be carried out by the State Government. The ODOP product could be a perishable agri produce, cereal based product or a food product widely produced in a district and their allied sectors. Illustrative list of such products includes mango, potato, litchi,

tomato, tapioca, kinnu, bhujia, petha, papad, pickle, millet based products, fisheries, poultry, meat as well as animal feed among others. In addition, certain other traditional and innovative products including waste to wealth products could be supported under the Scheme. For example, honey, minor forest products in tribal areas, traditional Indian herbal edible items like turmeric, amla, haldi, etc. Support for agricultural produce would be for their processing along with efforts to reduce wastage, proper assaying and storage and marketing.

- 2.3 With respect to support to existing individual micro units for capital investment, preference would be given to those producing ODOP products. However, existing units producing other products would also be supported. In case of capital investment by groups, predominately those involved in ODOP products would be supported.
- 2.4 Support to groups processing other products in such districts would only be for those already processing those products and with adequate technical, financial and entrepreneurial strength.
- 2.5 New units, whether for individuals or groups would only be supported for ODOP products.
- 2.6 Support for common infrastructure and marketing & branding would only be for ODOP products. In case of support for marketing & branding at State or regional level, same products of districts not having that product as ODOP could also be included.
- 2.7 Department of Commerce is focusing on agriculture crops on a cluster approach for support for exports under the Agriculture Export Policy and Ministry of Agriculture is also focusing on cluster approach for development of specific agri-produce in districts having comparative advantage. A number of states have adopted similar cluster based development. The ODOP approach of the Scheme would lead to ease in providing common facilities and other support services.

3.0 Programme Components

- 3.1 The programme has four broad components addressing the needs of the sector:
 - i) Support to individual and groups of micro enterprises;
 - ii) Branding and Marketing support;
 - iii) Support for strengthening of institutions;
 - iv) Setting up robust project management framework.
- 3.2 Details of each of these components are described below.

4.0 Support to Individual Micro Enterprises

4.1 Individual micro food processing units would be provided credit-linked capital subsidy @35% of the eligible project cost with a maximum ceiling of Rs.10.0 lakh per unit. Beneficiary contribution should be minimum of 10% of the project cost with balance being loan from Bank.

4.2 Eligibility criteria for individual micro enterprises under the scheme:

- i) Existing micro food processing units in operations;
- ii) Existing units should be those identified in the SLUP for ODOP products or by the Resource Person on physical verification. In case of units using electrical power, electricity bill would support it being in operations. For others units, existing operations, inventory, machines and sales would form the basis;
- iii) The enterprise should be unincorporated and should employ less than 10 workers;
- iv) The enterprise should preferably be involved in the product identified in the ODOP of the district. Other micro enterprises could also be considered;
- v) The applicant should have ownership right of the enterprise;
- vi) Ownership status of enterprise could be proprietary / partnership firm;
- vii) The applicant should be above 18 years of age and should possess at least VIII standard pass educational qualification;
- viii) Only one person from one family would be eligible for obtaining financial assistance. The “family” for this purpose would include self, spouse and children;
- ix) Willingness to formalize and contribute 10% of project cost and obtain Bank loan;
- x) Cost of the land should not be included in the Project cost. Cost of the ready built as well as long lease or rental workshed could be included in the project cost. Lease rental of workshed to be included in the project cost should be for a maximum period of 3 years only.

4.3 Selection Process for Individual Micro Units

4.3.1 Identification of existing Units to be supported would be by a two-pronged process. Based on One District One Product approach, support would preferably be provided to the Units engaged in that product in the district. Other units, who have potential, would also be supported.

- 4.3.2 Applications would be invited at the district level on an ongoing basis for Units, from those interested in availing the benefits under the Scheme. Resource Persons (RPs) would undertake survey of various clusters and identify units that show potential for availing benefits under the Scheme. For applications received directly, RPs would undertake field verification and due diligence to assess their potential.
- 4.3.3 All the potential cases based on identification of Units directly by RPs and application received would be submitted before the District Level Committee. District Level Committee should study the report submitted by RP for each Unit and interview the interested persons.
- 4.3.4 Due diligence to be carried out by the RP for each Unit should have the following details:
- i) Annual Turnover of the enterprise;
 - ii) Track Record of payments by the enterprise;
 - iii) Existing infrastructure;
 - iv) Backward and Forward Linkages;
 - v) Proximity to clusters;
 - vi) Marketing linkages of the enterprise.
- 4.3.5 For the cases recommended by the District Level Committee/SNA, RPs should help them in preparation of DPR for availing bank loan for upgradation of the Unit. The DPR along with necessary documents should be submitted to the Banks for sanction of loan.
- 4.4 The procedure delineated above would apply for selection of new units also, provided the ODOP baseline study throws up a need / potential for such new investments.
- 4.5 State Governments should decide at what level they would want to finalize individual micro units list to be supported, by DLC or at SNA level. Similarly, for applications for capital investment by groups, common infrastructure & marketing & branding, the states should decide the role of DLC/SNA in routing of applications.

5.0 Group Category

5.1 The Scheme would support clusters and groups such as FPOs/SHGs/ producer cooperatives along their entire value chain for sorting, grading, assaying, storage, common processing, packaging, marketing, processing of agri-produce, and testing laboratories.

5.2 Farmer Producer Organizations (FPOs)/Producer Cooperatives

5.2.1 FPOs and Producer Cooperatives would be provided the following support:

- i) Grant @35% with credit linkage;
- ii) Training support;
- iii) Maximum limit of grant in such cases would be as prescribed.

5.2.2 Eligibility Criteria for Co-operatives/FPOs:

- i) It should preferably be engaged in processing of ODOP produce;
- ii) It should have minimum turnover of Rs.1 crore;
- iii) The cost of the project proposed should not be larger than the present turnover;
- iv) The members should have sufficient knowledge and experience in dealing with the product for a minimum period of 3 years.
- v) The cooperative/FPO should have sufficient internal resources or sanction from the State Government to meet 10% of the project cost and margin money for working capital;

5.3 Self Help Groups (SHGs)

5.3.1 A number of SHGs are undertaking food processing activities. The Scheme proposes to provide following support to SHGs:-

5.3.2 Seed capital:

- i) Seed capital @ Rs40,000/- per member of SHG for working capital and purchase of small tools would be provided under the scheme;
- ii) Priority would be given for SHGs involved in ODOP produce in giving seed capital;
- iii) All the members of an SHG may not be involved in the food processing. Therefore, seed capital would be provided at the federation level of SHGs;
- iv) This would be given as grant to the SHG federation by SNA/ SRLM. SHG federation would provide this amount as a loan to the members of SHGs to be repaid to the SHG.

5.3.3 **Support to individual SHG member** as a single unit of food processing industry with credit linked grant @35% with maximum amount being Rs 10 lakh.

5.3.4 **Support for capital investment** at federation of SHG level, with credit linked grant @35%. Maximum limit of grant in such cases would be as prescribed.

5.3.5 **Training & Handholding Support to SHGs:** For support to SHGs, a large number of trained resource persons are available with State Rural Livelihood Missions (SRLMs). These local resource persons of SRLM having expertise in agro-produce would be utilized for training, upgradation of units, DPR preparation, handholding support, etc.

5.3.6 Eligibility Criteria for Seed Capital for SHGs:

- i) Only SHG members that are presently engaged in food processing would be eligible;
- ii) The SHG member has to commit to utilize this amount for working capital and purchase of small tools and give a commitment in this regard to the SHG and SHG federation;
- iii) Before providing the seed capital, SHG Federation should collect the following basic details for each of the members:
 - a) Details of the product being processed;
 - b) Other activities undertaken;
 - c) Annual turnover;
 - d) Source of raw materials and marketing of produce.

5.3.7 Eligibility Criteria for Credit Linked Grant for Capital Investment for SHGs:

- i) The SHGs should have sufficient own funds for meeting 10% of the project cost and 20% margin money for working capital or sanction of the same as grant from the State Government;
- ii) The SHG members should have for a minimum period of 3 years' experience in processing of the ODOP product.

6.0 Support for Common Infrastructure

6.1 Support for common infrastructure would be provided to FPOs, SHGs, cooperatives, any Government agency or private enterprises. Common infrastructure created under the scheme should also be available for other units and public to utilize on hiring basis for substantial part of the capacity. Eligibility of a project under this category would be decided based on benefit to farmers and industry at large, viability gap, absence of private investment, criticality to value chain, etc. Credit linked grant would be available @ 35%. Maximum limit of grant in such cases would be as prescribed.

6.2 Types of Common infrastructure to be funded under the scheme: The following common infrastructure would be funded under the Scheme:

- i) Premises for assaying of agriculture produce, sorting, grading, warehouse and cold storage at the farm-gate;
- ii) Common processing facility for processing of ODOP produce;
- iii) **Incubation Centre** should involve one or more product lines, which could be utilized by smaller units on a hire basis for processing of their produce. The Incubation Centre may partly be used for training purpose. It should be run on commercial basis.

6.3 Procedure for groups to send proposals for Common Infrastructure and capital investment by FPOs/SHGs/Cooperatives:

6.3.1 The following procedure should be followed for seeking funding for common infrastructure and capital investment by FPOs/SHGs/Cooperatives under the Scheme:

- i) A DPR for seeking assistance under the Scheme for capital investment and common infrastructure should be prepared, based on the format as prescribed;
- ii) The DPR should have necessary details of the proposal, detailed project cost, proposed manpower, turnover, marketing channel, sources of raw material, estimated profit & loss account, cash flow statement, etc.;
- iii) The DPR should be sent to State Nodal Agency (SNA). After approval of the proposal by SLAC, SNA should recommend the proposal to MoFPI. Any proposal for assistance to a group for grant above Rs.10 lakh should be sent to MOFPI for approval.
- iv) After approval of the proposal by MoFPI, the proposal should be forwarded to the financial institution for sanction of loan;
- v) The DPR may also contain proposal for training support to the group members based on the training hours & modules, as prescribed and the cost norms of Ministry of Skill Development and Entrepreneurship. Component of training and capacity building would be fully funded under the Scheme;
- vi) Assistance of Rs. 50,000/- per case would be provided to FPOs/SHGs/ Cooperatives for preparation of DPR;
- vii) Disbursement of grant should take place to the bank account of the applicant organization after sanction of loan by the bank.

7.0 Branding and Marketing Support

7.1 Marketing and branding support would be provided to groups of FPOs/SHGs/ Cooperatives or an SPV of micro food processing enterprises under the Scheme. Following the ODOP approach, marketing & branding support would only be provided for such product at the State or regional level.

7.2 Eligible items for support

- i) Training relating to marketing to be fully funded under the scheme;
- ii) Developing a common brand and packaging including standardization to participate in common packaging;
- iii) Marketing tie up with national and regional retail chains and state level institutions;

iv) Quality control to ensure product quality meets required standards.

7.3 Support for marketing and branding requires developing a common brand, common packaging and product standardization. The appropriate level for common branding and packaging would differ from place to place, case to case and product to product. Whether it should be district, regional or state level would be decided by the concerned SNA in each case. Therefore, the proposal for support to marketing and branding should be prepared by the SNA. Support for branding and marketing would be limited to 50% of the total expenditure. Maximum limit of grant in such cases would be as prescribed. No support would be provided for opening retail outlets under the scheme.

7.4 Vertical products at the national level could also be provided support for branding & marketing on the same lines as described above for ODOP focus. Such support for common branding/packaging and marketing would be provided at the national level. Proposal for that support should be sent to MoFPI by the states or national level institutions or organizations or partner institutions.

7.5 Eligibility criteria:

7.5.1 The proposals should fulfill the following conditions:-

- i) The proposal should relate to ODOP;
- ii) Minimum turnover of product to be eligible for assistance should be Rs 5 crore;
- iii) The final product should be the one to be sold to the consumer in retail pack;
- iv) Applicant should be an FPO/SHG/cooperative/ regional - State levels SPV to bring large number of producers together;
- v) Product and producers should be scalable to larger levels;
- vi) Management and entrepreneurship capability of promoting entity should be established in the proposal.

7.6 Procedure for applying for assistance under Branding & Marketing

7.6.1 **Detailed Project Report preparation:**

- i) A DPR should be prepared for the proposal, comprising essential details of the project, product, strategy, quality control, aggregation of produce, common packaging and branding, pricing strategy, promotional details, warehousing and storage, marketing channel, plans for increase in sales etc.;
- ii) Support up to Rs.5 lakh would be available from SNA for preparing DPR for proposals for marketing & branding;
- iii) The proposal should also contain flow chart of activities from the procurement of raw material to marketing, critical control points, ensuring quality control,

plans for five years in terms of promotional activities, increasing the number of participating producers and turnover;

- 7.6.2 There should be an agreement with a business plan, executed between the cooperatives/SHG/FPO/SPV, the lead buyer(s), if any, and the SNA, which would describe the capital and services needs of the producers and proposed improvements that would allow them to upgrade their production capacities and skills to strengthen their linkage with the market, i.e. the lead buyer(s).

8.0 Capacity Building & Research

8.1 Support to National Institutions:

8.1.1 Capacity building and training is a critical component in technical upgradation and formalization of micro food processing enterprises. At the National level, National Institute for Food Technology Entrepreneurship and Management (NIFTEM) and Indian Institute of Food Processing Technology (IIFPT) would play pivotal role in capacity building & research. They would be eligible for financial assistance towards research and capacity building. NIFTEM and IIFPT in partnership with State Level Technical Institutions would provide training and research support to the selected enterprises/groups/clusters. National level product specific institutions under ICAR, CSIR or premier institutes like DFRL and CFTRI will be partner institutions for providing support at the vertical level across the country for training and research.

8.1.2 NIFTEM and IIFPT would carry out the following activities:

- i) Capacity building and training for MoFPI, State and District officials;
- ii) Developing curricula and training modules and partner with State Level Technical Institutes for further trainings to micro enterprises and groups;
- iii) Training of trainers;
- iv) Development of online modules for training;
- v) Preparation of standard Detailed Project Reports (DPRs) for typical products for micro units;
- vi) Development of shelf of technology/ machines for up-gradation of typical micro units;
- vii) Partnership with other research and training institutions for the above activities;
- viii) Strengthening State Level Technical Institutions for delivery of the Scheme requirements.

8.1.3 NIFTEM and IIFPT would establish a PMU in their organization for the Scheme with composition as prescribed. For these PMUs, they would engage personnel on

contract basis. Grant under the Scheme would be provided to NIFTEM and IIFPT to meet full cost of these PMUs.

8.1.4 NIFTEM and IIFPT should prepare Project Implementation Plan (PIP) for the activities they propose to undertake along budget and submit to MoFPI. Committee for Capacity Building & Research at MoFPI would examine the PIPs and seek approval of IMEC for them. MoFPI would provide funding support under the Scheme to NIFTEM and IIFPT for the activities approved in the PIPs.

8.2 Support to State Level technical Institutions

8.2.1 State Government should nominate a State Level Technical Institution for the Scheme. Their activities would include:

- i) Prepare PIP for the State Level Technical Institution;
- ii) Providing inputs to PIP being prepared by the SNA relating to capacity building and research;
- iii) Conducting capacity building and training for State and District officials;
- iv) Conducting training for District Resource Persons;
- v) Provide inputs for Branding and Marketing plans being prepared by SNAs;
- vi) Provide mentoring support to District Resource Persons for handholding micro enterprises, preparations of DPRs, etc.

8.2.2 The nominated State Level Technical Institution should prepare PIP including annual training calendar for the proposed activities and send that to MoFPI after approval from the State Level Approval Committee in consultation with the NIFTEM and IIFPT.

8.2.3 Criteria for selection of State Level Technical Institution: The State Level Technical Institution should be an existing institution involved in food processing technology. This Institute could be:

- i) A college/institute under State Agriculture University or any other University;
- ii) A State-owned food processing technology research Institute;
- iii) An institute under CSIR or any Government of India institute focusing on food processing;
- iv) If it is a college, it should have undergraduate/post graduate courses in food processing technology and necessary faculty;
- v) The Institute should have a full-fledged laboratory with necessary testing and processing equipment;
- vi) The Institute should have faculty undertaking research work and product development and machinery for food processing, especially for MSMEs;

- vii) The proposal should be recommended by the State Government;
- viii) The Institute should be willing to appoint a Nodal Officer and a dedicated team consisting of at least two faculty members focusing exclusively on the Scheme;
- ix) The Institute should have sufficient built-up space to undertake training for beneficiaries under the Scheme;
- x) The institute preferably should have pilot plants for processing few products under ODOP for the State.

8.3 Training support to individuals/groups

8.3.1 Training support would be provided to individual units and groups that are being provided support for capital investment. In addition, training support would also be provided to other existing units and groups in the districts that are processing ODOP products. Groups that are being provided support for marketing & branding under the Scheme would also be provided training support.

8.3.2 Ministry of Skill Development & Entrepreneurship (MSDE) have fixed per hour rate to be spent on trainings. The same benchmark rate would be utilized for the Scheme. Type of training and number of hours of training should follow the prescribed norms.

8.3.3 The following are the focus areas for capacity building under the Scheme:

- i) Entrepreneurship development, essential functions of enterprise operations, marketing, book keeping, registration, FSSAI standards, Udyog Aadhar, GST Registration, general hygiene, etc.;
- ii) Specific training designed for ODOP product or the product produced by the unit including operations of necessary machines, hygiene issues, packaging, storage, procurement, new products development etc.;

8.3.4 Mode of Training

- i) Online modules would be used for the general training applicable to all Units;
- ii) Product specific training would be provided for the districts for ODOP using RSETI physical infrastructure to the extent possible;
- iii) Training should be organized in short modules on a weekly basis using audio-visual support within the district so that the disturbance to the existing business operations is least;
- iv) An important component of the training would be work on the machines that Units are going to purchase and training on hygiene and packaging. Therefore, a specific component for training is being introduced for such beneficiaries in the existing units using those machines within the district or outside for a short duration.

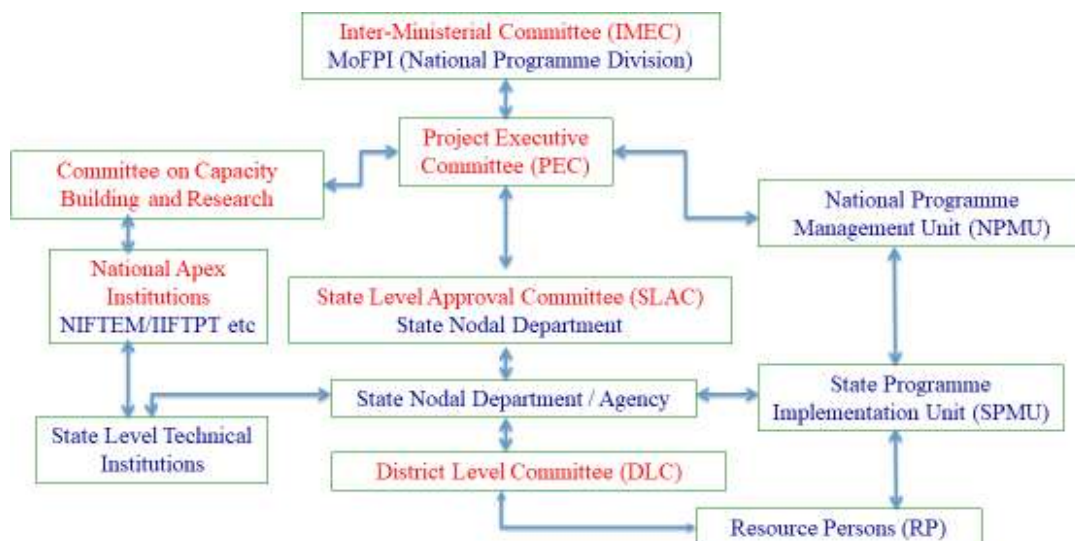
8.3.5 Handholding Support: The Scheme envisages engaging Resources Persons (RPs) at the district/ regional level for providing hand-holding support to the micro food processing enterprises. These RPs would carry out the following functions:

- i) Handholding micro enterprises in preparation of DPRs, getting bank loan, training, upgradation of the unit, getting necessary regulatory approvals, hygiene, etc.;
- ii) Provide inputs for PIPs and ODOP and Cluster studies and study of groups;
- iii) Identification and facilitation of applications for subsidies and seed capital to individual micro enterprises and groups and common facilities;

9.0 Institutional Architecture

9.1 Robust institutional architecture at all administrative levels would be set up for the scheme. There would be committees at the National, State and District levels (for policy guidance) for implementation and to monitor the progress of the Scheme. These committees would oversee the performance of the National Programme Division at MoFPI and the State Nodal Agencies. In addition to these, there would be PMUs set up comprising consultants and experts engaged on full time basis to support the National Programme Division at MoFPI and the State Nodal Agencies. Institutional structure is illustrated in the chart below and described in the section below:

Figure 1: Institutional Architecture



9.2 National Level Structures

9.2.1 Inter-Ministerial Empowered Committee:

9.2.1.1 At the national level, there would an Inter-Ministerial Empowered Committee (IMEC) chaired by Minister for Food Processing Industries with the following composition.

Table 1: Composition of IMEC

| | Composition | Designation |
|-----|---|--------------------|
| 1. | Hon'ble Minister of Food Processing Industries | Chairman |
| 2. | Hon'ble Minister of State of Food Processing Industries | Vice Chairman |
| 3. | Secretary, Ministry of Food Processing Industries, Government of India (GoI) | Member |
| 4. | Secretary, Department of Agriculture, Co-operation, & Farmers' Welfare, GoI | Member |
| 5. | Secretary, Department of Animal Husbandry and Dairying, GoI | Member |
| 6. | Secretary, Department of Agriculture Research and Education, GoI | Member |
| 7. | Secretary, Department of Fisheries, GoI | Member |
| 8. | Secretary, Department of Urban Development & Housing, GOI | Member |
| 9. | Secretary, Ministry of Rural Development, GoI | Member |
| 10. | Secretary, Ministry of Skill Development & Entrepreneurship | Member |
| 11. | Secretary, Ministry of MSME, GoI | Member |
| 12. | Chairman, FSSAI | Member |
| 13. | Chairman, NSDC | Member |
| 14. | Representative of NABARD | Member |
| 15. | AS&FA, Ministry of Food Processing Industries | Member |
| 16. | Representative of NITI Aayog | Member |
| 17. | Mission Director, (Officer of the rank of Additional/ Joint Secretary and above), Ministry of Food Processing Industries. | Member Secretary |

9.2.1.2 MoFPI may nominate any other member to IMEC, PEC and Committee on Capacity Building & Research. The IMEC would meet at least once in a quarter and would be the policy making body giving overall direction and guidance for implementation of the scheme and would monitor and review its progress and performance.

9.2.1.3 Functions of IMEC would be:

i) Approval of the following:

- a) Scheme Guidelines;
- b) PIPs being submitted by States after due approvals from SLAC;
- c) Empanelment of Expert Institutions;
- d) Approval of all proposals with project size above Rs.10 lakh;
- e) PIP for capacity building and research;

ii) Review of the following:

- a) PIP implementation;
- b) Various studies;
- c) Capacity Building activities of MoFPI and State agencies;
- d) Trainings on skills and EDP imparted to enterprises and groups- broad review of timely trainings as per Training committee feedback;
- e) Activities being undertaken for strengthening of State institutions;
- f) Timely subsidy disbursement for micro enterprises and groups with Nodal Banks.

iii) Apart from the above approval and review activities, the IMEC would also undertake the following activities

- a) Review and set quarterly targets;
- b) Monitor inter-ministerial co-operation and convergence;
- c) Oversee the overall scheme progress;
- d) Oversee performance of States;
- e) Any other matter relating to implementation of the Scheme.

9.2.2 Project Executive Committee:

9.2.2.1 A Project Executive Committee would be constituted at the operational level in the Ministry of Food Processing Industries for regular monitoring and implementation of the scheme with the following composition:

Table 2: Composition of PEC

| | | |
|------|--|-------------|
| (i) | Additional Secretary, MOFPI | Chairperson |
| (ii) | Additional/Joint Secretaries - Ministry/Department of Commerce, Agriculture, Rural Development, Animal Husbandry & Dairying, Fisheries, MSME, MSDE, Urban Development & Housing and NITI Aayog | Members |

| | | |
|-------|---|---------|
| (iii) | AS&FA, Ministry of Food Processing Industries | Member |
| (iv) | Representatives of APEDA, MPEDA, NIFTEM, IIFPT, CFTRI, National Horticulture Board (NHB), FSSAI, NABARD | Members |
| (v) | Experts in Food Processing, Banking/Finance and Marketing | Members |
| (vi) | Nominees of the Partner Institutions TRIFED, NCDC, NSCFDC and SFAC | Members |

9.2.2.2 The Executive Committee would meet once every month and will have the following functions:

i) Approval of the following:

- a) Examination of all the proposals submitted to IMEC for approval including PIPs of States, National institutions, State Level Technical Institutions and projects for approval above Rs 10 lakh proposed by the States;
- b) Setting up of NPMU.
- c) Approve projects under the scheme for items to be spent by Government of India and those with 100% central share up to a limit of Rs 10 lakh;
- d) Release of 60% of the matching grant as GOI share to the individual beneficiaries;
- e) IEC proposals
- f) MIS related decisions;

ii) Review of the following:

- a) Timely subsidy disbursement for micro enterprises and groups with Nodal Banks and escalation to IMEC in case of need;

iii) Apart from the above approval and review activities, the PEC would also undertake the following activities:

- a) Set monthly targets for the scheme in line with the annual targets being set by the IMEC;
- b) Monitor the progress of the scheme through the portal and through effective dashboard monitoring;
- c) Inter Ministries cooperation.

9.2.3 Committee on Capacity Building & Research:

9.2.3.1 There would be a Committee for Capacity Building and Research at the national level to oversee the training and research aspects. This Committee would be chaired by a prominent industry expert. The Committee would have following the members:-

Table 3-Composition of Training Committee at MoFPI

| | | |
|--------|--|-------------|
| (i) | Industry Expert | Chairperson |
| (ii) | Vice Chancellor, NIFTEM / Director, IIFPT | Member |
| (iii) | JS, MOFPI dealing with skill training | Member |
| (iv) | JS, MSDE | Member |
| (v) | Representative of Food Sector Skill Council | Member |
| (vi) | Representatives of CFTRI/DFRL/relevant ICAR institutes. | Member |
| (vii) | Representative of M/o Rural Development | Member |
| (viii) | Experts in Banking/Finance and Marketing/Branding as nominated by Programme Director, MoFPI. | Members |

9.2.3.2 The Committee on Capacity Building & Research would have the following functions:

1. Approval of the following:

- i) Guidance for the carrying out capacity building & research activities under the Scheme.
- ii) Proposals of Capacity Building activities of MoFPI, State and District agencies for further financial approvals from PEC/IMEC
- iii) Calendars and syllabus for training being given by National and State Agencies for enterprises and groups
- iv) Curriculum for handholding support modules for FUPs and DPRs for the enterprises.

2. Review of the following:

- i) Trainings being provided as per approved training calendars by National, State agencies and District Resource persons.

9.2.4 National Programme Management Unit (NPMU): There would be a PMU housed at the National level comprising professionals engaged on contract basis. The PMU would provide all support to the Programme Division of MoFPI for carrying all the functions listed above. The specific functions of the NPMU will include the following:

- i) Prepare necessary templates, closely coordinate with, mentor and monitor State PMUs and SNAs, for timely completion of studies and PIPs;
- ii) Capacity building activities of MoFPI, State and District Agencies and placing the proposals for due approvals of the training committee and PEC;

- iii) Development of the National Portal and MIS and ensuring timely flow of information in the Portal;
- iv) Trainings being provided as per approved training calendars by National, State agencies and District Resource persons for further review by Training Committee;
- v) Strengthening of National and State Level Technical Institutions;
- vi) Timely disbursement of subsidies to enterprises through the National Portal;
- vii) Appraisal of DPRs submitted by the States and other agencies to MOFPI for approval;
- viii) Timely provision of seed capital support to groups;
- ix) Timely submissions of Branding and Marketing plans from SNA;
- x) Timely setting up of the SPMUs and District Resource Persons.

9.2.5 Nodal Bank: MoFPI would select a Nodal Bank for facilitation and ensuring smooth flow of subsidies from the Banks to the micro enterprises. The functions of the Nodal bank would include the following:

- i) Monitoring and Liaising with Banks for target driven approvals of applications and timely disbursement of subsidies to individual micro enterprises and groups;
- ii) Transfer of subsidy from the central and state governments to the bank accounts of beneficiary in the lending bank branch.

9.3 State Level Structures

9.3.1 At the State level, a State Level Approval Committee would oversee the implementation of the scheme and the scheme would be operated by a nominated State Nodal Agency, supported by a State PMU. The details are given below.

9.3.2 State level Approval Committee:

9.3.2.1 The State Level Approval Committee would be chaired by the Chief Secretary or his nominee and would have the following composition:

Table 4: SLAC Composition

| | | |
|-------|--|-------------|
| (i) | Chief Secretary | Chairperson |
| (ii) | Finance Secretary | Member |
| (iii) | ACS/Pr Secretary/Secretaries of Food Processing, Agriculture, Industries, MSME, Fisheries, Animal Husbandry, Skill Development | Members |
| (iv) | Mission Director, SRLM | Member |
| (v) | Representative of State Level Technical Institution | Member |

| | | |
|--------|--|---------------------|
| (vi) | Institutions – Representatives from key State Technical Institutions. | Members |
| (vii) | Representatives of NABARD, NSDC, SLBC, NCDC | Member |
| (viii) | Experts in Banking/Finance and Marketing/Branding as nominated by the State Government | Member |
| (ix) | State Nodal Officer | Member Secretary |

9.3.2.2 The State Government may nominate any other member to SLAC or DLC.

9.3.2.3 The State Level Approval Committee would be responsible for approval of the following:

- i) Surveys/Studies;
- ii) PIP submitted by SNA;
- iii) Capacity building activities of State and District officials;
- iv) Training and skill development calendars for State level agencies, enterprises;
- v) Strengthening of State institutions;
- vi) Subsidy proposals for groups for recommending to MOFPI;
- vii) Proposals for provision of Common Facilities, groups and marketing & branding;
- viii) Seed Capital to groups;
- ix) The SLAC will have power to sanction project expenditure up to Rs. 10 lakh on various activities included in the PIP;

9.3.2.4 Apart from the above approvals, the SLAC would also undertake the following activities

- i) Set monthly targets for the scheme in line with the overall scheme targets.
- ii) Monitor the progress of the scheme through the portal.
- iii) Ensure synergy with other relevant organizations.
- iv) Ensure inspection of Units/ CFC funded under the scheme.

9.3.3 State Nodal Department: Each State Government should appoint a Nodal Department at the Governmental level and a State Nodal Officer to oversee the implementation of the Scheme. The selection of the Nodal Department should be undertaken keeping in view the relative strength and experience of various departments in the State involved in the food processing sector at micro & cluster levels. The State Nodal Officer should be of the rank Secretary or Director/HOD. The potential nodal departments could be Agriculture or Horticulture Department,

Food Processing Department, Industries Department, MSME Department or Rural Development Department.

9.3.4 State Nodal Agency: Each State should appoint a State Nodal Agency. The State Nodal Agency (SNA) could be a Directorate or a Mission or an entity of the State Government. The SNA would be the operational agency at the State level for implementing the Scheme. Role and Responsibilities of the SNA shall include:

- i) Conducting various studies;
- ii) Getting PIP prepared;
- iii) Monitoring the training and capacity building activities undertaken by State Level Technical Institute and District Resource Persons;
- iv) Carrying out strengthening of State Level Technical Institution;
- v) Ensuring timely submission of Subsidy proposals by District Committees;
- vi) Ensuring timely submission of plans for provision of Common Facilities;
- vii) Ensuring timely submission of Seed Capital proposals of groups;
- viii) Developing Branding and Marketing proposals;
- ix) Monitoring the handholding support being given by District Resource Persons to enterprises for DPRs;
- x) Setting up of SPMU;
- xi) Monitoring and approvals for hiring of District Resource Persons;
- xii) Furnishing Utilization Certificates (UCs) and regular Progress Reports to MoFPI in the prescribed formats;
- xiii) IEC;
- xiv) Sharing of best practices.

9.3.5 State Project Management Unit (SPMU): The State Nodal Agency (SNA) should appoint a State Project Management Unit (SPMU). The SPMU could be appointed by recruiting the staff on contract basis or on deputation or own staff of SNA. The SPMU staff should be engaged on full-time basis for the work of the Scheme. SNA may decide to appoint a private agency also as a SPMU through competitive bidding process.

9.3.6 SNA would be provided 2% of the Scheme expenses as administrative expenses. The expenses of the SPMU would be borne by the SNA from 2% for administrative cost allowed under the Scheme. Details of staff of SPMU along with qualification would be as prescribed.

9.3.6.1 SPMU would have the key responsibility of supporting the SNA in all the functions as indicated in para 9.3.4.

9.3.7 District Level Structures

9.3.7.1 **District Level Committee:** At the district level, a District Level Committee (DLC) would be constituted under the Chairmanship of District Collector. The Committee would have representation from panchayats, banks, subject experts, academia, community institutions, FPOs/SHGs, etc. The District Collector may co-opt any other person as a member of DLC. The composition of the District Level Committee would be :

Table 5: Composition of DLC

| | | |
|--------|--|-------------|
| (i) | District Collector | Chairperson |
| (ii) | GM, DIC, District Agriculture Officer, District Horticulture Officer | Member |
| (iii) | Sarpanch of one GP | Member |
| (iv) | One Block Development Officer | Member |
| (v) | District Lead Bank Manager | Member |
| (vi) | SHG/FPO representatives | Members |
| (vii) | Representative of NABARD | Member |
| (viii) | District representative of SRLM | Member |
| (viii) | Any other persons nominated by Collector | Member |

9.3.7.2 The DLC would be responsible for the following:

- i) Approvals of applications for loan and subsidy to individual micro enterprises;
- ii) Recommend applications for common infrastructures & groups to SNA;
- iii) Monitor handholding support being rendered to micro enterprises by District Resource Persons;
- iv) Monitor the progress of the Scheme through the portal and through effective dashboard monitoring;
- v) Ensure synergy with all relevant Institutions.

9.3.8 Resources Persons

9.3.8.1 At the district/regional level, Resources Persons should be appointed by SNA for providing handholding support to the beneficiaries.

9.3.8.2 RPs should have the following qualifications:

- i) Diploma/degree in Food Technology/ Food Engineering from reputed National/ International University/Institute
- ii) 3-5 years' experience in providing consultancy services to food processing industries for technology upgradation, new product development, quality assurance, food safety management;

- iii) If persons qualified in food technology are not available, persons with experience in food processing industry, banking, DPR preparation and training may be engaged.

9.3.8.3 Handholding support should be provided by the Resource Persons to individual units and groups for preparation of DPR, taking bank loan, support for obtaining necessary registration and licences including food standards of FSSAI, Udyog Aadhar, GST etc.

9.3.8.4 Payment to the Resource Persons would be made on the basis of each beneficiary supported by them after sanction of loan to them by the bank. Payment to each Resources Person would be @ Rs.20,000/- per bank loan sanctioned. 50% of the payment would be made after sanction of bank loan and remaining 50% after the Units takes GST &Udyog Aadhar registration, takes standard compliance of FSSAI. Implement the project and is given training.

9.3.9 State Nodal Department should decide on the flow & approval process of applications and support under the Scheme. They should decide the respective roles of DLC, SNA & State Level Technical Institutions for the following:-

- (i) Approval level for shortlisting of individual application;
- (ii) Flow of application of groups & common infrastructure within the state level;
- (iii) Training & capacity building activities and decision making between DLC, SNA & State Level Technical Institutions;
- (iv) This decision on the flow of applications & process for support within the state would apply irrespective of the roles of the agencies specified in the Guidelines.

9.3.10 Partner Institutions for Convergence

9.3.10.1 The scheme lays special focus on SC/ST, women and aspirational districts and FPOs, SHGs and producer cooperatives. The following organisations have been working in these areas:

- a) TRIFED;
- b) National SC Development Finance Corporation;
- c) National Cooperative Development Cooperation;
- d) Small Farmer Agri-Business Consortium;
- e) National Rural Livelihood Mission under M/o Rural Development.

9.3.10.2 The above institutions may converge their activities by facilitating identification of units / clusters of STs, SCs, cooperatives, FPOs and SHGs respectively. They should support preparation of DPRs and proposals for funding and development of such institutions under the Scheme and feed such proposals to the State PIPs. They should also provide handholding support to such supported units and work

with the States in this endeavor. Each of the Partner Institutions would be member of the PEC.

10.0 Studies & Reports

10.1 State Level Upgradation Plan (SLUP): The SNA should conduct a State Level Upgradation Plan (SLUP) which will have the following two components:

10.1.1 Base-Line Assessments: The baseline study should focus on identifying ODOP. This study should get concluded by 31 July, 2020 in each State. For this study, Rs.2.5 – 10.0 lakh would be provided to the States.

10.1.2 State Level Upgradation Plan: Once decision is taken on the ODOP, detailed study should be carried out in the States detailing the number of units undertaking processing of that product in the district, farm level of operations, total volume and value of produce, technology, farm gate level processing, storage, warehousing, number of processing units, their details, etc. This study should be conducted by 31 December, 2020. The amount provided for the above study would be Rs.10.0 – 75.0 lakh to the States. The Terms of Reference (TOR) of the above studies would be as prescribed.

10.2 Study of FPOs/Producer Cooperatives/ SHGs: In parallel to the above study, SNAs in coordination with NCDC, SFAC, TRIFED, NSCFDC and SRLMs should collect data on the level of operation of SHGs, producer cooperatives, FPOs in the states.

10.3 Once the infrastructure and other facilities as envisaged in the State Level Upgradation Plan have been carried out, another study should be carried out for further course of action for ODOP in such districts. For any other studies to be conducted by the SNA, they should include the proposal for the study in Project Implementation Plan and send it for approval to MoFPI along with cost estimates.

11.0 Project Implementation Plan (PIP)

11.1 Each State should prepare a PIP for the year in the month of January of the previous year and send it to MoFPI for approval by 31st January of that year. The PIP should be placed before the Inter Ministerial Empowered Committee for approval. The State Level Approval Committee should recommend the PIP to MoFPI. MoFPI should approve the PIP by 31st March of the previous Financial year. In the year 2020-21, PIPs should be sent by the States to MoFPI for approval by 30th September 2020.

11.2 The PIP should contain the following details:-

- i) Implementation arrangements for programme in the State including the agencies assigned, institutions selected etc;

- ii) State Nodal Agency details along with officers assigned;
- iii) Composition of SLAC/DLC;
- iv) Details and plans for setting up of SPMU and manpower;
- v) Details and plans for hiring of District Resource Persons;
- vi) Details of State Level Technical Institution;
- vii) Activities planned for the year as aligned with the scheme guidelines;
 - a) Details of studies planned and timelines for completion;
 - b) Details of trainings planned for the year with clear role matrix for the different institutions;
 - c) Broad targets for subsidy disbursement and number of enterprises booth groups and individuals;
 - d) Broad list of clusters district wise;
 - e) Listing of SHGs/FPOs/Cooperatives in the State, identified as potential stakeholders in the programme;
 - f) Abstract of Branding and Marketing plans for the products.
- viii) Detailed cost estimates and budgets for all the activities for the year;
- ix) Detailed flow chart of implementing the activities planned;
- x) Stakeholder matrix with clear roles and responsibilities earmarked for each person.

11.3 PIP is a planning & budgeting exercise. After the approval of PIP, States should go ahead for incurring expenditure for the items subject to the delegation of powers given to the States.

11.4 State Level Approval Committee is empowered to sanction expenditure for individual items up to Rs.10 lakh and any proposal for expenditure above Rs.10 lakh should be sent to MoFPI for approval. That would include DPRs for projects with grant above Rs 10 lakh, expenditure on State Level Technical Institution that exceeds Rs 10 lakh, etc.

11.5 In case of NIFTEM and IIFPT, after approval of their PIP, the existing delegation of powers within the organization should be used for incurring expenditure up to Rs.10 lakh. Any proposal for incurring any expenditure above Rs.10 lakh should be sent to MoFPI for approval, as a specific proposal.

12.0 Disbursement of Funds

12.1 The scheme is a centrally sponsored scheme with the following sharing of resources between the Centre and the States:

- i) Centre-State share at 60:40;
- ii) 90:10 sharing between center and Himalayan and North Eastern States;
- iii) UTs with legislature sharing would be 60:40 between the Centre and the States;
- iv) UTs without legislature 100% funds would be provided by the Central Government.

12.2 The following components would be met 100% by the Central Government:

- i) Capacity buildings & training;
- ii) Administrative cost of national PMU for MoFPI;
- iii) Training support in terms of audio-visual, development of print material, development of modules etc. at the national level;
- iv) MIS;
- v) Development of technologies, products, etc;
- vi) Support to national level partner institutions;
- vii) Promotional activities at the national level;
- viii) Any other expenditure made directly by Govt. of India would be borne 100% by MOFPI.

12.3 Expenditure in the first year, whether incurred by the Centre or the States would be borne 100% by the Govt. of India. This is being done because the Scheme is launched after the State budgets have been approved. Therefore, the States may be able to provide funding only after Supplementary Budgets are approved. The expenditure made in the first year would be adjusted in 60:40 ratio in the funds being transferred to the States equally in the next four years.

12.4 The funds would be provided to the States based on the approved PIP in two installments in a year after Utilization Certificate (UC) for the installments other than the immediate previous release, have been given. There would be no such requirement of UC for the funds transferred in the year 2020-21.

12.5 To meet administrative expenditure for PMUs, studies & training, grant of would be provided to the States in the second/third quarter of 2020-21. Subsequently, after the approval of PIP, funds would be provided for the full year 2020-21 to the States in a single installment.

12.7 Allocation for Scheduled Caste (SC)/ Scheduled Tribe (ST)/ North Eastern Region (NER)

12.7.1 Specific allocations for SC/ST and NER would be made in the budget allocations under the Scheme. These funds would be allocated to the States based on population of SC/ST in the States. Such SC/ST allocations could only be utilized

for giving benefits under the Scheme to the units owned by SC/ST persons respectively. In case of Groups, such funds could be utilized only if more than 50% of the members of such groups belong to SC/ST community. In case of North Eastern States, allocations would be made under the Scheme to comply with the norms of using such funds in such States.

13.0 Credit Linkage

- 13.1** The main expenditure under the Scheme is credit linked grant @35% for the for micro food processing enterprises subject to a maximum of Rs.10 lakh. Additionally, credit linked grant is being provided to groups @35% for capital investment, credit linked grant for common infrastructure @ 35%. These grants would be transferred to the lending bank after sanction of the loan by the bank.
- 13.2** At the national level, a Nodal bank would be appointed for disbursement of subsidy to the banks and liaison with the banks.
- 13.3** The bank sanctioning the loan would open a mirror account in the name of the beneficiary. The lending bank would report the fact of sanction of loan to the Nodal Bank at the national level. After receipt of this information, Central and State Government should respectively transfer 60% and 40% of its share of grant to the Nodal Bank. The Nodal Bank would transfer 60% of the Central share of the grant and 40% of the State share of the grant together to the concerned lending Bank branch. That Bank branch should place this amount in the mirror-bank account of the beneficiary. The lending bank should disburse sanction loan amount in accordance with normal banking practice to the beneficiary/supplier.
- 13.4** If after a period of three years from the disbursement of last tranche of the loan, the beneficiary account is still standard, and the unit is operational, this grant amount would be adjusted in the bank account of the beneficiary. If the account becomes NPA prior to three years from the date of disbursement of the loan, the grant amount would be adjusted by the Bank towards repayment by the beneficiary. If the grant amount is adjusted after three years against the loan amount in case of standard account, no interest would be payable by the borrower on the portion of the loan disbursed by the Bank equal to the grant amount from the date of receipt of the grant amount by the lending bank.
- 13.5** Benefit of credit guarantee coverage for loans offered under this Scheme should be provided to the borrower under the Credit Guarantee Trust for Micro & Small Enterprises through the National Credit Guarantee Trustee Company under their usual terms & conditions. Interest subvention of 2% under the Interest Subvention Scheme for incremental credit to MSMEs 2018 would also be available to the borrowers on the outstanding balance.

- 13.6** It should be ensured by the SNA that the applications are forwarded to the banks on a regular basis rather than forwarding a bunch of them together on a monthly or quarterly basis.
- 13.7** The proposals should be forwarded to the bank branches along with basic KYC of the applicant. To minimize the processing time, applications should be forwarded to the banks along with all the requisite documents required for loan applications such as lease/ownership documents of land for setting up the unit/machinery, registration and necessary Government clearances, etc. Applications should carry complete project details and the DPR should be commensurate with the economic viability of the locality. Project cost should be a realistic figure based on a reasonable assessment of the economic viability of the project.

14.0 MIS

14.1 The Scheme would to be monitored and the entire flow of data and approval of proposals, etc. would take place on an online system. An MIS would be developed by MoFPI for this purpose. The following information flow/approvals would take place on MIS:

- i) Proposals for PIP sent by the States and their approval including any changes by MoFPI;
- ii) Proposal of PIP by national level training institutions of their approval including any changes;
- iii) Application for loans submitted by individual micro food processing enterprises;
- iv) Uploading of DPRs and details of handholding support provided;
- v) Details of training support provided to individual Units;
- vi) Forwarding of loan proposals to the banks;
- vii) Uploading of details of sanction of loan by the banks;
- viii) Any payment made to any person or agency including groups and maintenance of accounts;
- ix) Any support provided in terms of training, hand holding to groups and individuals;
- x) A ledger should be there for each individual and group selected under the Scheme. This ledger should provide details of all the support to the individual and group, details their economic activities, disbursement of loans etc;

- xi) All payments made by SNA/ MoFPI under the Scheme to any entity should be entered into MIS. All activities undertaken under the Scheme should be entered into the MIS;
- xii) MIS would be developed by MoFPI. All expenditure for development, maintenance and monitoring would be met by MoFPI under the Scheme.

15.0 Empanelment of Expert Institutions

15.1 A large number of institutions, both in Government and private exist with expertise in marketing, research, product development, packaging, branding, training, handholding support, etc. For each of these activities, MoFPI would empanel institutions at the National level, whose services could be utilized by the States. The empanelment would be carried out by a transparent process for evaluation of expertise in the field. Award of work to these empaneled institutions by the States should be done after inviting financial proposals for the task involved by them.

16.0 Convergence Framework

16.1 Food Processing Enterprises being supported under the Scheme would be eligible for benefits under the following Government Schemes:

- i) National Rural Livelihood Mission – providing seed capital, training, handholding support and interest subvention to SHGs;
- ii) Start-up Village Entrepreneurship Programme (SVEP) –It is a Centrally Sponsored Scheme, a part of NRLM, provides capital and technical support to rural start-ups through training, handholding and support through Community Enterprises Fund (CEF) as a loan up to Rs.1 lakh for individual entrepreneur and Rs.5 lakh for group entrepreneurs at 12% interest;
- iii) Interest Subvention Scheme for incremental credit to MSMEs 2018 – 2% interest subvention on outstanding balance;
- iv) Credit Guarantee Trust Fund for Micro & Small Enterprises (CGTMSE) for collateral free loan up to Rs 2 crore;
- v) PM MUDRA Yojana for loan up to Rs.10 lakh;
- vi) A Scheme for Promotion of Innovation, Rural Industry and Entrepreneurship (ASPIRE);
- vii) Scheme for Fund for Regeneration of Rural Industry (SFURTI);
- viii) Public Procurement Policy for MSEs;
- ix) Benefits available under various other Schemes of MoFPI such as Backward & Forward Linkages, Agricultural Production Cluster, Cold Chain etc. would be used to provide support to clusters/groups.

- x) Support from PMKVY and NRLM for skill training for SHGs, if falling within the guidelines would be taken. For shorter duration on site trainings, support would be provided from NRLM and the PM FME scheme, tailor-made for such purposes.



**MINISTRY OF FOOD PROCESSING INDUSTRIES
GOVERNMENT OF INDIA**

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Advisory on Fund release for the SVEP Umbrella
Scheme
3/04/2023

File No: S-11051/25/2015/NRLM (SVEP) (345319)
 Government of India
 Ministry of Rural Development
 Department of Rural Development
<https://rural.nic.in/>
 (Rural Livelihoods Division)

7th Floor, NDCC – II Building,
 Jai Singh Road,
 New Delhi – 110001
 Dated: 3rd April, 2023

To,
 The SMD/CEO, SRLMs
 SVEP implementing States/UT

Subject: Advisory on fund release for the SVEP Umbrella Scheme

Madam/Sir,

As you are aware, the non-farm projects being implemented under DAY-NRLM are Micro Enterprise Development (MED), Start-up Village Entrepreneurship Programme (SVEP), One Stop Facility (OSF), Clusters, Incubators and Aajeevika Gramin Express Yojana (AGEY). The OSF, clusters and incubator components which were earlier only in NRETP, are now included in DAY-NRLM also.

DAY-NRLM schemes under non-farm livelihoods (SVEP, MED, OSF, Clusters, Incubators and AGEY) are now consolidated and structured as "SVEP Umbrella Scheme". From FY 2023-24, the fund release for SVEP Umbrella projects will be from **component K** in consolidated fund release (as per the DoE guidelines). These components under SVEP Umbrella Scheme are included in the SRLM AAP (component K) and are approved as part of SRLM AAP. The fund release protocol and fund calculation details are attached as Annexure I & II with this letter.

All the States/UT implementing SVEP and other non-farm livelihoods components, are requested to follow the new fund release pattern, as mentioned above and detailed out in the Annexure I & II, under SVEP Umbrella Projects.

A letter of the even no. dated 27th February, 2023 was sent by the Ministry regarding providing details of Central and State share along with the year-wise expenditure under SVEP. The copy of the letter is attached for your kind reference. You are requested to ensure to send the details mentioned in the letter along with the year-wise UC of SVEP to the Ministry by 6th April, 2023 and send the proposal for fund release for FY 2023-24 under SVEP Umbrella Schemes after complying the conditions mentioned in para 5 of the Annexure I.

Yours faithfully,


 (Raghvendra Pratap Singh)
 Director-RL

Copy to: -

1. PPS to AS(RL)
2. All State Anchors DAY-NRLM

Annexure I

Fund release protocols under the SVEP Umbrella Projects

1. The SVEP Umbrella Project has the following components (Component K) -

- i. Micro Enterprise Development (MED)
- ii. Start-up Village Entrepreneurship program (SVEP)
- iii. One stop Facility Centre (OSF)
- iv. Cluster development program
- v. Support to enterprises through Incubators
- vi. Aajeevika Grameen Express Yojana (AGEY)

2. The total fund requirement for all the interventions mentioned in point 1 above, for a financial year shall be estimated and approved as part of the Annual action plan by the EC and the 1st installment of fund release for the year shall be based on this approved total fund estimate.

3. While the estimated amount for the interventions shall be approved in principal in the AAP approved by the EC, certain components have a process of a Detailed Project Report (DPR) which has to be prepared after the EC approves the intervention. In the first phase of the AAP, the EC shall approve the maximum allowed budget for these interventions. The final budgeted amount for these components based on the DPR shall be approved after the DPR itself is approved by the EC. The process of approval to be followed for each of these components is detailed below:

i. Micro Enterprise Development (MED)

The State/UT shall submit the list of the eligible blocks through official letter for implementation of the MED as part of the AAP and the same shall be approved by the EC while approving the AAP. Funds shall be estimated based on the number of blocks approved by the EC. There is no DPR requirement for this component.

ii. Start-up Village Entrepreneurship program (SVEP)

The State/UT shall submit the list of eligible blocks through official letter for the implementation of the SVEP as part of the AAP and the same shall be approved by the EC while approving the AAP. Funds shall be estimated based on the maximum budgetary cap for the number of blocks approved by the EC. Subsequently, the SRLMs shall submit DPRs for the approved blocks which shall again be put up to the EC for approval. The actual budget shall be revised downwards (if needed) based on the approved DPRs.

iii. One stop Facility Centre (OSF)

The State/UT shall submit the list of eligible blocks through official letter for implementation of the OSF as part of the AAP and the same shall be approved by the EC while approving the AAP. Funds shall be estimated based on the number of blocks approved by the EC. There is no DPR requirement for this component.

iv. Cluster development program

The State/UT shall submit the list of proposed clusters through official letter for the implementation of the clusters as part of the AAP and the same shall be approved by the EC



while approving the AAP. Funds shall be estimated based on the maximum budgetary cap (based on the number of entrepreneurs) for the approval by the EC. Subsequently, the SRLMs shall submit Detailed Survey Report (DSP) for the approved clusters which shall again be put up to the EC for approval. The actual budget shall be revised downwards (if needed) based on the approved DSRs.

v. Support to enterprises through Incubators

The State/UT shall propose the eligible incubators for implementation of the Incubator component as part of the AAP and the same shall be approved by the EC while approving the AAP. Funds shall be estimated based on the budget given in the guidelines for the incubator. There is no DPR requirement for this component.

vi. Aajeevika Grameen Express Yojana (AGEY)

The State/UT shall propose the eligible blocks and number of vehicles for implementation of the AGEY as part of the AAP and the same shall be approved by the EC while approving the AAP. Funds shall be estimated based on the number of blocks and vehicles approved by the EC. There is no DPR requirement for this component.

While assessing the fund requirement for the year, the SRLM shall as part of the AAP, assess the status of implementation of the various ongoing non- farm interventions and assess the fund requirement in the year. The NMMU non-farm team shall evaluate the same and put up to the EC for approval, along with the estimated funds for the new projects proposed by the SRLM as detailed above.

5. Fund release for the above components of SVEP Umbrella Scheme approved by EC in component K

5.1 The total annual requirement for the Financial Year based on the total of all the above components approved in EC shall be estimated and the State shall be eligible for release of Central share of First tranche of 1st installment of 25% of approved amount by EC in component K .The State has to send the proposal for fund release with provisional UC FY 2022-23 and latest UC as on date after complying the DoE guidelines (i.e. all the earlier Central release with the corresponding State share must be received in SNA account from treasury and should be reflected in SNA-01 and SNA-09 reports of PMFS, Remittance of Interest accrued in the SNA account for FY-2022-23 in respective Consolidated Fund (both Center and State) and Undertaking of remittance this interest from Secretary, Rural Development Department of the State Government, the expenditure is 75% of total available fund and reflected in SNA-01 report and the allocation (Central & State Share) of for all the above the component under SVEP Sub Scheme must be reflected in TSRY-07 reports in PFMS etc)

5.2 2nd tranche of 1st installment of 25% of approved amount by EC in component K will be released for each State/UT, based on the UC confirming utilization of 75% of total available fund along with compliance of DoE guidelines as mentioned in para 5.1 except undertaking regarding remittance of interest and achievement of the corresponding physical targets.

5.3 First tranche of 2nd Installment of 25% of approved amount by EC in component K will be considered after submission of proposal along with compliance of DoE guidelines as mentioned in para 5.1 except undertaking regarding remittance of interest, audited UC & Audit Report for the FY-2022-23 and achievement of the corresponding physical targets.

5.4 2nd tranche of 2nd installment of 25% of approved amount by EC in component K will be released for each State/UT, based on the UC confirming utilization of 75% of total available fund along with compliance of DoE guidelines as mentioned in para 5.1 except undertaking regarding remittance of interest and achievement of the corresponding physical targets

Annexure II

Fund calculations for SVEP Umbrella Projects components of DAY-NRLM (Non-Farm Livelihoods) from FY 2023-24

The following cost calculation matrix shall be followed while calculating the fund requirement in the States AAP. These are for new projects in a Blocks. For existing SVEP blocks, fund requirement will be as per the DPRs approved by MoRD.

| S. No. | Programme component | Fund in Yr 1 (Rs. Lakhs) | Fund in Yr 2 (Rs. Lakhs) | Fund in Yr 3 (Rs. Lakhs) | Fund in Yr 4 (Rs. Lakhs) |
|--------|---|--|---|---|--|
| 1 | Start-up Village Entrepreneurship Programme (SVEP) Project duration – 4 years | Rs. 237.50 lakhs | Maximum Rs. 232.44 lakhs (to be adjusted as per the DPR) | Maximum Rs. 113.07 lakhs (to be adjusted as per the DPR) | Maximum Rs. 66.99 lakhs (to be adjusted as per the DPR) |
| | | Multiply it with the no. of blocks approved | Multiply it with the no. of blocks approved | Multiply it with the no. of blocks approved | Multiply it with the no. of blocks approved |
| 2 | Micro Enterprise Development (MED) Project duration – 18 months (@ 200 enterprises in one block) | Rs. 12.125 lakhs | Rs. 7.875 lakhs | NA | NA |
| | | Multiply it with the no. of blocks approved | Multiply it with the no. of blocks approved | | |
| 3 | One Stop Facility (OSF) – (@ 150 enterprises in one block) for one OSF with two blocks for one OSF with three blocks for one OSF with four blocks | Rs. 261.17 lakhs Rs. 353.03 lakhs Rs. 444.88 lakhs | Rs. 194.87 lakhs Rs. 263.41 lakhs Rs. 331.94 lakhs | Rs. 96.65 lakhs Rs. 130.64 lakhs Rs. 164.63 lakhs | NA |
| | | Multiply it with the | Multiply it with the | Multiply it with the no. of | |

| | Project duration – 3 years | no. of approved OSFs | no. of approved OSFs | OSFs approved | |
|---|--|--|---|---|---|
| 4 | Cluster Project duration – 4 years (@ Rs. 5 Cr/Cluster) | Maximum Rs. 100.00 lakhs Multiply it with the no. of clusters | Maximum Rs. 150.00 lakhs (to be adjusted as per the DSR) Multiply it with the no. of clusters | Maximum Rs. 150.00 lakhs (to be adjusted as per the DSR) Multiply it with the no. of clusters | Maximum Rs. 100.00 lakhs (to be adjusted as per the DSR) Multiply it with the no. of clusters |
| 5 | Incubator Project duration – 3 years (@ Rs. 10.70 Cr/Incubator) | Rs. 568.00 lakhs | Rs. 383.00 lakhs | Rs. 119.00 lakhs | NA |
| 6 | Aajeevika Express (AGEY) Gramin Yojana | Guidelines approval process | As per the approved guidelines. | -do- | -do- |

Year-wise Budget calculations in SRLM AAP

1. Start-up Village Entrepreneurship Programme (SVEP)

| Head | (Amount Rs. Lakhs) | | | | |
|--|--------------------|---------------|---------------|--------------|---------------|
| | Year 1 | Year 2 | Year 3 | Year 4 | Total |
| Baseline & DPR preparation | 10.00 | - | - | - | 10.00 |
| BRC set-up + Working capital | 5.96 | 0.84 | - | - | 6.80 |
| Training of the CBO's | 9.68 | - | 3.12 | - | 12.80 |
| Training of CRP-EPs | 22.37 | 3.20 | 3.20 | 3.20 | 31.96 |
| CEF (Has to be recycled in the last 2 years) | 127.50 | 127.50 | - | - | 255.00 |
| Skill Building of Entrepreneurs | 6.50 | 11.37 | 11.37 | 3.25 | 32.48 |
| Support by CRP-EP | 31.21 | 62.43 | 68.28 | 33.16 | 195.08 |
| BRC costs including honorarium etc. | 3.78 | 6.62 | 6.62 | 1.89 | 18.90 |
| HR cost - SRLM/PIA etc. | 20.49 | 20.49 | 20.49 | 20.49 | 81.98 |
| Evaluation | - | - | - | 5.00 | 5.00 |
| Total cost per block | 237.50 | 232.44 | 113.07 | 66.99 | 650.00 |

2. Micro Enterprise Development (MED)

| S.No. | | Yr 1 (Rs. Lakhs) | Yr 2 (Rs. Lakhs) | Total |
|-------|--|---------------------|---------------------|--------------|
| 1 | Capacity building of CRP-EPs & certification of CRP-EPs | 3.50 | - | 3.50 |
| 2 | Handholding support to Entrepreneurs (including remuneration to CRP-EPs) | 5.00 | 5.00 | 10.00 |
| 3 | Training of Entrepreneurs | 2.25 | 2.25 | 4.50 |
| 4 | Exposure visit of CLF committee/CBO members | 0.625 | 0.625 | 1.25 |
| 5 | Admin cost to CBOs (VO/CLF) | 0.75 | - | 0.75 |
| | Total cost | 12.125 | 7.875 | 20.00 |

3. One Stop Facility

a. Budget for One OSF with 2 Blocks

| S. No. | Head | Yr 1 (Rs. Lakhs) | Yr 2 (Rs. Lakhs) | Yr 3 (Rs. Lakhs) | Total (Rs. Lakhs) |
|--------|---|---------------------|---------------------|---------------------|----------------------|
| 1 | Infrastructure support to Nodal CLFs | 2.00 | - | - | 2.00 |
| 2 | Operational cost support for Nodal CLFs | 3.60 | 3.60 | 3.60 | 10.80 |
| 3 | Identification of BDSP (5 per block and attrition rate of 30%) - 1 BDSP =30 enterprises | 1.20 | - | - | 1.20 |
| 4 | Capacity Building for BDSP | 8.64 | 0.96 | - | 9.60 |
| 5 | Honorarium for BDSP (3-years) | 14.81 | 14.81 | 14.81 | 44.43 |
| 6 | Mobilisation and Identification of Entrepreneurs including enumeration (baseline DPR) | 5.12 | 1.28 | - | 6.40 |
| 7 | Capacity Building for Entrepreneurs (Individual & Group - 2 people) | 9.60 | 9.60 | 4.80 | 24.00 |
| 8 | Mentor & Functional expert Identification | 0.88 | - | - | 0.88 |
| 9 | Orientation Functional expert Identification | 2.63 | - | - | 2.63 |
| 10 | Honorarium for Mentors | 19.20 | 19.20 | 19.20 | 57.60 |
| 11 | Resource Fee for Functional Experts | 14.40 | 14.40 | 14.40 | 43.20 |
| 12 | Enterprise CEF | 120.00 | 80.00 | - | 200.00 |
| 13 | OSF - MC members training | 9.23 | 9.23 | 4.61 | 23.07 |
| 14 | OSF - MC members sitting fees | 5.21 | 5.21 | 5.21 | 15.62 |
| 15 | BTC cost | 14.54 | 14.54 | 14.54 | 43.63 |
| 16 | DTE cost | 12.66 | 12.66 | 12.66 | 37.98 |
| 17 | Accountant and audit costs | 7.22 | 7.22 | 7.22 | 21.65 |
| 18 | End-line survey | - | - | 8.00 | 8.00 |

| | | | | |
|-------|--------|--------|--------|--------|
| Total | 250.93 | 192.71 | 109.05 | 552.69 |
|-------|--------|--------|--------|--------|

b. Budget for One OSF with 3 Blocks

| S.No. | Head | Yr 1 (Rs. Lakhs) | Yr 2 (Rs. Lakhs) | Yr 3 (Rs. Lakhs) | Total (Rs. Lakhs) |
|-------|---|------------------------|------------------------|------------------------|-------------------------|
| | | 3 | - | - | 3 |
| 1 | Infrastructure support to Nodal CLFs | 5.4 | 5.4 | 5.4 | 16.2 |
| 2 | Operational cost support for Nodal CLFs | 1.8 | - | - | 1.8 |
| 3 | Identification of BDSP (5 per block and attrition rate of 30%) - 1 BDSP =30 enterprises | 12.96 | 1.44 | - | 14.4 |
| 4 | Capacity Building for BDSP | 22.21 | 22.21 | 22.21 | 66.63 |
| 5 | Honorarium for BDSP (3-years) | 7.68 | 1.92 | - | 9.6 |
| 6 | Mobilisation and Identification of Entrepreneurs including enumeration (baseline DPR) | 14.4 | 14.4 | 7.2 | 36 |
| 7 | Capacity Building for Entrepreneurs (Individual & Group - 2 people) | 0.88 | - | - | 0.88 |
| 8 | Mentor & Functional expert Identification | 2.63 | - | - | 2.63 |
| 9 | Orientation Functional expert Identification | 19.2 | 19.2 | 19.2 | 57.6 |
| 10 | Honorarium for Mentors | 14.4 | 14.4 | 14.4 | 43.2 |
| 11 | Resource Fee for Functional Experts | 180 | 120 | - | 300 |
| 12 | Enterprise CEF | 13.84 | 13.84 | 6.92 | 34.6 |
| 13 | OSF - MC members training | 7.81 | 7.81 | 7.81 | 23.44 |
| 14 | OSF - MC members sitting fees | 21.82 | 21.82 | 21.82 | 65.45 |
| 15 | BTC cost | 12.66 | 12.66 | 12.66 | 37.98 |
| 16 | DTE cost | 7.22 | 7.22 | 7.22 | 21.66 |
| 17 | Accountant and audit costs | - | - | 12 | 12 |
| 18 | End-line survey | 347.91 | 262.32 | 136.84 | 747.07 |
| | Total | | | | |

c. Budget for One OSF with 4 Blocks

| S. No. | Head | Yr 1 (Rs. Lakhs) | Yr 2 (Rs. Lakhs) | Yr 3 (Rs. Lakhs) | Total (Rs. Lakhs) |
|--------|---|------------------------|------------------------|------------------------|-------------------------|
| | | 4 | - | - | 4 |
| 1 | Infrastructure support to Nodal CLFs | 7.2 | 7.2 | 7.2 | 21.6 |
| 2 | Operational cost support for Nodal CLFs | 2.4 | - | - | 2.4 |
| 3 | Identification of BDSP (5 per block and attrition rate of 30%) - 1 BDSP =30 enterprises | 17.28 | 1.92 | - | 19.2 |
| 4 | Capacity Building for BDSP | 29.62 | 29.62 | 29.62 | 88.87 |
| 5 | Honorarium for BDSP (3-years) | 10.24 | 2.56 | - | 12.8 |
| 6 | Mobilisation and Identification of Entrepreneurs including enumeration (baseline DPR) | | | | |

| | | | | | |
|----|---|---------------|---------------|---------------|---------------|
| 7 | Capacity Building for Entrepreneurs (Individual & Group - 2 people) | 19.2 | 19.2 | 9.6 | 48 |
| 8 | Mentor & Functional expert Identification | 0.88 | - | - | 0.88 |
| 9 | Orientation Functional expert Identification | 2.63 | - | - | 2.63 |
| 10 | Honorarium for Mentors | 19.2 | 19.2 | 19.2 | 57.6 |
| 11 | Resource Fee for Functional Experts | 14.4 | 14.4 | 14.4 | 43.2 |
| 12 | Enterprise CEF | 240 | 160 | - | 400 |
| 13 | OSF - MC members training | 18.45 | 18.45 | 9.24 | 46.14 |
| 14 | OSF - MC members sitting fees | 10.42 | 10.42 | 10.42 | 31.25 |
| 15 | BTC cost | 29.09 | 29.09 | 29.09 | 87.26 |
| 16 | DTE cost | 12.66 | 12.66 | 12.66 | 37.98 |
| 17 | Accountant and audit costs | 7.22 | 7.22 | 7.22 | 21.65 |
| 18 | End-line survey | - | - | 16 | 16 |
| | Total | 444.88 | 331.94 | 164.63 | 941.46 |

4. Cluster

(Amount Rs. Lakhs)

| Head | Y1 | Y2 | Y3 | Y4 | Total |
|----------|------------|------------|------------|------------|--------|
| Cluster | Max 83.70 | Max 133.70 | Max 133.70 | Max 83.70 | 434.80 |
| TSA cost | Max 16.30 | Max 16.30 | Max 16.30 | Max 16.30 | 65.20 |
| | Max 100.00 | Max 150.00 | Max 150.00 | Max 100.00 | 500.00 |

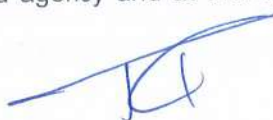
5. Incubator

(Amount Rs. Lakhs)

| S. No. | Head | Y1 | Y2 | Y3 | Total |
|--------|--|---------------|---------------|---------------|----------------|
| 1 | Equity investment for partnerships | 50.00 | | | 50.00 |
| 2 | Expenses for selection of applications and organizing challenge fund event | 30.00 | | | 30.00 |
| 3 | Challenge fund (grant for large - registered enterprises) | 60.00 | | | 60.00 |
| 4 | Challenge fund (Grant for individual and group unregistered enterprises) | 45.00 | | | 45.00 |
| 5 | Challenge fund (soft loan for individual and group enterprises) | 264.00 | 264.00 | | 528.00 |
| 6 | Incubator cost | 89.00 | 89.00 | 89.00 | 267.00 |
| 7 | Capacity building for entrepreneurs including digital tools, digital training platform, digital content, tabs etc. | 30.00 | 30.00 | 30.00 | 90.00 |
| | | | | | |
| | | 568.00 | 383.00 | 119.00 | 1070.00 |

Progress monitoring and reporting in the Non-Farm Livelihoods activities

Monitoring and review of the Projects sanctioned and implemented will be done at two levels, i.e., at the Central level by NMMU/designated agency and at the State level by the SRLM.



1. State Level

For monitoring and periodic review of the sanctioned projects, a Committee should be formed at the State level, headed by the Mission Director, SRLM. The State Committee should have participation from the relevant State departments like MSME, KVIC, Forest and Environment, tribal development, Women and Child Development, textiles, and domain experts etc.

The Committee should undertake quarterly reviews of the project implementation of all the non-farm livelihoods activities. The State governments may also constitute a State Level Technical Project Support Group to provide inputs in the implementation of the Projects. NMMU members should be invited for this review meeting. The minutes of such monitoring committee meetings must be shared with the NRLM within 10 days of the meeting being held.

Apart from the committee, the SPM – Non-farm and the SMD/CEO – SRLM should review the progress of the program and its physical and financial achievements every month. The minutes of the monthly review meetings should also be shared with the NMMU.

The SRLM also has to play a facilitating role in setting up State level benchmark setting committee which shall comprise members from SRLM including the SRLM (SPM/BPM-SVEP), other SPM (livelihoods), and expert practitioners of the trade and industry experts. This committee shall validate the business performance benchmarks for each group of enterprises for the blocks, as generated from collating data, by the MIS software. This committee is also expected to send out seasonal advisories to various kinds of enterprises – to help them maximize incomes based on seasonal demand and minimize losses due to seasonal stocks left with them, due to the end of a season demand. The State is also expected to empanel sectoral experts (experts in the type of enterprise – food retail, apparel retail, apparel stitching, food processing etc.) and functional experts (experts in manufacturing, packaging, logistics, retail, procurement, marketing, finance and accounts, etc.) to support the enterprises / CRP-EPs for all programme components.

The sitting fees and honorarium to the members of these committee and the sectoral and functional experts empaneled by the State for the support to the enterprises may be paid out the NRLM IB & CB budget head.

2. Central Level

At the Central Level, the NMMU and the monitoring committee of the NMMU will periodically review and monitor the non-farm livelihoods projects (minimum at quarterly intervals), sanctioned under DAY-NRLM. This monitoring and advisory body including the representatives from private organizations, industries, marketing firms etc. would be constituted at the Central Level to give necessary advice to the Ministry of Rural Development on the implementation of projects.

Submission of progress reports:

The SRLM shall submit the Monthly Progress Report (MPR) and Quarterly Progress Report (QPR) of all the projects by 10th of the month to the Ministry in the prescribed format. The progress reports shall cover achievement of physical targets and financial targets, and shall also include, mandatorily updating the relevant data in the centralized NRLM MIS.

Some of the indicative KPIs that may be monitored at different levels –

SRLM related KPIs

- Progress of DPR's vs. AAP approved and adherence to timelines
- Progress of implementation vs timelines
- Timeliness of funds released for the project to the CBO's
- Deployment of the requisite number of staff at various levels for effective implementation of the program, as defined in the guidelines
- Formation of the relevant committees for the monitoring and guidance to the program
- Regular review meetings and monitoring by the SRLM

Enterprise promotion Program implementation related KPIs

- Number of enterprises supported vs. target
- Number of manufacturing enterprises supported vs. targets
- Number of enterprises based on social / gender parameters (SC, ST, and minority communities/ women vs. target)
- Capturing business Performance information of the enterprises supported.
- Number and amount of Bank Loans
- Utilisation percentage of funds under various budget heads
- Number of large and scalable enterprises promoted vs targets

CRP-EP related KPIs

- Number of CRP-EPs vs. targets and their certifications
- % of women CRP-EPs vs. targets / % of CRP-EPs from SHG families vs. targets
- Number of enterprises supported per CRP-EP
- Number of enterprises for which PTS is being done regularly vs. target
- Delivery of services and Customer Satisfaction
- Number/volume of marketing/sales facilitated
- Number of Bank linkages facilitated
- Number of enterprises per CRP-EP attaining aspirational income for the enterprise
- Number of CRP-EPs who've become self-sustainable
- Number of CRP-EPs prepared for higher order roles – trainers / mentors / BDSPs etc

Enterprise related KPIs

- Increase in Revenue and Profit Percentage
- Absolute Profit against the projected profit in Business Plan
- Timely repayment
- Maintenance of records
- Employment generated
- Being able to access formal Banking channels for finance for growth

- Able to access outside block markets – through e-commerce etc.
- Take home Income against the Aspirational Income

Certifications of the CRP-EPs, BDSPs and mentors:

All the mentors, CRP-EPs and BDSPs under non-farm livelihoods shall have to be certified by an independent certification process approved by DAY-NRLM, and this shall be a critical milestone in the implementation of the projects. National Academy of Rudseti, (NAR) has been selected by the MoRD for these certifications.



Memorandum of Understanding with Partners/ TSAs/ NROs under Non-Farm Livelihoods

MoU with National Institute of Fashion Technology
(NIFT) - Saras Gallery Renovation
9/7/2021

Government of India NIFT MoU - Saras Gallery Renovation : 07-09-2021
Ministry of Rural Development
Department of Rural Development
(RL Division)

7th Floor, NDCC-11 Building
Jai Singh Road, New Delhi

Dated: July 13, 2021

To,
Prof. Anupam Jain, PhD
Head-Projects
An Institute of Design, Management and Technology
NIFT Campus, Hauz Khas,
New Delhi-110016

Subject: Signed Copy of the MoU – DoRD & NIFT – Saras Gallery Renovation.

Dear Sir,

I am enclosing herewith the copy of the MoU signed between NIFT and DoRD regarding the renovation of Saras Gallery. As per the MoU(Appendices-iv), the following are required for processing the release of 40% advance towards the renovation (Part B).

1. Final plan, design, drawings and specifications of the store, brand manual, SOPs.
2. Final corrected estimate.
3. Pert Chart of the Part B activities.
4. Request letter for the release of advance for Part B.
5. Any other document/ output emerged as a part of the execution of Part A/ per-requisite for the release of advances as per MoU.

It is requested to send the above documents at the earliest

Yours Faithfully,


(Raghvendra Pratap Singh)
Director – RL

Encls: A/a



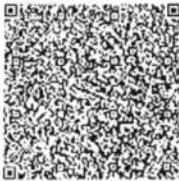
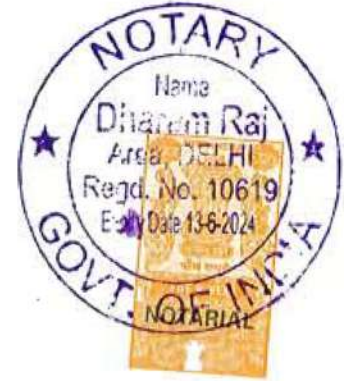
सत्यमेव जयते

INDIA NON JUDICIAL

Government of National Capital Territory of Delhi

e-Stamp

Certificate No. : IN-DL92170121128137T
 Certificate Issued Date : 01-Jul-2021 03:08 PM
 Account Reference : IMPACC (IV)/ dl777403/ DELHI/ DL-DLH
 Unique Doc. Reference : SUBIN-DL77740382901348461472T
 Purchased by : MINISTRY OF RURAL DEVELOPMENT
 Description of Document : Article 5 General Agreement
 Property Description : Not Applicable
 Consideration Price (Rs.) : 0
 : (Zero)
 First Party : MINISTRY OF RURAL DEVELOPMENT
 Second Party : NIFT
 Stamp Duty Paid By : MINISTRY OF RURAL DEVELOPMENT
 Stamp Duty Amount(Rs.) : 100
 : (One Hundred only)



.....Please write or type below this line.....

DOCUMENT ATTACHED

(Handwritten signature)
 NIFT
 06/8/2021

(Handwritten signature)
 9/7/21

राघवेंद्र प्रताप सिंह / RAGHVENDRA PRATAP SINGH
 निदेशक / Director
 भारत सरकार / Government of India
 ग्रामीण विकास मंत्रालय / Mo Rural Development
 कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi



This CONTRACT (hereinafter called the "Contract") is made the ~~7~~^{9th} day of the month of ~~June~~^{JULY}, 2021, between the President of India acting through Director, Ministry of Rural Development, Department of Rural Development, Government of India, 7th Floor, NDCC-II Building, Jai Singh Road, New Delhi -110001 (hereinafter called the "Employer"), of the First Part and, M/s National Institute of Fashion Technology, Hauz Khas, New Delhi-110 016 (hereinafter called the "Consultant") of the Second Part.

30/7
(A. Jain)
for NIFT
06/9/2021

Page 1 of 32
 Hec
 9/7/21
 राघवेंद्र प्रताप सिंह / RAGHVENDRA PFATAP SINGH
 निदेशक / Director
 भारत सरकार / Government of India
 ग्रामीण विकास विभाग / Mo Rural Development
 कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi



WHEREAS

- (a) the Consultant, having represented to the "Employer" that they have the required professional skills, personnel and technical resources, have offered to provide as per their proposal letter dated 7th February 2020, revised proposal letter dated 23rd October 2020, and letter dated 9th June 2021, to be read concurrently with the MOU signed between NIFT and MoRD dated 23rd October 2019 and the NIFT Consultancy Guidelines 2019, excluding point no. 13.14 SNo.1 "Any savings out of Direct Expenses" of the NIFT Consultancy Guidelines. This clause is not applicable to this contract as this contract is based on reimbursement of direct costs incurred for the project and NIFT shall provide a UC as per GFR rules to MoRD. Also, the entire procurement of goods and services for the renovation of the Saras Gallery shall be done by NIFT following procedures of the GFR.
- (b) the "Employer" has accepted the offer of the Consultant to provide the services on the terms and conditions set forth in this Contract.

NOW, THEREFORE, IT IS HEREBY AGREED between the parties as follows:

1. The following documents attached hereto shall be deemed to form an integral part of this Contract:

- (a) The General Conditions of Contract;
 (b) The Special Conditions of Contract;
 (c) The following Appendices:

Appendix A: Description of Services
 Appendix B: Cost Estimates
 Appendix C: Duties of the "Employer"
 Appendix D: Duties of the Consultant

2. The mutual rights and obligations of the "Employer" and the Consultant shall be as set forth in the Contract, in particular:

- (a) the Consultants shall carry out and complete the Services in accordance with the provisions of the Contract; and
 (b) the "Employer" shall make payments to the Consultant in accordance with the provisions of the Contract.

श्री.
 (A. Jain)
 for NIFT
 06/07/2021

Page 2 of 32
 9/7/21
 राघवेंद्र प्रताप सिंह / RAGHENDRA P. TAP SINGH
 निदेशक / Director
 भारत सरकार / Government of India
 प्रोग्राम निदेशक, कृषि विकास / Mo Rural Development
 कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi



IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be signed in their respective names as of the day and year first above written.

Signed by –

In presence of (Witnesses)

1. For and on behalf of the President of India

(i) Anand हरी राम मीना / HARI RAM MEENA
उप सचिव / Deputy Secretary
भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / Mo Rural Development
कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi
9/7/21

[Signature]
9/7/21
[Mr. Raghendra Pratap Singh, Director
Department of Rural Development,
Rural Development
Government of India
ग्रामीण विकास मंत्रालय / Ministry of Rural Development
कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi

(ii) Vinod K. विनोद कुमार / VINOD KUMAR
अवर सचिव / Under Secretary
भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / Ministry of Rural Development
कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi

[Authorized Representative]

In presence of (Witnesses)

2. For and on behalf of National Institute of Fashion

(i) SHAKTI SAHAR Technology, New Delhi
आर. पी. टी. डी. ला. नई दिल्ली

(ii) Kavi Kumar
डॉ. अरवि (एच), नई दिल्ली

[Signature] [Signature]
06/7/2021
Mr. Dr. Anupam Jain, Professor & Head-Projects,
National Institute of Fashion Technology, New Delhi]

राष्ट्रीय फॉशन प्रौद्योगिकी संस्थान
National Institute of Fashion Technology
वस्त्र मंत्रालय / Ministry of Textiles
भारत सरकार / Govt. of India
पॉपुलर ब्लाक, नई दिल्ली / Hauz Khas, New Delhi-110016



General Conditions of Contract

1. GENERAL PROVISIONS

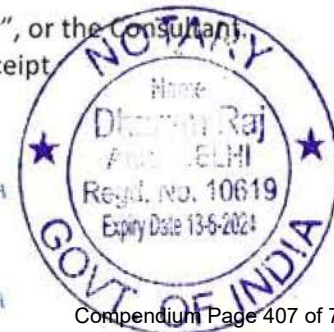
1.1 Definitions: Unless the context otherwise requires, the following terms whenever used in this Contract have the following meanings:

- (a) "Applicable Law" means the laws and any other instruments having the force of law in India for the time being.
- (b) "Consultant" means any private or public entity that will provide the Services to the "Employer" under the Contract.
- (c) "Contract" means the Contract signed by the Parties and all the attached documents listed in its Clause 1, that is this General Conditions (GC), the Special Conditions (SC), and the Appendices.
- (d) "Day" means calendar day.
- (e) "Effective Date" means the date on which this Contract comes into force and effect pursuant to Clause GC 2.1.
- (f) "Foreign Currency" means any currency other than the currency of the "Employer's" country.
- (g) "GC" means these General Conditions of Contract.
- (h) "Government" means the Government of India
- (i) "Local Currency" means Indian Rupees.
- (j) "Member" means any of the entities that make up the joint venture/consortium/association; and "Members" means all these entities.
- (k) "Party" means the "Employer" or the Consultant, as the case may be, and "Parties" means both of them.
- (l) "Personnel" means professionals and support staff provided by the Consultants or by any Sub-Consultants and assigned to perform the Services or any part thereof; "Foreign Personnel" means such professionals and support staff who at the time of being so provided had their domicile outside the Government's country; "Local Personnel" means such professionals and support staff who at the time of being so provided had their domicile inside the Government's country; and "Key Personnel" means the Personnel referred to in Clause GC 4.2(a).
- (m) "Reimbursable expenses" means all assignment-related costs [such as travel, translation, report printing, secretarial expenses, subject to specified maximum limits in the Contract].
- (n) "SC" means the Special Conditions of Contract by which the GC may be amended or supplemented.
- (o) "Services" means the work to be performed by the Consultant pursuant to this Contract, as described in Appendix A hereto.
- (p) "Sub-Consultants" means any person or entity to whom/which the Consultant subcontracts any part of the Services.
- (q) "Third Party" means any person or entity other than the "Employer", or the Consultant.
- (r) "In writing" means communicated in written form with proof of receipt.

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(A. J. Singh)
08/11/2021

रघुवेंद्र प्रताप सिंह / RAGHVENDRA PF. TAP SINGH
निदेशक / Director
भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / Mo Rural Development
कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi



1.2 Relationship Between the Parties

Nothing contained herein shall be construed as establishing a relationship of master and servant or of principal and agent as between the "Employer" and the Consultant. The Consultant, subject to this Contract, has complete charge of Personnel and Sub-Consultants, if any, performing the Services and shall be fully responsible for the Services performed by them or on their behalf hereunder.

1.3 Law Governing Contract: This Contract, its meaning and interpretation, and the relation between the Parties shall be governed by the applicable laws of India.

1.4 Headings: The headings shall not limit, alter or affect the meaning of this Contract.

1.5 Notices

1.5.1 Any notice, request or consent required or permitted to be given or made pursuant to this Contract shall be in writing. Any such notice, request or consent shall be deemed to have been given or made when delivered in person to an authorized representative of the Party to whom the communication is addressed, or when sent by registered post to such Party at the address specified in the SC.

1.5.2 A Party may change its address for notice hereunder by giving the other Party notice in writing of such change to the address specified in the SC.

1.6 Location: The Services shall be performed at such locations as are specified in Appendix A hereto and, where the location of a particular task is not so specified, at such locations, as the "Employer" may approve.

1.7 Authorized Representatives: Any action required or permitted to be taken, and any document required or permitted to be executed under this Contract by the "Employer" or the Consultant may be taken or executed by the officials specified in the SC.

1.8 Taxes and Duties: The Consultant, Sub-Consultants and Personnel shall be liable to pay such direct and indirect taxes, duties, fees and other impositions levied under the applicable laws of India.

1.9 Fraud and Corruption

1.9.1 Definitions: It is the Employer's policy to require that Employers as well as Consultants observe the highest standard of ethics during the execution of the Contract. In pursuance of this policy, the Employer defines, for the purpose of this provision, the terms set forth below as follows:

35.
(A Jain)
06/07/2021

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06/07/21
राजवेंद्र प्रताप सिंह / RAGHVENDRA PRATAP SINGH
निदेशक / Director
भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / Mo Rural Development
कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi



- (i) "corrupt practice" means the offering, receiving, or soliciting, directly or indirectly, of anything of value to influence the action of a public official in the selection process or in contract execution;
- (ii) "fraudulent practice" means a misrepresentation or omission of facts in order to influence a selection process or the execution of a contract;
- (iii) "collusive practices" means a scheme or arrangement between two or more consultants, with or without the knowledge of the Employer, designed to establish prices at artificial, non-competitive levels;
- (iv) "coercive practices" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in a procurement process, or affect the execution of a contract;

1.9.2 Measures to be taken by the Employer

(a) The Employer may terminate the contract if it determines at any time that representatives of the consultant were engaged in corrupt, fraudulent, collusive or coercive practices during the selection process or the execution of that contract, without the consultant having taken timely and appropriate action satisfactory to the Employer to remedy the situation;

(b) The Employer may also sanction against the Consultant, including declaring the Consultant ineligible, either indefinitely or for a stated period of time, to be awarded a contract if it at any time determines that the Consultant has, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for, or in executing, a Employer-financed contract;

1.9.3 Banning of Firms

1.9.3.1 Grades of Debarment of Suppliers/Contractors/Consultants/Service providers

Registration of suppliers/contractors/consultants/service providers and their eligibility to participate in Procurement Entity's procurements is subject to compliance with Code of Integrity for Public Procurement and good performance in contracts. Following grades of debarment from registration and participation in Procuring Entity's procurements can be considered against delinquent bidders/suppliers/contractors/consultants/service providers.

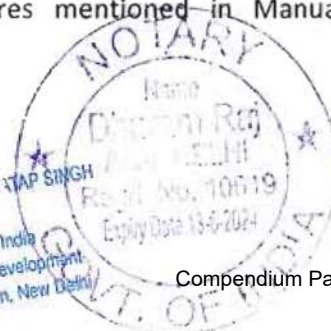
1.9.3.2 Holiday Listing (Temporary Debarment - Suspension)

Whenever a supplier/contractor/consultant/service provider is found lacking in performance, in case of less frequent and less serious mis-demeanours, the supplier/contractor/consultant/service provider may be put on a holiday listing (temporary debarment) for a period up to 12 (Twelve) months after following the debarment procedures mentioned in Manual for

Page 6 of 32

35.
(A. Jain)
06/7/2024


 राघवेंद्र प्रसाद सिंह / RAGHVENDRA PRASAD SINGH
 निदेशक / Director
 कृषि विकास मंत्रालय / Ministry of Agriculture, Government of India
 राष्ट्रीय कृषि विकास मंत्रालय / Ministry of Rural Development
 कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi



2.7 Force Majeure

2.7.1 Definition (a) For the purposes of this Contract, "Force Majeure" means an event which is beyond the reasonable control of a Party, is not foreseeable, is unavoidable and not brought about by or at the instance of the Party claiming to be affected by such events and which has caused the non-performance or delay in performance, and which makes a Party's performance of its obligations hereunder impossible or so impractical as reasonably to be considered impossible in the circumstances, and includes, but is not limited to, war, riots, civil disorder, earthquake, fire, explosion, storm, flood or other extreme adverse weather conditions, pandemics, strikes, lockouts or other industrial action (except where such strikes, lockouts or other industrial action are within the power of the Party invoking Force Majeure to prevent), confiscation or any other action by Government agencies.

(b) Force Majeure shall not include

- (i) any event which is caused by the negligence or intentional action of a Party or by or of such Party's Sub-Consultants or agents or employees, nor
- (ii) any event which a diligent Party could reasonably have been expected both to take into account at the time of the conclusion of this Contract, and avoid or overcome in the carrying out of its obligations hereunder.

(c) Subject to clause 2.7.2, Force Majeure shall not include insufficiency of funds or inability to make any payment required hereunder.

2.7.2 No Breach of Contract: The failure of a Party to fulfill any of its obligations hereunder shall not be considered to be a breach of, or default under, this Contract insofar as such inability arises from an event of Force Majeure, provided that the Party affected by such an event has taken all reasonable precautions, due care and reasonable alternative measures, all with the objective of carrying out the terms and conditions of this Contract.

2.7.3 Measures to be Taken: (a) A Party affected by an event of Force Majeure shall continue to perform its obligations under the Contract as far as is reasonably practical, and shall take all reasonable measures to minimize the consequences of any event of Force Majeure.

(b) A Party affected by an event of Force Majeure shall notify the other Party of such event as soon as possible, and in any case not later than fourteen (14) days following the occurrence of such event, providing evidence of the nature and cause of such event, and shall similarly give written notice of the restoration of normal conditions as soon as possible.

(c) Any period within which a Party shall, pursuant to this Contract, complete any action or task, shall be extended for a period equal to the time during which such Party was unable to perform such action as a result of Force Majeure.

(d) During the period of their inability to perform the Services as a result of an event of Force

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(A din)
06/10/21

H. S. R.
राजवेंद्र प्रतीम/सि.पि.पि.
निदेशक / Director
ग्रामीण विकास मंत्रालय / Ministry of Rural Development
कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi



Majeure, the Consultant, upon instructions by the "Employer", shall either:

- (i) demobilize; or
- (ii) continue with the Services to the extent possible, in which case the Consultant shall continue to be paid proportionately and on pro-rata basis, under the terms of this Contract.

(e) In the case of disagreement between the Parties as to the existence or extent of Force Majeure, the matter shall be settled according to Clause GC 8.

2.8 Suspension: The "Employer" may, by written notice of suspension to the Consultant, suspend all payments to the Consultant hereunder if the Consultant fails to perform any of its obligations under this Contract, including the carrying out of the Services, provided that such notice of suspension (i) shall specify the nature of the failure, and (ii) shall allow the Consultant to remedy such failure, if capable of being remedied, within a period not exceeding thirty (30) days after receipt by the Consultant of such notice of suspension.

2.9 Termination :

2.9.1.1 By the "Employer": The "Employer" may terminate this Contract in case of the occurrence of any of the events specified in paragraphs (a) through (h) of this Clause GC 2.9.1.1

- (a) If the Consultant fails to remedy a failure in the performance of its obligations hereunder, as specified in a notice of suspension pursuant to Clause GC 2.8 hereinabove, within thirty (30) days of receipt of such notice of suspension or within such further period as the "Employer" may have subsequently approved in writing.
- (b) If the Consultant becomes (or, if the Consultant consists of more than one entity, if any of its Members becomes and which has substantial bearing on providing Services under this contract) insolvent or go into liquidation or receivership whether compulsory or voluntary.
- (c) If the Consultant fails to comply with any final decision reached as a result of arbitration proceedings pursuant to Clause GC 8 hereof.
- (d) If the Consultant, in the judgment of the "Employer", has engaged in corrupt or fraudulent practices in competing for or in executing this Contract.
- (e) If the Consultant submits to the "Employer" a false statement which has a material effect on the rights, obligations or interests of the "Employer".
- (f) If the Consultant places itself in position of conflict of interest or fails to disclose promptly any conflict of interest to the Employer.
- (g) If the consultant fails to provide the quality services as envisaged under this Contract. The Consultancy Monitoring Committee (CMC) or any such other committee formulated to monitor the progress of the assignment may make judgment regarding the poor quality of services, the reasons for which shall be recorded in writing. The CMC or such other committee may decide to give one chance to the consultant to improve the quality of the services.
- (h) If, as the result of Force Majeure, the Consultant is unable to perform a material portion of the Services for a period of not less than sixty (60) days.
- (i) If the "Employer", in its sole discretion and for any reason whatsoever, decides to

Page 9 of 32

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(A. J. Singh)
26/11/2021

H. S. L.
9/7/21

राज्य प्रताप सिंह / RAGHVENDRA PRATAP SINGH
निदेशक / Director
भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / Min. Rural Development
कृषि भवन, नई दिल्ली / Kishi Bhawan, New Delhi



terminate this Contract.

2.9.1.2 In such an occurrence the "Employer" shall give a not less than thirty (30) days' written notice of termination to the Consultants, and sixty (60) days' in case of the event referred to in (h).

2.9.2 By the Consultant: The Consultant may terminate this Contract, by not less than thirty (30) days' written notice to the "Employer", in case of the occurrence of any of the events specified in paragraphs (a) through (d) of this Clause GC 2.9.2.

(a) If the "Employer" fails to pay any money due to the Consultant pursuant to this Contract and not subject to dispute pursuant to Clause GC 8 hereof within forty-five (45) days after receiving written notice from the Consultant that such payment is overdue.

(b) If, as the result of Force Majeure, the Consultant is unable to perform a material portion of the Services for a period of not less than sixty (60) days.

(c) If the "Employer" fails to comply with any final decision reached as a result of arbitration pursuant to Clause GC 8 hereof.

(d) If the "Employer" is in material breach of its obligations pursuant to this Contract and has not remedied the same within forty-five (45) days (or such longer period as the Consultant may have subsequently approved in writing) following the receipt by the "Employer" of the Consultant's notice specifying such breach.

2.9.3 Cessation of Rights and Obligations: Upon termination of this Contract pursuant to Clauses GC 2.2 or GC 2.9 hereof, or upon expiration of this Contract pursuant to Clause GC 2.4 hereof, all rights and obligations of the Parties hereunder shall cease, except (i) such rights and obligations as may have accrued on the date of termination or expiration, (ii) the obligation of confidentiality set forth in Clause GC 3.3 hereof, (iii) the Consultant's obligation to permit inspection, copying and auditing of their accounts and records set forth in Clause GC 3.6 hereof, and (iv) any right which a Party may have under the Law.

2.9.4 Cessation of Services: Upon termination of this Contract by notice of either Party to the other pursuant to Clauses GC 2.9.1 or GC 2.9.2 hereof, the Consultant shall, immediately upon dispatch or receipt of such notice, take all necessary steps to bring the Services to a close in a prompt and orderly manner and shall make every reasonable effort to keep expenditures for this purpose to a minimum. With respect to documents prepared by the Consultant and equipment and materials furnished by the "Employer", the Consultant shall proceed as provided, respectively, by Clauses GC 3.9 or GC 3.10 hereof.

2.9.5 Payment upon Termination: Upon termination of this Contract pursuant to Clauses GC 2.9.1 or GC 2.9.2 hereof, the "Employer" shall make the following payments to the Consultant:

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(A) (A) (A)
06/3/2021

[Handwritten Signature]
9/7/21

सिंह / RAGHVENDRA PRATAP SINGH
निदेशक / Director
भारत सरकार / Government of India
राष्ट्रीय विकास मंत्रालय / M/o Rural Development
कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi



(a) If the Contract is terminated pursuant to Clause 2.9.1 (g), (h) or 2.9.2, remuneration pursuant to Clause GC 6.3(h) (i) hereof for Services satisfactorily performed prior to the effective date of termination, and reimbursable expenditures pursuant to Clause GC 6.3(h)(ii) hereof for expenditures actually and reasonably incurred prior to the effective date of termination;

(b) If the agreement is terminated pursuant of Clause 2.9.1 (a) to (f), the consultant shall not be entitled to receive any agreed payments upon termination of the contract. However, the "Employer" may consider to make payment for the part satisfactorily performed on the basis of Quantum Merit as assessed by it, if such part is of economic utility to the Employer. Under such circumstances, upon termination, the client may also impose liquidated damages as per the provisions of Clause 9 of this agreement. The consultant will be required to pay any such liquidated damages to client within 30 days of termination date.

2.9.6 Disputes about Events of Termination: If either Party disputes whether an event specified in paragraphs (a) through (g) of Clause GC 2.9.1 or in Clause GC 2.9.2 hereof has occurred, such Party may, within forty-five (30) days after receipt of notice of termination from the other Party, refer the matter to Clause GC 8 hereof, and this Contract shall not be terminated on account of such event except in accordance with the terms of any resulting arbitral award.

3. OBLIGATIONS OF THE CONSULTANT

3.1 General

3.1.1 Standard of Performance: The Consultant shall perform the Services and carry out their obligations hereunder with all due diligence, efficiency and economy, in accordance with generally accepted professional standards and practices, and shall observe sound management practices, and employ appropriate technology and safe and effective equipment, machinery, materials and methods. The Consultant shall always act, in respect of any matter relating to this Contract or to the Services, as faithful adviser to the "Employer", and shall at all times support and safeguard the "Employer's legitimate interests in any dealings with Sub-Consultants or Third Parties.

3.2 Conflict of Interests: The Consultant shall hold the "Employer's interests paramount, without any consideration for future work, and strictly avoid conflict of interest with other assignments or their own corporate interests. If during the period of this contract, a conflict of interest arises for any reasons, the Consultant shall promptly disclose the same to the Employer and seek its instructions.

3.2.1 Consultant not to benefit from Commissions, Discounts, etc.:

(a) The payment of the Consultant pursuant to Clause GC 6 hereof shall constitute the Consultant's only payment in connection with this Contract and, subject to Clause GC 3.2.2 hereof, the Consultant shall not accept for its own benefit any trade commission, discount or similar payment in connection with activities pursuant to this Contract or in the discharge of its obligations hereunder, and the Consultant shall use its best efforts to ensure that any Sub-

Page 11 of 32

25.
(A) (B) (C)
06/12/2021

Handwritten signature and date 9/12/21

राजेश प्रताप सिंह / RAJESH P. TAP SINGH
निदेशक / Director
भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / Mo Rural Development
कृषि भवन नई दिल्ली / Krishi Bhawan, New Delhi



Consultants, as well as the Personnel and agents of either of them, similarly shall not receive any such additional payment.

(b) Furthermore, if the Consultant, as part of the Services, has the responsibility of advising the "Employer" on the procurement of goods, works or services, the Consultant shall comply with the Employer's applicable procurement guidelines, and shall at all times exercise such responsibility in the best interest of the "Employer". Any discounts or commissions obtained by the Consultant in the exercise of such procurement responsibility shall be for the account of the "Employer".

3.2.2 Consultant and Affiliates Not to Engage in Certain Activities: The Consultant agrees that, during the term of this Contract and after its termination, the Consultant and any entity affiliated with the Consultant, as well as any Sub-Consultants and any entity affiliated with such Sub-Consultants, shall be disqualified from providing goods, works or services (other than consulting services) resulting from or directly related to the Consultant's Services for the preparation or implementation of the project.

3.2.3 Prohibition of Conflicting Activities: The Consultant shall not engage, and shall cause their Personnel as well as their Sub-Consultants and their Personnel not to engage, either directly or indirectly, in any business or professional activities that would conflict with the activities assigned to them under this Contract.

3.3 Confidentiality: Except with the prior written consent of the "Employer", the Consultant and the Personnel shall not at any time communicate to any person or entity any confidential information acquired in the course of the Services, nor shall the Consultant and its Personnel make public the recommendations formulated in the course of, or as a result of, the Services.

3.4 Insurance to be Taken out by the Consultant: The Consultant (i) shall take out and maintain, and shall cause any Sub-Consultants to take out and maintain insurance, at their (or the Sub-Consultants', as the case may be) own cost but on terms and conditions approved by the "Employer", insurance against the risks, and for the coverages specified in the SC, and (ii) at the "Employer's request, shall provide evidence to the "Employer" showing that such insurance has been taken out and maintained and that the current premiums therefore have been paid.

3.5 Accounting, Inspection and Auditing: The Consultant (i) shall keep accurate and systematic accounts and records in respect of the Services hereunder, in accordance with internationally accepted accounting principles and in such form and detail as will clearly identify all relevant time changes and costs, and the bases thereof, and (ii) shall periodically permit the "Employer" or its designated representative and/or the Employer, and up to five years from expiration or termination of this Contract, to inspect the same and make copies thereof as well as to have them audited by auditors appointed by the "Employer" or the Employer, if so required by the "Employer" or the Employer as the case may be. The Consultant shall submit UC as per the format specified in the GFR, and any other documents required, to the Employer for the release of payments as per the instalments defined later in this document.

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06/9/2021

[Handwritten Signature]

राष्ट्रीय प्रमुख निदेशक / RAGHVENDRA PF ATAP SINGH
निदेशक / Director

भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / Mo Rural Development
कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi



3.6 Consultant’s Actions Requiring “Employer’s Prior Approval: The Consultant shall obtain the “Employer’s prior approval in writing before taking any of the following actions:

- (a) Any change or addition to the Personnel listed submitted for the project.
- (b) Subcontracts: The Consultant may subcontract work relating to the Services to an extent and with such experts and entities as may be approved in advance by the “Employer”. Notwithstanding such approval, the Consultant shall always retain full responsibility for the Services. In the event that any Sub-Consultants are found by the “Employer” to be incompetent or incapable or undesirable in discharging assigned duties, the “Employer” may request the Consultant to provide a replacement, with qualifications and experience acceptable to the “Employer”, or to resume the performance of the Services itself.

3.7 Reporting Obligations: The Consultant shall submit to the “Employer” the reports and documents specified in the deliverables in the numbers and within the time periods set forth in the said Appendix.

3.8 Documents Prepared by the Consultant to be the Property of the “Employer”: All plans, drawings, specifications, designs, reports, other documents and software prepared by the Consultant for the “Employer” under this Contract shall become and remain the property of the “Employer”, and the Consultant shall, not later than upon termination or expiration of this Contract, deliver all such documents to the “Employer”, together with a detailed inventory thereof. The Consultant may retain a copy of such documents, but shall not use anywhere, without taking permission, in writing, from the Employer and the Employer reserves right to grant or deny any such request. If license agreements are necessary or appropriate between the Consultant and third parties for purposes of development of any such computer programs, the Consultant shall obtain the “Employer’s prior written approval to such agreements, and the “Employer” shall be entitled at its discretion to require recovering the expenses related to the development of the program(s) concerned.

3.9 Equipment, Vehicles and Materials Furnished by the “Employer”: Equipment, vehicles and materials made available to the Consultant by the “Employer”, or purchased by the Consultant wholly or partly with funds provided by the “Employer”, shall be the property of the “Employer” and shall be marked accordingly. Upon termination or expiration of this Contract, the Consultant shall make available to the “Employer” an inventory of such equipment, vehicles and materials and shall dispose of such equipment and materials in accordance with the “Employer’s instructions. While in possession of such equipment, vehicles and materials, the Consultant, unless otherwise instructed by the “Employer” in writing, shall insure them at the expense of the “Employer” in an amount equal to their full replacement value.

3.10 Equipment and Materials Provided by the Consultants: Equipment or materials brought into the Government’s country by the Consultant and the Personnel and used either for the Project or personal use shall remain the property of the Consultant or the Personnel concerned, as applicable.

(Handwritten initials)

(Handwritten signature)

RAGHVENDRA PF VIJAP SINGH
 निदेशक / Director
 भारतीय विकास मंत्रालय / Mo Rural Development
 कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi



4. CONSULTANTS' PERSONNEL AND SUB-CONSULTANTS

4.1 General: The Consultant shall employ and provide such qualified and experienced Personnel and Sub-Consultants as are required to carry out the Services.

4.2 Description of Personnel: (a) The title, agreed job description, minimum qualification and estimated period of engagement in the carrying out of the Services of each of the Consultant's Key Personnel are as per the consultant's proposal. If any of the Key Personnel has already been approved by the "Employer", his/her name is listed as well.

(b) If required to comply with the provisions of Clause GC 3.1.1 hereof, adjustments with respect to the estimated periods of engagement of Key Personnel may be made by the Consultant by written notice to the "Employer", provided (i) that such adjustments shall not alter the originally estimated period of engagement of any individual by more than 10% or one week, whichever is larger, and (ii) that the aggregate of such adjustments shall not cause payments under this Contract to exceed the ceilings set forth in Clause GC 6.1(b) of this Contract. Any other such adjustments shall only be made with the "Employer's written approval.

(c) If additional work is required beyond the scope of the Services specified in Appendix A, the estimated periods of engagement of Key Personnel may be increased by agreement in writing between the "Employer" and the Consultant. In case where payments under this Contract exceed the ceilings set forth in Clause GC 6.1(b) of this Contract, this will be explicitly mentioned in the agreement.

4.3 Approval of Personnel: The Key Personnel and Sub-Consultants listed by title as well as by name are hereby approved by the "Employer". In respect of other Personnel which the Consultant proposes to use in the carrying out of the Services, the Consultant shall submit to the "Employer" for review and approval a copy of their Curricula Vitae (CVs). If the "Employer" does not object in writing (stating the reasons for the objection) within twenty-one (21) days from the date of receipt of such CVs, such Personnel shall be deemed to have been approved by the "Employer".

4.4 Removal and/or Replacement of Personnel: (a) Except as the "Employer" may otherwise agree, no changes shall be made in the Personnel. If, for any reason beyond the reasonable control of the Consultant, such as retirement, death, medical incapacity, among others, it becomes necessary to replace any of the Personnel, the Consultant shall forthwith provide as a replacement a person of equivalent or better qualifications.

(b) If the "Employer" (i) finds that any of the Personnel has committed serious misconduct or has been charged with having committed a criminal action, or (ii) has reasonable cause to be dissatisfied with the performance of any of the Personnel, then the Consultant shall, at the "Employer's written request specifying the grounds therefore, forthwith provide as a replacement a person with qualifications and experience acceptable to the "Employer".

Handwritten signature and date: 31 (A. Jain) 06/07/2024

Handwritten signature and date: Hinc 9/10/24

राजवेंद्र प्रताप सिंह / RAJWENDRA PF ATAP SINGH
निदेशक / Director
भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / Mo Rural Development
कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi



Any of the Personnel provided as a replacement under Clauses (a) and (b) above, as well as any reimbursable expenditures (including expenditures due to the number of eligible dependents) the Consultants may wish to claim as a result of such replacement, shall be subject to the prior written approval by the "Employer". The rate of remuneration applicable to a replacement person will be the rate of remuneration paid to the replacement person. Also (i) the Consultant shall bear all additional travel and other costs arising out of or incidental to any removal and/or replacement, and (ii) the remuneration to be paid for any of the Personnel provided as a replacement shall not exceed the remuneration which would have been payable to the Personnel replaced.

4.5 Resident Project Manager: If required by the SC, the Consultant shall ensure that at all times during the Consultant's performance of the Services a resident project manager, acceptable to the "Employer", shall take charge of the performance of such Services.

5. OBLIGATIONS OF THE "EMPLOYER"

5.1 Assistance and Exemptions: Unless otherwise specified in the SC, the "Employer" shall use its best efforts to ensure that the Government shall:

- (a) Provide the Consultant, Sub-Consultants and Personnel with work permits and such other documents as shall be necessary to enable the Consultant, Sub-Consultants or Personnel to perform the Services.
- (b) Issue to officials, agents and representatives of the Government all such instructions as may be necessary or appropriate for the prompt and effective implementation of the Services.
- (c) Provide to the Consultant, Sub-Consultants and Personnel any such other assistance as may be specified in the SC.

5.2 Change in the Applicable Law Related to Taxes and Duties: If, after the date of this Contract, there is any change in the Applicable Laws of India with respect to taxes and duties, which are directly payable by the consultant for providing the services i.e. service tax or any such applicable tax from time to time, which increases or decreases the cost incurred by the Consultant in performing the Services, then the remuneration and reimbursable expenses otherwise payable to the Consultant under this Contract shall be increased or decreased accordingly by agreement between the Parties hereto, and corresponding adjustments shall be made to the ceiling amounts specified in Clause GC 6.1(b).

5.3 Services, Facilities and Property of the "Employer": (a) The "Employer" shall make available to the Consultant and its Personnel, for the purposes of the Services and free of any charge, the services, facilities and property described in Appendix E at the times and in the manner specified in said Appendix E.

(b) In case that such services, facilities and property shall not be made available to the Consultant as and when specified in Appendix E, the Parties shall agree on any time extension that it may be appropriate to grant to the Consultant for the performance of the Services.

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06/11/2021

[Handwritten Signature]

राजिव प्रो. शर्मा / RAGHVENDRA PF ATAP BANCH
निदेशक / Director
भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / M/o Rural Development
कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi



5.4 Payment: In consideration of the Services performed by the Consultant under this Contract, the "Employer" shall make to the Consultant such payments and in such manner as is provided by Clause GC 6 of this Contract.

5.5 Counterpart Personnel: (a) If necessary, the "Employer" shall make available to the Consultant free of charge such professional and support counterpart personnel, to be nominated by the "Employer" with the Consultant's advice, if specified in Appendix E.

(b) Professional and support counterpart personnel, excluding "Employer's liaison personnel, shall work under the exclusive direction of the Consultant. If any member of the counterpart personnel fails to perform adequately any work assigned to such member by the Consultant that is consistent with the position occupied by such member, the Consultant may request the replacement of such member, and the "Employer" shall not unreasonably refuse to act upon such request.

6. PAYMENTS TO THE CONSULTANT

6.1 Total Cost of the Services

- (a) The total cost of the Services payable is set forth in Appendix B as per the consultant's proposal to the Employer and as negotiated thereafter.
- (b) Except as may be otherwise agreed under Clause GC 2.6 and subject to Clause GC 6.1(c), payments under this Contract shall not exceed the amount specified in Appendix-B.
- (c) Notwithstanding Clause GC 6.1(b) hereof, if pursuant to any of the Clauses GC 4.2 (c) or 5.2 hereof, the Parties shall agree that additional payments shall be made to the Consultant in order to cover any necessary additional expenditures not envisaged in the cost estimates referred to in Clause GC 6.1(a) above, the ceiling or ceilings, as the case may be, set forth in Clause GC 6.1(b) above shall be increased by the amount or amounts, as the case may be, of any such additional payments.
- (d) All payments shall be on reimbursement basis except the Administrative and Institutional overheads (AIO) and consultancy fee, which shall be on Percentage basis for the Direct expenses actually incurred. The consultant shall provide a UC to the MoRD as per the format defined in the GFR. Since the expenses shall be reimbursed as per actual expenditure incurred, the clause 13.14 SNo.1 of the NIFT consultancy guidelines of 2019 is not applicable.

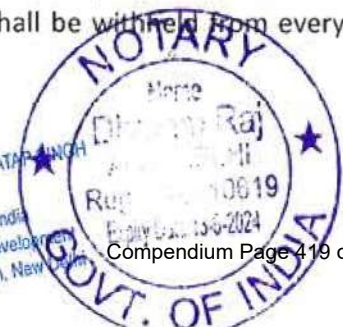
6.2 Currency of Payment: All payments shall be made in Indian Rupees [In case the payment is to be made in the currency other than Indian Rupees, the same shall be mentioned instead of Indian Rupees]

6.3 Terms of Payment :The payments in respect of the Services shall be made as follows:

- (a) The consultant shall submit the invoice for payment when the payment is due as per the agreed terms. The payment shall be released as per the work related milestones achieved and as per the specified percentage as per SC 12 and as per the terms of the NIFT consultancy guidelines. Performance security @ 3% shall be withheld from every

(A Jain)
26/12/2021

H. R. C.
राजवेंद्र कर्मा वि. (RAGHVENDRA PFATAR) निदेशक / Director
भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / M/o Rural Development
कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi



release for the renovation component and shall be released 3 months after successful renovation of the store and satisfactory quality of all work done as detailed in point 4 of the SC of contract. The advance shall also be released after submission of indemnity bond for 55% of the contract value in the desired format as mentioned in point 4 of the SC of contract.

- (b) Once a milestone is completed, the consultant shall submit the requisite deliverables as specified in this Contract. The Employer shall release the requisite payment upon acceptance of the deliverables. However, if the Employer fails to intimate acceptance of the deliverables or its objections thereto, within 30 days of receipt of it, the Employer shall release the payment to the consultant without further delay.
- (c) Final Payment: The final payment as specified in SC 12 shall be made only after the final report and a final statement, identified as such, shall have been submitted by the Consultant and approved as satisfactory by the "Employer". The Services shall be deemed completed and finally accepted by the "Employer" and the final report and final statement shall be deemed approved by the "Employer" as satisfactory ninety (90) calendar days after receipt of the final report and final statement by the "Employer" unless the "Employer", within such ninety (90) day period, gives written notice to the Consultant specifying in detail deficiencies in the Services, the final report or final statement. The Consultant shall thereupon promptly make any necessary corrections, and thereafter the foregoing process shall be repeated. Any amount, which the "Employer" has paid or caused to be paid in accordance with this Clause in excess of the amounts actually payable in accordance with the provisions of this Contract, shall be reimbursed by the Consultant to the "Employer" within thirty (30) days after receipt by the Consultant of notice thereof. Any such claim by the "Employer" for reimbursement must be made within twelve (12) calendar months after receipt by the "Employer" of a final report and a final statement approved by the "Employer" in accordance with the above.
- (d) For the purpose of payment under Clause 6.3 (b) above, acceptance means; acceptance of the deliverables by the Employer after submission by the consultant and the consultant has made presentation to the CMC / Employer (Mention this if presentation is required) with / without modifications to be communicated in writing by the Employer to the consultant.
- (e) If the deliverables submitted by the consultant are not acceptable to the Employer / CMC, reasons for such non-acceptance should be recorded in writing; the Employer shall not release the payment due to the consultant. This is without prejudicing the Employer's right to levy any liquidated damages under clause 9. In such case, the payment will be released to the consultant only after it re-submits the deliverable and which is accepted by the Employer.
- (f) All payments under this Contract shall be made to the accounts of the Consultant specified in the SC.

Page 17 of 32

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(Arjun)
(Signature)

[Handwritten Signature]

राजेश प्रताप सिंह / RAJESH NORA PF / TAP SINGH
निदेशक / Director

भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / Mo Rural Development
कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi



- (g) With the exception of the final payment under (c) above, payments do not constitute acceptance of the Services nor relieve the Consultant of any obligations hereunder, unless the acceptance has been communicated by the Employer to the consultant in writing and the consultant has made necessary changes as per the comments / suggestions of the Employer communicated to the Consultant.
- (h) In case of early termination of the contract, the payment shall be made to the consultant as mentioned here with: (i) Assessment should be made about work done from the previous milestone, for which the payment is made or to be made till the date of the termination. The consultant shall provide the details of persons reasonably worked during this period with supporting documents. Based on such details, the remuneration shall be calculated based on the man month rate as specified. (ii) A reasonable assessment of the reimbursable and miscellaneous expenses shall be made based on details furnished by the consultant in this regard with supporting documents and based on the assessment of the work done and the respective rates as provided. Wherever such an assessment is difficult, the rates should be arrived at by calculating the amount on pro-rata basis. The total amount payable shall be the amount calculated as per (i) and (ii) above plus any applicable tax.

7. FAIRNESS AND GOOD FAITH

7.1 Good Faith: The Parties undertake to act in good faith with respect to each other’s rights under this Contract and to adopt all reasonable measures to ensure the realization of the objectives of this Contract.

7.2 Operation of the Contract: The Parties recognize that it is impractical in this Contract to provide for every contingency which may arise during the life of the Contract, and the Parties hereby agree that it is their intention that this Contract shall operate fairly as between them, and without detriment to the interest of either of them, and that, if during the term of this Contract either Party believes that this Contract is operating unfairly, the Parties will use their best efforts to agree on such action as may be necessary to remove the cause or causes of such unfairness, but no failure to agree on any action pursuant to this Clause shall give rise to a dispute subject to arbitration in accordance with Clause GC 8 hereof.

8. SETTLEMENT OF DISPUTES

8.1 Amicable Settlement: Performance of the contract is governed by the terms & conditions of the contract, in case of dispute arises between the parties regarding any matter under the contract, either Party of the contract may send a written Notice of Dispute to the other party. The Party receiving the Notice of Dispute will consider the Notice and respond to it in writing within 30 days after receipt. If that party fails to respond within 30 days, or the dispute cannot be amicably settled within 60 days following the response of that party, clause GC 8.2 shall become applicable.

8.2 Arbitration: In the case of dispute arising upon or in relation to or in connection with

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(A 221)
06/11/2021

[Signature]
 राजेंद्र प्रताप सिंह / RAJENDRA PF TAP SINGH
 निदेशक / Director
 ग्रामीण विकास मंत्रालय / Mo Rural Development
 कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi



the contract between the Employer and the Consultant, which has not been settled amicably, any party can refer the dispute for Arbitration under (Indian) Arbitration and Conciliation Act, 1996. Such disputes shall be referred to an Arbitral Tribunal consisting of 3 (three) arbitrators, one each to be appointed by the Employer and the Consultant, the third arbitrator shall be chosen by the two arbitrators so appointed by the parties and shall act as Presiding Arbitrator. In case of failure of the two arbitrators, appointed by the parties to reach a consensus regarding the appointment of the third arbitrator within a period of 30 days from the date of appointment of the two arbitrators, the Presiding arbitrator shall be appointed by the Secretary of the Ministry / Department. The Arbitration and Conciliation Act, 1996 and any statutory modification or re-enactment thereof, shall apply to these arbitration proceedings.

8.3 Arbitration proceedings shall be held in India at the place indicated in SC 14 and the language of the arbitration proceedings and that of all documents and communications between the parties shall be English.

8.4 The decision of the majority of arbitrators shall be final and binding upon both parties. The expenses of the arbitrators as determined by the arbitrators shall be shared equally by the Employer and the Consultant. However, the expenses incurred by each party in connection with the preparation, presentation shall be borne by the party itself. All arbitration awards shall be in writing and shall state the reasons for the award.

9. Liquidated Damages

9.1 The parties hereby agree that due to negligence of act of the consultant, if the other party suffers losses and damages, the quantification of which may be difficult, and hence the amount specified hereunder shall be construed as reasonable estimate of the damages and the consultant agree to pay such liquidated damages to MORD, as defined hereunder as per the provisions of this Contract.

9.2 The amount of liquidated damages under this Contract shall not exceed 10% of the total value of the contract as specified in Appendix B.

9.3 The liquidated damages shall be applicable under following circumstances:

9.4 If the deliverables are not submitted as per schedule as specified in SC 13, or as modified by the Employer in writing, the Consultant shall be liable to pay 1% of the total cost of the services for delay of each fortnight or part thereof.

9.5 If the deliverables are not acceptable to the Employer as mentioned in Clause 6.3 (f), and defects are not rectified to the satisfaction of the Employer within 30 days of the receipt of the notice, the Consultant shall be liable for Liquidated Damages for an amount equal to 1 % of total cost of the services for every fortnight or part thereof for the delay.

10. Miscellaneous provisions:

(i) "Nothing contained in this Contract shall be construed as establishing or creating

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- between the Parties, a relationship of master and servant or principal and agent.
- (ii) Any failure or delay on the part of any Party to exercise right or power under this Contract shall not operate as waiver thereof.
 - (iii) The Contractor/Consultant shall notify the Employer/ the Government of India of any material change in their status, in particular, where such change would impact on performance of obligations under this Contract.
 - (iv) Each member/constituent of the Contractor/Consultant, in case of a consortium, shall be jointly and severally liable to and responsible for all obligations towards the Employer/Government for performance of works/services including that of its Associates/Sub Contractors under the Contract.
 - (v) The Contractor/Consultant shall at all times indemnify and keep indemnified the Employer/Government of India against all claims/damages etc. for any infringement of any Intellectual Property Rights (IPR) while providing its services under the Project.
 - (vi) The Contractor/Consultant shall at all times indemnify and keep indemnified the Employer/Government of India against any claims in respect of any damages or compensation payable in consequences of any accident or injury sustained or suffered by its (the Contractor's/Consultant's) employees or agents or by any other third Party resulting from or by any action, omission or operation conducted by or on behalf of the Contractor/Consultant.
 - (vii) The Contractor/ Consultant shall at all times indemnify and keep indemnified the Employer/Government of India against any and all claims by Employees, Workman, Contractors, sub-contractors, suppliers, agent(s), employed engaged or otherwise working for the Contractor, in respect of wages, salaries, remuneration, compensation or the like.
 - (viii) All claims regarding indemnity shall survive the termination or expiry of the Contract.
 - (ix) It is acknowledged and agreed by all Parties that there is no representation of any type, implied or otherwise, of any absorption, regularization, continued engagement or concession or preference for employment of persons engaged by the (Contractor/Consultant) for any engagement, service or employment in any capacity in any office or establishment of the Government of India or the Employer.
 - (x) The price discovery for the renovation of the Saras Gallery shall be made following the processes defined in the GFR of the Government of India and atleast 1 representative each of the NRLM of MoRD and the IFD of the MoRD shall be part of the committee that finalises the tender including the commercials of the tender.

35
(Arjun)
06/09/2021

[Signature]

राखेंद्र प्रताप सिंह / RAGHENDRA P.P. XIAP SINGH
कीसकरी/Secretary

भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / Mo Rural Development
कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi



III. Special Conditions of Contract:

| SC Clause | Ref. of GC Clause | Amendments of, and Supplements to, Clauses in the General Conditions of Contract |
|-----------|-------------------|--|
| 1. | 1.5 | <p>The addresses are:</p> <ol style="list-style-type: none"> “Employer”: Ministry of Rural Development, Department of Rural Livelihoods Attention: Director (RL) Address: Rural Livelihoods Division Ministry of Rural Development, 7th Floor, NDCC_II Building, Jai Singh Road, New Delhi Phone: 011-24122938 Email: raghvendra.rp@gov.in Consultant: National Institute of Fashion Technology, New Delhi, Attention: Mr. HEAD-PROJECTS, Address: NIFT Campus. Hauz Khas, , New Delhi- 110016 Email: head.projects@mift.ac.in Phone; 011-26542051 |
| 2 | 1.7 | <p>The Authorized Representatives are:</p> <p>For the “Employer”: Director (RL)</p> <p>For the Consultant: HEAD-PROJECTS.</p> |
| 3. | 2.1 | <p>The effectiveness conditions are the following: The contract will be effective from the date of signing the contract by both the parties.</p> |
| 4. | 6.3a | <p>The consultant is required to submit security against advance in the form of an indemnity bond for 55% of the renovation estimate, executed either by it or its subsidiary which is carrying out the renovation namely National Design Centre. The consultant is also required to submit Performance security of 3% of the project cost which shall be retained in every release of funds for the renovation component. Agency is expected to meet the service levels & time lines in the normal course of carrying out the activities as per the detailed Scope of Work. If the delay is of 10 weeks then the contract would be cancelled. In case of unjustified delay in completion of tasks/ unacceptable quality of deliverables, MORD reserves the right to levy penalties on the agency up to 10% of the total contract value. Subject to following conditions: (a) Delay in completion of the assignment with in the stipulated</p> |

Page 21 of 32

35
(A. Jain)
06/07/2021

[Signature]
मानव संसाधन विकास विभाग / Director
ग्रामीण विकास मंत्रालय / Mo Rural Development
- दिल्ली / Krishi Bhawan, New Delhi



| | | |
|----|-------|---|
| | | <p>time. For each fortnight of delay in the submission of final deliverables, one percent of the contract value shall be deducted as penalty subject to maximum of 10% of the total contract value;</p> <p>(b) If the quality of deliverables are not acceptable and the consultant is not in a position to deliver the reports in the acceptable form, MORD may impose a penalty of 10% of the total contract price. However, the total penalty should not be more than 10% of the total contract value.</p> <p>(c) The performance security amount retained shall be released after 3 months of the successful handover of the store to the employer.</p> |
| 5. | 2.2 | <p>Termination of Contract for Failure to Become Effective:</p> <p>The time period shall be one month from the date of signing the contract</p> |
| 6. | 2.3 | <p>Commencement of Services:</p> <p>The time period shall be 15 days from the date of signing the contract.</p> |
| 7. | 2.4 | <p>Expiration of Contract:</p> <p>The time period shall be 9 months from the date of signing the contract.</p> |
| 8. | 6.3 f | <p>Payments shall be made to the following account of the consultant :</p> |
| 9. | 3.4 | <p>The risks and the insurance coverage shall be as follows:</p> <p>(a) Third Party motor vehicle liability insurance in respect of motor vehicles operated in the Government's country by the Consultant or its Personnel or any Sub-Consultants or their Personnel, with a minimum coverage of [INR]; 10 lakhs</p> <p>b) Workers' compensation insurance in respect of the Personnel of the Consultant and of any Sub-Consultants, in accordance with the relevant provisions of the Applicable Laws of India, as well as, with respect to such Personnel, any such life, health, accident, travel or other insurance as may be appropriate; and</p> <p>(c) Insurance against loss of or damage to</p> <p>(i) equipment and other material purchased in whole or in part with funds provided under this Contract, by theft, fire or any natural calamity</p> <p>(ii) the Consultant's property used in the performance of the</p> |

31
(Admin)
24/1/2021

[Signature]
 राखेंद्र प्रताप सिंह / RAKHENDRA PF (TAP SINGH)
 भारत सरकार / Government of India
 ग्रामीण विकास मंत्रालय / Mo Rural Development
 कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi



| | | Services, and (iii) any documents prepared by the Consultant in the performance of the Services, by theft, fire or any natural calamity. | | | | | | | | | | | | | | | | |
|---|--|--|-------------------------------------|-----------------|-----------------------------|-------------------------------------|--|---|-----------|-----------|--------------------------------|----------|-------------|--|--------------|-----------------|--------------------|--------------------|
| 10. | 3.8 | All proprietary rights in Deliverables specifically created for Client under this Contract remain with the Client. The Consultant shall not use the deliverables specially made for the purpose of this assignment in any form, and other related document for the purposes unrelated to this Contract. | | | | | | | | | | | | | | | | |
| 10 | 6.1 (b) | The ceiling of total contract prices is <table border="1" style="margin: 10px auto; width: 80%;"> <thead> <tr> <th>Items</th> <th>Part A (Design)</th> <th>Part B (Renovation)</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Remuneration (Consultancy charges and Overheads)</td> <td>1,89,000</td> <td>12,58,506</td> <td>14,47,506</td> </tr> <tr> <td>Reimbursable – direct expenses</td> <td>6,30,000</td> <td>1,00,68,049</td> <td>1,06,98,049</td> </tr> <tr> <td>Total</td> <td>8,19,000</td> <td>1,13,26,555</td> <td>1,21,45,555</td> </tr> </tbody> </table> <p>Taxes will be paid on the applicable items at the prevailing rate.</p> | Items | Part A (Design) | Part B (Renovation) | Total | Remuneration (Consultancy charges and Overheads) | 1,89,000 | 12,58,506 | 14,47,506 | Reimbursable – direct expenses | 6,30,000 | 1,00,68,049 | 1,06,98,049 | Total | 8,19,000 | 1,13,26,555 | 1,21,45,555 |
| Items | Part A (Design) | Part B (Renovation) | Total | | | | | | | | | | | | | | | |
| Remuneration (Consultancy charges and Overheads) | 1,89,000 | 12,58,506 | 14,47,506 | | | | | | | | | | | | | | | |
| Reimbursable – direct expenses | 6,30,000 | 1,00,68,049 | 1,06,98,049 | | | | | | | | | | | | | | | |
| Total | 8,19,000 | 1,13,26,555 | 1,21,45,555 | | | | | | | | | | | | | | | |
| 13 | 6.3 | Payment will be made based on submission of deliverables and acceptance of the same by MoRD. Payment will be processed on submission of invoice and acceptable deliverables listed below. <table border="1" style="margin: 10px auto; width: 80%;"> <thead> <tr> <th>S. No.</th> <th>Deliverable</th> <th>Weeks from Date of Contract</th> <th>Payment (% of total contract value)</th> <th>Payment (Rs.)</th> </tr> </thead> <tbody> <tr> <td colspan="5" style="text-align: center;">Part A - Design of the store layout and making SOPs</td> </tr> <tr> <td>1.</td> <td>Submission of the initial layout for the store and submission of the names and CV's of the core team (2 faculty)</td> <td>2</td> <td>50%</td> <td>409,500+ GST</td> </tr> </tbody> </table> | S. No. | Deliverable | Weeks from Date of Contract | Payment (% of total contract value) | Payment (Rs.) | Part A - Design of the store layout and making SOPs | | | | | 1. | Submission of the initial layout for the store and submission of the names and CV's of the core team (2 faculty) | 2 | 50% | 409,500+ GST | |
| S. No. | Deliverable | Weeks from Date of Contract | Payment (% of total contract value) | Payment (Rs.) | | | | | | | | | | | | | | |
| Part A - Design of the store layout and making SOPs | | | | | | | | | | | | | | | | | | |
| 1. | Submission of the initial layout for the store and submission of the names and CV's of the core team (2 faculty) | 2 | 50% | 409,500+ GST | | | | | | | | | | | | | | |

(A. Singh)
06/09/2021

(Signature)
राजेंद्र प्रताप सिंह / RAGHUVENDRA PF ATAP SINGH
निदेशक / Director
कृषि विभाग / Government of India
ग्रामीण विकास मंत्रालय / Mo Rural Development
कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi



| | | | | | | |
|---|--|---------------|---|------------------------------------|--|----------------------------------|
| | | 2. | Submission of the final layout for the store and the brand manual and fixture SOPs and a UC certifying expenditure of more than 70% of the funds released in the 1 st instalment and sharing the time sheet of the resources involved in the project and the unit cost per resource based on NIFT project consultancy guidelines | 4 | 50% | 409,500+ GST |
| <p>Part B – Renovation of the store – Payments shall be made after deduction of 3% performance security in every release and after receipt of indemnity bond equal to 55% of the projected cost.</p> | | | | | | |
| | | S. No. | Deliverable | Weeks from Date of Contract | Payment (% of total contract value) | Payment (Rs.) – maximum * |
| | | 1. | Submission and approval of the for the renovation of the store by MoRD, and submission of the indemnity bond for the quantum defined | 9 | 40% | 45,30,622+ GST |
| | | 2. | The second instalment of 40% of the approved amount shall be released when a UC confirming utilisation of 70% of fund released and | 9-12 | 40% | 45,30,522+ GST |



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(A-22m)
06/09/2021

[Signature]
 रा.व. प्र. वि. (अ. वि.) / RAGHUVENDRA P. ATAP SINGH
 Director
 Government of India
 ग्रामीण विकास मंत्रालय / Mo Rural Development
 कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi

| | | | | | | |
|--|--|----|--|-------|-----|-------------------|
| | | | physical completion of minimum 25% of the total work being completed (as per the Measurement book) is submitted to MoRD. | | | |
| | | 3. | The third instalment of 10% shall be released after the site work including the fixtures is complete and and a UC has been received for 90% of the funds released so far. | 21-22 | 10% | 11,32,656+ GST |
| | | 4. | The fourth instalment of 10% shall be released after the site work is complete and is handed over without snags and the store commences commercial operations and has been operational for a fortnight and a UC has been received for 90% of the funds released so far. Appropriate retention money shall be retained as per the tender conditions | 22-24 | 10% | 11,32,656+ GST |

* The actual value of payment for this component shall be decided after NIFT arrives at the final cost of renovation after tendering. NIFT administrative costs and consultancy fee shall also be calculated based on the final cost arrived at after tendering. However, the final cost after tendering should not be higher than the estimates given.

Payment should be made only on receipt and acceptance of the deliverables as detailed above and on submission of UC and other supporting documents as required as per the terms of NIFT Consultancy Guidelines and this contract, as per the GFR.

If the deliverables are not acceptable to the client, no payment shall be made. Further, based on the recommendation of the Review Committee, the MORD shall invoke penalty at any stage if the quality of

35
(A: 3mm)
10/12/2021

[Signature]

राजेश प्रताप सिंह / RAJESH VENDRA PF ATAR SINGH
निदेशक / Director
भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / Mo Rural Development
एन. भवन नई दिल्ली / Krishi Bhawan, New Delhi



| | | |
|----|-----|--|
| | | the deliverable are found to be not acceptable to MORD. |
| 14 | 8.3 | The Arbitration proceedings shall take place in New Delhi, India. The Courts of jurisdiction of New Delhi only shall have the Jurisdiction to decide any dispute. |

Binding signature of Employer Signed by

Anurag
9/7/21

हरी राम मीना / HARI RAM MEENA
उप सचिव / Deputy Secretary
भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / M/o Rural Development
कृषि भवन, नई दिल्ली / Krishna Bhawan, New Delhi

HRL 9/7/21
राजेश प्रताप सिंह / RAJESH PRADEEP SINGH
निदेशक / Director
भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / M/o Rural Development
कृषि भवन, नई दिल्ली / Krishna Bhawan, New Delhi

Binding signature of Contractor Signed by

Vinod K.
विनोद कुमार / VINOD KUMAR
अवर सचिव / Under Secretary
भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / Ministry of Rural Development
कृषि भवन, नई दिल्ली / Krishna Bhawan, New Delhi

(for and on behalf of National Institute of Fashion Technology,
New Delhi

duly authorized vide Resolution No. of National Institute of
Fashion Technology, New Delhi)

(Ajay) Head-Project.
06/3/21

In the presence of
(Witnesses)

Shakti Saeed 9/7/21
शक्ति सायद / Shakti Saeed
P&EA Dept Delhi
NIFT.

Ravi Kumar
Ravi Kumar
Sr. Asstt, NIFT-IP, New Delhi

राष्ट्रीय वस्त्र संशोधन संस्थान
National Institute of Fashion Technology
वस्त्र मंत्रालय / Ministry of Textiles
भारत सरकार / Govt. of India
हीव खास, नई दिल्ली / Heav Khass, New Delhi-110016



IV. APPENDICES

APPENDIX A – DESCRIPTION OF SERVICES

Design and renovation of the Saras Gallery in Rajiv Gandhi Bhavan, Baba Kharag Singh Marg, New Delhi.

| Time schedule | Activities | Remarks | Action – Org. NIFT/ MORD | Deliverables |
|----------------------|---|---|--------------------------|---|
| Week I to Week III | Preliminary Interaction with client | To understand needs | NIFT Team | Share a floor layout of the space as per the area and the categories to be sold. |
| | Study of retail space | visit | NIFT Team | Please get the structural details of the space and propose fixtures and loading accordingly. Incorporate change rooms, staff area, toilets, a small office cum meeting room in the layout. |
| | Study of similar store in Delhi NCR | Visit and study of various stores | NIFT Team | Share the proposed stacking capacity based on the fixtures proposed, in qty and in value, and also the space utilisation as%, and the stacking per sft in comparison with other comparable stores. |
| | Preparation of presentation. | As per study | NIFT Team/ MORD | Presentation with 3 Layout and fixtures designed. Fixtures should be modular and multi use - for use across categories. A SOP manual on the usage of the fixtures for various categories may also be shared. Design of the store logo and the various visuals inside the store as well as the visual spaces are also part of the deliverables. Another SOP for store management may also be shared. |
| | Rework on presentation, if required | To be sourced from the market what is available | NIFT Team/ MORD | The layout and fixtures need approval of DC handicrafts - the owner of the Gallery, and hence there may be more than 1 iteration of the design |
| Week IV to Week VIII | Creating virtual model of retail space designed | Presentation of virtual model | NIFT Team | Presentation with 3 Layout and fixtures designed. Show options of fixtures with costs - to enable MORD team to select |
| | Selection of material sample and | Final Design Approval | MORD | Based on the samples and comparative cost benefit chart provided by NIFT |

Page 27 of 32

25
(A Jain)
06/10/2021

Hirec

DR. HANSHVENDRA P. TIAP SINGH
Director
राज्य सरकार / Government of India
ग्रामीण विकास मंत्रालय / Mo Rural Development
कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi



| | lighting system | | | |
|--|---|--|-----------------------------|--|
| | Activities | Remarks | Action – Org. NIFT/ MORD | Deliverables |
| Week IV to Week VIII | Estimated cost of fabrication | For display system will be given by NIFT Team | NIFT Team | Share a PERT chart with milestones to ensure the work is finished as per the defined time lines. And submit the final SOPs |
| For the design consultancy, NIFT shall share the names and CVs of the allocated faculty and students and submit their workplan and time sheets with the unit rate as per NIFTs consultancy guidelines. | | | | |
| Week IX to Week XXI | Selection of fabricated and job allocation as per GFR | Selection of vendor/fabricator | NIFT/ NDC | The final quote should be approved by MORD before going ahead with the work. The PERT chart with milestones shall be submitted to MoRD |
| | Supervision on each stage will be executed | Fabrication as per specification | NIFT Team | MoRD signoff should be taken at various milestones |
| | Completion of Project | Display of all product category with insignia and closure of the project | NIFT Team/NDC | Handover of the site with no snags |

35
(A Jain)
06/3/2024

[Signature]
9/7/21

Page 28 of 32

राखेंद्र प्रताप सिंह / RAGHENDRA PF ATAP SINGH
निदेशक / Director
भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / Mo Rural Development
नई दिल्ली / Krishi Bhawan, New Delhi



APPENDIX B – Cost of the Project

Cost of the project

| Part A Design of the Store | | |
|--|--------|-------------|
| Direct Expenses | | 6,30,000 |
| AIO | 20.00% | 1,26,000 |
| Consultancy fee | 10.00% | 63,000 |
| Sub total | | 8,19,000 |
| GST | 18.00% | 1,47,420 |
| Total Part A | | 9,66,420 |
| | | |
| Part B Renovation of the store (Max) * | | |
| Direct Expenses | | 1,00,68,049 |
| Consultancy fee | 2.50% | 2,51,701 |
| AIO | 10.00% | 10,06,805 |
| Sub total | | 1,13,26,555 |
| GST | 18.00% | 20,38,780 |
| Total Part B | | 1,33,65,335 |
| | | |
| Total Part A and Part B | | 1,43,31,755 |

* Actual cost shall be decided after the final cost post tendering but shall not exceed the estimates given.

38
(A. Jain)
09/7/2021

9/7/21
राज्येन्द्र प्रताप सिंह / RAGHVENDRA PRATAP SINGH
निदेशक / Director
ग्रामीण विकास मंत्रालय / Ministry of Rural Development
कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi



APPENDIX C - DUTIES OF THE "EMPLOYER"

Services to be provided by the Client

1. The MoRD would continuously supervise the assignment and facilitate conduct of the renovation. All permissions for from the office of DC handicraft and from other authorities shall have to be taken by NIFT but the permissions from DC handicrafts shall be facilitated by MoRD.

Review Committee to Monitor Consultant's Works

2. The Mission Director -NRLM or an Officer designated by him shall be responsible for reviewing and monitoring the progress of the consultant's work and the deliverables. The state Mission may also constitute a review/steering committee to monitor the progress of the consultants and hold consultations with the firm. The Mission Director or his nominee will act as the Chairperson of such a committee which could include external experts nominated by him. The committee may also seek comments and inputs on the consultant's work from the domain experts at MORD. The Mission Director may convene meetings of the review committee at occasional intervals and seek its opinion and comments on the deliverables of the consultant and forward all such comments to the consultants for appropriate changes in the reports.

37
(A Jain)
06/07/2021

Pratap
9/7/21
राघवेंद्र प्रताप सिंह / RAGHVENDRA PRATAP SINGH
निदेशक / Director
भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / Mo Rural Development
कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi



APPENDIX D – DUTIES OF THE CONSULTANT

The agency is required to complete the assignment as per the technical proposal submitted on 23rd Oct 2020.

31
(A Jm)
06/10/2021


 9/7/21
 राघवेंद्र प्रताप सिंह / RAGHVENDRA PF. ATAP SINGH
 निदेशक / Director
 भारत सरकार / Government of India
 ग्रामीण विकास मंत्रालय / Mo Rural Development
 कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi



APPENDIX E - Premises to be provided to the Consultant

The Employer shall provide the premises of the Saras Gallery on Baba Kharag Singh Marg in empty condition to the Consultant to carry out the renovation work within 7 days of the receipt of such request from the Consultant.

अ. (A Jan)
06/7/2021

[Handwritten Signature]
9/7/21

राधेशंकर प्रताप सिंह / RAGHVENDRA PF ATAP SINGH
निदेशक / Director
भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / Mo Rural Development
कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi

ATTESTED

[Handwritten Signature]
NOTARY PUBLIC
DELHI (INDIA)

01 JUL 2021



MoU with National Institute of Fashion Technology
(NIFT - extension) - Technical Support
3/3/2023



सत्यमेव जयते

INDIA NON JUDICIAL

Government of National Capital Territory of Delhi

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अपर सचिव / Additional Secretary
भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / Ministry of Rural Development
कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi

रोहित कंसल, आ.प्र.से. / ROHIT KANSAL, IAS
महानिदेशक / Director General
राष्ट्रीय फैशन प्रौद्योगिकी संस्थान
National Institute of Fashion Technology
वस्त्र मंत्रालय / Ministry of Textiles
भारत सरकार / Govt. of India
हौज खास, नई दिल्ली / Hauz Khas, New Delhi - 16

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MEMORANDUM OF UNDERSTANDING (MOU)

BETWEEN

MINISTRY OF RURAL DEVELOPMENT

&

NATIONAL INSTITUTE OF FASHION TECHNOLOGY

This MOU is executed on the 3rd day of March 2023 at New Delhi by and between:

Department of Rural Development, Ministry of Rural Development, Government of India, 7th Floor, NDCC-II Building, Jai Singh Road, New Delhi 110001 represented by the Sh Charanjit Singh, Additional Secretary, Ministry of Rural Development, Government of India (hereinafter referred to as MoRD which expression shall unless repugnant to the context thereof mean and include its successors or assignees) of the ONE PART.

AND

National Institute of Fashion Technology, a statutory body incorporated under the NIFT Act, 2006 and which was set up as autonomous body in 1986 under the aegis of Ministry of Textiles. Government of India represented by its Director General having its Head Office at NIFT Campus, Hauz Khas, Near Gulmohar Park, New Delhi -110016 represented by Shri Rohit Kansal, Director General, NIFT (hereinafter referred as "NIFT" which expression shall unless repugnant to the context thereof mean and include its successors or assignees) of the OTHER PART.

Whereas MoRD and NIFT are referred to herein individually as "Party" and collectively as "Parties".

PREAMBLE

Whereas, Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM), the program being implemented by Department of Rural Development, Ministry of Rural Development envisages to reduce poverty by enabling the poor households to access gainful self-employment and skilled wage employment opportunities, resulting in appreciable improvement in their livelihoods on a sustainable basis, through building strong grassroots institutions of the poor. Under the programme, poor women have been mobilized to form their own institutions like Self Help Groups and higher order community institutions at village, panchayat, cluster, block level to carry out various social activities and delivery of services. Activities of these community institutions include strengthening financial and livelihoods support services, imparting skills to the rural population.

Whereas for livelihood promotion DAY-NRLM focuses to stabilize and promote existing livelihoods portfolio of the poor, in farm and in non-farm sectors. The Start-Up village Entrepreneurship Programme (SVEP) focuses on supporting small entrepreneurs, individual and group through various business support services as well as credit support. Under SVEP it is expected to promote 3.10 lakh enterprises in 258 blocks in 29 states till 2025. One Stop Facility (OSF) envisaged as a business facilitation-cum-incubation centre at the sub-district level to provide business development services to existing nano-enterprises on a growth track have been included under NRLM and

रोहित कंसल, भा.प्र.से./ROHIT KANSAL, IAS
महानिदेशक/Director General
राष्ट्रीय केशन प्रौद्योगिकी संस्थान
National Institute of Fashion Technology
वस्त्र मंत्रालय / Ministry of Textiles

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चरणजीत सिंह / CHARANJIT SINGH
अपर सचिव / Additional Secretary
भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / Ministry of Rural Development
कृषि भवन, नई दिल्ली

targeted to support 63500 enterprises spread across 320 blocks by 2025. Specific interventions for artisans are expected to be supported under the innovative proposals and Cluster programme under NRLM.

Whereas the interventions under MoRD are implemented in the various States by the State Rural Livelihood Missions (SRLMs) which are autonomous bodies established by the State Governments.

Whereas NIFT is a premier institute of design, management and technology with 18 campuses across India and it has emerged as a Centre of excellence & innovation with a distinctly conscious concern for social responsibility. Connecting with the grassroots, the Institute has built the 'Craft Cluster Initiative' into its curricula that enables the student to work in collaboration with the artisans and weavers from different pockets of India. On one hand, the 'Craft Cluster Initiative' engages artisans & weavers to broaden their knowledge base and channelize their effort into more market friendly and profitable ventures. On the other hand, it promotes a culture of understanding and appreciation of the arts & crafts of India amongst students with a view to provide sustainable solutions to the crafts sector.

The broad terms and conditions of the MoU are as under-

Scope:

This MoU defines the broad framework of association between MoRD and NIFT where MoRD is seeking the association with NIFT to provide technical support for the range of interventions with artisans in the hand-loom and handicraft sector as well as for marketing of different rural products. Any activity to be taken up under the area of association listed in this MoU shall be based on pre-agreed terms and conditions in consonance with the Project Consultancy Policy Guidelines of NIFT.

1. Area of Association:

- 1.1 Diagnostic study of hand-loom and handicraft clusters and identification of sectors for intervention
- 1.2 Design and development of project proposals for interventions for artisans in hand-loom and handicraft sectors
- 1.3 Design and Product development support for SHG products in the hand-loom and handicraft sectors
- 1.4 Development of training modules for skill up-gradation in the area of design development, packaging, display etc.
- 1.5 Conduct of training programmes and workshops for artisans
- 1.6 Upgradation of tools, equipment and workplace of artisans towards quality improvement of products
- 1.7 Space and interior design of the MoRD's outlets
- 1.8 Branding and Promotion activities including Development of publicity and branding material

2. Roles and Responsibilities of NIFT:

चरणजीत सिंह / CHARANJIT SINGH
अपर सचिव / Additional Secretary
भारत सरकार / Government of India
राष्ट्रीय विकास मंत्रालय / Ministry of Rural Development
कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi

रोहित कंसल, भा.प्र.से./ROHIT KANSAL, IAS
महानिदेशक/Director General
राष्ट्रीय फैशन टेक्नोलॉजी संस्थान
National Institute of Fashion Technology
बस्त्र मंत्रालय / Ministry of Textiles
भारत सरकार / Govt. of India
नई दिल्ली, नई दिल्ली - 110016

- 2.1 Overall project management and coordination of activities for cost as pre agreed with MoRD and in consonance with the terms of the MoU.
- 2.2 Function as knowledge partner in respect of activities agreed upon.
- 2.3 Delivery of agreed outputs.

3. Roles and Responsibilities of MORD:

- 3.1 Intimation of specific activities for which project to be developed on mutually agreeable terms
- 3.2 Administrative support in carrying out of activities mutually agreed upon in respect to the area of association of the MoU.
- 3.3 Providing timely funding for agreed upon activities/projects in consonance with the terms of the MoU.

4. Terms/Duration of MoU:

This MoU shall be deemed to have commenced on 3rd March, 2023 and shall remain in force for an initial period of three (3) years thereafter unless rescinded by either Party. The Memorandum maybe extended further for such period as mutually agreed upon between both the Parties and it shall be expressly in writing.

5. Funding:

"MoRD and NIFT will mutually decide about the activities/projects or any other activity proposed to be undertaken under this MoU. NIFT will communicate the financial implication including taxations and other terms and conditions for various activities proposed to be undertaken under this MoU and these will be jointly agreed upon by the two parties keeping in view the Project Consultancy Policy Guidelines of NIFT and the Central Government Rules. MORD will communicate its acceptance of the terms and conditions in writing and arrange for the funds and other resources for all such activities".

6. Review:

The signatories to the Parties will review at their respective level, at least once in 3 months, the activities undertaken under this MoU. A joint review by the chief executives of both the organizations shall be held once in six months.

7. Procedure for amendment, revoking of the MOU:

No amendment, modification or addition to this MoU shall be effective or binding on any of the Parties unless the same has been set forth in writing and executed by both the parties through their duly authorized representatives.

Either of the two Parties may, at any time during the subsistence of the MoU, rescind the same after giving a notice in writing recording cogent reasons for doing so. The notice period shall not be less than three months.

चरणजीत सिंह / CHARANJIT SINGH
अपर सचिव / Additional Secretary
भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / Ministry of Rural Development
कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi

रोहित कंसल, मा.प्र.से./ROHIT KANSAL, IAS
महानिदेशक/Director General
राष्ट्रीय फैशन प्रौद्योगिकी संस्थान
National Institute of Fashion Technology
बस्त्र मंत्रालय / Ministry of Textiles
द्वीज खास, नई दिल्ली/Hazrat Nizamuddin, New Delhi

NEGOTIATION: Any dispute(s) arising from the activities covered under this MoU will be resolved jointly by both the parties in a spirit of mutual co-operation and understanding befitting the stature of the two Government bodies.

EXCLUSIVITY OF THE MoU: MoRD may utilize expertise of other agencies in implementing the projects and will be free to sign any agreement/ MoU with such agencies, subject to prior written intimation to NIFT and provided that it does not come in conflict with any project or activity specifically assigned by MoRD to NIFT under this MoU.

8. Intellectual Property:

Both the Parties are the sole owner of their own intellectual property rights and the other Party shall have no rights thereto if not expressly mentioned in this MoU. Neither Party may use the other party's intellectual property rights without the prior consent of possessing Party. Nothing contained in this MoU is to, or shall be construed to grant to either Party any license or right regarding the other Party's intellectual property rights.

The nature of project intended to have commercial value is the key factor for sponsoring the project by MoRD to NIFT. The collaborative project is sponsored by MoRD and due project cost /consultancy fees are paid. The beneficiaries of the outcome are largely the artisans in the handloom and handicraft sector. In the cited background to create a win — win situation all the Intellectual Property Rights would be owned by the Sponsor i.e., MoRD. However, the author/creator of the above property is NIFT. MoRD shall retain the authorship/ownership rights and NIFT shall use the same for academic and research purposes only. The products and the information generated under the collaborative projects shall be handed over by NIFT to MoRD.

9. Jurisdiction:

All the disputes arising out of or relating to this MoU shall be subject to the exclusive jurisdiction of the Courts at New Delhi.

10. Assignment:

Neither Party shall assign, sub-contract or delegate its rights or obligation under this MoU without the written consent of the other.

11. Entire MoU:

This MoU constitutes the complete expression of both Parties' agreement and understanding with respect to the subject matter herein and supersede, all other prior MoUs, obligations, promises, arrangements, communication, negotiations, writings and undertaking whether oral or written, by both the Parties with respect to the subject matter hereof.

12. Waiver:

The failure of the Parties to enforce at any time the provisions of the MoU or any right in respect thereto shall be in no way be considered to be a waiver of such provisions or rights or in any way to affect the validity of this MoU.

चरणजीत सिंह / CHARANJIT SINGH
अपर सचिव / Additional Secretary
भारत सरकार / Government of India
राष्ट्रीय कृषि विकास मंत्रालय / Ministry of Rural Development
कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi

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रोहित कंसल भा.प्र.सो. / ROHIT KANSAL, IAS
महासचिव / Director General
राष्ट्रीय फेशन प्रौद्योगिकी संस्थान
National Institute of Fashion Technology
वस्त्र मंत्रालय / Ministry of Textiles
भारत सरकार / Govt. of India
हाउस खास, नई दिल्ली / Hauz Khas, New Delhi

13. Force Majeure:

Neither party shall be liable for any failure of or delay in the performance of this MoU due to causes beyond its reasonable control, including but not limited to acts of God, war, strikes or labor disputes, embargoes, government orders or any other force majeure event.



14. Service of notice:

All approvals, consents and notices under this MoU shall be in writing and may be served by sending the same by Registered Post A.D. or Speed Post addressed to the parties at its last known place of business and such notices shall be deemed to have been given or served at the expiry of seven days from the time of posting the same and in proving service thereof it shall be sufficient to show that the said notice was properly addressed stamped and posted.


15. The focal point for liaison for the effective implementation of this MOU will be

| For NIFT | For MoRD |
|---|---|
| Shri Shakti Sagar Katre Assistant Professor & Center Coordinator F&LA Department NIFT, New Delhi Email: shakti.katre@nift.ac.in | Shri Raghvendra Pratap Singh Director RL National Rural Livelihoods Mission Ministry of Rural Development Email: raghvendra.rp@gov.in |

In witness hereof, the parties hereto have signed this MoU in two original copies in English on the date and place first written hereinabove.

| For and on behalf of NIFT | For and on behalf on MoRD |
|---|---|
|  Shri Rohit Kansal Director General NIFT Campus, Hauz Khas New Delhi - 110016 सहायक निदेशक, वस्त्र/ROHIT KANSAL, IAS सहायक निदेशक, वस्त्र NIFT Campus, Hauz Khas New Delhi - 110016 राष्ट्रीय संस्थान प्रौद्योगिकी संस्थान National Institute of Fashion Technology वस्त्र मंत्रालय / Ministry of Textiles भारत सरकार / Govt. of India हाज खास, नई दिल्ली/Hauz Khas, New Delhi - 16 |  चरणजीत सिंह / CHARANJIT SINGH अवर सचिव / Additional Secretary भारत सरकार / Government of India कृषि मंत्रालय / Ministry of Rural Development नई दिल्ली / New Delhi Shri Charanjit Singh Additional Secretary, RL Department of Rural Development Ministry of Rural Development 7th Floor, NDCC-II Building Jai Singh Marg, New Delhi |

WITNESS


 03/03/2023
 (Head - Projects)
 Name and Signature


 03/03/23
 Rajeev Kumar Singh
 Name and Signature

MoU with Council of Scientific and Industrial
Research -Central Food Technological Research
Institute (CSIR-CFTRI) - Technical Support
9/8/2021

MEMORANDUM OF UNDERSTANDING (MoU)

BETWEEN

Ministry of Rural Development (MoRD)

&

Council of Scientific and Industrial Research–Central Food Technological Research Institute (CSIR-CFTRI)

This MOU is executed on the 9th day of August 2021 between:

Department of Rural Development, Ministry of Rural Development, Government of India, 7th Floor, NDCC-II Building, Jai Singh Road, New Delhi 110001 (hereinafter referred to as **MoRD** which expression shall unless repugnant to the context thereof mean and include its successors or assignees) of the ONE PART.

AND

CSIR-Central Food Technological Research Institute, Council of Scientific & Industrial Research, Ministry of Science & Technology, Govt. of India, Mysore - 570020 (herein after called **CSIR-CFTRI** which expression shall unless repugnant to the context thereof mean and include its successors or assignees) of the OTHER PART.

Whereas MoRD and CSIR-CFTRI are referred to herein individually as "Party" and collectively as "Parties".

PREAMBLE

Whereas Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM), the program being implemented by department of Rural Development, Ministry of Rural Development envisages to reduce poverty by enabling the poor households to access gainful self-employment and skilled wage employment opportunities, resulting in appreciable improvement in their livelihood on a sustainable basis, through building strong grassroots institutions of the poor. Under the programme, poor women have been mobilized to form their own institutions like Self Help Groups and higher order community institutions at village, panchayat, cluster, block as well as district level to carry out various social activities and delivery of services. Activities of these community institutions include strengthening financial and livelihoods support services, imparting skills to the rural population.

Whereas for livelihood promotion DAY-NRLM focuses to stabilize and promote existing livelihoods portfolio of the poor, in farm and in non-farm sectors. The Start-up village Entrepreneurship Programme (SVEP) focuses on supporting small entrepreneurs, individual and group through various business support services as well

as credit support. A large percentage of the enterprises supported through the various programmes of the Ministry support enterprises in the food processing sector.

Whereas the interventions under MoRD are implemented in the various states by the State Rural Livelihood Missions (SRLMs) which are autonomous bodies established by the State Governments.

Whereas CSIR-CFTRI, a National Institute in the field of Food Science and Technology with research focus broadly into areas namely Food Engineering, Technology Development, Translational Research and Food Protection & Safety.

The broad terms and conditions of the MOU are as under:

Scope:

This MoU defines the broad framework of association between MoRD and CSIR-CFTRI where MoRD is seeking the association with CSIR-CFTRI to provide technical support for the range of interventions in the food processing sector. This support may be provided to the MoRD or to any of the SRLMs implementing any program of MoRD. Any activity to be taken up under the area of association listed in this MoU shall be based on pre-agreed terms and conditions on a case-to-case basis.

1. Areas of Association:

- 1.1 Design and complete turnkey assignments for establishment of food processing units
- 1.2 Provide technical services for trouble-shooting for the existing food processing enterprises (technical services)
- 1.3 Technology transfer of proven technologies to SHGs/ enterprises
- 1.4 Develop/modify new or existing technologies to meet food processing requirements of SHGs / entrepreneurs
- 1.5 Customized training programs for SHGs / entrepreneurs and SRLM staff members
- 1.6 Design analytical and quality control measures for SHG enterprises
- 1.7 Testing of packaging materials
- 1.8 Assistance in recommending proper and adequate food packaging materials
- 1.9 Preparation of Detailed Project Reports (DPRs) for establishing food processing enterprises/food clusters
- 1.10 Conduct sensory assessment and consumer acceptance studies
- 1.11 Provide technical experts for various committees/groups for supporting SRLMs in the implementation of projects

2. Roles and Responsibilities of CSIR-CFTRI:

2.1 Overall project management and coordination of activities as per the agreed Terms & Conditions with MoRD and in consonance with the terms of the MoU.

2.2 Deputing relevant technical resources to the projects assigned by MoRD and ensuring the completion of the project.

2.3 Function as knowledge partner in respect of activities agreed upon.

2.4 Delivery of agreed outputs.

3. Roles and Responsibilities of MoRD:

3.1 Intimation of specific activities for which project to be developed on mutually agreeable terms

3.2 Administrative support in carrying out of activities mutually agreed upon in respect to the area of association of the MoU.

3.3 Providing timely funding for agreed upon activities/projects in consonance with the terms of the MoU.

4. Terms/Duration of MoU:

This MoU shall be deemed to have commenced on 09.08.2021 and shall remain in force for an initial period of three (3) years thereafter unless rescinded by either Party. The Memorandum maybe extended further for such period as mutually agreed upon between both the Parties and it shall be expressly in writing.

5. Funding:

MoRD and CSIR-CFTRI will mutually decide about the activities/projects or any other activity proposed to be undertaken under this MoU. CSIR-CFTRI will communicate the financial implication including taxations and other terms and conditions for various activities proposed to be undertaken under this MoU and these will be jointly agreed upon by the two parties. MoRD will communicate its acceptance of the terms and conditions in writing and arrange for the funds and other resources for all such activities.

6. Review:

The signatories to the Parties will review at their respective level, at least once in 3 months, the activities undertaken under this MoU. A joint review by the chief executives of both the organizations shall be held once in six months.

7. Procedure for amendment, revoking of the MoU:

No amendment, modification or addition to this MoU shall be effective or binding on any of the Parties unless the same has been set forth in writing and executed by both the parties through their duly authorized representatives.

Either of the two Parties may, at any time during the subsistence of the MoU, rescind the same after giving a notice in writing recording cogent reasons for doing so. The notice period shall not be less than three months.

NEGOTIATION: Any dispute(s) arising from the activities covered under this MoU will be resolved jointly by both the parties in a spirit of mutual co-operation and understanding befitting the stature of the two Government bodies.

8. Intellectual Property:

Both the Parties are the sole owner of their own intellectual property rights and the other Party shall have no rights thereto if not expressly mentioned in this MoU. Neither Party may use the other party's intellectual property rights without the prior consent of possessing Party. Nothing contained in this MoU is intended to, or shall be construed to grant to either Party any license or right regarding the other Party's intellectual property rights.

The nature of project intended to have commercial value is the key factor for sponsoring the project by MoRD to CSIR-CFTRI. The collaborative project is sponsored by MoRD and due project cost /consultancy fees are paid. The beneficiaries of the outcome are largely the SHG entrepreneurs. In the cited background to create a win – win situation all the Intellectual Property Rights would be owned by the Sponsor i.e., MoRD. However, the author/creator of the above property is CSIR-CFTRI. MoRD shall retain the authorship/ownership rights and CSIR-CFTRI shall use the same for academic and research purposes only. The products and the information generated under the collaborative projects shall be handed over by CSIR-CFTRI to MoRD.

9. Publication:

Any research publication or document arising out of joint work conducted by the participants pursuant to this MoU will be jointly owned. The use of the name, logo and/or official emblem of the participants on any publication, document and/or paper will require prior permission of both the participants. It may however be ensured that the official emblem and logo is not misused.

10. Jurisdiction:

All the disputes arising out of or relating to this MoU shall be subject to the exclusive jurisdiction of the Courts at New Delhi.

11. Assignment:

Neither Party shall assign, sub-contract or delegate its rights or obligation under this MoU without the written consent of the other.

12. Entire MoU:

This MoU constitutes the complete expression of both Parties' agreement and understanding with respect to the subject matter herein and supersede, all other prior MoUs, obligations, promises, arrangements, communications, negotiations, writings and undertakings whether oral or written, by both the Parties with respect to the subject matter hereof.

13. Waiver:

The failure of the Parties to enforce at any time the provisions of this MoU or any right in respect thereto shall be in no way be considered to be a waiver of such provisions or rights or in any way to affect the validity of this MoU.

14. Force Majeure:

Neither party shall be liable for any failure of or delay in the performance of this MoU due to causes beyond its reasonable control, including but not limited to acts of God, war, strikes or labour disputes, embargoes, government orders or any other force majeure event.

15. Service of notice:

All approvals, consents and notices under this MoU shall be in writing and may be served by sending the same by Registered Post A.D. or Speed Post addressed to the parties at its last known place of business and such notices shall be deemed to have been given or served at the expiry of seven days from the time of posting the same and in proving service thereof it shall be sufficient to show that the said notice was properly addressed stamped and posted.

The focal point for liaison for the effective implementation of this MOU will be:

For MoRD

Mr. Charanjit Singh
Joint Secretary

For CSIR-CFTRI

Dr. Sridevi Annapurna Singh
Director

In witness hereof, the Parties hereto have signed this MoU in two original copies in English on the date and place first written hereinabove.



For and behalf of MoRD

CHARANJIT SINGH
Joint Secretary
Government of India
Ministry of Rural Development
Krishi Bhawan, New Delhi




For and on behalf of CSIR-CFTRI

Dr SRIDEVI ANNAPURNA SINGH
Director
CSIR-Central Food Technological Research Institute
Mysuru-570 020

WITNESS

Name and Signature


R.P. Singh
Director/RL
DoF, MoRD
GOI



राजेंद्र प्रताप सिंह / RAGHVENDRA PRATAP SINGH
निदेशक / Director
भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / Mo Rural Development
कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi

Name and Signature

S. Manjul, P
Head, PME
CSIR-CFTRI



MoU with Flipkart (Flipkart Internet Pvt Ltd) - Online
Marketing Platform Support
22/11/2021

Government of India
Ministry of Rural Development
Department of Rural Development
(RLDivision)

7th Floor, NDCC-11 Building
Jai Singh Road, New Delhi

Dated: **November 15, 2021**

To,
The State Mission Director/ CEO, SRLMs
All State/UT

Subject: MoU between NRLM-MoRD and Flipkart for on-boarding and marketing of SHG products through Flipkart Samarth.

Madam/ Sir,

This is to inform you that NRLM – MoRD and Flipkart has entered into a Memorandum of Understanding (MoU) for on-boarding and marketing of SHG products through Flipkart Samarth. A copy of the MoU is enclosed herewith for your ready reference.

You are requested to designate official from SRLM team to coordinate with the Flipkart team for identifying suitable entities from the state like SHGs/ CLFs/ PG/ PEs/ PCs etc. (as the case may be) who may be willing and competent to sell good products online and get them on-boarded at the Flipkart Samarth platform.

The team from Flipkart will also help orienting the state/ district team about the advantages and requirement for e-Commerce platform and will facilitate getting the photoshoot and product profiling done to initiate the process of products on-boarding. Mr. Dhananjay Sharma of Flipkart (9900316410/ dhananjay.sharma@flipkart.com) may be may be coordinated with for the purpose.

Yours Faithfully,


(Raghvendra Pratap Singh)
Director (RL)

CC:- Sh. Dhananjay Sharma, Manager Business Development (Flipkart Samarth), New Delhi.

MEMORANDUM OF UNDERSTANDING
Between
[MINISTRY OF RURAL DEVELOPMENT, GOVERNMENT OF INDIA]
and
[FLIPKART INTERNET PVT. LTD]

This Memorandum of Understanding is entered on 02nd day of November, 2021 at New Delhi

By and Between

MINISTRY OF RURAL DEVELOPMENT, GOVERNMENT OF INDIA (Department of Rural Development, Rural Livelihoods Division), having its office at 7th Floor, NDCC II Building, Jai Singh Road, New Delhi-110 001 (hereinafter referred to as "MoRD" which expression shall, unless repugnant to or inconsistent with the context or meaning thereof, be deemed to include its successors and permitted assigns) represented by the Joint Secretary (Rural Skills), Ministry of Rural Development, Government of India, its authorised representative, of the **FIRST PART**;

And

Flipkart Internet Pvt. Ltd incorporated under Companies Act, having its registered office at Buildings Alyssa, Begonia & Clover, Embassy Tech Village, Outer Ring Road, Devarabeesanahalli Village, Bengaluru – 560103, Karnataka, India. (hereinafter referred to as "Flipkart/ Flipkart Group" which expression shall, unless repugnant to or inconsistent with the context or meaning thereof, be deemed to include its successors and permitted assigns) represented by Mr. Rajneesh Kumar, Chief Corporate Affairs Officer, Flipkart Group its authorised representative, of the **SECOND PART**;


For establishing the following projects.

Whereas, the MoRD and **Flipkart Group** agree on the importance of commercial and social development of women led rural enterprises and welcome the opportunity for cooperation for facilitating partnerships in the identified states/ UTs implementing National Rural Livelihood Mission ("NRLM") herein referred as State Rural Livelihood Missions ("SRLMs").

Now, therefore, the MoRD and Flipkart Group wish to record their interest as follows:

1. The MoRD and Flipkart Group are desirous to create mutual shared value for all stakeholders in SRLMs, with a focus on increasing business and trade inclusion opportunities for underprivileged segments of society. Key stakeholders include Flipkart Group, MoRD, SRLMs and the women led rural enterprises also referred to as "Seller".

FOR MoRD


(Charanjit Singh)
Joint Secretary (Rural Skills),
Ministry of Rural Development

FOR FLIPKART GROUP


(Rajneesh Kumar)
Chief Corporate Affairs Officer
Flipkart Group

2. MoRD in collaboration with the Flipkart Group is desirous to participate in the "Flipkart Samarth" initiative of Flipkart through its identified SRLMs.
3. Flipkart Samarth aims to enable national market access for artisans, weavers and craftsmen to showcase the hallmark products of the identified SRLMs. In addition, eligible entities and artisans / weavers/ sellers in the Flipkart Samarth programme stand to receive time-bound incubation support from the Flipkart Group that extends a host of benefits outlined separately in detail in an addendum to the Terms of Use signed by individual onboarding entities. They are provided for reference in Annexure-III. The Sellers of the platform shall be required to comply with the applicable terms and conditions, and policies as may be provided on the Flipkart Platform.
4. As part of this initiative, the MoRD will support Flipkart Group's engagement with state-owned / SRLM promoted/ affiliated enterprises and undertakings that work with local artisans, weavers and crafts producers in identified SRLMs to provide market access and/ training and support. SRLMs under guidance of NRLM/ MoRD and the Flipkart Group shall undertake the deliverables, as outlined under Annexure-I.
5. The Flipkart Group in collaboration with MoRD and identified SRLM may reasonably facilitate the awareness about "Flipkart Samarth" and may provide required training about the e-commerce ecosystem among the SRLM and its associates' key team.
6. SRLMs will procure all necessary approvals / registrations / clearances etc. from the concerned departments of the state, as per existing rules and regulations of Govt. of the state of respective SRLMs as also outlined in Annexure-II.
7. MoRD would facilitate the partnership between SRLMs and the Flipkart Group to make use of the "Flipkart Samarth" initiative by NRLM SHGs in a time-bound manner.
8. The relationship between MoRD and Flipkart Group is on a principal to principal and independent entity. Nothing in this MoU shall constitute the either party as the legal representative, agent, joint venture or partner of the other.
9. This MoU is not intended to provide any basis for investment or partnership decisions at present or in the future, outside of the scope mentioned in this MoU. None of the provisions shall be deemed to be binding on either party.
10. All rights, title and interest in the respective trademarks, trade names, service marks, logos, materials and formats shall lawfully belong solely and exclusively to the respective Parties and no other party shall claim adversely to or challenge the rights of the lawful owner with respect to others intellectual property rights.
11. Both parties agree to hold all information provided by the other party by virtue of this MOU, ("Confidential Information") in strict confidence, and not to release or divulge to any third party without the prior written approval of the other party. Neither party will use the other's Confidential Information for purposes other than those necessary to directly further the purposes of this MoU. However, no obligation of confidentiality applies to any of the following information that:

- a. is or becomes generally known or available to the public through no act or omission of the receiving party in breach of this clause.
- b. is disclosed pursuant to a court order, provided the receiving party, at the request and expense of the disclosing party, uses reasonable efforts to limit such disclosure to the extent requested.

The confidentiality undertakings of both parties pursuant to this clause shall remain in full force and effect during the duration of this MoU and five (5) years thereafter.

12. Terms of MoU: This MoU shall come into effect from the date of both parties signing the MoU and shall be valid for a period of 3 (three) years. The parties may further extend the period on such terms and conditions as may be mutually agreed and reduced to writing. Either Party may terminate this MoU by providing a written notice of 30 days to the other Party.
13. Amendment: Any amendment or change in the scope of the work or terms of engagement under the MoU could be effected from time to time with mutual consent of the parties in writing.
14. This MOU shall be governed and construed by the laws of India. If a dispute, controversy or claim arises out of or relates to this MoU, or breach, termination or invalidity thereof, and if such dispute, controversy or claim cannot be settled and resolved through negotiation, then the issue or claim not resolved in good faith shall be referred to and finally resolved by arbitration in New Delhi in accordance with the Arbitration and Conciliation Act, 1996, and the amendments thereto.
15. Notwithstanding anything to the contrary provided under this MoU, SRLM/NRLM shall be required to accept and agree to the applicable Seller Terms of Use and other policies as may be applicable on the Flipkart Platform for registering itself as a Seller under the Samarth Program. In case of any conflict between the Seller Terms of Use and this MoU, the Seller Terms of Use shall take precedence over the same. However, in the event of any subsequent changes in the Seller Terms of Use after the signing of this MoU, MoRD shall have the right to either accept the terms or give notice to exit this MoU before the revised seller terms become effective.

IN WITNESS WHEREOF the MoRD and the Flipkart group have signed and seals this MoU through their duly authorised representatives on the day, month and the year first above written.

FOR MoRD

(Charanjit Singh)
Joint Secretary (Rural Skills),
Ministry of Rural Development

FOR FLIPKART GROUP


(Rajneesh Kumar)
Chief Corporate Affairs Officer
Flipkart Group


Place : New Delhi

Date : November 02, 2021

WITNESS

1. Name and signature


2/11/2021
RAGHENDRA PRATAP SINGH
Director/RL
DORD, MORD
NEW DELHI-


Name and signature

Sanchit Aggarwal
Associate Director,
FLIPKART

Annexure I

1. The deliverables of SRLMs , as represented by under the guidance of Ministry of Rural Development, as confirmed by NRLM, are under this MOU are as follows:
 - a. Wherever applicable, SRLM/NRLM will facilitate the Seller onboarding of Self Help Groups (SHGs) and Clusters on the Platform [*(wherein Self Help Groups (SHGs) are collectives of 5 – 20 rural women and are part of NRLM database AND/OR any other entity representing SHGs and are recognised by NRLM/ SRLM will be referred to as “SHGs” under this document)*], as applicable, and facilitate the submission of documents requested by Flipkart (including any declaration forms) from such SHGs and Clusters the Sellers to Flipkart.
 - b. SRLMs/NRLM agree to identify cluster(s) with high density of SHGs producing high quality products, [*(wherein cluster refers to a geographical grouping of such SHGs (“Cluster(s)”)*), and state “center(s)” serving such Clusters; and register one Seller account on the Platform (either itself, SHGs or Clusters), for each specific Center as required, under the Program.” [center(s) refers to the place wherein the operations including warehousing will be carried out by the State Missions]. State Missions agree to identify cluster(s) with high density of SHGs producing high quality products, and state center(s) serving such clusters; and register one Seller account on the Platform, for each specific center as required, under the Flipkart Samarth Program.
 - c. SRLMs/NRLM will ensure that the participating Seller(s) has requisite licenses/permits/registrations including GST registration, PAN card, and a bank account as may be required by Flipkart.; and all the SHGs/Clusters under respective SRLMs will individually or collectively list their products on the Platform Flipkart through the respective Seller accounts on the Platform; it is clarified that the Seller(s) holding the seller account on the Platform shall be responsible for the products sold under its Seller account on the Platform.
 - d. SRLMs/NRLM, will designate a serviceable pick-up point(s) (pincode) for each center for the purpose of training members of SHGs, imaging and listing of their products on the Platform;
 - e. SRLMs/NRLM shall undertake information, education and communication (IEC) activities regarding the Program subject to a prior written consent from Flipkart. The use of NRLM/SRLMs and Flipkart logos shall be subject to the owner’s approval;
 - f. SRLMs/NRLM shall ensure that The Seller(s) shall use the brand name which is to be designated by Ministry of Rural Development under which umbrella all these products sold by the Seller(s) on the Platform shall be marketed and sold online under the Program.
 - g. SRLMs, shall assign a designated nodal officer at the State level to manage a center and Seller accounts on the Platform on behalf of the Seller state Mission Director. The responsibilities of the nodal officer will include end to

end management of Seller account, including attending training workshops organized by Flipkart, mobilizing SHGs for training, and enabling imaging and cataloguing for products listed by the Seller(s) on the Platform. The nodal officer, along with the Seller state Mission Director of the respective State will be the points of contact to Flipkart for all the queries and updates regarding their seller account on the Platform

- h.** SRLMs/NRLM shall ensure continuous functioning of the center(s) on holidays and weekends as per the actual requirements;
- i.** SRLMs/NRLM shall ensure insurance cover for products stored in the state center(s).
- j.** SRLMs/NRLM(s) shall ensure that:
 - (i)** The Seller(s) shall be responsible to settle the accounts with the producer, SHGs or any issues relating to the same.
 - (ii)** The Seller(s) shall maintain all the necessary administrative and financial records at their end for monitoring and accounting purposes.



Annexure II

The seller(s) of raw & organic food items shall comply with applicable laws in addition to **Food Products packaging/ labelling guidelines** of Flipkart.

Primary Packaging image or labeling of the products should have the following mandatory details in order to sell on the Platform Flipkart:

- a. FSSAI Number
- b. Nutrition information
- c. Ingredient information
- d. Manufacturing date
- e. Expiry date
- f. Shelf Life
- g. Manufacturer/Importer Details
- h. Veg/Non-Veg mark
- i. MRP



Annexure III

1. Subject to the Seller(s) being referred to by State Mission and subject to the Seller being incorporated on or before 1st January, 2021 and being:
 - i. registered under Section 8 of the Companies Act, 2013, or
 - ii. a specially abled entrepreneur, or
 - iii. an artisan or weaver, or
 - iv. a Government entity, or
 - v. a SHG or its federation registered under any applicable law.
- 1.1 The Seller will not be charged commission for sale of goods on the Website and shall be eligible for;
 - i. cataloguing support from Flipkart for a maximum of 100 products, or such number as may be provided by Flipkart at its discretion;
 - ii. warehousing support from Flipkart;
 - iii. account management support;
 - iv. priority seller support, (collectively "Benefits")
- 1.2 The Seller shall be eligible for the Benefits up until the Seller qualifies for "Gold"/"Silver" tier, as further detailed in the Seller TOU, or up to a maximum of 6 (six) months from the date that the Seller first lists its products on the Platform, whichever is earlier, or as otherwise provided by Flipkart at its sole discretion. It is further clarified that up until the Seller qualifies for "Gold"/"Silver" tier, as further detailed in the Seller TOU, or upon the expiry of 6 (six) months from the date that the Seller first lists its products on the Platform, whichever is earlier, the Seller shall be charged a commission at the rate of 5% for sale of goods on the Website.
- 1.3. Further, Flipkart may, at its discretion, extend the below mentioned support to the Seller:
 - i. Flipkart may provide visibility of Seller's products under the "Samarth store" section on the Website;
 - ii. Flipkart authorises the Seller to use the badge "Flipkart Samarth Partner" on the Website;
 - iii. Flipkart authorises the Seller to use the logo as provided under Annexure A on the images of its products on the Website.
 - iv. Flipkart may, at the request of the Seller, indicate a disclaimer on the product page (as required by the Seller) stating that the product(s) are hand-crafted.
2. Flipkart will provide training (virtual or on-ground) to the Seller.
3. Fees: All Marketplace Fees components are subject to change with prior notice.
4. Seller agrees to provide all valid onboarding documents, as requested by Flipkart, such as, GST registration certificate, at the time of registration in order to receive Benefits. It is clarified that the onboarding documents submitted by the Seller must be as per its registration under Section 8 of the Companies Act, 2013 or any other statute as the case may be.

MoU with Foundation for Development of Rural
Value Chains (FDRVC) - Saras Gallery Operations
and Management
9/12/2021



सत्यमेव जयते

INDIA NON JUDICIAL

Government of National Capital Territory of Delhi

e-Stamp

| | |
|---------------------------|--|
| Certificate No. | : IN-DL43641808081248T |
| Certificate Issued Date | : 29-Oct-2021 02:15 PM |
| Account Reference | : IMPACC (IV)/ dl787703/ DELHI/ DL-DLH |
| Unique Doc. Reference | : SUBIN-DL78770381920305913066T |
| Purchased by | : DIRECTOR MINISTRY OF RURAL DEVELOPMENT |
| Description of Document | : Article 5 General Agreement |
| Property Description | : Not Applicable |
| Consideration Price (Rs.) | : 0 (Zero) |
| First Party | : DIRECTOR MINISTRY OF RURAL DEVELOPMENT |
| Second Party | : FOUNDATION FOR DEVELOPMENT OF RURAL VALUE CHAINS |
| Stamp Duty Paid By | : DIRECTOR MINISTRY OF RURAL DEVELOPMENT |
| Stamp Duty Amount(Rs.) | : 100 (One Hundred only) |



Please write or type below this line

This e-stamp paper is part and parcel of the contract attached between the President of India through Director, Ministry of Rural Development, and M/s Foundation for Development of Rural Value Chains.

Pratap Singh 9/12/2021
राघवेंद्र प्रताप सिंह / RAGHVENDRA PRATAP SINGH
निदेशक / Director

भारत सरकार / Government of India
शापीण विकास मंत्रालय / M/o Rural Development
कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi

Foundation for Development of Rural Value Chains

Atok Kumar

Authorised Signatory



Statutory Alert:

1. The authenticity of this Stamp certificate should be verified at 'www.shikhestamp.com' or using e-Stamp Mobile App of Stock Holding Corporation of India. Non-usage of the said website / Mobile App renders it invalid. Compendium Page 461 of 725
2. The onus of checking the legitimacy is on the users of the certificate.
3. In case of any discrepancy please inform the Competent Authority.

This CONTRACT (hereinafter called the "Contract") is made on the 9th day of the month of December, 2021, between the President of India acting through Director, Ministry of Rural Development, Department of Rural Development, Government of India, 7th Floor, NDCC-II Building, Jai Singh Road, New Delhi -110001 (hereinafter called the "Employer"), of the First Part and, M/s Foundation for Development of Rural Value Chains (FDRVC), D-58, Janakpuri Institutional Areas, Janakpuri, New Delhi-11058, (hereinafter jointly called the "Consultant") of the Second Part.

WHEREAS

- a. the Consultant, having represented to the "Employer" that they have the required professional skills, personnel and technical resources, have offered to provide services for undertaking operations & management of the fully-renovated SARAS Gallery Store at Rajiv Gandhi Bhawan, Baba Kharak Singh Marg, New Delhi, as per their proposal letter dated 1st August 2021.
- b. the "Employer" has accepted the offer of the Consultant to provide the services on the terms and conditions set forth in this Contract.

NOW, THEREFORE, IT IS HEREBY AGREED between the parties as follows:



1. The following documents attached hereto shall be deemed to form an integral part of this Contract:



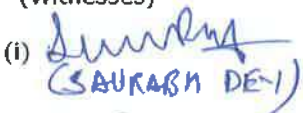



- a. The General Conditions of Contract;
- b. The Special Conditions of Contract;
- c. The following Appendices:

- Appendix A: Description of Services
- Appendix B: Cost Estimates
- Appendix C: Duties of the "Employer"
- Appendix D: Duties of the Consultant
- Appendix E: Premises to be offered to the Consultant

2. The mutual rights and obligations of the "Employer" and the Consultant shall be as set forth in the Contract, in particular:

- a. the Consultants shall carry out and complete the Services in accordance with the provisions of the Contract; and
- b. the "Employer" shall make payments to the Consultant in accordance with the provisions of the Contract.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be signed in their respective names as of the day and year first above written.

| Signed by - | |
|--|--|
| <p>In presence of (Witnesses)</p> <p>(i)  (R.S. REKHI)</p> <p>(ii)  Vinod Kr (VINOD KUMAR, US)</p> <p>In presence of (Witnesses)</p> <p>(i)  (SAUBH DEV)</p> <p>(ii)  (ANUPAM SATRA)</p> | <p>1. For and on behalf of the President of India</p> <p style="text-align: right;"> 9/12/2021</p> <p>[Mr. Raghvendra Pratap Singh, Director, Department of Rural Development, Ministry of Rural Development, Government of India] राघवेंद्र प्रताप सिंह / RAGHVENDRA PRATAP SINGH निदेशक / Director भारत सरकार / Government of India ग्रामीण विकास मंत्रालय / Mo Rural Development कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi</p> <p>[Authorized Representative]</p> <p>2. For Foundation for Development of Rural Value Chains Foundation for Development of Rural Value Chains (FDRVC), New Delhi</p> <p style="text-align: right;"> Alok Kumar Authorised Signatory</p> <p>[Mr. Alok De, CEO, Foundation for Development of Rural Value Chains (FDRVC), New Delhi]</p> <p>[Authorized Representative]</p> |

General Conditions of Contract

1. GENERAL PROVISIONS



1.1. Definitions: Unless the context otherwise requires, the following terms whenever used in this Contract have the following meanings:

- a. "Applicable Law" means the laws and any other instruments having the force of law in India for the time being.
- b. "Consultant" means any private or public entity that will provide the Services to the "Employer" under the Contract.
- c. "Contract" means the Contract signed by the Parties and all the attached documents listed in its Clause 1, that is this General Conditions (GC), the Special Conditions (SC), and the Appendices.
- d. "Day" means calendar day.
- e. "Effective Date" means the date on which this Contract comes into force and effect pursuant to Clause GC 2.1.
- f. "Foreign Currency" means any currency other than the currency of the "Employer's" country.
- g. "GC" means these General Conditions of Contract.
- h. "Government" means the Government of India
- i. "Local Currency" means Indian Rupees.
- j. "Member" means any of the entities that make up the joint venture/consortium/association; and "Members" means all these entities.
- k. "Party" means the "Employer" or the Consultant, as the case may be, and "Parties" means both of them.
- l. "Personnel" means professionals and support staff provided by the Consultants or by any Sub-Consultants and assigned to perform the Services or any part thereof; "Foreign Personnel" means such professionals and support staff who at the time of being so provided had their domicile outside the Government's country; "Local Personnel" means such professionals and support staff who at the time of being so provided had their domicile inside the Government's country; and "Key Personnel" means the Personnel referred to in Clause GC 4.2(a).
- m. "Reimbursable expenses" means all assignment-related costs [such as travel, translation, report printing, secretarial expenses, subject to specified maximum limits in the Contract].
- n. "SC" means the Special Conditions of Contract by which the GC may be amended or supplemented.
- o. "Services" means the work to be performed by the Consultant pursuant to this Contract, as described in Appendix A hereto.
- p. "Sub-Consultants" means any person or entity to whom/which the Consultant subcontracts any part of the Services.
- q. "Third Party" means any person or entity other than the "Employer", or the Consultant.
- r. "In writing" means communicated in written form with proof of receipt.

1.2. Relationship Between the Parties: Nothing contained herein shall be construed as establishing a relationship of master and servant or of principal and agent as between the "Employer" and the Consultant. The Consultant, subject to this Contract, has complete charge of Personnel and Sub-Consultants, if any, performing the Services and shall be fully responsible for the Services performed by them or on their behalf hereunder.

1.3. Law Governing Contract: This Contract, its meaning and interpretation, and the relation between the Parties shall be governed by the applicable laws of India.

1.4. Headings: The headings shall not limit, alter or affect the meaning of this Contract.

1.5. Notices

- 1.5.1. Any notice, request or consent required or permitted to be given or made pursuant to this Contract shall be in writing. Any such notice, request or consent shall be deemed to have been given or made when delivered in person to an authorized representative of the Party to whom the communication is addressed, or when sent by registered post to such Party at the address specified in the SC.



1.5.2. A Party may change its address for notice hereunder by giving the other Party notice in writing of such change to the address specified in the SC.

1.6. Location: The Services shall be performed at such locations as are specified in Appendix A hereto and, where the location of a particular task is not so specified, at such locations, as the "Employer" may approve.

1.7. Authorized Representatives: Any action required or permitted to be taken, and any document required or permitted to be executed under this Contract by the "Employer" or the Consultant may be taken or executed by the officials specified in the SC.

1.8. Taxes and Duties: The Consultant, Sub-Consultants and Personnel shall be liable to pay such direct and indirect taxes, duties, fees and other impositions levied under the applicable laws of India.

1.9. Fraud and Corruption

1.9.1. Definitions: It is the Employer's policy to require that Employers as well as Consultants observe the highest standard of ethics during the execution of the Contract. In pursuance of this policy, the Employer defines, for the purpose of this provision, the terms set forth below as follows:

- a. "Corrupt practice" means the offering, receiving, or soliciting, directly or indirectly, of anything of value to influence the action of a public official in the selection process or in contract execution;
- b. "fraudulent practice" means a misrepresentation or omission of facts in order to influence a selection process or the execution of a contract;
- c. "collusive practices" means a scheme or arrangement between two or more consultants, with or without the knowledge of the Employer, designed to establish prices at artificial, non-competitive levels;
- d. "coercive practices" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in a procurement process, or affect the execution of a contract;

1.9.2. Measures to be taken by the Employer

- a. The Employer may terminate the contract if it determines at any time that representatives of the consultant were engaged in corrupt, fraudulent, collusive or coercive practices during the selection process or the execution of that contract, without the consultant having taken timely and appropriate action satisfactory to the Employer to remedy the situation;
- b. The Employer may also sanction against the Consultant, including declaring the Consultant ineligible, either indefinitely or for a stated period of time, to be awarded a contract if it at any time determines that the Consultant has, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for, or in executing, a Employer-financed contract;

1.9.3. Banning of Firms

1.9.3.1. Grades of Debarment of Suppliers/Contractors/Consultants/Service providers

Registration of suppliers/contractors/consultants/service providers and their eligibility to participate in Procurement Entity's procurements is subject to compliance with Code of Integrity for Public Procurement and good performance in contracts. Following grades of debarment from registration and participation in Procuring Entity's procurements can be considered against delinquent bidders/suppliers/contractors/consultants/service providers.



1.9.3.2. Holiday Listing (Temporary Debarment - Suspension)

Whenever a supplier/contractor/consultant/service provider is found lacking in performance, in case of less frequent and less serious mis-demeanours, the supplier/contractor/consultant/ service provider may be put on a holiday listing (temporary debarment) for a period upto 12 (Twelve) months after following the debarment procedures mentioned in Manual for Procurement of Consultancy & Other Services -2017, issued by Ministry of Finance, Government of India.

1.9.3.3. Debarment

Whenever a supplier/contractor/consultant/service provider is found lacking in performance, in case of frequent and serious mis-demeanours, the supplier/contractor/consultant/ service provider may be put on debarment for a period between 1 to 2 years, as decided by the competent authority after following the debarment procedures mentioned in Manual for Procurement of Consultancy & Other Services -2017, issued by Ministry of Finance, Government of India.

1.10. Commissions and Fees

At the time of execution of this Contract, the Consultants shall disclose any commissions or fees that may have been paid or are agreed to be paid to agents, representatives, or commission agents with respect to the selection process or execution of the contract. The information disclosed must include at least the name and address of the agent, representative, or commission agent, the amount and currency, and the purpose of the commission or fee.

2. COMMENCEMENT, COMPLETION, MODIFICATION AND TERMINATION OF CONTRACT

- 2.1. Effectiveness of Contract:** This Contract shall come into force and effect on the date (the "Effective Date") of the "Employer's notice to the Consultant instructing the Consultant to begin carrying out the Services. This notice shall confirm that the conditions precedent and effectiveness conditions, if any, listed in the SC have been met.
- 2.2. Termination of Contract for Failure to Become Effective:** If this Contract has not become effective within such time period after the date of the Contract signed by the Parties as specified in the SC, either Party may, by not less than twenty one (21) days written notice to the other Party, declare this Contract to be null and void, and in the event of such a declaration by either Party, neither Party shall have any claim against the other Party with respect hereto.
- 2.3. Commencement of Services:** The Consultant shall begin carrying out the Services not later than the number of days after the Effective Date specified in the SC.
- 2.4. Expiration of Contract:** Unless terminated earlier pursuant to Clause GC 2.9 hereof, this Contract shall expire at the end of such time period after the Effective Date as specified in the SC.
- 2.5. Entire Agreement:** This Contract contains all covenants, stipulations and provisions agreed by the Parties. No agent or representative of either Party has authority to make, and the Parties shall not be bound by or be liable for, any other statement, representation, promise or agreement not set forth herein. In cases of substantial modifications or variations, the prior written consent of the Employer is required.
- 2.6. Modifications or Variations:** Any modification or variation of the terms and conditions of this Contract, including any modification or variation of the scope of the Services, may only be made by written agreement between the Parties. Pursuant to Clause GC 7.2 hereof,



however, each Party shall give due consideration to any proposals for modification or variation made by the other Party.

2.7. Force Majeure

2.7.1. Definition

- a. For the purposes of this Contract, "Force Majeure" means an event which is beyond the reasonable control of a Party, is not foreseeable, is unavoidable and not brought about by or at the instance of the Party claiming to be affected by such events and which has caused the non-performance or delay in performance, and which makes a Party's performance of its obligations hereunder impossible or so impractical as reasonably to be considered impossible in the circumstances, and includes, but is not limited to, war, riots, civil disorder, pandemics, earthquake, fire, explosion, storm, flood or other extreme adverse weather conditions, strikes, lockouts or other industrial action (except where such strikes, lockouts or other industrial action are within the power of the Party invoking Force Majeure to prevent), confiscation or any other action by Government agencies.
- b. Force Majeure shall not include (i) any event which is caused by the negligence or intentional action of a Party or by or of such Party's Sub-Consultants or agents or employees, nor (ii) any event which a diligent Party could reasonably have been expected both to take into account at the time of the conclusion of this Contract, and avoid or overcome in the carrying out of its obligations hereunder.
- c. Subject to clause 2.7.2, Force Majeure shall not include insufficiency of funds or inability to make any payment required hereunder.

2.7.2. No Breach of Contract: The failure of a Party to fulfill any of its obligations hereunder shall not be considered to be a breach of, or default under, this Contract insofar as such inability arises from an event of Force Majeure, provided that the Party affected by such an event has taken all reasonable precautions, due care and reasonable alternative measures, all with the objective of carrying out the terms and conditions of this Contract.

2.7.3. Measures to be Taken:

- a. A Party affected by an event of Force Majeure shall continue to perform its obligations under the Contract as far as is reasonably practical, and shall take all reasonable measures to minimize the consequences of any event of Force Majeure.
- b. A Party affected by an event of Force Majeure shall notify the other Party of such event as soon as possible, and in any case not later than fourteen (14) days following the occurrence of such event, providing evidence of the nature and cause of such event, and shall similarly give written notice of the restoration of normal conditions as soon as possible.
- c. Any period within which a Party shall, pursuant to this Contract, complete any action or task, shall be extended for a period equal to the time during which such Party was unable to perform such action as a result of Force Majeure.
- d. During the period of their inability to perform the Services as a result of an event of Force Majeure, the Consultant, upon instructions by the "Employer", shall either:
 - i. demobilize; or
 - ii. continue with the Services to the extent possible, in which case the Consultant shall continue to be paid proportionately and on pro-rata basis, under the terms of this Contract.
- e. In the case of disagreement between the Parties as to the existence or extent of Force Majeure, the matter shall be settled according to Clause GC 8.

2.8. Suspension: The "Employer" may, by written notice of suspension to the Consultant, suspend all payments to the Consultant hereunder if the Consultant fails to perform any of its obligations under this Contract, including the carrying out of the Services, provided that such notice of suspension (i) shall specify the nature of the failure, and (ii) shall allow



Consultant to remedy such failure, if capable of being remedied, within a period not exceeding thirty (30) days after receipt by the Consultant of such notice of suspension.

2.9. Termination

2.9.1. **By the "Employer":** The "Employer" may terminate this Contract in case of the occurrence of any of the events specified in paragraphs (a) through (h) of this Clause GC 2.9.1

- a. If the Consultant fails to remedy a failure in the performance of its obligations hereunder, as specified in a notice of suspension pursuant to Clause GC 2.8 hereinabove, within thirty (30) days of receipt of such notice of suspension or within such further period as the "Employer" may have subsequently approved in writing.
- b. If the Consultant becomes (or, if the Consultant consists of more than one entity, if any of its Members becomes and which has substantial bearing on providing Services under this contract) insolvent or go into liquidation or receivership whether compulsory or voluntary.
- c. If the Consultant fails to comply with any final decision reached as a result of arbitration proceedings pursuant to Clause GC 8 hereof.
- d. If the Consultant, in the judgment of the "Employer", has engaged in corrupt or fraudulent practices in competing for or in executing this Contract.
- e. If the Consultant submits to the "Employer" a false statement which has a material effect on the rights, obligations or interests of the "Employer".
- f. If the Consultant places itself in position of conflict of interest or fails to disclose promptly any conflict of interest to the Employer.
- g. If the consultant fails to provide the quality services as envisaged under this Contract. The Contract Monitoring Committee (CMC) or any such other committee formulated to monitor the progress of the assignment may make judgment regarding the poor quality of services, the reasons for which shall be recorded in writing. The CMC or such other committee may decide to give one chance to the consultant to improve the quality of the services.
- h. If, as the result of Force Majeure, the Consultant is unable to perform a material portion of the Services for a period of not less than sixty (60) days.
- i. If the "Employer", in its sole discretion and for any reason whatsoever, decides to terminate this Contract.

In such an occurrence the "Employer" shall give a not less than thirty (30) days' written notice of termination to the Consultants, and sixty (60) days' in case of the event referred to in (h).

2.9.2. **By the Consultant:** The Consultant may terminate this Contract, by not less than thirty (30) days' written notice to the "Employer", in case of the occurrence of any of the events specified in paragraphs (a) through (d) of this Clause GC 2.9.2.

- a. If the "Employer" fails to pay any money due to the Consultant pursuant to this Contract and not subject to dispute pursuant to Clause GC 8 hereof within forty-five (45) days after receiving written notice from the Consultant that such payment is overdue.
- b. If, as the result of Force Majeure, the Consultant is unable to perform a material portion of the Services for a period of not less than sixty (60) days.
- c. If the "Employer" fails to comply with any final decision reached as a result of arbitration pursuant to Clause GC 8 hereof.
- d. If the "Employer" is in material breach of its obligations pursuant to this Contract and has not remedied the same within forty-five (45) days (or such longer period as the Consultant may have subsequently approved in writing) following the receipt by the "Employer" of the Consultant's notice specifying such breach.



2.9.3. **Cessation of Rights and Obligations:** Upon termination of this Contract pursuant to Clauses GC 2.2 or GC 2.9 hereof, or upon expiration of this Contract pursuant to Clause GC 2.4 hereof, all rights and obligations of the Parties hereunder shall cease, except

- a. such rights and obligations as may have accrued on the date of termination or expiration,
- b. the obligation of confidentiality set forth in Clause GC 3.3 hereof,
- c. the Consultant's obligation to permit inspection, copying and auditing of their accounts and records set forth in Clause GC 3.5 hereof, and
- d. any right which a Party may have under the Law.

2.9.4. **Cessation of Services:** Upon termination of this Contract by notice of either Party to the other pursuant to Clauses GC 2.9.1 or GC 2.9.2 hereof, the Consultant shall, immediately upon dispatch or receipt of such notice, take all necessary steps to bring the Services to a close in a prompt and orderly manner and shall make every reasonable effort to keep expenditures for this purpose to a minimum. With respect to documents prepared by the Consultant and equipment and materials furnished by the "Employer", the Consultant shall proceed as provided, respectively, by Clauses GC 3.8 or GC 3.9 hereof.

2.9.5. **Payment upon Termination:** Upon termination of this Contract pursuant to Clauses GC 2.9.1 or GC 2.9.2 hereof, the "Employer" shall make the following payments to the Consultant:

- a. If the Contract is terminated pursuant to Clause 2.9.1 (h), (i) or 2.9.2, remuneration pursuant to Clause GC 6.3(h).
 - i. hereof for Services satisfactorily performed prior to the effective date of termination, and reimbursable expenditures pursuant to Clause GC 6.3(h).
 - ii. hereof for expenditures actually and reasonably incurred prior to the effective date of termination;
- b. If the agreement is terminated pursuant of Clause 2.9.1 (a) to (g), the consultant shall not be entitled to receive any agreed payments upon termination of the contract. However, the "Employer" may consider to make payment for the part satisfactorily performed on the basis of Quantum Merit as assessed by it, if such part is of economic utility to the Employer. Applicable Under such circumstances, upon termination, the client may also impose liquidated damages as per the provisions of Clause 9 of this agreement. The consultant will be required to pay any such liquidated damages to client within 30 days of termination date.

2.9.6. **Disputes about Events of Termination:** If either Party disputes whether an event specified in paragraphs (a) through (g) of Clause GC 2.9.1 or in Clause GC 2.9.2 hereof has occurred, such Party may, within forty-five (30) days after receipt of notice of termination from the other Party, refer the matter to Clause GC 8 hereof, and this Contract shall not be terminated on account of such event except in accordance with the terms of any resulting arbitral award.

3. OBLIGATIONS OF THE CONSULTANT

3.1. General



3.1.1. **Standard of Performance:** The Consultant shall perform the Services and carry out their obligations hereunder with all due diligence, efficiency and economy, in accordance with generally accepted professional standards and practices, and shall observe sound management practices, and employ appropriate technology and safe and effective equipment, machinery, materials and methods. The Consultant shall always act, in respect of any matter relating to this Contract or to the Services, as faithful adviser to the "Employer", and shall at all times support and safeguard the "Employer's legitimate interests in any dealings with Sub-Consultants or Third Parties.

3.2. Conflict of Interests: The Consultant shall hold the "Employer's interests paramount, without any consideration for future work, and strictly avoid conflict of interest with other assignments or their own corporate interests. If during the period of this contract, a conflict of interest arises for any reasons, the Consultant shall promptly disclose the same to the Employer and seek its instructions.

3.2.1. Consultant not to benefit from Commissions, Discounts, etc.:

- a. The payment of the Consultant pursuant to Clause GC 6 hereof shall constitute the Consultant's only payment in connection with this Contract and, subject to Clause GC 3.2.2 hereof, the Consultant shall not accept for its own benefit any trade commission, discount or similar payment in connection with activities pursuant to this Contract or in the discharge of its obligations hereunder, and the Consultant shall use its best efforts to ensure that any Sub-Consultants, as well as the Personnel and agents of either of them, similarly shall not receive any such additional payment.
- b. Furthermore, if the Consultant, as part of the Services, has the responsibility of advising the "Employer" on the procurement of goods, works or services, the Consultant shall comply with the Employer's applicable procurement guidelines, and shall at all times exercise such responsibility in the best interest of the "Employer". Any discounts or commissions obtained by the Consultant in the exercise of such procurement responsibility shall be for the account of the "Employer".

3.2.2. **Consultant and Affiliates Not to Engage in Certain Activities:** The Consultant agrees that, during the term of this Contract and after its termination, the Consultant and any entity affiliated with the Consultant, as well as any Sub-Consultants and any entity affiliated with such Sub-Consultants, shall be disqualified from providing goods, works or services (other than consulting services) resulting from or directly related to the Consultant's Services for the preparation or implementation of the project.

3.2.3. **Prohibition of Conflicting Activities:** The Consultant shall not engage, and shall cause their Personnel as well as their Sub-Consultants and their Personnel not to engage, either directly or indirectly, in any business or professional activities that would conflict with the activities assigned to them under this Contract.

3.3. Confidentiality: Except with the prior written consent of the "Employer", the Consultant and the Personnel shall not at any time communicate to any person or entity any confidential information acquired in the course of the Services, nor shall the Consultant and its Personnel make public the recommendations formulated in the course of, or as a result of, the Services. If the data is misused, necessary action shall be initiated as per the provision of the Law.

3.4. Insurance to be Taken out by the Consultant: The Consultant (i) shall take out and maintain, and shall cause any Sub-Consultants to take out and maintain insurance



(or the Sub-Consultants', as the case may be) own cost but on terms and conditions approved by the "Employer", insurance against the risks, and for the coverages specified in the SC, and (ii) at the "Employer's request, shall provide evidence to the "Employer" showing that such insurance has been taken out and maintained and that the current premiums therefore have been paid.

3.5. Accounting, Inspection and Auditing: The Consultant

- a. shall keep accurate and systematic accounts and records in respect of the Services hereunder, in accordance with internationally accepted accounting principles and in such form and detail as will clearly identify all relevant time changes and costs, and the bases thereof, and
- b. shall periodically permit the "Employer" or its designated representative and/or the Employer, and up to five years from expiration or termination of this Contract, to inspect the same and make copies thereof as well as to have them audited by auditors appointed by the "Employer" or the Employer, if so required by the "Employer" or the Employer as the case may be. The Consultant shall submit UC as per the format specified in the GFR, and shall also submit an statement of expenditure duly audited by the statutory auditor of the consultant, and any other documents required, to the Employer for the release of payments as per the instalments defined later in this document.

3.6. Consultant's Actions Requiring "Employer's Prior Approval: The Consultant shall obtain the "Employer's prior approval in writing before taking any of the following actions:

- a. Any change or addition to the Personnel listed submitted for the project.
- b. Subcontracts: The Consultant may subcontract work relating to the Services to an extent and with such experts and entities as may be approved in advance by the "Employer". Notwithstanding such approval, the Consultant shall always retain full responsibility for the Services. In the event that any Sub-Consultants are found by the "Employer" to be incompetent or incapable or undesirable in discharging assigned duties, the "Employer" may request the Consultant to provide a replacement, with qualifications and experience acceptable to the "Employer", or to resume the performance of the Services itself.

3.7. Reporting Obligations: The Consultant shall submit to the "Employer" the reports and documents specified in the deliverables in the numbers and within the time periods set forth in the said Appendixes A and D.

3.8. Documents Prepared by the Consultant to be the Property of the "Employer": All plans, drawings, specifications, designs, reports, other documents and software prepared by the Consultant for the "Employer" under this Contract shall become and remain the property of the "Employer", and the Consultant shall, not later than upon termination or expiration of this Contract, deliver all such documents to the "Employer", together with a detailed inventory thereof. The Consultant may retain a copy of such documents, but shall not use anywhere, without taking permission, in writing, from the Employer and the Employer reserves right to grant or deny any such request. If license agreements are necessary or appropriate between the Consultant and third parties for purposes of development of any such computer programs, the Consultant shall obtain the "Employer's prior written approval to such agreements, and the "Employer" shall be entitled at its discretion to require recovering the expenses related to the development of the program(s) concerned.

3.9. Equipment, Vehicles and Materials Furnished by the "Employer": Equipment, vehicles and materials made available to the Consultant by the "Employer", or purchased by the Consultant wholly or partly with funds provided by the "Employer", shall be the property of the "Employer" and shall be marked accordingly. Upon termination or



expiration of this Contract, the Consultant shall make available to the "Employer" an inventory of such equipment, vehicles and materials and shall dispose of such equipment and materials in accordance with the "Employer's instructions. While in possession of such equipment, vehicles and materials, the Consultant, unless otherwise instructed by the "Employer" in writing, shall insure them at the expense of the "Employer" in an amount equal to their full replacement value.

- 3.10. Equipment and Materials Provided by the Consultants:** Equipment or materials brought into the Government's country by the Consultant and the Personnel and used either for the Project or personal use shall remain the property of the Consultant or the Personnel concerned, as applicable.

4. CONSULTANTS' PERSONNEL AND SUB-CONSULTANTS

- 4.1. General:** The Consultant shall employ and provide such qualified and experienced personnel and Sub-Consultants as are required to carry out the Services.

4.2. Description of Personnel:

- a. The title, agreed job description, minimum qualification and estimated period of engagement in the carrying out of the Services of each of the Consultant's Key Personnel are as per the consultant's proposal. If any of the Key Personnel has already been approved by the "Employer", his/her name is listed as well.
- b. If required to- comply with the provisions of Clause GC 3.1.1 hereof, adjustments with respect to the estimated periods of engagement of Key Personnel may be made by the Consultant by written notice to the "Employer", provided
 - i. that such adjustments shall not alter the originally estimated period of engagement of any individual by more than 10% or one week, whichever is larger, and
 - ii. that the aggregate of such adjustments shall not cause payments under this Contract to exceed the ceilings set forth in Clause GC 6.1(b) of this Contract. Any other such adjustments shall only be made with the "Employer's written approval.
- c. If additional work is required beyond the scope of the Services specified in Appendix A, the estimated periods of engagement of Key Personnel may be increased by agreement in writing between the "Employer" and the Consultant. In case where payments under this Contract exceed the ceilings set forth in Clause GC 6.1(b) of this Contract, this will be explicitly mentioned in the agreement.

- 4.3. Approval of Personnel:** The Key Personnel and Sub-Consultants listed by title as well as by name are hereby approved by the "Employer". In respect of other Personnel which the Consultant proposes to use in the carrying out of the Services, the Consultant shall submit to the "Employer" for review and approval a copy of their Curricula Vitae (CVs). If the "Employer" does not object in writing (stating the reasons for the objection) within twenty-one (21) days from the date of receipt of such CVs, such Personnel shall be deemed to have been approved by the "Employer".

4.4. Removal and/or Replacement of Personnel:

- 4.4.1.** Except as the "Employer" may otherwise agree, no changes shall be made in the Personnel. If, for any reason beyond the reasonable control of the Consultant, such as retirement, death, medical incapacity, among others, it becomes necessary to replace



any of the Personnel, the Consultant shall forthwith provide as a replacement a person of equivalent or better qualifications.

4.4.2. If the "Employer"

- a. finds that any of the Personnel has committed serious misconduct or has been charged with having committed a criminal action, or
- b. has reasonable cause to be dissatisfied with the performance of any of the Personnel, then the Consultant shall, at the "Employer's" written request specifying the grounds therefore, forthwith provide as a replacement a person with qualifications and experience acceptable to the "Employer".

4.4.3. Any of the Personnel provided as a replacement under Clauses (a) and (b) above, as well as any reimbursable expenditures (including expenditures due to the number of eligible dependents) the Consultants may wish to claim as a result of such replacement, shall be subject to the prior written approval by the "Employer". The rate of remuneration applicable to a replacement person will be the rate of remuneration paid to the replacement person. Also

- a. the Consultant shall bear all additional travel and other costs arising out of or incidental to any removal and/or replacement, and
- b. the remuneration to be paid for any of the Personnel provided as a replacement shall not exceed the remuneration which would have been payable to the Personnel replaced.

4.5. Resident Project Manager: If required by the SC, the Consultant shall ensure that at all times during the Consultant's performance of the Services a resident project manager, acceptable to the "Employer", shall take charge of the performance of such Services.

5. OBLIGATIONS OF THE "EMPLOYER"

5.1. Assistance and Exemptions: Unless otherwise specified in the SC, the "Employer" shall use its best efforts to ensure that the Government shall:

- a. Provide the Consultant, Sub-Consultants and Personnel with work permits and such other documents as shall be necessary to enable the Consultant, Sub-Consultants or Personnel to perform the Services.
- b. Issue to officials, agents and representatives of the Government all such instructions as may be necessary or appropriate for the prompt and effective implementation of the Services.
- c. Provide to the Consultant, Sub-Consultants and Personnel any such other assistance as may be specified in the SC.

5.2. Change in the Applicable Law Related to Taxes and Duties: If, after the date of this Contract, there is any change in the Applicable Laws of India with respect to taxes and duties, which are directly payable by the consultant for providing the services i.e. service tax or any such applicable tax from time to time, which increases or decreases the cost incurred by the Consultant in performing the Services, then the remuneration and reimbursable expenses otherwise payable to the Consultant under this Contract shall be increased or decreased accordingly by agreement between the Parties hereto, and corresponding adjustments shall be made to the ceiling amounts specified in Clause GC 6.1(b).

5.3. Services, Facilities and Property of the "Employer":

- a. The "Employer" shall make available to the Consultant and its Personnel, for the purposes of the Services and free of any charge, the services, facilities and property described in Appendix E at the times and in the manner specified in said Appendix E.
- b. In case that such services, facilities and property shall not be made available to the Consultant as and when specified in Appendix E, the Parties shall agree on



any time extension that it may be appropriate to grant to the Consultant for the performance of the Services.

5.4. Payment: In consideration of the Services performed by the Consultant under this Contract, the "Employer" shall make to the Consultant such payments and in such manner as is provided by Clause GC 6 of this Contract.

5.5. Counterpart Personnel:

- a. If necessary, the "Employer" shall make available to the Consultant free of charge such professional and support counterpart personnel, to be nominated by the "Employer" with the Consultant's advice, if specified in Appendix E.
- b. Professional and support counterpart personnel, excluding "Employer's liaison personnel, shall work under the exclusive direction of the Consultant. If any member of the counterpart personnel fails to perform adequately any work assigned to such member by the Consultant that is consistent with the position occupied by such member, the Consultant may request the replacement of such member, and the "Employer" shall not unreasonably refuse to act upon such request.

6. PAYMENTS TO THE CONSULTANT

6.1. Total Cost of the Services

- a. The total cost of the Services payable is set forth in Appendix B as per the consultant's proposal to the Employer and as negotiated thereafter.
- b. Except as may be otherwise agreed under Clause GC 2.6 and subject to Clause GC 6.1(c), payments under this Contract shall not exceed the amount specified in Appendix-B.
- c. Notwithstanding Clause GC 6.1(b) hereof, if pursuant to any of the Clauses GC 4.2 (c) or 5.2 hereof, the Parties shall agree that additional payments shall be made to the Consultant in order to cover any necessary additional expenditures not envisaged in the cost estimates referred to in Clause GC 6.1(a) above, the ceiling or ceilings, as the case may be, set forth in Clause GC 6.1(b) above shall be increased by the amount or amounts, as the case may be, of any such additional payments.
- d. All payments shall be on reimbursement basis except the Administrative and Institutional overheads (AIO) and consultancy fee, which shall be on Percentage basis for the Direct expenses actually incurred. The consultant shall provide a UC to the MoRD as per the format defined in the GFR.

6.2. Currency of Payment: All payments shall be made in Indian Rupees [In case the payment is to be made in the currency other than Indian Rupees, the same shall be mentioned instead of Indian Rupees]

6.3. Terms of Payment: The payments in respect of the Services shall be made as follows:

- a. The consultant shall submit the invoice for payment when the payment is due as per the agreed terms. The payment shall be released as per the work related milestones achieved and as per the specified percentage as per SC 12
- b. Once a milestone is completed, the consultant shall submit the requisite deliverables as specified in this Contract. The Employer shall release the requisite payment upon acceptance of the deliverables. However, if the Employer fails to intimate acceptance of the deliverables or its objections thereto, within 30 days of receipt of it, the Employer shall release the payment to the consultant without further delay.
- c. Final Payment: The final payment as specified in SC 12 shall be made only after the final report and a final statement, identified as such, shall have been submitted by the Consultant and approved as satisfactory by the "Employer". The Services shall be deemed completed and finally accepted by the "Employer" and the final report and final statement shall be deemed approved by the "Employer" as satisfactory ninety (90) calendar days after receipt of the final



report and final statement by the "Employer" unless the "Employer", within such ninety (90) day period, gives written notice to the Consultant specifying in detail deficiencies in the Services, the final report or final statement. The Consultant shall thereupon promptly make any necessary corrections, and thereafter the foregoing process shall be repeated. Any amount, which the "Employer" has paid or caused to be paid in accordance with this Clause in excess of the amounts actually payable in accordance with the provisions of this Contract, shall be reimbursed by the Consultant to the "Employer" within thirty (30) days after receipt by the Consultant of notice thereof. Any such claim by the "Employer" for reimbursement must be made within twelve (12) calendar months after receipt by the "Employer" of a final report and a final statement approved by the "Employer" in accordance with the above.

- d. For the purpose of payment under Clause 6.3 (b) above, acceptance means; acceptance of the deliverables by the Employer after submission by the consultant and the consultant has made a presentation to the CMC / Employer, with / without modifications to be communicated in writing by the Employer to the consultant.
- e. If the deliverables submitted by the consultant are not acceptable to the Employer / CMC, reasons for such non-acceptance should be recorded in writing; the Employer shall not release the payment due to the consultant. This is without prejudicing the Employer's right to levy any liquidated damages under clause 9. In such case, the payment will be released to the consultant only after it re-submits the deliverable and which is accepted by the Employer.
- f. All payments under this Contract shall be made to the bank account of the Consultant specified in the SC 14.
- g. With the exception of the final payment under (c) above, payments do not constitute acceptance of the Services nor relieve the Consultant of any obligations hereunder, unless the acceptance has been communicated by the Employer to the consultant in writing and the consultant has made necessary changes as per the comments / suggestions of the Employer communicated to the Consultant.
- h. In case of early termination of the contract, the payment shall be made to the consultant as mentioned here with:
 - i. Assessment should be made about work done from the previous milestone, for which the payment is made or to be made till the date of the termination. The consultant shall provide the details of persons reasonably worked during this period with supporting documents. Based on such details, the remuneration shall be calculated based on the man month rate as specified.
 - ii. A reasonable assessment of the reimbursable and miscellaneous expenses shall be made based on details furnished by the consultant in this regard with supporting documents and based on the assessment of the work done and the respective rates as provided. Wherever such an assessment is difficult, the rates should be arrived at by calculating the amount on pro-rata basis.

The total amount payable shall be the amount calculated as per (i) and (ii) above plus any applicable tax.

7. FAIRNESS AND GOOD FAITH

7.1. Good Faith: The Parties undertake to act in good faith with respect to each other's rights under this Contract and to adopt all reasonable measures to ensure the realization of the objectives of this Contract.

7.2. Operation of the Contract: The Parties recognize that it is impractical in this Contract to provide for every contingency which may arise during the life of the Contract, and the Parties hereby agree that it is their intention that this Contract shall operate fairly as between them, and without detriment to the interest of either of them, and that, if during



the term of this Contract either Party believes that this Contract is operating unfairly, the Parties will use their best efforts to agree on such action as may be necessary to remove the cause or causes of such unfairness, but no failure to agree on any action pursuant to this Clause shall give rise to a dispute subject to arbitration in accordance with Clause GC 8 hereof.

8. SETTLEMENT OF DISPUTES

8.1. Amicable Settlement: Performance of the contract is governed by the terms & conditions of the contract, in case any dispute arises between the parties regarding any matter under the contract, either Party of the contract may send a written Notice of Dispute to the other party. The Party receiving the Notice of Dispute will consider the Notice and respond to it in writing within 30 days after receipt. If that party fails to respond within 30 days, or the dispute cannot be amicably settled within 60 days following the response of that party, clause GC 8.2 shall become applicable.

8.2. Arbitration: In the case of dispute arising upon or in relation to or in connection with the contract between the Employer and the Consultant, which has not been settled amicably, any party can refer the dispute for Arbitration under (Indian) Arbitration and Conciliation Act, 1996. Such disputes shall be referred to an Arbitral Tribunal consisting of 3 (three) arbitrators, one each to be appointed by the Employer and the Consultant, the third arbitrator shall be chosen by the two arbitrators so appointed by the parties and shall act as Presiding Arbitrator. In case of failure of the two arbitrators, appointed by the parties to reach a consensus regarding the appointment of the third arbitrator within a period of 30 days from the date of appointment of the two arbitrators, the Presiding arbitrator shall be appointed by the Secretary of the Ministry / Department. The Arbitration and Conciliation Act, 1996 and any statutory modification or re-enactment thereof, shall apply to these arbitration proceedings.

8.3. Location of Arbitration proceedings: The Arbitration proceedings shall be held in India at the place indicated in SC and the language of the arbitration proceedings and that of all documents and communications between the parties shall be English.

8.4. Decision of arbitration: The decision of the majority of arbitrators shall be final and binding upon both parties. The expenses of the arbitrators as determined by the arbitrators shall be shared equally by the Employer and the Consultant. However, the expenses incurred by each party in connection with the preparation, presentation shall be borne by the party itself. All arbitration awards shall be in writing and shall state the reasons for the award.

9. Liquidated Damages

9.1. The parties hereby agree that due to negligence of act of the consultant, if the other party suffers losses and damages, the quantification of which may be difficult, and hence the amount specified hereunder shall be construed as reasonable estimate of the damages and the consultant agree to pay such liquidated damages to MORD, as defined hereunder as per the provisions of this Contract.

9.2. The amount of liquidated damages under this Contract shall not exceed 10% of the value of the payments made for professional charges payable to the consultant under contract at the given time as specified in Section B1 of Appendix B.

9.3. The liquidated damages shall be applicable under following circumstances:



9.4. If the deliverables are not submitted as per schedule as specified in SC 12, or as modified by the Employer in writing, the Consultant shall be liable to pay 1% of the total cost of the professional charges payable to the consultant under contract at the given time as specified in Section B1 of appendix B, for delay of each fortnight or part thereof.

9.5. If the deliverables are not acceptable to the Employer as mentioned in Clause 6.3 (e), and defects are not rectified to the satisfaction of the Employer within 30 days of the receipt of the notice, the Consultant shall be liable for Liquidated Damages for an amount equal to 1 % of total cost of the professional charges payable to the consultant under contract at the given time as specified in Section B1 of appendix B, for every fortnight or part thereof for the delay.

10. Miscellaneous provisions:

10.1. "Nothing contained in this Contract shall be construed as establishing or creating between the Parties, a relationship of master and servant or principal and agent.

10.2. Any failure or delay on the part of any Party to exercise right or power under this Contract shall not operate as waiver thereof.

10.3. The Contractor/Consultant shall notify the Employer/ the Government of India of any material change in their status, in particular, where such change would impact on performance of obligations under this Contract.

10.4. Each member/constituent of the Contractor/Consultant, in case of a consortium, shall be jointly and severally liable to and responsible for all obligations towards the Employer/Government for performance of works/services including that of its Associates/Sub Contractors under the Contract.

10.5. The Contractor/Consultant shall at all times indemnify and keep indemnified the Employer/Government of India against all claims/damages etc. for any infringement of any Intellectual Property Rights (IPR) while providing its services under the Project.

10.6. The Contractor/Consultant shall at all times indemnify and keep indemnified the Employer/Government of India against any claims in respect of any damages or compensation payable in consequences of any accident or injury sustained or suffered by its (the Contractor's/Consultant's) employees or agents or by any other third Party resulting from or by any action, omission or operation conducted by or on behalf of the Contractor/Consultant.

10.7. The Contractor/ Consultant shall at all times indemnify and keep indemnified the Employer/Government of India against any and all claims by Employees, Workman, Contractors, sub-contractors, suppliers, agent(s), employed engaged or otherwise working for the Contractor, in respect of wages, salaries, remuneration, compensation or the like.

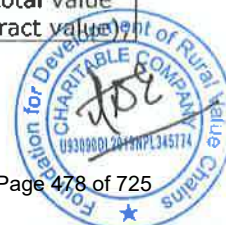
10.8. All claims regarding indemnity shall survive the termination or expiry of the Contract.

10.9. It is acknowledged and agreed by all Parties that there is no representation of any type, implied or otherwise, of any absorption, regularization, continued engagement or concession or preference for employment of persons engaged by the (Contractor/Consultant) for any engagement, service or employment in any capacity in any office or establishment of the Government of India or the Employer.



III. Special Conditions of Contract:

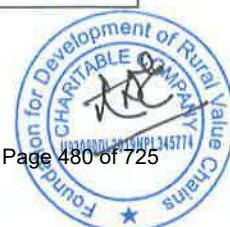
| SC Clause | Ref. of GC Clause | Amendments of, and Supplements to, Clauses in the General Conditions of Contract |
|-----------|-------------------|---|
| 1. | 1.5 | <p>The addresses are:</p> <p>1. "Employer": Ministry of Rural Development, Department of Rural Development</p> <p>Attention: Joint Secretary (RL) Address: Ministry of Rural Development, Department of Rural Development, Rural Livelihoods Division 7th Floor, NDCC_II Building, Jai Singh Road, New Delhi Phone: 011-23438012 Email: js-skills@ddugky.gov.in</p> <p>2. Consultant: Foundation for Development Rural Value Chains (FDRVC), New Delhi</p> <p>Attention: Mr. Alok De, CEO Address: D-58, Janakpuri Institutional Area, Janakpuri, ND-110058 Email: alok@fdrvc.in Phone:</p> |
| 2. | 1.7 | <p>The Authorized Representatives are:</p> <p>For the "Employer": Director (RL)</p> <p>For the Consultant: Mr. Alok De, CEO</p> |
| 3.. | 2.1 | <p>The effectiveness conditions are the following: The contract will be effective from the date of signing the contract by both the parties.</p> |
| 4. | 2.2 | <p>Termination of Contract for Failure to Become Effective:</p> <p>The time period shall be one month from the date of signing the contract.</p> |
| 5. | 2.3 | <p>Commencement of Services:</p> <p>The time period shall be 15 days from the date of signing the contract.</p> |
| 6. | 2.4 | <p>Expiration of Contract:</p> <p>The time period shall be 36 months from the date of signing the contract.</p> |
| 7. | 9 | <p>Agency is expected to meet the service levels & time lines in the normal course of carrying out the activities as per the detailed Scope of Work. If the delay is of 10 weeks then the contract would be cancelled. In case of unjustified delay in completion of tasks/ un acceptable quality of deliverables, MORD reserves the right to levy penalties on the agency up to 10% of section B1 of the contract value. Subject to following conditions:</p> <p>a. Delay in completion of the assignment with in the stipulated time - For each fortnight of delay in the submission of final deliverables, one percent of the professional charges payable to FDRVC (Section B1 of the contract value) shall be deducted as penalty subject to maximum of 10% of the total value of professional charges payable to FDRVC (Section B1 of the contract value)</p> |



| SC Clause | Ref. of GC Clause | Amendments of, and Supplements to, Clauses in the General Conditions of Contract | | | | | | | | | | | | | | | | | | | | | |
|-----------|---|--|---|--------------------------|---------------------|---|---|--------|----|---|--------|----|--------------------------|-------|----|----------------|--------|----|---------------------------|-------|---|----------------------|-------|
| | | <p>b. If the quality of deliverables are not acceptable and the consultant is not in a position to deliver the deliverables in the acceptable form, MORD may impose a penalty of a maximum of 10% of the of the total value of professional charges payable to FDRVC (Section B1 of the contract value).</p> <p>However, the total penalty should not be more than 10% of the total of the total value of professional charges payable to FDRVC (Section B1 of the contract value).</p> | | | | | | | | | | | | | | | | | | | | | |
| 8. | 3.3 | <p>Limitation of the Consultants' Liability towards the "Employer"</p> <p>1.The Consultants' liability should simply be governed by the Applicable Laws of India.</p> | | | | | | | | | | | | | | | | | | | | | |
| 9. | 3.4 | <p>The risks and the insurance coverage shall be as follows:</p> <p>(a).Third Party motor vehicle liability insurance in respect of motor vehicles operated in the Government's country by the Consultant or its Personnel or any Sub-Consultants or their Personnel, with a minimum coverage of [INR]; 10 lakhs</p> <p>(b).Workers' compensation insurance in respect of the Personnel of the Consultant and of any Sub-Consultants, in accordance with the relevant provisions of the Applicable Laws of India, as well as, with respect to such Personnel, any such life, health, accident, travel or other insurance as may be appropriate; and</p> <p>(c). Insurance against loss of or damage to</p> <ol style="list-style-type: none"> Equipment and goods for sale, purchased in whole or in part with funds provided under this Contract, the Consultant's property used in the performance of the Services, and any documents prepared by the Consultant in the performance of the Services, <p>by theft, fire or any natural calamity.</p> | | | | | | | | | | | | | | | | | | | | | |
| 10 | 3.7 | <p>All proprietary rights in Deliverables specifically created for Client under this Contract remain with the Client. The Consultant shall not use the deliverables specially made for the purpose of this assignment in any form, and other related document for the purposes unrelated to this Contract.</p> | | | | | | | | | | | | | | | | | | | | | |
| 11 | 6.1 (b) | <p>The ceiling of total contract price is Rs 5,38,47,000/-</p> <table border="1"> <thead> <tr> <th>#</th> <th>SARAS Gallery O&M Budget</th> <th>Total (in Rs Lakhs)</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>Store Operating Budget (Reimbursable costs)</td> <td>480.87</td> </tr> <tr> <td>A1</td> <td>Working Capital for procurement of goods to be sold</td> <td>121.67</td> </tr> <tr> <td>A2</td> <td>Store Operating Expenses</td> <td>10.92</td> </tr> <tr> <td>A3</td> <td>Staff Salaries</td> <td>306.28</td> </tr> <tr> <td>A4</td> <td>Store Marketing/Promotion</td> <td>42.00</td> </tr> <tr> <td>B</td> <td>Professional Charges</td> <td>57.60</td> </tr> </tbody> </table> | # | SARAS Gallery O&M Budget | Total (in Rs Lakhs) | A | Store Operating Budget (Reimbursable costs) | 480.87 | A1 | Working Capital for procurement of goods to be sold | 121.67 | A2 | Store Operating Expenses | 10.92 | A3 | Staff Salaries | 306.28 | A4 | Store Marketing/Promotion | 42.00 | B | Professional Charges | 57.60 |
| # | SARAS Gallery O&M Budget | Total (in Rs Lakhs) | | | | | | | | | | | | | | | | | | | | | |
| A | Store Operating Budget (Reimbursable costs) | 480.87 | | | | | | | | | | | | | | | | | | | | | |
| A1 | Working Capital for procurement of goods to be sold | 121.67 | | | | | | | | | | | | | | | | | | | | | |
| A2 | Store Operating Expenses | 10.92 | | | | | | | | | | | | | | | | | | | | | |
| A3 | Staff Salaries | 306.28 | | | | | | | | | | | | | | | | | | | | | |
| A4 | Store Marketing/Promotion | 42.00 | | | | | | | | | | | | | | | | | | | | | |
| B | Professional Charges | 57.60 | | | | | | | | | | | | | | | | | | | | | |



| SC Clause | Ref. of GC Clause | Amendments of, and Supplements to, Clauses in the General Conditions of Contract | | | | | | | | | | | | | | | | | | | | | | | | | | |
|------------|---|---|--|--------|------------|------------|-------------|-------------------------|---|---|--|-------|---|---|---|-------|---|---|---|-------|---|---|---|-------|---|---|---|-------|
| | | B1 | FDRVC Professional Fee | 57.60 | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | Total Budget for SARAS Gallery (A+B) excl. GST | 538.47 | | | | | | | | | | | | | | | | | | | | | | | | |
| | | <p>Currently no GST is applicable on the reimbursable component. The GST will be paid extra on the applicable items (Professional charges) at the prevailing rate.</p> <p>Reimbursable cost would be reimbursed on actual expenses incurred supported by evidence/receipts/certification (where receipts are not available).</p> | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12 | 6.3 and 9.4 | <p>The payment to the Consultant will be paid under the following budgets heads as per the following manner:</p> <p>Store Operating Budget- The amount paid as reimbursement to the Consultant for undertaking expenses towards undertaking management & operations of the SARAS Gallery Store, including pre-operative expenses. The payment to Consultant under this budget head will be released in 4 instalments every year as under:</p> <p>1st instalment: 25% of the budget for the year shall be released as an advance.</p> <p>Subsequent instalments 25% of the budget for the year based on a UC for 75% of the cumulative release done till then.</p> <table border="1"> <thead> <tr> <th>Instalment</th> <th>Particular</th> <th>Eligibility</th> <th>Amount (in INR Lakh)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>25 % of Store Operating Budget for Year 1</td> <td>On signing of Contract and on submission of indemnity bond for the advance amount.</td> <td>50.71</td> </tr> <tr> <td>2</td> <td>25 % of Store Operating Budget for Year 1</td> <td>75% utilisation of cumulative funds released so far on submission of UC</td> <td>50.71</td> </tr> <tr> <td>3</td> <td>25 % of Store Operating Budget for Year 1</td> <td>75% utilisation of cumulative funds released so far on submission of UC</td> <td>50.71</td> </tr> <tr> <td>4</td> <td>25 % of Store Operating Budget for Year 1</td> <td>75% utilisation of cumulative funds released so far on submission of UC</td> <td>50.71</td> </tr> <tr> <td>5</td> <td>25 % of Store Operating Budget for Year 2 – 1st Quarter</td> <td>75% utilisation of cumulative funds released so far on submission of UC</td> <td>33.55</td> </tr> </tbody> </table> | | | Instalment | Particular | Eligibility | Amount (in INR Lakh) | 1 | 25 % of Store Operating Budget for Year 1 | On signing of Contract and on submission of indemnity bond for the advance amount. | 50.71 | 2 | 25 % of Store Operating Budget for Year 1 | 75% utilisation of cumulative funds released so far on submission of UC | 50.71 | 3 | 25 % of Store Operating Budget for Year 1 | 75% utilisation of cumulative funds released so far on submission of UC | 50.71 | 4 | 25 % of Store Operating Budget for Year 1 | 75% utilisation of cumulative funds released so far on submission of UC | 50.71 | 5 | 25 % of Store Operating Budget for Year 2 – 1st Quarter | 75% utilisation of cumulative funds released so far on submission of UC | 33.55 |
| Instalment | Particular | Eligibility | Amount (in INR Lakh) | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | 25 % of Store Operating Budget for Year 1 | On signing of Contract and on submission of indemnity bond for the advance amount. | 50.71 | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | 25 % of Store Operating Budget for Year 1 | 75% utilisation of cumulative funds released so far on submission of UC | 50.71 | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | 25 % of Store Operating Budget for Year 1 | 75% utilisation of cumulative funds released so far on submission of UC | 50.71 | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | 25 % of Store Operating Budget for Year 1 | 75% utilisation of cumulative funds released so far on submission of UC | 50.71 | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | 25 % of Store Operating Budget for Year 2 – 1st Quarter | 75% utilisation of cumulative funds released so far on submission of UC | 33.55 | | | | | | | | | | | | | | | | | | | | | | | | | |



| SC Clause | Ref. of GC Clause | Amendments of, and Supplements to, Clauses in the General Conditions of Contract | | | |
|---|-------------------|--|---|---|---------------|
| | | 6 | 25 % of Store Operating Budget for Year 2 – 2nd Quarter | 75% utilisation of cumulative funds released so far on submission of UC | 33.55 |
| | | 7 | 25 % of Store Operating Budget for Year 2 – 3rd Quarter | 75% utilisation of cumulative funds released so far on submission of UC | 33.55 |
| | | 8 | 25 % of Store Operating Budget for Year 2 – 4th Quarter | 75% utilisation of cumulative funds released so far on submission of UC | 33.55 |
| | | 9 | 25 % of Store Operating Budget for Year 3 – 1st Quarter | 75% utilisation of cumulative funds released so far on submission of UC | 35.96 |
| | | 10 | 25 % of Store Operating Budget for Year 3 – 2nd Quarter | 75% utilisation of cumulative funds released so far on submission of UC | 35.96 |
| | | 11 | 25 % of Store Operating Budget for Year 3 – 3rd Quarter | 75% utilisation of cumulative funds released so far on submission of UC | 35.96 |
| | | 12 | 25 % of Store Operating Budget for Year 3 – 4th Quarter | 75% utilisation of cumulative funds released so far on submission of UC | 35.96 |
| | | Total | | | 480.87 |
| <p>These amounts are on reimbursement of actual expenditure incurred basis, and are the maximum amount that can be paid. All releases for the 1st instalment onwards, would be made subject to the actual expenses incurred in the previous release. Estimates of the 2nd release would be made based on the actual expenditure incurred or planned to be incurred. Working capital release in the 2nd year would be based on the recommendation of the Contract Management Committee.</p> <p>Currently, no GST is payable on reimbursements. In case in future, GST becomes applicable, then the same will be paid extra on the applicable items at the prevailing rate.</p> <p>Payment, from 2nd instalment onwards, should be made only on submission of UC and Statement of Expenditure and other supporting documents as required as per the terms of and this contract, as per the GFR.</p> <p>Professional Charges- The professional charges would be released to the Consultant for providing technical support for implementation of the project at the rate of Rs 1.60 lakhs per month (exclusive of all applicable taxes).</p> <p>The above-mentioned professional charges would comprise of a fixed component of</p> | | | | | |



| SC Clause | Ref. of GC Clause | Amendments of, and Supplements to, Clauses in the General Conditions of Contract |
|-----------|-------------------|--|
| | | <p>80% of Rs 1.6 lakhs per month (exclusive of all applicable taxes); and rest 20% of Rs 1.6 lakhs per month (exclusive of all applicable taxes) would be variable- dependent on achievement of proposed sales target and other KPIs and milestones as defined by the Contract Management Committee.</p> <p>The release of payment shall be done in the following pattern-</p> <p>Fixed Component (80%): The professional charges to Consultant would be paid bi-annually i.e. cumulative payment of 6 months of fixed professional charges amounting to Rs 7.68 lakhs (exclusive of all applicable taxes), paid in advance on submission of invoice.</p> <p>Variable Component (20%): The professional charges to Consultant would be paid annually, dependent on achievement of proposed annual sales target and other KPIs and milestones as defined by the CMC, i.e. cumulative payment of 12 months of variable professional charges amounting to Rs 3.84 lakhs (exclusive of all applicable taxes), payable on submission of invoice and a statement of achievement of agreed deliverables.</p> <p>GST as applicable will be paid extra on the applicable items at the prevailing rate.</p> <p>Payment should be made only on receipt and acceptance of the deliverables as detailed above and on submission of invoice as required as per the terms of and this contract.</p> <p>If the deliverables are not acceptable to the client, no payment shall be made. Further, based on the recommendation of the Review Committee, the MORD shall invoke penalty at any stage if the quality of the deliverable are found to be not acceptable to MORD.</p> |
| 13 | 8.3 | <p>The Arbitration proceedings shall take place in New Delhi, India. The Courts of jurisdiction of New Delhi only shall have the Jurisdiction to decide any dispute.</p> |

Binding signature of Employer Signed by



(for and on behalf of the President of India) **वेद प्रताप सिंह / RAGHVENDRA PRATAP SINGH**

निदेशक / Director

[Mr. Raghvendra Pratap Singh, Director,
Department of Rural Development, Ministry of Rural Development,
Government of India]

भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / M/o Rural Development
कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi

Binding signature of Contractor Signed by

Foundation for Development of Rural Value Chains



Authorised Signatory



(for and on behalf of Foundation for Development Rural Value Chains, New Delhi duly authorized vide Resolution No. of Foundation for Development Rural Value Chains, New Delhi)

In the presence of
(Witnesses)

R.S. REKHI (R.S. REKHI)

SAURABH DEY (SAURABH DEY)

APPENDICES

VINOD KUMAR (VINOD KUMAR, US)

ANUPAM SARKAR (ANUPAM SARKAR)

APPENDIX A – DESCRIPTION OF SERVICES

The scope of the work/services of the Consultant is limited to operating & managing a single store- the fully renovated SARAS Gallery at Rajiv Gandhi Bhawan, Baba Kharak Singh Marg, New Delhi for a duration of 3 years.

The key areas of support & services to be provided by the Consultant for the effective O&M of the SARAS Gallery Store at Rajiv Gandhi Bhawan in New Delhi is as follows:

1. Market & Consumer Trend Assessment for the SARAS Store
2. Merchandising Mix & Category Planning for SARAS Store
3. Selection of sellers- SHGs & PEs
4. Procurement of goods from SHG & PEs
5. Development of Standard Operating Procedure (SOPs) for Store O&M
6. Human Resource Recruitment & Deployment for Store Operations
7. Sales of the Stock & Inventory
8. Promotion and marketing for SARAS Store
9. Sharing of the separate accounts maintained for the operations and management of the Saras Gallery with the Employer
10. Sharing business KPIs and participating in monthly review meetings with the designated Contract Management committee / team set up for the monitoring of this activity by the Employer.

| Phasing | Key Activities | Duration | Timeline |
|--------------------------------------|---|------------|--|
| <i>Signing of Agreement (T)</i> | | | |
| Pre-Operational Phase | - HR Recruitment (Core Team: Concept Owner, Store Manager) | 2 months | 1 month prior to 2 months from agreement signing |
| | - Market Trend Analysis for SARAS Gallery store - Development of SOPs for SARAS Gallery Store O&M - Merchandize Planning - Selection of SHG/PE sellers & product selection as per merchandise plan | 1.5 months | 1 month prior to 2 months from agreement signing |
| <i>Store Handover to FDRVC (T+2)</i> | | | |
| Operational Phase | - Store Merchandise Sourcing - Store Readiness & Product Racking | 1 month | On or Before 3 months from agreement signing |
| | - HR Recruitment (Ops Team: Category & Sales Teams) - Store Operation Roll Out - Marketing, Campaigns & Promotions | 33 months | On or before 3 rd months onwards |



| | | | |
|--|---------------------|--|--|
| | - Them-based Events | | |
|--|---------------------|--|--|

Estimated Sales targets for the Saras gallery are as under :

| | Yr 1 | Yr 2 | Yr 3 | Total FDRVC proposal | Change Y3 vs Y2 |
|----------------------|-------|--------|--------|----------------------|-----------------|
| Annual Sales targets | 60.00 | 241.50 | 289.80 | 591.30 | 20% |

**APPENDIX B – Cost of the Project
SUMMARY COST OF THE PROJECT**

| # | SARAS Gallery O&M Budget | Y1 | Y2 | Y3 | Total (in Rs Lakhs) |
|----------|---|---------------|---------------|---------------|---------------------|
| A | Store Operating Budget (Reimbursements) | 202.83 | 134.22 | 143.83 | 480.87 |
| A1 | Working Capital for procurement of goods to be sold | 92.00 | 13.80 | 15.87 | 121.67 |
| A2 | Store Operating Expenses | 3.30 | 3.63 | 3.99 | 10.92 |
| A3 | Staff Salaries | 92.53 | 101.79 | 111.96 | 306.28 |
| A4 | Store Marketing/Promotion | 15.00 | 15.00 | 12.00 | 42.00 |
| | | | | | |
| B | Professional Charges * | 19.20 | 19.20 | 19.20 | 57.60 |
| B1 | FDRVC Professional Fee | 19.20 | 19.20 | 19.20 | 57.60 |
| | | | | | |
| | Total Budget for SARAS Gallery (A+B) | 222.03 | 153.42 | 163.03 | 538.47 |

Currently no GST is applicable on the reimbursable component. GST will be paid extra on the applicable items (Professional charges) at the prevailing rate.

20% of the professional charges are variable based on achievement of the KPIs The above-mentioned professional charges would comprise of a fixed component of 80% of Rs 1.6 lakhs per month (exclusive of all applicable taxes); and rest 20% of Rs 1.6 lakhs per month (exclusive of all applicable taxes) would be variable- dependent on achievement of proposed sales target and other KPIs and milestones as defined by the Contract Management Committee.

Minimum Sales targets for the 2nd year of store operations: Rs.241.58 lakhs
Minimum Sales targets for the 3rd year of store operations : Rs. 289.80 lakhs



APPENDIX C - DUTIES OF THE "EMPLOYER"

Services to be provided by the Client

1. The MoRD would continuously supervise the assignment and facilitate any support needed.

Contract Monitoring Committee to Monitor Consultant's Works

The Mission Director -NRLM or an Officer designated by her shall be responsible for reviewing and monitoring the progress of the consultant's work and the deliverables. The Mission Director may also constitute a Contract Monitoring committee to monitor the progress of the work for achievement of project deliverables and hold consultations with the consultant. The Mission Director or his nominee will act as the Chairperson of such a committee which could include external experts nominated by him. The committee may also seek comments and inputs on the consultant's work from the domain experts at MoRD. The Mission Director may convene meetings of the review committee at occasional intervals and seek its opinion and comments on the deliverables of the consultant and forward all such comments to the consultants for appropriate changes in the work. This committee shall review the sales and other parameters (KPIs and milestones) of the gallery at least on quarterly basis, but should ideally review on a monthly basis.

The KPIs for assessment of the management of the Saras Gallery

- 1 Sales vs targets
- 2 Stock aging - % of stocks > 6 months old
- 3 Stock cover - No. of days of sale equivalent stocks and stock aging
- 4 % Discount offered
- 5 % shrinkage (damage/expired/Customer shrink)
- 6 Adequate staff deployed vs budget
- 7 Timely payments to SHG's for sold goods / purchases - monthly reporting
- 8 Approval of event calendar at the beginning of the financial year
- 9 Organisation of events as per the event calendar
- 10 Sharing monthly sales MIS by the 10th of the subsequent month
- 11 Sharing list of adherence to statutory compliances every month
- 12 Quarterly No. of new suppliers added /supplier list rationalised
- 13 Any other as defined by the Contract Management Committee

2. Store Inauguration Cost: The cost of organizing an inaugural event for the renovated SARAS Gallery Store shall be borne by MoRD directly, and is not part of the cost of project

3. Store Operating Expenses: The expenses towards rent for the SARAS Gallery Store premises (leased from O/o. DC Handicrafts), water and electricity expenses shall be paid directly MoRD, and is not part of the cost of project

4. Cost of Theme-based Events: The cost of organizing theme-based events such as exhibitions, pop-up stalls, buyer seller meets, workshops, seminars, demonstrations, etc. to increase the traction and footfall to the store shall be directly borne by MoRD, and is not part of the cost of project

5. Applicable Taxes: Any GST shall be paid extra as per prevailing rates by MoRD in addition over the cost of the project mentioned above, and is not part of the cost of project



APPENDIX D - DUTIES OF THE CONSULTANT

The agency is required to complete the assignment as per the proposal submitted.

The consultant shall ensure that all the accounts for the management of the Saras Gallery shall be maintained separately and these accounts (unaudited and audited) shall be transparently share on a periodic basis, and whenever asked for, with the "Employer".



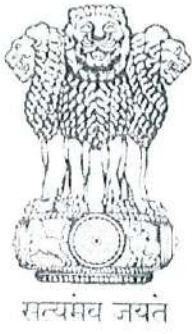
APPENDIX E- PREMISES TO BE PROVIDED TO THE CONSULTANT

The Ministry of Rural Development (MoRD) shall hand over the fully-renovated SARAS Gallery Store & equipped with complete branding to the Consultant (FDRVC) for operationalizing, including the following-

- Renovation costs including annual white-washing of the Store premises
- Major repair works as required
- Utility items required for storage purpose
- Hardware and Software required for running the retail operations such as POS m/c, computers, bar-coding, retail ERP/ accounting software's, etc.
- Equipment required for security of the store such as CCTV, etc.



MoU with Foundation for Development of Rural
Value Chains (FDRVC) - eSaras.in Operations and
Management
5/7/2022



INDIA NON JUDICIAL

Government of National Capital Territory of Delhi

e-Stamp

| | |
|---------------------------|--|
| Certificate No. | : IN-DL55441313379858U |
| Certificate Issued Date | : 04-Jul-2022 03:52 PM |
| Account Reference | : IMPACC (IV)/ dl943303/ DELHI/ DL-DLH |
| Unique Doc. Reference | : SUBIN-DL94330394147794388509U |
| Purchased by | : FOUNDATION FOR DEVELOPMENT OF RURAL VALUE CHAINS |
| Description of Document | : Article 5 General Agreement |
| Property Description | : Not Applicable |
| Consideration Price (Rs.) | : 0 (Zero) |
| First Party | : DIRECTOR MINISTRY OF RURAL DEVELOPMENT |
| Second Party | : FOUNDATION FOR DEVELOPMENT OF RURAL VALUE CHAINS |
| Stamp Duty Paid By | : FOUNDATION FOR DEVELOPMENT OF RURAL VALUE CHAINS |
| Stamp Duty Amount(Rs.) | : 100 (One Hundred only) |



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This e-Stamp paper is part and parcel of the Contract attached herewith signed between the president of India through Director, Ministry of Rural Development and Foundation for Development of Rural Value chains.


 राघवेंद्र प्रताप सिंह / RAGHVENDRA PRATAP SINGH
 निदेशक/Director
 भारत सरकार / Government of India
 ग्रामीण विकास मंत्रालय / Mo Rural Development
 कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi

Foundation for Development of Rural Value Chains


 Authorised Signatory

Memorandum of Understanding (MoU)

This MoU is entered into at Delhi on 5th Day of July Two Thousand and Twenty-Two

Between

Department of Rural Development, Ministry of Rural Development

and

Foundation for Development of Rural Value Chains

This MoU (hereinafter called the "MoU") is made on the 5th day of the month of July 2022, between the President of India acting through Director, **Department of Rural Development, Ministry of Rural Development, Government of India**, 7th Floor, NDCC-II Building, Jai Singh Road, New Delhi -110001 (hereinafter called the "Client"), of the First Part and, **Foundation for Development of Rural Value Chains**, {D-58, Janakpuri Institutional Area, Pankha Road, Janakpuri-110058) (hereinafter called the "Implementing Agency") of the Second Part.

WHEREAS

- a. the Implementing Agency, having represented to the "Client" that they have the required professional skills, personnel and technical resources, have offered to provide services for operations and maintenance of e-Commerce Portal of Ministry of Rural Development.
- b.
- c. the "Client" has accepted the offer of the Implementing Agency to provide the services on the terms and conditions set forth in this MoU.

NOW, THEREFORE, IT IS HEREBY AGREED between the parties as follows:

1. The following documents attached hereto shall be deemed to form an integral part of this MoU:

2.

Page 1 of 48

राघवेंद्र प्रताप सिंह / RAAGHVENNDRA PF ATAP SINGH
 निदेशक, Director
 भारत सरकार / Government of India
 ग्रामीण विकास मंत्रालय / M/o Rural Development
 कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi

DAY-NRLM Non-Farm Livelihoods: Guidelines & MoUs-April 2024



Compendium Page 490 of 725

- a. The General Conditions of MoU;
- b. The Special Conditions of MoU;
- c. The following Appendices:

Appendix A: Description of Services

Appendix B: Cost Estimates

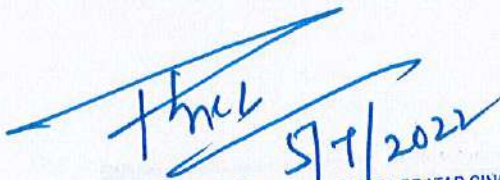
Appendix C: Duties of the Client



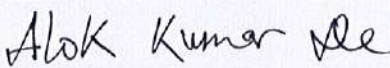

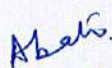

Appendix D: Indemnity Bond

2. The mutual rights and obligations of the Client and the Implementing Agency shall be as set forth in the MoU, in particular:

- a. the Implementing Agency shall carry out and complete the Services in accordance with the provisions of the MoU; and
- b. the Client shall make payments to the Implementing Agency in accordance with the provisions of the MoU.

IN WITNESS WHEREOF, the Parties hereto have caused this MoU to be signed in their respective names as of the day and year first above written.

| | |
|--|--|
| | Signed by – |
| | 1. For and on behalf of the President of India |
| |  राघवेंद्र प्रताप सिंह / RAGHVENDRA PRATAP SINGH Director, Department of Rural Development, Ministry of Rural Development, Government of India कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi |
| | [Authorized Representative] |

| | |
|---|---|
| <p>In presence of (Witnesses)</p> <p>(i)</p> <p>(ii)</p> | <p> Rajeev K Sinha NMM -NFL-NRLM.</p> <hr/> <p> Anand Pr. Srivastava NFL-NRLM</p> <p>2. For and on behalf of Foundation for Development of Rural Value Chains</p> <p>[Alok De, Chief Executive Officer]</p> <p>[Authorized Representative]</p> <p> Alok Kumar De</p> <hr/> <p></p> |
| <p>In presence of (Witnesses)</p> <p>(i)</p> <p>(ii)</p> | <p> ANUPAM BATRA SENIOR MANAGER, FDRVC</p> <hr/> <p> BIPIN BIHARI CO-LEAD FDRVC</p> |

General Conditions of MoU

1. GENERAL PROVISIONS

1.1. Definitions: Unless the context otherwise requires, the following terms whenever used in this MoU have the following meanings:

- a. "Applicable Law" means the laws and any other instruments having the force of law in India for the time being.
- b. "Implementing Agency" means any private or public entity that will provide the Services to the "Client" under the MoU.
- c. "MoU" means the MoU signed by the Parties and all the attached documents listed in its Clause 1 that is this General Conditions (GC), the Special Conditions (SC), and the Appendices.
- d. "Day" means calendar day.
- e. "Effective Date" means the date on which this MoU comes into force and effect pursuant to Clause GC 2.1.
- f. "Foreign Currency" means any currency other than the currency of the 'Client's' country.
- g. "GC" means these General Conditions of MoU.
- h. "Government" means the Government of India
- i. "Local Currency" means Indian Rupees.
- j. "Member" means any of the entities that make up the joint venture/consortium/association; and "Members" means all these entities.
- k. "Party" means the "Client" or the Implementing Agency, as the case may be, and "Parties" means both of them.
- l. "Personnel" means professionals and support staff provided by the Implementing Agency or by any Sub-Contractors and assigned to perform the Services or any part thereof; "Foreign Personnel" means such professionals and support staff who at the time of being so provided had their domicile outside the Government's country; "Local Personnel" means such professionals and



shall be deemed to have been given or made when delivered in person to an authorized representative of the Party to whom the communication is addressed, or when sent by registered post to such Party at the address specified in the SC.

1.5.2. A Party may change its address for notice hereunder by giving the other Party notice in writing of such change to the address specified in the SC.

1.6. Location: The Services shall be performed at such locations as are specified in Appendix A hereto and, where the location of a particular task is not so specified, at such locations, as the "Client" may approve.

1.7. Authorized Representatives: Any action required or permitted to be taken, and any document required or permitted to be executed under this MoU by the "Client" or the Implementing Agency may be taken or executed by the officials specified in the SC.

1.8. Taxes and Duties: The Implementing Agency, Sub-Contractors and Personnel shall be liable to pay such direct and indirect taxes, duties, fees and other impositions levied under the applicable laws of India.

1.9. Fraud and Corruption

1.9.1. Definitions: It is the Client's policy to require that Clients as well as Implementing Agency observe the highest standard of ethics during the execution of the MoU. In pursuance of this policy, the Client defines, for the purpose of this provision, the terms set forth below as follows:

- a. "Corrupt practice" means the offering, receiving, or soliciting, directly or indirectly, of anything of value to influence the action of a public official in the selection process or in MoU execution;
- b. "Fraudulent practice" means a misrepresentation or omission of facts in order to influence a selection process or the execution of a MoU;

- c. "Collusive practices" means a scheme or arrangement between two or more Implementing Agency, with or without the knowledge of the Client, designed to establish prices at artificial, non-competitive levels;
- d. "Coercive practices" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in a procurement process, or affect the execution of a MoU;

1.9.2. Measures to be taken by the Client

- a. The Client may terminate the MoU if it determines at any time that representatives of the Implementing Agency were engaged in corrupt, fraudulent, collusive or coercive practices during the selection process or the execution of that MoU, without the Implementing Agency having taken timely and appropriate action satisfactory to the Client to remedy the situation;
- b. The Client may also sanction against the Implementing Agency, including declaring the Implementing Agency ineligible, either indefinitely or for a stated period of time, to be awarded a project if it at any time determines that the Implementing Agency has, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for, or in executing, a client-financed project;

1.9.3. Banning of Firms

1.9.3.1. Grades of Debarment of Implementing Agency/Service providers

Registration of Implementing Agency/service providers and their eligibility to participate in Procurement Entity's procurements is subject to compliance with Code of Integrity for Public Procurement and good performance in MoU. Following grades of debarment from registration and participation in Procuring Entity's procurements can be considered against delinquent bidders/suppliers/contractors/Implementing Agency/service providers.



1.9.3.2. Holiday Listing (Temporary Debarment - Suspension)

Whenever an Implementing Agency/service provider is found lacking in performance, in case of less frequent and less serious misdemeanours, the Implementing Agency/ service provider may be put on a holiday listing (temporary debarment) for a period up to 12 (Twelve) months after following the debarment procedures mentioned in Manual for Procurement of Consultancy & Other Services -2017, issued by Ministry of Finance, Government of India.

1.9.3.3. Debarment

Whenever an Implementing Agency/service provider is found lacking in performance, in case of frequent and serious misdemeanour, the Implementing Agency/ service provider may be put on debarment for a period between 1 to 2 years, as decided by the competent authority after following the debarment procedures mentioned in Manual for Procurement of Consultancy & Other Services -2017, issued by Ministry of Finance, Government of India.

1.10. Commissions and Fees

At the time of execution of this MoU, the Implementing Agency shall disclose any commissions or fees that may have been paid or are agreed to be paid to agents, representatives, or commission agents with respect to the selection process or execution of the MoU. The information disclosed must include at least the name and address of the agent, representative, or commission agent, the amount and currency, and the purpose of the commission or fee.

2. COMMENCEMENT, COMPLETION, MODIFICATION AND TERMINATION OF MOU

2.1. Effectiveness of MoU: This MoU shall come into force and effect on the date (the "Effective Date") of the Client's notice to the Implementing Agency instructing the Implementing Agency to begin carrying out the Services. This notice shall confirm that



the conditions precedent and effectiveness conditions, if any, listed in the SC have been met.

2.2. Termination of MoU for Failure to Become Effective: If this MoU has not become effective within such time period after the date of the MoU signed by the Parties as specified in the SC, either Party may, by not less than twenty-one (21) days written notice to the other Party, declare this MoU to be null and void, and in the event of such a declaration by either Party, neither Party shall have any claim against the other Party with respect hereto.

2.3. Commencement of Services: The Implementing Agency shall begin carrying out the Services not later than the number of days after the Effective Date specified in the SC.

2.4. Expiration of MoU: Unless terminated earlier pursuant to Clause GC 2.9 hereof, this MoU shall expire at the end of such time period after the Effective Date as specified in the SC.

2.5. Entire Agreement: This MoU contains all covenants, stipulations and provisions agreed by the Parties. No agent or representative of either Party has authority to make, and the Parties shall not be bound by or be liable for, any other statement, representation, promise or agreement not set forth herein. In cases of substantial modifications or variations, the prior written consent of the Client is required.

2.6. Modifications or Variations: Any modification or variation of the terms and conditions of this MoU, including any modification or variation of the scope of the Services, may only be made by written agreement between the Parties. Pursuant to Clause GC 7.2 here of, however, each Party shall give due consideration to any proposals for modification or variation made by the other Party.



2.7. Force Majeure

2.7.1. Definition

- a. For the purposes of this MoU, "Force Majeure" means an event which is beyond the reasonable control of a Party, is not foreseeable, is unavoidable and not brought about by or at the instance of the Party claiming to be affected by such events and which has caused the non-performance or delay in performance, and which makes a Party's performance of its obligations hereunder impossible or so impractical as reasonably to be considered impossible in the circumstances, and includes, but is not limited to, war, riots, civil disorder, pandemics, earthquake, fire, explosion, storm, flood or other extreme adverse weather conditions, strikes, lockouts or other industrial action (except where such strikes, lockouts or other industrial action are within the power of the Party invoking Force Majeure to prevent), confiscation or any other action by Government agencies.
- b. Force Majeure shall not include (i) any event which is caused by the negligence or intentional action of a Party or by or of such Party's Sub-Contractors or agents or employees, nor (ii) any event which a diligent Party could reasonably have been expected both to take into account at the time of the conclusion of this MoU, and avoid or overcome in the carrying out of its obligations hereunder.
- c. Subject to clause 2.7.2, Force Majeure shall not include insufficiency of funds or inability to make any payment required hereunder.

2.7.2. No Breach of MoU: The failure of a Party to fulfil any of its obligations here under shall not be considered to be a breach of, or default under, this MoU insofar as such inability arises from an event of Force Majeure, provided that the Party affected by such an event has taken all reasonable precautions, due care and reasonable alternative measures, all with the objective of carrying out the terms and conditions of this MoU.

2.7.3. Measures to be taken:

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राधवेन्द्र प्रताप सिंह / RAGHVENDRA P. ATAP SINGH
 निदेशक / Director
 भारत सरकार / Government of India
 ग्रामीण विकास मंत्रालय / M/o Rural Development
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- a. A Party affected by an event of Force Majeure shall continue to perform its obligations under the MoU as far as is reasonably practical, and shall take all reasonable measures to minimize the consequences of any event of Force Majeure.
- b. A Party affected by an event of Force Majeure shall notify the other Party of such event as soon as possible, and in any case not later than fourteen (14) days following the occurrence of such event, providing evidence of the nature and cause of such event, and shall similarly give written notice of the restoration of normal conditions as soon as possible.
- c. Any period within which a Party shall, pursuant to this MoU, complete any action or task, shall be extended for a period equal to the time during which such Party was unable to perform such action as a result of Force Majeure.
- d. During the period of their inability to perform the Services as a result of an event of Force Majeure, the Implementing Agency, upon instructions by the "Client", shall either:
 - i. demobilize; or
 - ii. continue with the Services to the extent possible, in which case the Implementing Agency shall continue to be paid proportionately and on pro-rata basis, under the terms of this MoU.
- e. In the case of disagreement between the Parties as to the existence or extent of Force Majeure, the matter shall be settled according to Clause GC 8.

2.8. Suspension: The "Client" may, by written notice of suspension to the Implementing Agency, suspend all payments to the Implementing Agency hereunder if the Implementing Agency fails to perform any of its obligations under this MoU, including the carrying out of the Services, provided that such notice of suspension (i) shall specify the nature of the failure, and (ii) shall allow the Implementing Agency to remedy such failure, if capable of being remedied, within a period not exceeding thirty (30) days after receipt by the Implementing Agency of such notice of suspension.

2.9. Termination

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राघवेंद्र प्रताप सिंह / RAGHVENDRA PRATAP SINGH

प्रशासनिक निदेशक / Director

भारत सरकार / Government of India

ग्रामीण विकास मंत्रालय / M/o Rural Development

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2.9.1. **By the "Client"**: The "Client" may terminate this MoU in case of the occurrence of any of the events specified in paragraphs (a) through (h) of this Clause GC 2.9.1

- a. If the Implementing Agency fails to remedy a failure in the performance of its obligations hereunder, as specified in a notice of suspension pursuant to Clause GC 2.8 hereinabove, within thirty (30) days of receipt of such notice of suspension or within such further period as the "Client" may have subsequently approved in writing.
- b. If the Implementing Agency becomes (or, if the Implementing Agency consists of more than one entity, if any of its members becomes and which has substantial bearing on providing Services under this MoU) insolvent or go into liquidation or receivership whether compulsory or voluntary.
- c. If the Implementing Agency fails to comply with any final decision reached as a result of arbitration proceedings pursuant to Clause GC 8 hereof.
- d. If the Implementing Agency, in the judgment of the "Client", has engaged in corrupt or fraudulent practices in competing for or in executing this MoU.
- e. If the Implementing Agency submits to the "Client" a false statement which has a material effect on the rights, obligations or interests of the "Client".
- f. If the Implementing Agency places itself in position of conflict of interest or fails to disclose promptly any conflict of interest to the Client.
- g. If the Implementing Agency fails to provide the quality services as envisaged under this MoU. The MoU Monitoring Committee (CMC) or any such other committee formulated to monitor the progress of the assignment may make judgment regarding the poor quality of services, the reasons for which shall be recorded in writing. The CMC or such other committee may decide to give one chance to the Implementing Agency to improve the quality of the services.
- h. If, as the result of Force Majeure, the Implementing Agency is unable to perform a material portion of the Services for a period of not less than sixty (60) days.



- i. If the "Client", in its sole discretion and for any reason whatsoever, decides to terminate this MoU.

In such an occurrence the "Client" shall give a not less than thirty (30) days' written notice of termination to the Implementing Agency, and sixty (60) days in case of the event referred to in (h).

2.9.2. By the Implementing Agency: The Implementing Agency may terminate this MoU, by not less than thirty (30) days' written notice to the "Client", in case of the occurrence of any of the events specified in paragraphs (a) through (d) of this Clause GC 2.9.2.

- a. If the "Client" fails to pay any money due to the Implementing Agency pursuant to this MoU and not subject to dispute pursuant to Clause GC 8 hereof within forty-five (45) days after receiving written notice from the Implementing Agency that such payment is overdue.
- b. If, as the result of Force Majeure, the Implementing Agency is unable to perform a material portion of the Services for a period of not less than sixty (60) days.
- c. If the "Client" fails to comply with any final decision reached as a result of arbitration pursuant to Clause GC 8 hereof.
- d. If the "Client" is in material breach of its obligations pursuant to this MoU and has not remedied the same within forty-five (45) days (or such longer period as the Implementing Agency may have subsequently approved in writing) following the receipt by the "Client" of the Implementing Agency's notice specifying such breach.

2.9.3. Cessation of Rights and Obligations: Upon termination of this MoU pursuant to Clauses GC 2.2 or GC 2.9 hereof, or upon expiration of this MoU pursuant to Clause GC 2.4 hereof, all rights and obligations of the Parties hereunder shall cease, except:



- a. such rights and obligations as may have accrued on the date of termination or expiration,
- b. the obligation of confidentiality set forth in Clause GC 3.3 hereof,
- c. the Implementing Agency's obligation to permit inspection, copying and auditing of their accounts and records set forth in Clause GC 3.5 hereof, and
- d. any right which a Party may have under the Law.

2.9.4. **Cessation of Services:** Upon termination of this MoU by notice of either Party to the other pursuant to Clauses GC 2.9.1 or GC 2.9.2 hereof, the Implementing Agency shall, immediately upon dispatch or receipt of such notice, take all necessary steps to bring the Services to a close in a prompt and orderly manner and shall make every reasonable effort to keep expenditures for this purpose to a minimum. With respect to documents prepared by the Implementing Agency and equipment and materials furnished by the "Client", the Implementing Agency shall proceed as provided, respectively, by Clauses GC 3.8 or GC 3.9 hereof.

2.9.5. **Payment upon Termination:** Upon termination of this MoU pursuant to Clauses GC 2.9.1 or GC 2.9.2 hereof, the "Client" shall make the following payments to the Implementing Agency:

- a. If the MoU is terminated pursuant to Clause 2.9.1 (h), (i) or 2.9.2, remuneration pursuant to Clause GC 6.3:
 - i. hereof for Services satisfactorily performed prior to the effective date of termination and any other Costs Budgeted and due for payment
 - ii. hereof for expenditures actually and reasonably incurred prior to the effective date of termination;
- b. If the agreement is terminated pursuant of Clause 2.9.1 (a) to (g), the Implementing Agency shall not be entitled to receive any agreed payments upon termination of the MoU. However, the "Client" may consider to make payment for the part satisfactorily performed on the basis of Quantum Merit as assessed by it, if such part is of economic utility to the Client. Applicable Under such circumstances, upon termination, the client may also impose liquidated damages as per the provisions of



Clause 9 of this agreement. The Implementing Agency will be required to pay any such liquidated damages to client within 30 days of termination date.

2.9.6. Disputes about Events of Termination: If either Party disputes whether an event specified in paragraphs (a) through (g) of Clause GC 2.9.1 or in Clause GC 2.9.2 hereof has occurred, such Party may, within forty-five (30) days after receipt of notice of termination from the other Party, refer the matter to Clause GC 8 hereof, and this MoU shall not be terminated on account of such event except in accordance with the terms of any resulting arbitral award.

3. OBLIGATIONS OF THE IMPLEMENTING AGENCY

3.1. General

3.1.1. Standard of Performance: The Implementing Agency shall perform the Services and carry out their obligations hereunder with all due diligence, efficiency and economy, in accordance with generally accepted professional standards and practices, and shall observe sound management practices, and employ appropriate technology and safe and effective equipment, machinery, materials and methods. The Implementing Agency shall always act, in respect of any matter relating to this MoU or to the Services, as faithful adviser to the "Client", and shall at all times support and safeguard the "Client's legitimate interests in any dealings with Sub-Contractor or Third Parties.

3.2. Conflict of Interests: The Implementing Agency shall hold the "Client's interests paramount, without any consideration for future work, and strictly avoid conflict of interest with other assignments or their own corporate interests. If during the period of this MoU, a conflict of interest arises for any reasons, the Implementing Agency shall promptly disclose the same to the Client and seek its instructions.

3.2.1. Implementing Agency not to benefit from Commissions, Discounts, etc.:

- a. The payment of the Implementing Agency pursuant to Clause GC 6 hereof shall constitute the Implementing Agency's only payment in connection with this MoU and, subject to Clause GC 3.2.2 hereof, the Implementing Agency shall not accept for its own benefit any trade commission, discount or similar payment in connection with activities pursuant to this MoU or in the discharge of its obligations hereunder, and the Implementing Agency shall use its best efforts to ensure that any Sub-Contractors, as well as the Personnel and agents of either of them, similarly shall not receive any such additional payment.
- b. Furthermore, if the Implementing Agency, as part of the Services, has the responsibility of advising the "Client" on the procurement of goods, works or services, the Implementing Agency shall comply with the Client's applicable procurement guidelines, and shall at all times exercise such responsibility in the best interest of the "Client". Any discounts or commissions obtained by the Implementing Agency in the exercise of such procurement responsibility shall be for the account of the "Client".

3.2.2. **Implementing Agency and Affiliates Not to Engage in Certain Activities:** The Implementing Agency agrees that, during the term of this MoU and after its termination, the Implementing Agency and any entity affiliated with the Implementing Agency, as well as any Sub-Contractors and any entity affiliated with such Sub-Contractors, shall be disqualified from providing goods, works or services (other than consulting services) resulting from or directly related to the Implementing Agency's Services for the preparation or implementation of the project.

3.2.3. **Prohibition of Conflicting Activities:** The Implementing Agency shall not engage, and shall cause their Personnel as well as their Sub-Contractors and their Personnel not to engage, either directly or indirectly, in any business or professional activities that would conflict with the activities assigned to them under this MoU.

3.3. **Confidentiality:** Except with the prior written consent of the "Client", the Implementing Agency and the Personnel shall not at any time communicate to any

person or entity any confidential information acquired in the course of the Services, nor shall the Implementing Agency and its Personnel make public the recommendations formulated in the course of, or as a result of, the Services. If the data is misused, necessary action shall be initiated as per the provision of the Law.

3.4. Insurance to be Taken out by the Implementing Agency: The Implementing Agency (i) shall take out and maintain, and shall cause any Sub-Contractors to take out and maintain insurance, at their (or the Sub-Contractors', as the case may be) own cost but on terms and conditions approved by the "Client", insurance against the risks, and for the coverages specified in the SC, and (ii) at the "Client's request, shall provide evidence to the "Client" showing that such insurance has been taken out and maintained and that the current premiums therefore have been paid.

3.5. Accounting, Inspection and Auditing: The Implementing Agency

a. shall keep accurate and systematic accounts and records in respect of the Services hereunder, in accordance with internationally accepted accounting principles and in such form and detail as will clearly identify all relevant time changes and costs, and the bases thereof, and

b. shall periodically permit the "Client" or its designated representative and/or the Client, and up to five years from expiration or termination of this MoU, to inspect the same and make copies thereof as well as to have them audited by auditors appointed by the "Client" or the Client, if so, required by the "Client" or the Client as the case may be. The Implementing Agency shall submit UC as per the format specified in the GFR, and shall also submit a statement of expenditure duly audited by the statutory auditor of the Implementing Agency, and any other documents required, to the Client for the release of payments as per the instalments defined later in this document.

3.6. Implementing Agency's Actions Required in Situations:

a. The Implementing Agency shall obtain the "Client's prior approval in writing before any change or addition to the Personnel listed submitted for the project.

- b. **Sub-Contracts:** The Implementing Agency may Sub-Contract work relating to the Services and inform the Client as long as the overall responsibility and accountability for the assignment remaining with the Implementing Agency.

3.7. Reporting Obligations: The Implementing Agency shall submit to the “Client” the reports and documents specified in the deliverables in the numbers and within the time periods set forth in the said Appendix A.

3.8. Documents Prepared by the Implementing Agency to be the Property of the “Client”: All plans, drawings, specifications, designs, reports, other documents and software prepared by the Implementing Agency for the “Client” under this MoU shall become and remain the property of the “Client”, and the Implementing Agency shall, not later than upon termination or expiration of this MoU, deliver all such documents to the “Client”, together with a detailed inventory thereof. The Implementing Agency may retain a copy of such documents, but shall not use anywhere, without taking permission, in writing, from the Client and the Client reserves right to grant or deny any such request. If license agreements are necessary or appropriate between the Implementing Agency and third parties for purposes of development of any such computer programs, the Implementing Agency shall obtain the “Client’s prior written approval to such agreements, and the “Client” shall be entitled at its discretion to require recovering the expenses related to the development of the program(s) concerned.

3.9. Equipment, Vehicles and Materials Furnished by the “Client”: Equipment, vehicles and materials made available to the Implementing Agency by the “Client”, or purchased by the Implementing Agency wholly or partly with funds provided by the “Client”, shall be the property of the “Client” and shall be marked accordingly. Upon termination or expiration of this MoU, the Implementing Agency shall make available to the “Client” an inventory of such equipment, vehicles and materials and shall dispose of such equipment and materials in accordance with the “Client’s instructions. While in possession of such equipment, vehicles and materials, the Implementing Agency, unless otherwise instructed by the “Client” in writing, shall insure them at the expense of the “Client” in an amount equal to their full replacement value.

Insurance of all equipment's, Machineries, Furniture and Fixtures, Stock Purchased shall be provided by Client. All cost of Rentals/Maintenance/Housekeeping and other ancilliary costs shall be borne by Client.

3.10. Equipment and Materials Provided by the Implementing Agency: Equipment or materials brought into the Government's country by the Implementing Agency and the Personnel and used either for the Project or personal use shall remain the property of the Implementing Agency or the Personnel concerned, as applicable.

4. IMPLEMENTING AGENCY'S PERSONNEL AND SUB-CONTRACTORS

4.1. General: The Implementing Agency shall employ and provide such qualified and experienced personnel and Sub-Contractors as are required to carry out the Services.

4.2. Description of Personnel:

- a. The title, agreed job description, minimum qualification and estimated period of engagement in the carrying out of the Services of each of the Implementing Agency's Key Personnel are as per the Implementing Agency's proposal. If any of the Key Personnel has already been approved by the "Client", his/her name is listed as well.
- b. If required to- comply with the provisions of Clause GC 3.1.1 hereof, adjustments with respect to the estimated periods of engagement of Key Personnel may be made by the Implementing Agency by written notice to the "Client", provided
 - i. that such adjustments shall not alter the originally estimated period of engagement of any individual by more than 10% or one week, whichever is larger, and

- ii. that the aggregate of such adjustments shall not cause payments under this MoU to exceed the ceilings set forth in Clause GC 6.1(b) of this MoU. Any other such adjustments shall only be made with the "Client's written approval.
- c. If additional work is required beyond the scope of the Services specified in Appendix A, the estimated periods of engagement of Key Personnel may be increased by agreement in writing between the "Client" and the Implementing Agency. In case where payments under this MoU exceed the ceilings set forth in Clause GC 6.1(b) of this MoU, this will be explicitly mentioned in the agreement.

4.3. Approval of Personnel: The Key Personnel and Sub-Contractors listed by title as well as by name are hereby approved by the "Client". In respect of other Personnel which the Implementing Agency proposes to use in the carrying out of the Services, the Implementing Agency shall submit to the "Client" for review and approval a copy of their Curricula Vitae (CVs). If the "Client" does not object in writing (stating the reasons for the objection) within twenty-one (21) days from the date of receipt of such CVs, such Personnel shall be deemed to have been approved by the "Client".

4.4. Removal and/or Replacement of Personnel:

4.4.1. Except as the "Client" may otherwise agree, no changes shall be made in the Personnel. If, for any reason beyond the reasonable control of the Implementing Agency, such as retirement, death, medical incapacity, among others, it becomes necessary to replace any of the Personnel, the Implementing Agency shall forthwith provide as a replacement a person of equivalent or better qualifications.

4.4.2. If the "Client"

- a. finds that any of the Personnel has committed serious misconduct or has been charged with having committed a criminal action, or



- b. has reasonable cause to be dissatisfied with the performance of any of the Personnel, then the Implementing Agency shall, at the "Client's written request specifying the grounds therefore, forthwith provide as a replacement a person with qualifications and experience acceptable to the "Client".

4.4.3. Any of the Personnel provided as a replacement under Clauses (a) and (b) above, as well as any reimbursable expenditures (including expenditures due to the number of eligible dependents) the Implementing Agency may wish to claim as a result of such replacement, shall be subject to the prior written approval by the "Client". The rate of remuneration applicable to a replacement person will be the rate of remuneration paid to the replacement person. Also

- c. the Implementing Agency shall bear all additional travel and other costs arising out of or incidental to any removal and/or replacement, and
- d. the remuneration to be paid for any of the Personnel provided as a replacement shall not exceed the remuneration which would have been payable to the Personnel replaced.

4.5. Resident Project Manager: If required by the SC, the Implementing Agency shall ensure that at all times during the Implementing Agency's performance of the Services a resident project manager, acceptable to the "Client", shall take charge of the performance of such Services.

5. OBLIGATIONS OF THE "CLIENT"

5.1. Assistance and Exemptions: Unless otherwise specified in the SC, the "Client" shall use its best efforts to ensure that the Government shall:

- a. Provide the Implementing Agency, Sub-Contractors and Personnel with work permits and such other documents as shall be necessary to enable the Implementing Agency, Sub-Contractors or Personnel to perform the Services.

- b. Issue to officials, agents and representatives of the Government all such instructions as may be necessary or appropriate for the prompt and effective implementation of the Services.
- c. Provide to the Implementing Agency, Sub-Contractors and Personnel any such other assistance as may be specified in the SC.

5.2. Change in the Applicable Law Related to Taxes and Duties: If, after the date of this MoU, there is any change in the Applicable Laws of India with respect to taxes and duties, which are directly payable by the Implementing Agency for providing the services i.e. service tax or any such applicable tax from time to time, which increases or decreases the cost incurred by the Implementing Agency in performing the Services, then the remuneration and expenses otherwise payable to the Implementing Agency under this MoU shall be increased or decreased accordingly by agreement between the Parties hereto, and corresponding adjustments shall be made to the ceiling amounts specified in Clause GC 6.1(b).

5.3. Payment: In consideration of the Services performed by the Implementing Agency under this MoU, the "Client" shall make to the Implementing Agency such payments and in such manner as is provided by Clause GC 6 of this MoU.

5.4. Counterpart Personnel:

- a. If necessary, the "Client" shall make available to the Implementing Agency free of charge such professional and support counterpart personnel, to be nominated by the "Client" with the Implementing Agency's advice, if specified in this MoU.
- b. Professional and support counterpart personnel, excluding "Client's liaison personnel, shall work under the exclusive direction of the Implementing Agency. If any member of the counterpart personnel fails to perform adequately any work assigned to such member by the Implementing Agency that is consistent with the position occupied by such member, the Implementing Agency

Agency may request the replacement of such member, and the "Client" shall not unreasonably refuse to act upon such request.

6. PAYMENTS TO THE IMPLEMENTING AGENCY

6.1. Total Cost of the Services

- a. The total cost of the Services payable is set forth in Appendix B as per the Implementing Agency's proposal to the Client and as negotiated thereafter.
- b. Except as may be otherwise agreed under Clause GC 2.6 and subject to Clause GC 6.1(c), payments under this MoU shall not exceed the amount specified in Appendix-B.
- c. Notwithstanding Clause GC 6.1(b) hereof, if pursuant to any of the Clauses GC 4.2 (c) or 5.2 hereof, the Parties shall agree that additional payments shall be made to the Implementing Agency in order to cover any necessary additional expenditures not envisaged in the cost estimates referred to in Clause GC 6.1(a) above, the ceiling or ceilings, as the case may be, set forth in Clause GC 6.1(b) above shall be increased by the amount or amounts, as the case may be, of any such additional payments.
- d. The Implementing Agency shall provide a UC to the Client as per the format defined in the GFR.

6.2. Currency of Payment: All payments shall be made in Indian Rupees [In case the payment is to be made in the currency other than Indian Rupees, the same shall be mentioned instead of Indian Rupees]

6.3. Terms of Payment:

The Payment of Professional Fee (Budget head "F") shall be payable to Implementation Agency **bi-annually** i.e., cumulative payment for 6 months of the Professional charges amounting to Rs 3,46,789 (exclusive of applicable taxes) paid in advance on submission of Invoice.



6.4. Utilization of Funds

Client shall release the amount subject to satisfactory review of the performance by Contract Monitoring Committee as envisaged in **Appendix C** of this MoU.

a) Funds generated from the sales of the goods procured shall be used back by the Implementation Agency as rotational Working Capital Fund. The rotational working capital fund shall be calculated on the basis of Cost of Procurement from the Total Sales calculated at the point when the first Instalment has been utilized to an extent when the second Instalments stands due.

This fund shall be utilized by Implementation Agency for further procurement of Goods from SHGs.

b) The Profit Margin so generated from the sales of the procurement of products shall be utilized by Implementation Agency for Incentivising SHGs, Staff and meeting any other operational losses. The Profit from Sales of the goods pending utilization at the end of the Project period shall be returnable back to the Client.

c) Implementation Agency should deploy adequate/appropriate Accounting/Financial systems and Procedures and should Maintain proper books of accounts to track the expenditure.

d) Interest accrued on the fund should be reported to Client in the QPR and Fund Utilisation Certificate.

7. FAIRNESS AND GOOD FAITH

7.1. Good Faith: The Parties undertake to act in good faith with respect to each other's rights under this MoU and to adopt all reasonable measures to ensure the realization of the objectives of this MoU.

7.2. Operation of the MoU: The Parties recognize that it is impractical in this MoU to provide for every contingency which may arise during the life of the MoU, and the Parties hereby agree that it is their intention that this MoU shall operate fairly as between them, and without detriment to the interest of either of them, and that, if during the term of this MoU either Party believes that this MoU is operating unfairly, the Parties will use their best efforts to agree on such action as may be necessary to remove the cause or causes of such unfairness, but no failure to agree on any action pursuant to this Clause shall give rise to a dispute subject to arbitration in accordance with Clause GC 8 hereof.

8. SETTLEMENT OF DISPUTES

8.1. Amicable Settlement: Performance of the MoU is governed by the terms & conditions of the MoU, in case any dispute arises between the parties regarding any matter under the MoU, either Party of the MoU may send a written Notice of Dispute to the other party. The Party receiving the Notice of Dispute will consider the Notice and respond to it in writing within 30 days after receipt. If that party fails to respond within 30 days, or the dispute cannot be amicably settled within 60 days following the response of that party, clause GC 8.2 shall become applicable.

8.2. Arbitration: In the case of dispute arising upon or in relation to or in connection with the MoU between the Client and the Implementing Agency, which has not been settled amicably, any party can refer the dispute for Arbitration under (Indian) Arbitration and Conciliation Act, 1996. Such disputes shall be referred to an Arbitral Tribunal consisting of 3 (three) arbitrators, one each to be appointed by the Client and the Implementing Agency, the third arbitrator shall be chosen by the two arbitrators so appointed by the parties and shall act as Presiding Arbitrator. In case of failure of the two arbitrators, appointed by the parties to reach a consensus regarding the appointment of the third arbitrator within a period of 30 days from the date of appointment of the two arbitrators, the Presiding arbitrator shall be appointed by the Secretary of the Ministry / Department. The Arbitration and Conciliation Act, 1996 and any statutory modification or re-enactment thereof, shall apply to these arbitration proceedings.



8.3. Location of Arbitration proceedings: The Arbitration proceedings shall be held in India at the place indicated in SC and the language of the arbitration proceedings and that of all documents and communications between the parties shall be English.

8.4. Decision of arbitration: The decision of the majority of arbitrators shall be final and binding upon both parties. The expenses of the arbitrators as determined by the arbitrators shall be shared equally by the Client and the Implementing Agency. However, the expenses incurred by each party in connection with the preparation, presentation shall be borne by the party itself. All arbitration awards shall be in writing and shall state the reasons for the award.

9. Liquidated Damages

9.1. The parties hereby agree that due to negligence of act of the Implementing Agency, if the other party suffers losses and damages, the quantification of which may be difficult, and hence the amount specified hereunder shall be construed as reasonable estimate of the damages and the Implementing Agency agree to pay such liquidated damages to Client, as defined hereunder as per the provisions of this MoU.

9.2. The amount of liquidated damages under this MoU shall not exceed 10% of the value of the payments made for professional charges payable to the Implementing Agency under MoU at the given time as specified in Section B1 of Appendix B.

9.3. The liquidated damages shall be applicable under following circumstances:

9.4. If the deliverables are not submitted as per schedule as specified in SC 12, or as modified by the Client in writing, the Implementing Agency shall be liable to pay 1% of the total cost of the professional charges payable to the Implementing Agency under MoU at the given time as specified in Section B1 of appendix B, for delay of each fortnight or part thereof.

9.5. If the deliverables are not acceptable to the Client as mentioned in Clause 6.3 (e), and defects are not rectified to the satisfaction of the Client within 30 days of the receipt of the notice, the Implementing Agency shall be liable for Liquidated Damages for an amount equal to 1 % of total cost of the professional charges payable to the Implementing Agency under MoU at the given time as specified in Section B1 of appendix B, for every fortnight or part thereof for the delay.

10. Miscellaneous provisions:

10.1. "Nothing contained in this MoU shall be construed as establishing or creating between the Parties, a relationship of master and servant or principal and agent.

10.2. Any failure or delay on the part of any Party to exercise right or power under this MoU shall not operate as waiver thereof.

10.3. The Implementing Agency shall notify the Client/ the Government of India of any material change in their status, in particular, where such change would impact on performance of obligations under this MoU.

10.4. Each member/constituent of the Implementing Agency, in case of a consortium, shall be jointly and severally liable to and responsible for all obligations towards the Client/Government for performance of works/services including that of its Associates/Sub Contractors under the MoU.

10.5. The Implementing Agency shall at all times indemnify and keep indemnified the Client/Government of India against all claims/damages etc. for any infringement of any Intellectual Property Rights (IPR) while providing its services under the Project.

10.6. The Implementing Agency shall at all times indemnify and keep indemnified the Client/Government of India against any claims in respect of any damages or compensation payable in consequences of any accident or injury sustained or suffered by the Implementing Agency's employees or agents or by any other third Party

resulting from or by any action, omission or operation conducted by or on behalf of the Implementing Agency.

10.7. The Implementing Agency shall at all times indemnify and keep indemnified the Client/Government of India against any and all claims by Employees, Workman, Contractors, sub-contractors, suppliers, agent(s), employed engaged or otherwise working for the project, in respect of wages, salaries, remuneration, compensation or the like.

10.8. All claims regarding indemnity shall survive the termination or expiry of the MoU.

10.9. It is acknowledged and agreed by all Parties that there is no representation of any type, implied or otherwise, of any absorption, regularization, continued engagement or concession or preference for employment of persons engaged by the (Implementing Agency) for any engagement, service or employment in any capacity in any office or establishment of the Government of India or the Client.


 राघवेंद्र प्रताप सिंह / RAGHVENDRA PRATAP SINGH
 निदेशक / Director
 भारत सरकार / Government of India
 ग्रामीण विकास मंत्रालय / M/o Rural Development
 कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi



III. Special Conditions of MoU:

| SC Clause | Ref. of GC Clause | Amendments of, and Supplements to, Clauses in the General Conditions of MoU |
|-----------|-------------------|--|
| 1. | 1.5 | <p>The addresses are:</p> <p>1. "Client": Ministry of Rural Development, Department of Rural Development</p> <p>Attention: Joint Secretary (RL) Address: Ministry of Rural Development, Department of Rural Development, Rural Livelihoods Division 7th Floor, NDCC_II Building, Jai Singh Road, New Delhi Phone: 011-23438012 Email: js-skills@ddugky.gov.in</p> <p>2. Implementing Agency: Foundation for Development of Rural Value Chains</p> <p>Attention: Alok De, Chief Executive Officer Address: D-58, Janakpuri Institutional Area, Pankha Road, Janakpuri Phone: 01124301414 Email alok@fdrvc.in</p> |
| 2. | 1.7 | <p>The Authorized Representatives are:</p> <p>For the "Client": Director (RL)</p> <p>For the Implementing Agency: Alok De (Chief Executive Officer)</p> |



| SC Clause | Ref. of GC Clause | Amendments of, and Supplements to, Clauses in the General Conditions of MoU |
|-----------|-------------------|---|
| 3.. | 2.1 | The effectiveness conditions are the following: The MoU will be effective from the date of signing the MoU by both the parties. |
| 4. | 2.2 | Termination of MoU for Failure to Become Effective: The time period shall be one month from the date of signing the MoU. |
| 5. | 2.3 | Commencement of Services: The time period shall be 15 days from the date of signing the MoU. |
| 6. | 2.4 | Expiration of MoU: The time period shall be 12 months from the date of signing the MoU. The MOU may be extended beyond 1 year subject to satisfactory performance, mutual agreement of both parties and approval of competent authority. |
| 7. | 9 | Agency is expected to meet the service levels & time lines in the normal course of carrying out the activities as per the detailed Scope of Work. In case of unjustified delay in completion of tasks/ un acceptable quality of deliverables, Client reserves the right to levy penalties on the agency up to 10% of section B1 of the MoU value. Subject to following conditions: a. Delay in completion of the assignment with in the stipulated time - For each fortnight of delay in the submission of final deliverables, one percent of the professional charges payable to Implementing Agency (Section B1 of the project value) shall be deducted as |



| SC Clause | Ref. of GC Clause | Amendments of, and Supplements to, Clauses in the General Conditions of MoU |
|-----------|-------------------|---|
| | | <p>penalty subject to maximum of 10% of the total value of professional charges payable to Implementing Agency (Section B1 of the project value);</p> <p>b. If the quality of deliverables is not acceptable and the Implementing Agency is not in a position to deliver the deliverables in the acceptable form, Client may impose a penalty of a maximum of 10% of the of the total value of professional charges payable to Implementing Agency (Section B1 of the project value).</p> <p>However, the total penalty should not be more than 10% of the total of the total value of professional charges payable to Implementing Agency (Section B1 of the project value).</p> |
| 8. | 3.3 | <p>Limitation of the Implementing Agency's Liability towards the "Client"</p> <p>1. The Implementing Agency's liability should simply be governed by the Applicable Laws of India.</p> |
| 9. | 3.4 | <p>The risks and the insurance coverage shall be as follows:</p> <p>(a). Workers' compensation insurance in respect of the Personnel of the Implementing Agency and of any Sub-Contractors, in accordance with the relevant provisions of the Applicable Laws of India, as well as, with respect to such Personnel, any such life, health, accident, travel or other insurance as may be appropriate; and</p> |



| SC Clause | Ref. of GC Clause | Amendments of, and Supplements to, Clauses in the General Conditions of MoU |
|-----------|-------------------|---|
| | | <p>(b). Insurance against loss of or damage to</p> <p>i. Equipment and goods for sale, purchased in whole or in part with funds provided under this MoU,</p> <p>ii. the Implementing Agency's property used in the performance of the Services, and</p> <p>iii. any documents prepared by the Implementing Agency in the performance of the Services, by theft, fire or any natural calamity.</p> |
| 10. | 3.7 | <i>All proprietary rights in Deliverables specifically created for Client under this MoU remain with the Client. The Implementing Agency shall not use the deliverables specially made for the purpose of this assignment in any form, and other related document for the purposes unrelated to this MoU.</i> |
| 11. | 6.1 (b) | <p>Currently no GST is applicable on the Budget Heads A to F and Contingency as per Appendix B of this MoU . The GST will be paid extra on the applicable items (Professional charges) at the prevailing rate.</p> <p>Costs sanctioned under Budget Head A to F and Contingency as per Appendix B would be paid in Advance as per the terms in Appendix B</p> |
| 12. | 6.3 and 9.4 | The payment to the Implementing Agency will be paid as advance Bi-Annually against the raise of Invoice. |
| 13. | 8.3 | <p>The Arbitration proceedings shall take place in New Delhi, India.</p> <p>The Courts of jurisdiction of New Delhi only shall have the Jurisdiction to decide any dispute.</p> |

Binding signature of Client Signed by

(For and on behalf of the President of India)

राघवेंद्र प्रताप सिंह / RAGHENDRA PRATAP SINGH
निदेशक / Director
भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / M/o Rural Development
कृषि विभाग / Dept. of Agriculture, New Delhi

[Mr. Raghendra Pratap Singh, Director,

Department of Rural Development, Ministry of Rural Development, Government of India]

Binding signature of Implementing Agency Signed by

Alok De, Chief Executive Officer



(for and on behalf of Foundation for Development of Rural Value Chains)

In the presence of (Witnesses)

APPENDIX A – DESCRIPTION OF SERVICES

Title of the Project: Development and Maintenance of e-Commerce Portal of Ministry of Rural Development.

1. Project Implementing Agency / Organisation:

- a) Name: Foundation for Development of Rural Value Chains (FDRVC)
- b) Postal Address: 3rd Floor, J463+87, D-58, Pankha Rd, Janakpuri Institutional Area, Sagar Pur, New Delhi, Delhi 110058
- c) Contact Person1: Alok De, Chief Executive Officer, 8826002555;alok@fdrvc.in
- d) Contact Person2: Anupam Batra, Senior Manager, 7290807225; anupam@fdrvc.in
- e) Legal Status: Not for profit organization

2. Introduction

National Rural Livelihoods Mission (NRLM), Ministry of Rural Development (MoRD), Government of India aims to create an efficient and effective online platform for the enhancement of the livelihood of the rural people.

The online platform will promote the products of the rural people through online selling these items made by self-managed Self-Help Groups (SHGs) and federated institutions.

3. Objective

To run operations and management of the e-Commerce Portal developed by Client for selling the products of SHGs/rural people.

4. Scope

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राजवेंद्र प्रताप सिंह / RAJAVENDRA PF. ATAP SINGH
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कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi



4.1. Phase I

4.1.1. Human Resource Recruitment and Deployment for e-commerce operations for 1 year

4.1.1.1. Manpower Requirements for E-commerce Operations

MANPOWER REQUIRMENT FOR E-COM OPS

| Full-Time | Location | Y1 |
|---------------------------------------|----------|-----------|
| Category Team | | |
| E-Commerce Manager | Central | 1 |
| Category Manager (Food & Non-Food) | Central | 2 |
| Warehouse Management Team | | |
| Warehouse Manager | Central | 1 |
| Supervisor Receiving | Central | 1 |
| Pickers and packers | Central | 2 |
| IT Team | | |
| IT Manager | Central | 1 |
| MIS Executive | Central | 1 |
| Onboarding & Sourcing Team | | |
| Manager- Onboarding & Sourcing | Central | 1 |
| Sourcing Executive | State | 2 |
| HR And Administration | | |
| Finance Manager | Central | 1 |
| Executive Admin/ Accounts | Central | 1 |
| Full Time Manpower Cost | | 14 |

Part-Time

| | | |
|--|---------|---|
| Retail/Product Expert- Development of Merchandize & Sales Plan | Central | 1 |
| Packaging Expert | Central | 1 |

The above-mentioned manpower has been provision based on inputs from industry



experts

4.1.1.2. Purchase of Software and IT equipment

4.1.2. Adaptation of Standard Operating Procedures (SOP's)

4.1.2.1. Define required policies

4.1.3. Setting up and management of Fulfilment centre for warehousing and order fulfilment within the NIRD building premises (basement & 1st floor) in Janakpuri, New Delhi.

4.1.3.1. Purchase of equipment's

4.1.3.2. Setting up teams and operations

4.1.4. Selection and onboarding of 500 PEs/SHGs products

4.1.4.1. Photo shoot – Product shoot

4.1.4.2. Content writing for product to be listed on the E-commerce store

4.2. Phase II

4.2.1. Management of the E-Commerce store for SHGs/enterprise developed by Client:

4.2.1.1. Listing of product on the e-commerce portal developed by Client

4.2.1.2. Purchase of license for sales of food products online

4.2.1.3. Purchase of the product inventory from Working capital

4.2.2. Order Fulfilment services through the e-commerce store

4.2.3. Training and capacity building of SHGs/PEs for onboarding e-commerce readiness

5. Roles and Responsibilities:

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राजवेंद्र प्रताप सिंह / RAJIVENDRA PRATAP SINGH
निदेशक / Director

भारत सरकार / Government of India

ग्रामीण विकास मंत्रालय / M/o Rural Development



5.1. Foundation for Development of Rural Value Chains (FDRVC)

- 5.1.1. Human Resource Recruitment and deployment for e-commerce operations for 1 year
- 5.1.2. Selection and onboarding of PEs/SHGs 500 products on E-commerce portal
- 5.1.3. Setting up and management of Fulfilment centre for warehousing
- 5.1.4. Management of the E-commerce store for SHGs/enterprises
- 5.1.5. Order Fulfilment Services
- 5.1.6. Training and handholding of SHGs/PEs for e-commerce readiness

5.2. Ministry of Rural Development

- 5.2.1. Development of Online Storefront & ERP for integration & automation of all required e-commerce processes including frontend & backend (inventory & vendor management)
- 5.2.2. Purchase of e-commerce platform domain name, hosting and maintenance
- 5.2.3. Provide necessary training and handholding support to run the portal
- 5.2.4. Provide technical support to remove bugs and any other operational issues
- 5.2.5. Agreement with the packaging, logistic and insurance partners.
- 5.2.6. Agreement with the payment gateways
- 5.2.7. Publicity and awareness including social media, hiring media agency, advertisement, media buying such as newspaper, radio, TV commercials
- 5.2.8. Organising of events such as exhibitions, buyer-seller meets, workshops, seminars, demonstrations etc. to increase the traction and footfall to the e-commerce store
- 5.2.9. Training and capacity building of SHGs/PEs on Product Design Development and Curation of new product development

5.2.10. Providing necessary permissions and approvals for usage of NIRD building premises in Janakpuri, New Delhi as Warehouse and Fulfilment Center.

5.2.11. Setting up of an IVRS helpdesk system setup to address grievances of the customers

5.2.12. SMS header, email ID and bulk SMS need to be taken and managed by the Client only.

6. Promotion and Awareness

The promotion and awareness need to be taken care by the Client only.

7. Overall Development of the Portal with Deliverables and timelines

All the software development and backend integration of the portal will be carried out by the Client along with the technical support to FDRVC.

1 Year (from date of signing of the MOU)

| Milestone | Specification | Time | Cumm. time | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
|-----------|---------------------------------|----------|------------|---|---|---|---|---|---|---|---|---|----|----|----|
| 1. | Human Resource Deployment | 4 month | T+4 month | | | | | | | | | | | | |
| 2. | SoP adoption | 2 months | T+4 months | | | | | | | | | | | | |
| 3. | Fulfilment Centre Setup | 4 months | T+4 months | | | | | | | | | | | | |
| 4. | Onboarding of SHGs/PEs Products | 3 months | T+6 months | | | | | | | | | | | | |

| | | | | | | | | | | | | | | | |
|----|---|----------|--------------------|--|--|--|--|--|--|--|--|--|--|--|--|
| 5. | E-commerce Readiness and onboarding training | 2 months | T+6 month s | | | | | | | | | | | | |
| 6. | Order Fulfilment | 6 months | T+12 month s | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |


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 कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi



APPENDIX B – Cost of the Project**SUMMARY COST OF THE PROJECT**

Total Fund sanctioned would consists of Fund sanctioned for running the Project i.e., Onboarding, setting up of Fulfilment Centre, Meeting Operational Expenses, IT system Integration, Marketing and Promotion, Manpower, Working Capital and the other part consisting of Professional Fee which will be paid based on the Invoice raised by you after meeting the terms as specified in this letter. The break-up of the same is given below:

1. Total Amount of Fund:

| # | Budget Heads | |
|-----------|---|------------------|
| A | Onboarding | 4,000,000 |
| A1 | Onboarding- e com Readiness | 2,000,000 |
| A2 | Inhouse Photoshoot Equipment | 1,000,000 |
| A3 | SOP Adoption and dissemination to SRLMs | 1,000,000 |
| B1 | FULFILLMENT CENTER | 2,340,000 |
| B1.1 | Fulfilment Centre Setup | 750,000 |
| B1.2 | Fulfilment Centre Equipment's | 590,000 |
| B1.3 | Packaging & Logistic Support | 1,000,000 |
| B2 | OPERATING EXPENSES | 2,887,900 |
| B2.1 | Fulfilment Centre Opex | 2,327,900 |
| B2.2 | Packaging & Logistic Opex | 560,000 |
| C | IT SYSTEM INTEGRATION | 1,800,000 |
| C1 | IT System Integration | 500,000 |
| C2 | IT equipment | 1,300,000 |
| D | BRAND MARKETING | 1,300,000 |
| D1 | FSSAI and other Certifications | 300,000 |

| | | | |
|----|---|--|-------------------|
| D2 | Branding | | 1,000,000 |
| E | MANPOWER | | 18,601,000 |
| E1 | Human Resource & Professional Experts | | 18,601,000 |
| F | Working Capital | | 3,750,000 |
| F1 | Working Capital for procurement of goods to be sold | | 3,750,000 |
| | Sub-Total | | 34,678,900 |
| G | Cost of FDRVC @ 2% | | 693,578 |
| G1 | FDRVC Professional Fee @2 % | | 693,578 |
| | Subtotal TOTAL BUDGET | | 35,372,478 |
| | Contingency @ 3% | | 1,061,174 |
| | TOTAL BUDGET | | 36,433,652 |

**Note: Marketing and promotion charges would be provided by Client on actual basis*

***Note Contingency will be on actuals*

The Fund sanctioned under the Heads A to F and contingency@ 3% referred in the budget above shall be used specifically for the purpose for which it is sanctioned. All assets generated while utilization of the funds under the heads A to F shall be returnable back to the Client and Implementation Agency during the project period shall only be acting as custodian of the assets so generated with use of funds sanctioned above.

Reallocation of Fund shall be allowed as per below:

- Any modifications to deviations from the Budget of any nature whatsoever regardless of its impact on the feasibility of the project shall be subject to the recommendation of contract Management Committee

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- However excess utilisation up to 10% of the budget for any single Budget Line Item will not require the prior approval provided the overall utilisation is within the total outlay approved for the project.

The Professional fee for running the Project shall be payable to Implementation Agency based on the description of services as given in Appendix C of this MoU. The total Professional Fee payable shall be as provided in Head G of the Budget plus applicable taxes.

The professional fee shall be payable in the way given in clause 6.3 of this MOU.

Funds under the head A to F of the sanctioned funds and the contingency if any for meeting expenses towards undertaking management & operations of the SARAS Ecommerce platform, will be released in 4 instalments as under:

1st instalment: 25% of the budget shall be released as an advance.

Subsequent instalments of 25% each of the budget based on a UC for 75% of the cumulative release done till then:

| Instalment | Particular | Eligibility | Amount |
|------------|--|---|---------------|
| | | | (In INR Lakh) |
| 1 | 25 % of budget sanctioned for management & operations of the SARAS Ecommerce Store | On Signing of the MOU | 89,35,018 |
| 2 | 25 % of budget sanctioned for management & operations of the SARAS Ecommerce Store | 75% utilization of cumulative funds released so far on submission of UC | 89,35,018 |
| 3 | 25 % of budget sanctioned for management & operations of the SARAS Ecommerce Store | 75% utilization of cumulative funds released so far on submission of UC | 89,35,018 |
| 4 | 25 % of budget sanctioned for management & operations of the SARAS Ecommerce Store | 75% utilization of cumulative funds released so far on submission of UC | 89,35,020 |

| | | |
|--|--------------|--------------------|
| | Total | 3,57,40,074 |
|--|--------------|--------------------|

Payment, from 2nd instalment onwards, should be made only on submission of UC and Statement of Expenditure and other supporting documents as required as per the terms of this MoU.

No TDS or GST will be applicable on the funds sanctioned under this order except on the Professional Fee component which will be liable to TDS.

In any case if GST becomes applicable, then the same will be paid extra on the applicable items at the prevailing rate.

Operational Charges need to be borne by Client

1. Call & SMS charges
2. Payment gateway charges
3. Packaging, logistic and insurance charges (forward and backward)
4. Promotion and publicity charges
5. GST and Tax related charges
6. Any other charges related to operations
7. Charges related to the communication/interactions with 3rd parties (Ginesys/ Brown tape).

Manpower Cost:

| Full-Time | No | Unit | Unit Cost | Annual Cost | Travel/Incidentals @ 10% | Annual CTC | Total |
|------------------------------------|----|-----------|-----------|-------------|--------------------------|------------|-----------|
| Category Team | | | | | | | |
| E-Commerce Manager | 1 | Per Month | 2,50,000 | 30,00,000 | 3,00,000 | 33,00,000 | 33,00,000 |
| Category Manager (Food & Non-Food) | 2 | Per Month | 1,20,000 | 14,40,000 | 1,44,000 | 15,84,000 | 31,68,000 |
| Warehouse Management Team | | | | | | | |
| Warehouse Manager | 1 | Per Month | 83,333 | 10,00,000 | 1,00,000 | 11,00,000 | 11,00,000 |

| | | | | | | | |
|---------------------------------------|-----------|-----------|----------|--------------------|------------------|--------------------|--------------------|
| Supervisor Receiving | 1 | Per Month | 25,000 | 3,00,000 | | 3,00,000 | 3,00,000 |
| Pickers and packers | 2 | Per Month | 17,000 | 2,04,000 | | 2,04,000 | 4,08,000 |
| IT Team | | | | | | | |
| IT Manager | 1 | Per Month | 1,20,000 | 14,40,000 | - | 14,40,000 | 14,40,000 |
| MIS Executive | 1 | Per Month | 35,000 | 4,20,000 | - | 4,20,000 | 4,20,000 |
| Onboarding & Sourcing Team | | | | | | | |
| Manager- Onboarding & Sourcing | 1 | Per Month | 1,20,000 | 14,40,000 | 8,64,000 | 23,04,000 | 23,04,000 |
| Sourcing Executive | 2 | Per Month | 50,000 | 6,00,000 | 3,60,000 | 9,60,000 | 19,20,000 |
| HR And Administration | | | | | | | |
| Finance Manager | 1 | Per Month | 1,10,000 | 13,20,000 | | 13,20,000 | 13,20,000 |
| Executive Admin/ Accounts | 1 | Per Month | 50,000 | 6,00,000 | | 6,00,000 | 6,00,000 |
| Full Time Manpower Cost | 14 | | | 1,17,64,000 | 17,68,001 | 1,35,32,001 | 1,62,80,000 |

Part-Time

| | | | | | | | |
|--|---|-----------|----------|------------------|-----------------|------------------|--------------------|
| Retail/Product Expert- Development of Merchandize & Sales Plan | 1 | Per Month | 1,25,000 | 15,00,000 | 1,50,000 | 16,50,000 | 16,50,000 |
| Packaging Expert | 1 | Lumpsum | 5,00,000 | 5,00,000 | - | 5,00,000 | 5,00,000 |
| Part Time Manpower Cost | | | | 20,00,000 | 1,50,000 | 21,50,000 | 21,50,000 |
| Total Manpower Budget for E-Com Ops | | | | | | | 1,84,30,000 |



APPENDIX C - DUTIES OF THE “CLIENT”

Services to be provided by the Client

1. The Client would continuously supervise the assignment and facilitate any support needed.

Project Monitoring Committee to Monitor Implementing Agency's Works

The Mission Director -NRLM or an Officer designated by her shall be responsible for reviewing and monitoring the progress of the Implementing Agency's work and the deliverables. The Mission Director may also constitute a Project Monitoring committee to monitor the progress of the work for achievement of project deliverables and hold consultations with the Implementing Agency. The Mission Director or his nominee will act as the Chairperson of such a committee which could include external experts nominated by him. The committee may also seek comments and inputs on the Implementing Agency's work from the domain experts at Client. The Mission Director may convene meetings of the review committee at occasional intervals and seek its opinion and comments on the deliverables of the Implementing Agency and forward all such comments to the Implementing Agency for appropriate changes in the work.

Operational Requirements to be provided by Client

| S N | Activity | Remarks |
|--------|--------------------|------------------|
| 1. | Brand Name | To be provided |
| 2. | Logo of the Portal | To be provided |
| 3. | Domain Name | To be provided |
| 4. | Hosting | To be provided |
| 5. | E-commerce portal | To be provided |
| 6. | Packaging partner | To be identified |
| 7. | Logistic Partner | To be identified |

| | | |
|-----|--|---|
| 8. | Insurance partner | To be identified |
| 9. | Nodal Account | Account to be managed including return and other payments to various stake holders |
| 10. | Feedback System | Procedure and flow for the customer feedback system |
| 11. | Promotion and Publicity | Advertisement (print, social and electronic media), digital marketing- Facebook, Instagram, YouTube, twitter. |
| 12. | Reporting/Dashboard formats | Parameters for dashboard and reports |
| 13. | Overall software development details | End to end software development support with integration with all third-party systems |
| 14. | Call Charges – Toll Free/Tolled No (IVR) | The PRI no. has to be taken and bills to be borne by Client on actuals |
| 15. | SMS Header and Bulk SMS | SMS header to be applied and bills of bulk SMSs to be borne by Client on actuals |
| 16. | Payment Gateways | Payment Gateway to be taken by Client |


 राघवेंद्र प्रताप सिंह / RAGHVENDRA PRATAP SINGH
 निदेशक / Director
 भारत सरकार / Government of India
 ग्रामीण विकास मंत्रालय / Mo Rural Development
 कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi



APPENDIX: D- INDEMNITY BOND IN LIEU OF BANK GUARANTEE FOR ADVANCE
PAYMENT

To,
Ministry of Rural Development
National Rural Livelihoods Promotion Society
Government of India

Whereas We, Foundation for Development of Rural Value Chains have entered into a MoU with you in accordance with the terms and conditions of the MOU No
(Hereinafter referred to as "the said MoU")

Whereas, under the said MoU you have agreed to make certain advance payment to us on our furnishing an indemnity Bond.

We, Foundation for Development of Rural Value Chains hereby undertake as follows:

1. In consideration of your agreeing to pay the advance payment in accordance with the said MoU on our furnishing indemnity Bond, we hereby undertake to indemnify you and keep you indemnified from time to time to the extent of amount paid to FDRVC as advance payment (at that point of time- up to a maximum value of Rs.... lakhs), granted to us in accordance with said MoU against any loss or damage caused to or suffered by you by reason of an any breach or breaches on our part of any of the terms and conditions contained in the said MoU and in the event we shall make any default or defaults in carrying out any of the works under the said MoU, we shall forthwith on demand pay to you for the amount paid to FDRVC as may be claimed by you as your losses and damages, costs, charges or expenses by reason of such default or defaults on our part.
2. Notwithstanding anything to the contrary in these presents or in the said MoU your decision as to whatever we have made any default or faults or committed any breach of the MoU or the amount or amounts to which you are entitled by

Page 47 of 48


राधवेन्द्र प्रताप सिंह / PRACHVENDRA PF. ATAP SINGH
निदेशक / Director
भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / M/o Rural Development



MoU with FDRVC Amendment No 1-eSaras.in
Operations and Management
4/8/2023



सत्यमेव जयते

INDIA NON JUDICIAL

Government of National Capital Territory of Delhi

₹ 100

e-Stamp

| | |
|---------------------------|--|
| Certificate No. | : IN-DL45385244602727V |
| Certificate Issued Date | : 03-Aug-2023 04:53 PM |
| Account Reference | : IMPACC (IV)/ dl781703/ DELHI/ DL-DLH |
| Unique Doc. Reference | : SUBIN-DL78170359235207114547V |
| Purchased by | : FOUNDATION FOR DEVELOPMENT OF RURAL VALUE CHAINS |
| Description of Document | : Article 5 General Agreement |
| Property Description | : Not Applicable |
| Consideration Price (Rs.) | : 0 (Zero) |
| First Party | : DIRECTOR MINISTRY OF RURAL DEVELOPMENT |
| Second Party | : FOUNDATION FOR DEVELOPMENT OF RURAL VALUE CHAINS |
| Stamp Duty Paid By | : FOUNDATION FOR DEVELOPMENT OF RURAL VALUE CHAINS |
| Stamp Duty Amount(Rs.) | : 100 (One Hundred only) |



₹ 100

Please write or type below this line

Certificate No IN-DL55441313379858U

AMENDMENT TO MOU DATED 5TH JULY 2022Development and Maintenance of e-Commerce Portal of Ministry of Rural
Development

Foundation for Development of Rural Value Chains

Signed Between

Raghuendra Pratiap Singh
 राघुवेंद्र प्रताप सिंह / RAGHUVENDRA PRAIAP SINGH
 निदेशक / Director
 भारत सरकार / Government of India
 राष्ट्रीय किसान संस्थान / Min Rural Development
 कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi

Ministry of Rural Development
Government of India

and

Authorised Signatory
 Authorised Signatory

Foundation for Development of Rural Value Chains

Statutory Alert:

1. The authenticity of this Stamp certificate should be verified at 'www.shcilestamp.com' or using e-Stamp Mobile App of Stock Holding. DAY-NRLM Non-Farm Livelihoods: Guidelines & MoUs April 2024 Website / Mobile App renders it invalid. Compendium Page 539 of 725
2. The onus of checking the legitimacy is on the users of the certificate.
3. In case of any discrepancy please inform the Competent Authority.

Amendment No 1

Date: 04 August 2023

WHEREAS

MOU dated 5th July 2022 was signed between Ministry of Rural Development, Government of India (MoRD) and Foundation for Development of Rural Value Chains (FDRVC).


NOW, THEREFORE

1. This Amendment (hereinafter called the "Amendment") is made on 04 August 2023 between Ministry of Rural Development Government of India, MoRD on the first hand (hereinafter called the "Client") and Foundation for Development of Rural Value Chains (FDRVC (hereinafter called the "Implementing Agency") on the second hand.
 2. The MOU Amendment will be effective form 6th July 2023 until 5th January 2024 (six months).
 3. The amendment is for a time extension of six months.
- All other terms and conditions of the MOU dated 5th July 2022 shall remain the same.

Read and Agreed

Place: New Delhi

Dated: 04 August 2023


 Foundation for Development of Rural Value Chains
 Name: **ALOK KUMAR DE**
 Designation: **Chief Executive Officer**
 Authorised Signatory


 Name: **Raghendra Pratap Singh**
 Designation: **Director, RL**
 भारत सरकार / Government of India
 ग्रामीण विकास मंत्रालय / Mo Rural Development
 कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi

For and on behalf of Implementing Agency

For and on behalf of MoRD

MoU with FDRVC Amendment No 2-eSaras.in
Operations and Management
2/3/2024

Amendment No 2Date: 2nd March 2024**WHEREAS**

MOU dated 5th July 2022 was signed between Ministry of Rural Development Government of India MoRD and Foundation for Development of Rural Value chains (FDRVC).

NOW, THEREFORE

1. This Amendment (hereinafter called the "Amendment") is made on 2nd March 2024 between Ministry of Rural Development Government of India, MoRD on the first hand (hereinafter called the "Client") and M/s Foundation for Development of Rural Value chains (FDRVC). (hereinafter called the "Implementing agency") on the second hand.
 2. The MOU Amendment will be effective from **06th January 2024** until **05th July 2024 (Six months)**.
 3. Amendment is for a time extension of six months. Budget for the six-month extended period is attached at **Annexure I**.
- All other terms and conditions of the MOU dated 05th July 2022 shall remain the same.

Read and Agreed

Place: New Delhi

Dated: 2nd March 2024

Foundation for Development of Rural Value Chains




Authorised Signatory

Name: Bipin Bihari

Designation: Chief Executive Officer

For and on behalf of Implementing agency



Name: Nivedita Prasad

Designation: Deputy Secretary, RL

निवेदिता प्रसाद / NIVEDITA PRASAD
उप सचिव / Deputy Secretary
भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / M/o Rural Development
एनडीसीसी-II, नई दिल्ली / NDCC-II, New Delhi

For and on behalf of MoRD

Annexure I: Budget for Six Month (06th January 2024 until 05th July 2024).

| # | Budget Heads | Revised Budget |
|------|---|------------------|
| A | <u>ONBOARDING</u> | |
| A1 | Onboarding Saras E-commerce Readiness | Zero |
| A2 | Inhouse Photoshoot | |
| A3 | SOP Adoption and dissemination to SRLMs | |
| B1 | <u>FULFILLMENT CENTER</u> | |
| B1.1 | Fulfilment Centre Setup (Extension) | 315,000 |
| B1.2 | Fulfilment Centre Equipment's | 185,000 |
| B1.3 | Packaging & Logistic Support | 125,000 |
| B2 | <u>OPERATING EXPENSES</u> | |
| B2.1 | Fulfilment Centre Opex | 202,000 |
| B2.2 | Packaging & Logistic Opex | |
| C | <u>IT SYSTEM INTEGRATION</u> | |
| C1 | IT System Integration | Zero |
| C2 | IT Equipment | |
| D | <u>BRAND MARKETING</u> | |
| D1 | FSSAI and other Certifications | Zero |
| D2 | Branding | |
| E | <u>MANPOWER</u> | 86,39,700 |
| E1 | Human Resource & Professional Experts | |
| F | <u>TRAINING & CAPACITY BUILDING</u> | |
| F1 | Training & Capacity Building of SHGs/Pes | Zero |
| G | <u>WORKING CAPITAL</u> | |
| G1 | Working Capital for procurement of goods to be sold | Zero |
| | SUB TOTAL | 94,66,700 |
| H | Contingency @ 3% | 2,84,001 |
| | TOTAL BUDGET | 97,50,701 |
| I | FDRVC Professional Fee @2% | 1,95,014 |
| | TOTAL BUDGET FOR SIX MONTHS (EXCL OF GST) | 99,45,715 |

Foundation for Development of Rural Value Chains



Authorised Signatory



निवेदिता प्रसाद / NIVEDITA PRASAD
उप सचिव / Deputy Secretary
भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / Mo Rural Development
एनडीसीसी-II, नई दिल्ली / NDCC-II, New Delhi

MoU with National Institute of Entrepreneurship and
Small Business Development (NISBUD) - NRO -
SVEP
3/3/2022

File No: S-11051/01/2021-22/NRLM(SVEP) (378155)

Government of India
Ministry of Rural Development
Department of Rural Development
<https://rural.nic.in/>
(Rural Livelihoods Division)

7th Floor, NDCC-11 Building
Jai Singh Road, New Delhi
Dated: 4th March, 2022

To,

The State Mission Director/ CEO, SRLM
All SVEP State/ UTs

Subject: Empanelment of NIESBUD, NOIDA as NRO under Start-up Village Entrepreneurship Programme (SVEP) of NRLM.

Madam/ Sir,

This is to inform that the National Institute for Entrepreneurship and Small Business Development (NIESBUD), NOIDA has been empaneled as the National Resource Organization (NRO) under Start-up Village Entrepreneurship Programme (SVEP) of NRLM to support States/UTs for capacity building/ training and programme implementation.

A copy of the MoU dated March 03, 2022 signed between NIESBUD and MoRD is enclosed with this letter for your information and necessary action.

States/ UTs may engage NIESBUD for various activities within the scope of this MoU as per program requirements.

Yours Faithfully,


(Raghvendra Pratap Singh)
Director (RL)

Encls: A/a

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (hereinafter referred to as MoU is made on this day 03rd of March, 2022.

By and Between

MINISTRY OF RURAL DEVELOPMENT, GOVERNMENT OF INDIA (Department of Rural Development, Rural Livelihoods Division), having its office at 7th Floor, NDCC II Building, Jai Singh Road, New Delhi-110 001 (hereinafter referred to as “MoRD” which expression shall, unless repugnant to or inconsistent with the context or meaning thereof, be deemed to include its successors and permitted assigns) represented by the Joint Secretary (Rural Livelihoods), Department of Rural Development, Ministry of Rural Development, Government of India, its authorised representative, of the **FIRST PART**;

And

National Institute of Entrepreneurship and Small Business Development (NIESBUD), NOIDA, (an Autonomous Organisation under the Ministry of Skill Development and Entrepreneurship, GOVERNMENT OF INDIA) having its office at A-23, Sector-62, (Institutional Area), NOIDA-201309, (U P), INDIA (hereinafter referred to as “NIESBUD” which expression shall, unless repugnant to or inconsistent with the context or meaning thereof, be deemed to include its successors and permitted assigns) represented by **Director, National Institute of Entrepreneurship and Small Business Development (NIESBUD), NOIDA**, its authorised representative, of the **SECOND PART**;

MoRD and NIESBUD shall hereinafter be referred to individually as a “**Party**” and collectively as the “**Parties**”, as the case may be.

WHEREAS:

(i) MoRD is mandated to promote sustainable and inclusive growth of rural India through a multipronged strategy by increasing livelihood opportunities, providing social safety net and developing rural infrastructure for growth. MoRD has set a goal of achieving the objective of Poverty Free Gram Panchayats as part of Mission Antyodaya, inter-alia by increasing livelihood opportunities for rural population. One of the strategies is to promote employment opportunities in rural India particularly developing self-employment avenues for the unemployed rural people. In this purpose, MoRD is implementing Start-up Village Entrepreneurship Programme (SVEP), a sub scheme of




Deendayal Antyodaya Yojana-National Rural Livelihoods Mission (DAY-NRLM), with the objectives -

(a) To enable rural poor (from the SHGs ecosystem) to set up their enterprises by developing a sustainable model for Village Entrepreneurship promotion through integrated ICT techniques and tools for training and capacity building, enterprise advisory services and to provide loans from banks/SHG & federations.

(b) Develop local resources by training a pool of village-level community cadre (CRP EP) and build the capacity of the NRLM and SHG federations to monitor and direct the work of the CRP EPs.

(c) Help the rural entrepreneurs to access finance for starting their enterprises from the NRLM SHGs and federations, the banking systems, including the MUDRA bank.

(ii) National Institute of Entrepreneurship and Small Business Development (NIESBUD), NOIDA is an autonomous organization under the Ministry of Skill Development & Entrepreneurship. The main aim of the Institute is to provide training, research and consultancy activities in Small and Micro Enterprises (SMEs), with special focus on entrepreneurship development. The National Institute of Entrepreneurship and Small Business Development (NIESBUD), registered under the Societies Registration Act, 1860, was established in July 1983 in NOIDA by the erstwhile Ministry of Industry (now the Ministry of Micro, Small and Medium Enterprises), Government of India. It was transferred to the Ministry of Skill Development and Entrepreneurship in 2015.

(iii) National Institute of Entrepreneurship and Small Business Development (NIESBUD), NOIDA actively supports entrepreneurship development and has implemented various programmes for different Departments. NIESBUD has worked with the Ministry of Skill Development and Entrepreneurship, Ministry of Social Justice & Empowerment, Ministry of Science & Technology, Ministry of External Affairs, Ministry of Home Affairs, S&T (DST), Ministry of Defence (DGR), Ministry of MSME, Ministry of Tourism, UNDP and State Govt. Agencies etc., in different projects. NIESBUD has extensive experience of working in eighteen (18) States. NIESBUD has required HR and infrastructure to conduct in-campus trainings and workshops.

NOW THEREFORE, AND, for the implementation of the Start-up Village Entrepreneurship Programme (SVEP), the National Institute of Entrepreneurship and Small Business Development (NIESBUD), NOIDA will be a National Resource Organisation (NRO). NIESBUD and MoRD, inspired by their objectives and intent stated hereinbefore, is entering into this MoU and agree as herein contained for better implementation and realizing envisaged goals of the scheme described above.

The Start-up Village Entrepreneurship Programme (SVEP) Scheme master guidelines, approved by MoRD, shall be followed in this MoU. A copy of the SVEP master guidelines is attached as an annexure.

1. **Broad Objectives:**

National Institute of Entrepreneurship and Small Business Development (NIESBUD) shall act as National Resource Organisation (NRO) for Start-up Village Entrepreneurship Programme (SVEP) and support the State Rural Livelihoods Mission (SRLM) for the effective implementation of the Scheme. In addition, SRLMs can also engage the NRO for activities related to enterprise promotion like training etc. The NRO is expected to have a two-pronged role in the implementation of the SVEP:

(i) Implementation Role: Directly implement the SVEP in the blocks as implementing partners with the States.

(ii) Programme Scale-up Role: Based on the experience of implementation of the SVEP in the blocks and their prior experience in implementation of entrepreneurship development programmes, NIESBUD will help upscaling the Scheme.

2. MoRD shall inform all the States/UTs regarding the empanelment of NIESBUD as NRO under SVEP. NIESBUD shall contact SRLMs directly to work as National Resource Organisation for SVEP and allocation of SVEP blocks for implementation shall be between NIESBUD and respective SRLM. Separate MoU should be signed between NRO and SRLM for SVEP implementation or other enterprise promotion assignments. MoRD has no role in the allocation of SVEP blocks to NRO for programme implementation.
3. The cost of direct implementation of the SVEP in the blocks are covered in the SVEP costs being given to the SRLM's as per the SVEP master guidelines and the provisions for the cost for other enterprise promotion activities like training etc., are available with SRLMs under DAY-NRLM's funds as per the approved norms.
4. The NRO, HO and other costs of NRO's for carrying out the tasks for the scale-up and institutionalization of the SVEP processes, as per the SVEP master guidelines, which are largely programme monitoring and implementation roles, would be based on a matrix of the number of blocks/ states supported for implementation by the NRO. The more the number of blocks/states supported, the more the people at the Head Office of NRO would be supported. The matrix of the number of people to be supported, the % of their cost which will be supported and the maximum cost which can be supported is detailed below:

| No of states supported | | 1-3 | 4-9 | 10-15 | 16-21 | >21 | 1-3 | 4-9 | 10-15 | 16-21 | >21 | |
|---|--------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| No of blocks supported | | less than 7 | 7-19 | 20-31 | 32-42 | >42 | less than 7 | 7-19 | 20-31 | 32-42 | >42 | |
| Reimbursement to be made on whichever of the above mentioned two criteria is higher | | | | | | | | | | | | |
| Manpower and admin travel costs to be supported | Experience | Per annum costs Rs. Lakhs | % of cost to be supported | % of cost to be supported | % of cost to be supported | % of cost to be supported | % of cost to be supported | Amount to be paid Rs. Lakhs | Amount to be paid Rs. Lakhs | Amount to be paid Rs. Lakhs | Amount to be paid Rs. Lakhs | Amount to be paid Rs. Lakhs |
| Fixed HO costs support | | | | | | | | | | | | |
| Program Lead | 20 years exp | 18.00 | | 75% | 90% | 90% | 90% | - | 13.50 | 16.20 | 16.20 | 16.20 |
| Program Lead | 10 years exp | 12.00 | 75% | | | | | 9.00 | - | - | - | - |
| Program Lead - Office Secretarial & admin. support cost | 5 years exp | 3.60 | 0 | 50% | 75% | 100% | 100% | - | 1.80 | 2.70 | 3.60 | 3.60 |
| Program Manager No's | 10 years exp | 12.00 | 0 | 1 | 1 | 1 | 1 | | | | | |
| Program Manager No's | 5 years exp | 6.00 | 0 | 1 | 2 | 3 | 4 | | | | | |
| Program Manager | 10 years exp | 12.00 | 0 | 100% | 100% | 100% | 100% | - | 12.00 | 12.00 | 12.00 | 12.00 |
| Program Manager | 5 years exp | 6.00 | 0 | 100% | 100% | 100% | 100% | - | 6.00 | 12.00 | 18.00 | 24.00 |
| Total support for manpower cost | | | | | | | | 9.00 | 33.30 | 42.90 | 49.80 | 55.80 |
| Travel, comm and office costs | | 40% of salary cost | | | | | | 3.60 | 13.32 | 17.16 | 19.92 | 22.32 |
| Total support for NRO HO Support costs per year | | | | | | | | 12.60 | 46.62 | 60.06 | 69.72 | 78.12 |

5. Indemnification:

It is hereby made clear and expressly agreed between the Parties that the intent of MoRD is purely to engage with NIESBUD as National Resource Organisation (NRO) to provide implementation and handholding support to State Rural Livelihoods Missions (SRLMs) implementing Start-up Village Entrepreneurship Programme (SVEP). SRLMs and the NRO would keep MoRD indemnified against any challenge or claims whatsoever.

6. Force Majeure:

Any failure or delay in performance of its obligation, to the extent due to causes beyond reasonable control, including but not limited to acts of God, war, strike or labour disputes, embargoes, government orders or any other force majeure event, non performing party shall not be deemed as default.

7. Terms of MoU:

This MoU shall come into effect from the date of both parties signing the MoU and shall be valid for a period of **4 (four) years**. The parties may further extend the period on such terms and conditions as may be mutually agreed.

8. Termination:

Either party shall have the right to terminate this MoU by giving 3 (three) months' notice in writing.


9. Amendment:

Any amendment or change in the scope of the work or terms of engagement under the MoU could be effected from time to time with mutual consent of the parties in writing.

10. Jurisdiction:

All the disputes arising in the present MoU shall be subject to the jurisdiction of the courts at New Delhi.

IN WITNESS WHERE OF the MoRD and the NIESBUD have signed this MoU on the day, month and the year first above written.

| | |
|---|---|
| <p>For and on behalf of NIESBUD</p>  <p>(Anuradha Vemuri) Director General, National Institute of Entrepreneurship and Small Business Development & Joint Secretary, Ministry of Skill Development and Entrepreneurship</p> <p>Date:  Director General The National Institute for Entrepreneurship and Small Business Development (Mo Skill Development and Entrepreneurship, Govt. of India) A-23, Sector-62, NOIDA (U.P.)</p> | <p>For and on behalf of MoRD</p>  <p>(Charanjit Singh Mann) Joint Secretary (RL I), Ministry of Rural Development चरणजीत सिंह / CHARANJIT SINGH संयुक्त सचिव / Joint Secretary भारत सरकार / Govt. of India ग्रामीण विकास मंत्रालय / Mo Rural Development कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi</p> <p>Date:</p> |
|---|---|

WITNESS


1. Name and signature
Director,
NIESBUD


Name and signature
Rajeev Kumar Singh
NMM - NFL
NRLM - NMMU.

MoU with Indian Institute of Entrepreneurship (IIE) -
NRO - SVEP
24/03/2022

File No: S-11051/26/2015/NRLM (SVEP)/Part II
Government of India
Ministry of Rural Development
Department of Rural Development
(Rural Livelihoods Division)

7th Floor, NDCC-11 Building
Jai Singh Road, New Delhi

Dated: March 25, 2022

To,
The State Mission Director/ CEOs, SRLM
All SVEP States/UTs

Subject: Empanelment of IIE, Guwahati as NRO under Start-up Village Entrepreneurship Programme (SVEP) of NRLM

Madam/ Sir,

This is to inform that the Indian Institute of Entrepreneurship (IIE), Guwahati has been empaneled as the National Resource Organization (NRO) under Start-up Village Entrepreneurship Programme (SVEP) of NRLM to support States/UTs for capacity building/ training and programme implementation.

A copy of the MoU dated March 24, 2022 signed between IIE and MoRD is enclosed with this letter for your information and necessary action.

States/ UTs may engage IIE, Guwahati for various activities within the scope of this MoU as per program requirements.

Yours Faithfully,


(Raghvendra Pratap Singh)
Director (RL)

Encls: A/a

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (hereinafter referred to as MoU is made on 24th day of March 2022.

By and Between

MINISTRY OF RURAL DEVELOPMENT, GOVERNMENT OF INDIA

(Department of Rural Development, Rural Livelihoods Division), having its office at 7th Floor, NDCC II Building, Jai Singh Road, New Delhi-110 001 (hereinafter referred to as "MoRD" which expression shall, unless repugnant to or inconsistent with the context or meaning thereof, be deemed to include its successors and permitted assigns) represented by the Joint Secretary (Rural Livelihoods), Department of Rural Development, Ministry of Rural Development, Government of India, its authorised representative, , of the **FIRST PART;**

And

Indian Institute of Entrepreneurship (IIE), Guwahati, Assam (an Autonomous Organisation under the Ministry of Skill Development and Entrepreneurship, GOVERNMENT OF INDIA) having its office at Basistha Chariali, N.H-37 Bypass, Near Game Village, Lalmati, Guwahati - 781029 (hereinafter referred to as "IIE" which expression shall, unless repugnant to or inconsistent with the context or meaning thereof, be deemed to include its successors and permitted assigns) represented by Director, **Indian Institute of Entrepreneurship (IIE), Guwahati**, its authorised representative, of the **SECOND PART;**

MoRD and IIE shall hereinafter be referred to individually as a "Party" and collectively as the "Parties", as the case may be.

WHEREAS:

(i) MoRD is mandated to promote sustainable and inclusive growth of rural India through a multipronged strategy by increasing livelihood opportunities, providing social safety net and developing rural infrastructure for growth. MoRD has set a goal of achieving the objective of Poverty Free Gram Panchayats as part of Mission Antyodaya, inter-alia by increasing livelihood opportunities for rural population. One of the strategies is to promote employment opportunities in rural India particularly developing self-employment avenues for the unemployed rural people. In this purpose, MoRD is implementing Start-up Village

Entrepreneurship Programme (SVEP), a sub scheme of National Rural Livelihoods Mission (NRLM), with the objectives -

(a) To enable rural poor (from SHGs ecosystem) to set up their enterprises by developing a sustainable model for Village Entrepreneurship promotion through integrated ICT techniques and tools for training and capacity building, enterprise advisory services and to provide loans from banks/SHG & federations.

(b). Develop local resources by training a pool of village level community cadre (CRP EP) and build the capacity of the NRLM and SHG federations to monitor and direct the work of the CRP EPs.

(c). Help the rural entrepreneurs to access finance for starting their enterprises from the NRLM SHGs and federations, the banking systems including the MUDRA bank.

(ii) Indian Institute of Entrepreneurship (IIE), Guwahati is an autonomous organization under the Ministry of Skill Development & Entrepreneurship. The main aim of the Institute is to provide training, research and consultancy activities in Small and Micro Enterprises (SME), with special focus on entrepreneurship development. The Indian Institute of Entrepreneurship (IIE) registered under the Societies Registration Act, 1860 was established in the year 1993 in Guwahati by the erstwhile Ministry of Industry (now the Ministry of Micro, Small and Medium Enterprises), Government of India. The Institute began operating from April 1994 with the North East Council (NEC), Governments of Assam, Arunachal Pradesh and Nagaland and SIDBI as its other stakeholders.

(iii) Indian Institute of Entrepreneurship (IIE), Guwahati is actively supporting entrepreneurship development and have implemented various programmes of different Departments. IIE has extensive experience of working in North Eastern States. IIE has required HR and infrastructure to conduct in-campus trainings and workshops.

NOW THEREFORE, AND, for the implementation of Start-up Village Entrepreneurship Programme (SVEP), the Indian Institute of Entrepreneurship (IIE), Guwahati will be a National Resource Organisation (NRO). IIE and MoRD, inspired by their objectives and intent stated hereinbefore, is entering into this MoU and agree as herein contained for better implementation and realizing envisaged goals of the aforesaid scheme.

The Start-up Village Entrepreneurship Programme (SVEP) scheme master guidelines, approved by MoRD, shall be followed in this MoU. The copy of SVEP master guidelines is attached as annexure.

Lalit

निदेशक / Director
Indian Institute of Entrepreneurship
इंडियन इंस्टीट्यूट ऑफ एंटरप्राय्जशिप
गुवाहाटी / Guwahati-781005

Raghendra Pratap Singh

राघवेंद्र प्रताप सिंह / RAGHVENDRA PRATAP SINGH
निदेशक / Director
भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / Min Rural Development
कृषि भवन, नई दिल्ली / Kushi Bhawan, New Delhi

1. Broad Objectives:

Indian Institute of Entrepreneurship (IIE) shall act as National Resource Organisation (NRO) for Start-up Village Entrepreneurship Programme (SVEP) and support the State Rural Livelihoods Mission (SRLM) for effective implementation of the scheme. The NRO is expected to have a two pronged role in the implementation of the SVEP:

(i) Implementation Role: Directly implement the SVEP in the blocks as implementing partners with the States.

(ii) Programme Scale-up Role: Based on the experience of implementation of the SVEP in the blocks and their prior experience on implementation of entrepreneurship development programmes, IIE will help in upscaling the Scheme.

- MoRD shall inform all the States/UTs regarding empanelment of IIE as NRO under SVEP. IIE shall contact SRLMs directly to work as National Resource Organisation for SVEP and allocation of SVEP blocks for implementation shall be between IIE and respective SRLM. A separate MoU should be signed between NRO and SRLM for SVEP implementation. MoRD has no role in the allocation of SVEP blocks to NRO for programme implementation.
- The cost of direct implementation of the SVEP in the blocks are covered in the SVEP costs being given to the SRLM's as per the SVEP master guidelines.
- The NRO, HO and other costs of NRO's for carrying out the tasks for the scale up and institutionalization of the SVEP processes, as per the SVEP master guidelines, which are largely programme monitoring and implementation roles, would be based on a matrix of the number of blocks/states supported for implementation by the NRO. The more the number of blocks/states supported, more the people at the Head Office of NRO would be supported. The matrix of the number of people to be supported, the % of their cost which will be supported and the maximum cost which can be supported is detailed below:

| No of states supported | | 1-3 | 4-9 | 10-15 | 16-21 | >21 | 1-3 | 4-9 | 10-15 | 16-21 | >21 | |
|---|--------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| No of blocks supported | | less than 7 | 7-19 | 20-31 | 32-42 | >42 | less than 7 | 7-19 | 20-31 | 32-42 | >42 | |
| Reimbursement to be made on whichever of the 2 above mentioned criteria is higher | | | | | | | | | | | | |
| Manpower and admin travel costs to be supported | Experience | per annum costs Rs. Lakhs | % of cost to be supported | % of cost to be supported | % of cost to be supported | % of cost to be supported | % of cost to be supported | Amount to be paid Rs. Lakhs | Amount to be paid Rs. Lakhs | Amount to be paid Rs. Lakhs | Amount to be paid Rs. Lakhs | Amount to be paid Rs. Lakhs |
| | | | | | | | | | | | | |
| Fixed HO costs support | | | | | | | | | | | | |
| Program Lead | 20 years exp | 18.00 | 75% | 90% | 90% | 90% | - | 13.50 | 16.20 | 16.20 | 16.20 | 16.20 |
| Program Lead | 10 years exp | 12.00 | 75% | | | | 9.00 | - | - | - | - | - |
| | | | | | | | | | | | | |

Lalit

Raghu
राघवेंद्र प्रताप सिंह / RAGHVENDRA PRATAP SINGH
निदेशक / Director

| | | | | | | | | | | | | | |
|---|--------------------|-------|---|------|------|------|------|------|-------|-------|-------|-------|-------|
| Program Lead - Office Secretarial & admin. support Cost | 5 year s exp | 3.60 | 0 | 50% | 75% | 100% | 100% | - | 1.80 | 2.70 | 3.60 | 3.60 | |
| Program manager No's | 10 year s exp | 12.00 | 0 | 1 | 1 | 1 | 1 | | | | | | |
| Program manager No's | 5 years exp | 6.00 | 0 | 1 | 2 | 3 | 4 | | | | | | |
| Program manager | 10 year s exp | 12.00 | 0 | 100% | 100% | 100% | 100% | - | 12.00 | 12.00 | 12.00 | 12.00 | |
| Program manager | 5 years exp | 6.00 | 0 | 100% | 100% | 100% | 100% | - | 6.00 | 12.00 | 18.00 | 24.00 | |
| Total support for manpower cost | | | | | | | | | 9.00 | 33.30 | 42.90 | 49.80 | 55.80 |
| Travel,Comm and office costs | 40% of salary cost | | | | | | | 3.60 | 13.32 | 17.16 | 19.92 | 22.32 | |
| Total support for NRO HO Support costs per year | | | | | | | | | 12.60 | 46.62 | 60.06 | 69.72 | 78.12 |

5. Indemnification:

It is hereby made clear and expressly agreed between the Parties that the intent of MoRD is purely to engage with IIE as National Resource Organisation (NRO) to provide implementation and handholding support to State Rural Livelihoods Missions (SRLMs) implementing Start-up Village Entrepreneurship Programme (SVEP). SRLMs and the NRO would keep MoRD indemnified against any challenge or claims whatsoever.

6. Force Majeure:

Any failure or delay in performance of its obligation, to the extent due to causes beyond reasonable control, including but not limited to acts of God, war, strike or labour disputes, embargoes, government orders or any other force majeure event, non performing party shall not be deemed as default.

7. Terms of MoU:

This MoU shall come into effect from the date of both parties signing the MoU and shall be valid for a period of 4 (four) years. The parties may further extend the period on such terms and conditions as may be mutually agreed.

Kalpit

Raghu

8. Termination:

Either party shall have the right to terminate this MoU by giving 3 (three) months' notice in writing.

9. Amendment:

Any amendment or change in the scope of the work or terms of engagement under the MoU could be effected from time to time with mutual consent of the parties in writing.

10. Jurisdiction:

All the disputes arising in the present MoU shall be subject to the jurisdiction of the courts at New Delhi.

IN WITNESS WHERE OF the MoRD and the IIE have signed this MoU on the day, month and the year first above written.

| | |
|--|--|
| <p>For and on behalf of IIE</p> <p><i>Lalit</i></p> <p>(Dr Lalit Sharma) Director, Indian Institute of Entrepreneurship</p> <p>Date: 24/3/22</p> <p><small>निदेशक / Director Indian Institute of Entrepreneurship इंडियन इंस्टीट्यूट ऑफ एंटरप्रेनियरशिप गुवाहाटी / Guwahati-78</small></p> | <p>For and on behalf of MoRD</p> <p><i>Raghu</i></p> <p>(Raghvendra Pratap Singh) Director (RL), Ministry of Rural Development</p> <p>Date: 24/3/2022</p> <p><small>राघवेंद्र प्रताप सिंह / RAGHVENDRA PRATAP SINGH निदेशक / Director भारत सरकार / Government of India ग्रामीण विकास मंत्रालय / Mo Rural Development कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi</small></p> |
|--|--|

WITNESS

[Signature]

Name and signature

Dr Suparna B Baral

IIE

Guwahati

[Signature]

Name and signature

Rajeev Kumar Singh

NMM-NFL

NALM

**MoU with National Institute for Micro Small and
Medium Enterprises (NI MSME)- NRO - SVEP
30/03/2022**

File No: S-11054/01/2015/NRLM (SVEP) (345184)

Government of India
Ministry of Rural Development
Department of Rural Development
<https://rural.nic.in/>
(Rural Livelihoods Division)

7th Floor, NDCC-11 Building
Jai Singh Road, New Delhi
6th April, 2022

To,

The State Mission Director/ CEO, SRLM
All SVEP State/ UTs

Subject: Empanelment of NI MSME, Hyderabad as NRO under Start-up Village Entrepreneurship Programme (SVEP) of NRLM

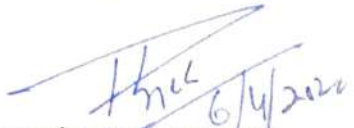
Madam/ Sir,

This is to inform that the National Institute for Micro, Small and Medium Enterprises (NI MSME), Hyderabad has been empaneled as the National Resource Organization (NRO) under Start-up Village Entrepreneurship Programme (SVEP) of NRLM to support States/UTs for capacity building/ training and programme implementation.

A copy of the MoU dated March 30, 2022 signed between NI MSME and MoRD is enclosed with this letter for your information and necessary action.

States/ UTs may engage NI MSME, Hyderabad for various activities within the scope of this MoU as per program requirements.

Yours faithfully,


(Raghvendra Pratap Singh)
Director (RL)

Encls: A/a

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (hereinafter referred to as MoU is made on this day 30th of March, 2022.

By and Between

MINISTRY OF RURAL DEVELOPMENT, GOVERNMENT OF INDIA (Department of Rural Development, Rural Livelihoods Division), having its office at 7th Floor, NDCC II Building, Jai Singh Road, New Delhi-110 001 (hereinafter referred to as "MoRD" which expression shall, unless repugnant to or inconsistent with the context or meaning thereof, be deemed to include its successors and permitted assigns) represented by the **Joint Secretary (Rural Livelihoods), Department of Rural Development, Ministry of Rural Development, Government of India**, its authorised representative, of the **FIRST PART**;

And


National Institute for Micro, Small and Medium Enterprises (NI-MSME), Hyderabad, (an Organisation of the Ministry of MSME, GOVERNMENT OF INDIA) having its office at Yousufguda, Hyderabad - 500045, INDIA (hereinafter referred to as "NI-MSME" which expression shall, unless repugnant to or inconsistent with the context or meaning thereof, be deemed to include its successors and permitted assigns) represented by **Director General, National Institute for Micro, Small and Medium Enterprises (NI-MSME) , Hyderabad**, its authorised representative, of the **SECOND PART**;

MoRD and NI-MSME shall hereinafter be referred to individually as a "Party" and collectively as the "Parties", as the case may be.

WHEREAS:

(i) MoRD is mandated to promote sustainable and inclusive growth of rural India through a multipronged strategy by increasing livelihood opportunities, providing social safety net and developing rural infrastructure for growth. MoRD has set a goal of achieving the objective of Poverty Free Gram Panchayats as part of Mission Antyodaya, inter-alia by increasing livelihood opportunities for rural population. One of the strategies is to promote employment opportunities in rural India particularly developing self-employment avenues for the unemployed rural people. In this purpose, MoRD is implementing Start-up Village Entrepreneurship Programme (SVEP), a sub scheme of




CHARANJIT SINGH
 Joint Secretary
 Government of India
 Ministry of Rural Development
 Krishi Bhawan, New Delhi

Deendayal Antyodaya Yojana-National Rural Livelihoods Mission (DAY-NRLM), with the objectives -

(a) To enable rural poor (from the SHGs ecosystem) to set up their enterprises by developing a sustainable model for Village Entrepreneurship promotion through integrated ICT techniques and tools for training and capacity building, enterprise advisory services and to provide loans from banks/SHG & federations.

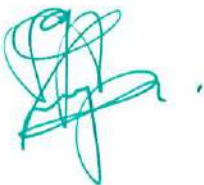
(b) Develop local resources by training a pool of village-level community cadre (CRP EP) and build the capacity of the NRLM and SHG federations to monitor and direct the work of the CRP EPs.

(c) Help the rural entrepreneurs to access finance for starting their enterprises from the NRLM SHGs and federations, the banking systems, including the MUDRA bank.

(ii) National Institute of Micro, Small & Medium Enterprises (NI MSME) is an organization of the Ministry of MSME, Government of India, formerly nisiet). It was set up as Central Industrial Extension Training Institute in 1960 as a department of the then Ministry of Industry & Commerce, Government of India. The Institute was shifted to Hyderabad in 1962 as Small Industry Extension Training (SIET) Institute. It was conferred the status of National Institute in 1984 by the Government of India rechristening it as National Institute of Small Industry Extension Training (nisiet). Consequent upon the enactment of Micro, Small and Medium Enterprises Development Act, 2006 the institute has been renamed as National Institute for Micro, Small and Medium Enterprises (ni-msme), with the charter of assisting for the promotion of Micro, Small and Medium Enterprises (MSMEs) mainly by creating a pro-business environment.

(iii) NI MSME has been instrumental in conducting several research/consulting studies in the area of MSME development. The institute has worked with Ministry of MSME, Ministry of Food Processing Industries, Ministry of External Affairs, MDoNER and industries departments of various states.

NOW THEREFORE, AND, for the implementation of the Start-up Village Entrepreneurship Programme (SVEP), the National Institute of Micro, Small & Medium Enterprises (NI MSME), Hyderabad will be a National Resource Organisation (NRO). NI-MSME and MoRD, inspired by their objectives and intent stated hereinbefore, is entering into this MoU and agree as herein contained for better implementation and realizing envisaged goals of the scheme described above.




CHARANJIT SINGH
Joint Secretary
Government of India
Ministry of Rural Development
Krishi Bhawan, New Delhi

The Start-up Village Entrepreneurship Programme (SVEP) Scheme master guidelines, approved by MoRD, shall be followed in this MoU. A copy of the SVEP master guidelines is attached as an annexure.

1. Broad Objectives:

National Institute for Micro, Small and Medium Enterprises (NI-MSME), Hyderabad shall act as National Resource Organisation (NRO) for Start-up Village Entrepreneurship Programme (SVEP) and support the State Rural Livelihoods Mission (SRLM) for the effective implementation of the Scheme. In addition, SRLMs can also engage the NRO for activities related to enterprise promotion like training etc. The NRO is expected to have a two-pronged role in the implementation of the SVEP:

(i) Implementation Role: Directly implement the SVEP in the blocks as implementing partners with the States.

(ii) Programme Scale-up Role: Based on the experience of implementation of the SVEP in the blocks and their prior experience in implementation of entrepreneurship development programmes, NI-MSME will help upscaling the Scheme.

2. MoRD shall inform all the States/UTs regarding the empanelment of NI-MSME as NRO under SVEP. NI-MSME shall contact SRLMs directly to work as National Resource Organisation for SVEP and allocation of SVEP blocks for implementation shall be between NI-MSME and respective SRLM. Separate MoU should be signed between NRO and SRLM for SVEP implementation or other enterprise promotion assignments. MoRD has no role in the allocation of SVEP blocks to NRO for programme implementation.
3. The cost of direct implementation of the SVEP in the blocks are covered in the SVEP costs being given to the SRLM's as per the SVEP master guidelines and the provisions for the cost for other enterprise promotion activities like training etc., are available with SRLMs under DAY-NRLM's funds as per the approved norms.
4. The NRO, HO and other costs of NRO's for carrying out the tasks for the scale-up and institutionalization of the SVEP processes, as per the SVEP master guidelines, which are largely programme monitoring and implementation roles, would be based on a matrix of the number of blocks/ states supported for implementation by the NRO. The more the number of blocks/states supported, the more the people at the Head Office of NRO would be supported. The matrix of the number of people to be supported, the % of their cost which will be supported and the maximum cost which can be supported is detailed below:




CHARANJIT SINGH
 Joint Secretary
 Government of India
 Ministry of Rural Development
 Krishi Bhavan, New Delhi

| No of states supported | | 1-3 | 4-9 | 10-15 | 16-21 | >21 | | | | | | |
|---|--------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| No of blocks supported | | less than 7 | 7-19 | 20-31 | 32-42 | >42 | 1-3 | 4-9 | 10-15 | 16-21 | >21 | |
| Reimbursement to be made on whichever of the above mentioned two criteria is higher | | | | | | | less than 7 | 7-19 | 20-31 | 32-42 | >42 | |
| Manpower and admin travel costs to be supported | Experience | Per annum costs Rs. Lakhs | % of cost to be supported | % of cost to be supported | % of cost to be supported | % of cost to be supported | % of cost to be supported | Amount to be paid Rs. Lakhs | Amount to be paid Rs. Lakhs | Amount to be paid Rs. Lakhs | Amount to be paid Rs. Lakhs | Amount to be paid Rs. Lakhs |
| Fixed HO costs support | | | | | | | | | | | | |
| Program Lead | 20 years exp | 18.00 | | 75% | 90% | 90% | 90% | - | 13.50 | 16.20 | 16.20 | 16.20 |
| Program Lead | 10 years exp | 12.00 | 75% | | | | | 9.00 | - | - | - | - |
| Program Lead - Office Secretarial & admin. support cost | 5 years exp | 3.60 | 0 | 50% | 75% | 100% | 100% | - | 1.80 | 2.70 | 3.60 | 3.60 |
| Program Manager No's | 10 years exp | 12.00 | 0 | 1 | 1 | 1 | 1 | | | | | |
| Program Manager No's | 5 years exp | 6.00 | 0 | 1 | 2 | 3 | 4 | | | | | |
| Program Manager | 10 years exp | 12.00 | 0 | 100% | 100% | 100% | 100% | - | 12.00 | 12.00 | 12.00 | 12.00 |
| Program Manager | 5 years exp | 6.00 | 0 | 100% | 100% | 100% | 100% | - | 6.00 | 12.00 | 18.00 | 24.00 |
| Total support for manpower cost | | | | | | | | 9.00 | 33.30 | 42.90 | 49.80 | 55.80 |
| Travel, comm and office costs | | 40% of salary cost | | | | | | | | | | |
| Total support for NRO HO Support costs per year | | | | | | | | 3.60 | 13.32 | 17.16 | 19.92 | 22.32 |
| | | | | | | | | 12.60 | 46.62 | 60.06 | 69.72 | 78.12 |

5. Indemnification:

It is hereby made clear and expressly agreed between the Parties that the intent of MoRD is purely to engage with NI-MSME as National Resource Organisation (NRO) to provide implementation and handholding support to State Rural Livelihoods Missions (SRLMs) implementing Start-up Village Entrepreneurship Programme (SVEP). SRLMs and the NRO would keep MoRD indemnified against any challenge or claims whatsoever.

6. Force Majeure:

Any failure or delay in performance of its obligation, to the extent due to causes beyond reasonable control, including but not limited to acts of God, war, strike or labour disputes, embargoes, government orders or any other force majeure event, non performing party shall not be deemed as default.

CHARANJIT SINGH
 Joint Secretary
 Government of India
 Ministry of Rural Development
 Krishi Bhawan, New Delhi

7. Terms of MoU:

This MoU shall come into effect from the date of both parties signing the MoU and shall be valid for a period of **4 (four) years**. The parties may further extend the period on such terms and conditions as may be mutually agreed.

8. Termination:

Either party shall have the right to terminate this MoU by giving 3 (three) months' notice in writing.


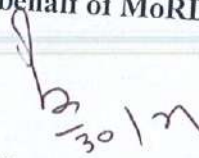
9. Amendment:

Any amendment or change in the scope of the work or terms of engagement under the MoU could be effected from time to time with mutual consent of the parties in writing.

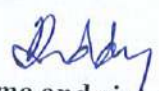
10. Jurisdiction:

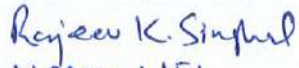
All the disputes arising in the present MoU shall be subject to the jurisdiction of the courts at New Delhi.

IN WITNESS WHERE OF the MoRD and the NI-MSME have signed this MoU on the day, month and the year first above written.

| | |
|--|---|
| <p>For and on behalf of NI-MSME</p>  <p>Dr. S. Glory Swarupa Director General National Institute for Micro, Small and Medium Enterprises (NI-MSME), Hyderabad</p> <p>Date:</p> | <p>For and on behalf of MoRD</p>  <p>Charanjit Singh Joint Secretary (RL I), Ministry of Rural Development, New Delhi</p> <p>CHARANJIT SINGH Joint Secretary Government of India Ministry of Rural Development Krishi Bhawan, New Delhi</p> <p>Date:</p> |
|--|---|

WITNESS

1. Name and signature

 Dr. K. Visweswara Reddy

Name and signature

 Rajeev K. Sinhal
 NMM - MFL
 NRLM - NMMU.

MoU with Amazon Saheli - Online Marketing
Platform Support
12/5/2022

Ministry of Rural Development
Department of Rural Development
<https://rural.nic.in/>
(Rural Livelihoods Division)

7th Floor, NDCC-11 Building
Jai Singh Road, New Delhi
Dated: May 18th, 2022

To,
The All State Mission Director/ CEO
SRLMs and UTs

Subject: MoU between NRLM-MoRD and Amazon for on-boarding and marketing of SHG products through Amazon Saheli

Madam/ Sir,

This is to inform you that NRLM-MoRD and Amazon Seller Services Private Limited have entered into a Memorandum of Understanding (MoU) for on-boarding and online marketing of SHG products through their Amazon Saheli store front. A copy of the MoU is enclosed herewith for your ready reference.

You are requested to designate official from SRLM team to coordinate with the Amazon team for identifying suitable entities from the State like SHGs/CLFs/PG/PEs/PCs etc. (as the case may be) who may be willing, competent and compliant to sell good products online and get them on-boarded at the Amazon Sheli platform. Kindly note that SHG products on Amazon Saheli will use "Saras Aajeevika" as the national umbrella brand for symmetry and further State brand (if any) can be mentioned as a sub brand.

The team from Amazon will also help in orienting the State/district team about the advantages and requirements for e-commerce platform and will facilitate getting the photoshoot and product cataloguing done to initiate the process of products on-boarding. Please note that as per MoU, the first lot of photo-shoot and product cataloguing support will be at no cost to SHG product sellers. It is advisable to facilitate identifying maximum potential products from SHGs for on-boarding in the first lot. A list of designated officials at State level for marketing related activities as available at NMMU is enclosed for your reference. Please do let us know, if there is any update in the designated officer/ contact details related to your State. The Saras Aajeevika logo being used at Saras Gallery and Saras Fairs is also enclosed herewith for your reference and usage for promoting SHG products.

Mr. Bidyut Das of Amazon (bidyu@amazon.com/ 07399740592) may be coordinated with for the support and facilitation from Amazon in the process, preferably over email.

Yours sincerely,


(Raghendra Pratap Singh)
Director (RL)

Encls.: A/a

CC:-

Sh. Sumit Sahay - Director, IN Marketplace Business, Amazon Seller Services Private Limited, 26/1, Brigade Gateway, World Trade Centre, Dr. Rajkumar Road, Bangalore - 560 055, Karnataka (for information and necessary facilitation)

MEMORANDUM OF UNDERSTANDING
Between
[MINISTRY OF RURAL DEVELOPMENT, GOVERNMENT OF INDIA]
and
[AMAZON SELLER SERVICES PRIVATE LIMITED]

This Memorandum of Understanding is entered on 12 day of May, 2022 at New Delhi

By and Between

MINISTRY OF RURAL DEVELOPMENT, GOVERNMENT OF INDIA (Department of Rural Development, Rural Livelihoods Division) - MoRD, having its office at 7th Floor, NDCC II Building, Jai Singh Road, New Delhi-110 001 (hereinafter referred to as "MoRD" which expression shall, unless repugnant to or inconsistent with the context or meaning thereof, be deemed to include its successors and permitted assigns) represented by the Joint Secretary (Rural Livelihoods), Ministry of Rural Development, Government of India, its authorised representative;

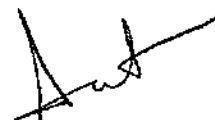
AND

Amazon Seller Services Private Limited, having its registered office at 26/1, Brigade Gateway, World Trade Centre, Dr. Rajkumar Road, Bangalore – 560 055, Karnataka and its Affiliates (hereinafter referred to as "Amazon", which expression will whenever the context so require or admit, mean and include its successors and assigns); represented by Mr. Sumit Sahay, Director, IN Marketplace Business, Amazon Seller Services Private Limited its authorised representative;

Ministry of Rural Development, Government of India (Department of Rural Development, Rural Livelihoods Division) - MoRD and are hereinafter individually referred to as a "Party" and collectively as "Parties". For the purposes of this MoU, the term "Affiliate" means an entity domiciled in India in which Amazon or its group companies have directly or indirectly certain economic interest.

WHEREAS

- A. Amazon operates an online marketplace www.amazon.in that enables sellers to sell their products online in India to customers throughout the country ("Amazon.in"). Sellers on Amazon.in sell products in various product categories including but not limited to apparel, home décor, footwear, jewelry, and grocery.
- B. MoRD through its Department of Rural Development, Rural Livelihoods Division and State Rural Livelihood Missions (SRLMs) is engaged supporting the rural women by organizing them as community institutions, their capacity building on various social and economic aspects, their financial inclusion, supporting them for taking them various livelihood activities as micro-enterprise and facilitating them for market access.



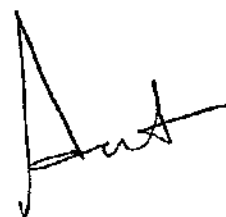
- C. Whereas, MoRD and Amazon agree on the importance of commercial and social development of women led rural enterprises and welcome the opportunity for cooperation between the Parties in facilitating collaborations in the identified states/ UTs implementing National Rural Livelihood Mission ("NRLM") herein referred as State Rural Livelihood Missions ("SRLMs").
- D. MoRD in collaboration with the Amazon is desirous to participate in the "Amazon Saheli Program" of Amazon through its identified SRLMs.
- E. Now therefore in consideration of the mutual covenants and understanding herein contained, the Parties hereto agree as follows: -
1. Amazon and MoRD agree that both Parties will collaborate and enable eligible Self Help Groups (SHGs) and/or SHG Women Entrepreneurs [*wherein Self Help Groups (SHGs) are collectives of 5 – 20 rural women and are part of NRLM database AND/OR any other entity representing SHGs and are recognised by NRLM/ SRLM*], developing / making / selling products including (but not limited to) – apparel, home décor, footwear, food products, jewelry, and grocery etc. ("Sellers") to list their products on Amazon.in, develop their online business on Amazon.in and to market and promote the Saheli storefront in which such Sellers' products are listed on Amazon.in.
 2. **Obligations:** The MoRD and Amazon agree to perform their respective obligations identified at Annexure – I to this MoU. The activities to be performed by the Parties, as stated in Annexure - I to this MoU, will be performed solely for the purpose identified at Section 1 above (including enabling Sellers to list their products on Amazon.in) and the same will not be regarded as the Parties providing any service to each other under this MoU.
 3. **Taxes:** Each Party will be responsible, as required under applicable law, for identifying and paying all taxes and other governmental fees and charges (and any related penalties, interest, and other additions thereto), if any, that are imposed on that Party upon or with respect to the transactions and obligations under this MOU.
 4. **Representations:** Both the Parties represent that they have full power and authority to enter into this MoU, they have the right to grant the necessary rights hereunder, and they have the necessary infrastructure to perform their respective obligations hereunder. In connection with this MoU and to the extent applicable, Organisation will comply with all applicable import, re-import, sanctions, anti-boycott, export, and re-export control laws in India.



5. **Intellectual property rights:**

- (a) MoRD hereby provides a limited, sub-licensable, non-exclusive, royalty-free, non-assignable, non-transferable, worldwide right and license during the Term (*defined below*) of this MoU and for as long thereafter as Organisation is permitted to grant the said licence under applicable law to Amazon to use its trademarks and logos identified at Annexure - II (hereinafter collectively referred to as "MoRD Trademark(s)"). Department of Rural Development, Rural Livelihoods Division represents that the Trademarks comply with applicable law and that their usage will not infringe any third-party intellectual property rights.
- (b) Amazon provides a revocable, royalty-free, non-exclusive, non-transferable, non-assignable, non-sub-licensable, India-wide limited right and license, during the Term (*defined below*), to use its trademarks and logos identified at Annexure - III (hereinafter collectively referred to as "Amazon Trademark(s)"), solely for the purpose of the use in accordance with the MoU.
- (c) MoRD shall ensure that the Amazon Trademarks are used, at all times, in compliance with the Amazon Trademark Usage Guidelines set forth in Annexure - IV to this MoU.
- (d) MoRD agrees not to use the Amazon Trademarks except as expressly provided herein or otherwise permitted by Amazon, in writing.
- (e) Each Party retains all the intellectual property rights in relation to their respective trademarks licensed to the other under this MoU. Nothing herein shall be deemed to grant any interest in the intellectual property rights of a Party to the other and each Party agrees not to do anything inconsistent with the other Party's ownership of the other Party's trademarks identified herein.
- (f) Subsequent to termination of this MoU, no Party will use the trademarks of the other for any new use case. This will however not impact any existing use case / properties where the trademarks of the other Party are used prior to the effective date of termination.

6. **Term and termination:** This MOU will come into force from the Effective Date and will remain in force unless terminated by either Party ("Term"). Either Party may terminate this MoU by giving at least 30 days' prior written notice to the other Party. Either Party will have the right to immediately terminate this MoU by a written notice to the other Party in the event the other Party commits a breach of this MoU or fails to perform its obligations hereunder or defaults in respect of its representations. It is recommended that, prior to exercising rights for immediate termination hereunder, the Party intending to terminate provides the defaulting Party an opportunity to remedy the breach within 15 days of a notice of such default being received by such defaulting Party in this regard.

7. **Confidentiality:** The Parties agree that they may exchange confidential information with each other under this MoU and such confidential information will not be used by either Party except in connection with the subject matter of this MoU, or will not be disclosed to any other third party without the prior written consent of the other Party, except as required under applicable law (in which case the disclosing Party will provide a prior notice to the other Party and will take steps to minimize the extent of disclosure). The confidentiality undertakings of both parties pursuant to this clause shall remain in full force and effect during the duration of this MoU and thereafter.
8. **Indemnity:** Each Party agrees to indemnify, defend and hold harmless the other and the other's officers, directors, employees, agents, successors, assignees and representatives, from and against any and all costs, losses, damages, liabilities, judgments and expenses, arising out of or in connection with any claim, action, or proceeding, including any third party claim which in any way may result from or arising in any manner out of its breach of its representations, warranties, covenants, terms and conditions of this MoU.
9. **Limitation of liability:** Neither Party will be liable under any circumstances for any special, incidental, indirect, punitive or consequential damages (including but not limited to lost opportunities or profits) under this MoU. Amazon's aggregate liability arising out of this MoU will not exceed INR 1,00,000/- (Indian Rupees One Lakh only).
10. **Governing law:** This MOU shall be governed and construed by the laws of India. If a dispute, controversy or claim arises out of or relates to this MoU, or breach, termination or invalidity thereof, and if such dispute, controversy or claim cannot be settled and resolved through negotiation, then the issue or claim not resolved in good faith shall be referred to and finally resolved by arbitration in New Delhi in accordance with the Arbitration and Conciliation Act, 1996, and the amendments thereto.
11. **Assignment:** Amazon may assign this MoU to its Affiliates. Except as provided here, any other assignment by any Party, without prior written consent of the other Party, is void in each instance.
12. **Ethics and Anti-Corruption Laws:** Each Party agrees to comply with the applicable anti-bribery and anti-corruption laws of India.
13. **Relationship of Parties:** The Parties will perform under this MOU as independent contractors, and this MOU will not be construed to create an, association of persons, joint venture, agency, employment, or any other relationship between the Parties. Neither Party will represent itself to be an employee, representative, or agent of the other, and the Parties will have no authority to enter into any agreement on each other's behalf or otherwise bind each other to any agreement or obligation.

14. **Force Majeure:** Neither Party to this Agreement will be liable to the other Party for any delay or failure on its part in performing any of its obligations under this MoU resulting from any cause beyond its reasonable control, including but not limiting to, strikes, riots, protests, mass demonstration, government-imposed restrictions, civil commotion, fire, floods, explosions, acts of God, acts of State, war, enemy action or terrorist action.
15. **Notices:** A copy of all notices to Amazon should also be sent to - **Director Legal, Block E, 14th Floor, Unit Nos. 1401 to 1421 International Trade Tower, Nehru Place New Delhi – 110 019** Any notice to be given to a party in connection with this MOU shall be in writing addressed to such party at the address set forth on the first page of this MOU. Notices under this MOU are sufficient if given by a Party by nationally recognized overnight courier service, speed post with acknowledgment receipt, or personal delivery to the other Party.
16. **No waiver:** A Party does not waive any rights under this Agreement, by failing to insist on compliance with any terms of this MoU, or by failing to exercise its rights hereunder. Any waiver granted hereunder is effective only if recorded in writing and signed by the Party granting that waiver.
17. **Modifications:** No modification of this Agreement is binding unless it is in writing and signed by the Parties.
18. **Survival:** The following provisions will survive the termination of this MoU – 5, 7, 8, 9, 10, 15, 16, 18 and 19.
19. **Public Announcements:** The form, content and timing of any press release or disclosure regarding the MoU or its contents / purpose will be made jointly by the Parties upon signing of this MoU, in such manner as is agreeable to both the Parties.

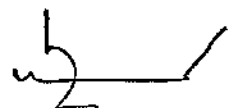
In witness whereof, the Parties hereto have executed this MoU on the day, month and year above written.

FOR MoRD



(Charanjit Singh)
Joint Secretary (Rural Livelihoods),
Ministry of Rural Development
7th Floor, NDCC II Building, Jai Singh Road,
New Delhi-110 001

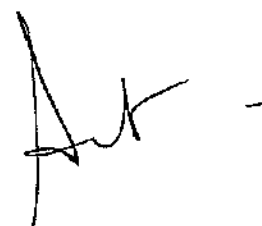
Amazon Seller Services Private Limited



(Sumit Sahay)
Director, IN Marketplace Business
Amazon Seller Services Private Limited
26/1, Brigade Gateway, World Trade Centre, Dr.
Rajkumar Road, Bangalore – 560 055, Karnataka

Annexure – I**Obligations of the Parties****1. Obligations of MoRD/ SRLMs**

- (a) **MoRD** through its respective SRLM will on an on-going basis, identify potential Sellers who may be interested in selling online that Amazon may onboard. **MoRD** through its respective SRLM will assist in their onboarding on Amazon.in, and ensure that they are digitally sound and well versed with Amazon's policies and procedures.
- (b) **MoRD** through its respective SRLM will, on an on-going basis: -
- (i) encourage and assist Sellers individually and jointly in listing multiple products across different product categories on Amazon.in, and also inform, train and assist Sellers regarding various options to store products listed on Amazon.in including at the Seller's premises or usage of Fulfilment by Amazon service;
 - (ii) facilitate discussions between Amazon and the Sellers upon Amazon's reasonable request with respect to multiple aspects including sale of their products on Amazon.in, marketing opportunities, and unlocking growth levers; and
 - (iii) conduct workshops to generate interest among Sellers in selling their products online on Amazon.in.
- (c) **MoRD** and/ or its respective SRLM will appoint a single Point of Contact (POC) to coordinate and work with Amazon with respect to this MoU.
- (d) **MoRD** and/ or its respective SRLM will from time to time provide content (including but not limited to images, stories, videos etc., "Content") which may be used by Amazon, and hereby grants Amazon a royalty-free, non-exclusive, worldwide right and licence to use the Content for the duration of the original and derivative intellectual property rights during the Term and for as long thereafter as Organisation is permitted to grant the said licence under applicable law. The right to use the Content is for the limited purpose of this MoU and not with an objective to receive marketing/ promotion services from Amazon.
- (e) **MoRD** through its respective SRLM will ensure that the Sellers: -
- (i) attend the trainings provided by Amazon from time-to-time;
 - (ii) ship their products in accordance with recommended best practices consistent with Amazon's policies with respect to imaging and cataloging on the marketplace; and
 - (iii) have a dedicated POC to manage their operations on Amazon.in and immediately replace such point of contact, as and when required.



2. **Obligations of Amazon**

- (a) Amazon will collaborate in assisting the sellers identified by the **MoRD** through its respective SRLM in onboarding them as registered sellers on the marketplace in accordance with Amazon's standard onboarding process on a best effort basis.
- (b) Amazon has entered into this Agreement solely for the purpose of collaboration as set out in this MoU and not with an objective to provide marketing/ promotional services to the **MoRD** and SRLMs.
- (c) Amazon will enable the products of the Sellers onboarded pursuant to this MOU to be displayed on the Saheli storefront on Amazon.in, subject to Sellers' choice, consent and compliance with policies applicable under Saheli storefront in this regard.
- (d) Sellers, whose products are listed on the Saheli storefront will get referral fee rates, as communicated by Amazon from time to time, in accordance with its agreement with the Sellers. The details of the discounted rates and other benefits associated with Saheli program will be communicated on the webpage of the Saheli program, and these may be modified by Amazon from time-to-time in accordance with Amazon's policies and its agreement with Sellers.
- (e) Amazon will work with MoRD and/ or its respective SRLM for provision of training and account management support to the Sellers. Such support will be provided, by Amazon (directly or through third-party collaboration), for a period of 30 days or for such other duration as Amazon may from time to time determine. This support assists the Sellers in launching their Amazon.in seller accounts.
- (f) Amazon will work with MoRD and/ or its respective SRLM for provision of initial imaging and cataloging support to Sellers mutually identified by the Parties. Such support will be provided, by Amazon or third parties, with respect to the first set of products that each Seller proposes to list on Amazon.in.
- (g) Amazon will work with the MoRD and/ or its respective SRLM to assist the sellers in using marketing tools for sellers to promote their products on Amazon.in.
- (h) Subject to the MoRD/ SRLM's compliance with the confidentiality related obligations under this MoU, Amazon's third party confidential obligations and applicable law, Amazon may, from time to time but is not obliged to, share aggregated and/or anonymised non-personal details about the Sellers identified pursuant to this MoU (such as the number of Sellers onboarded, number of products listed by such Sellers and aggregated turnover of such Sellers).

Annexure – II

Trademarks of Department of Rural Development under MoRD

- Saras Aajeevika
- Saras
- Aajeevika



Amazon Trademarks

amazon Saheli

amazon.in

Annexure – IV**Amazon Trademark Usage Guidelines**

These guidelines apply to the **MoRD/ SRLM's** use of the Amazon logo (the "**Trademark(s)**") in materials that have been approved in advance by Amazon and/or its affiliates. Strict compliance with these guidelines is required at all times, and any use of the Trademark in violation of these guidelines will automatically terminate any license related to **MoRD/SRLM** 's use of the Trademark. All capitalized terms shall have the same meaning as provided in the Agreement.

- (a) **MoRD** and/ or **SRLMs** may use the Trademark solely for the purpose expressly authorized by Amazon and such use must: (i) comply with the most up-to-date version of the Agreement; (ii) comply with the most up-to-date version of these guidelines; and (iii) comply with any other terms, conditions, or policies that Amazon may issue from time to time that apply to the use of the Trademark.
- (b) Amazon will supply an approved Trademark image for the use of Organisation for the purpose allowed under this Agreement. **MoRD / SRLMs** may not alter the Trademark in any manner, including but not limited to, changing the proportion, color, or font of the Trademark, or adding or removing any element(s) from the Trademark.
- (c) **MoRD** and/or **SRLMs** may not use the Trademark in any manner that implies sponsorship or endorsement by Amazon other than by using the Trademark as specifically authorized under the Agreement.
- (d) **MoRD** and/ or **SRLMs** may not use the Trademark to disparage Amazon, the products listed on the website amazon.in or services, or in a manner which, in Amazon's sole discretion, may diminish or otherwise damage or tarnish Amazon's goodwill in the Trademark.
- (e) The Trademark must appear by itself, with reasonable spacing between each side of the Trademark and other visual, graphic or textual elements. Under no circumstance should the Trademark be placed on any background which interferes with the readability or display of the Trademark. Do not use a trademark symbol with the Trademark.
- (f) **MoRD** and/ or **SRLMs** must include the following statement in and on any materials that display the Trademark (written or electronic): "*Amazon and the Amazon Logo are trademarks of Amazon.com, Inc. or its affiliates.*"
- (g) **MoRD/ SRLMs** acknowledges that all rights to the Trademark are the exclusive property of Amazon, and all goodwill generated through use of the Trademark by **MoRD/ SRLM** will inure to the sole benefit of Amazon. **MoRD/ SRLM** will not take any action that is in conflict with Amazon's rights in, or ownership of, the Trademark.

Amazon reserves the right, exercisable at its sole discretion, to modify these Guidelines and/or the approved Trademark at any time and to take appropriate action against any use without permission or any use that does not conform to these Guidelines.

If you have questions about these Guidelines, please contact trademarks@amazon.com for assistance, or write to us at: **Amazon.com, Inc., Attention: Trademarks, PO Box 81226 Seattle, WA 98108-1226.**

MoU with Digital India Cooperation (DIC) - eSaras.in
Development
24/5/2022



सत्यमेव जयते

INDIA NON JUDICIAL

Government of National Capital Territory of Delhi

e-Stamp

Certificate No. : IN-DL28231543805595U
Certificate Issued Date : 05-May-2022 04:13 PM
Account Reference : IMPACC (IV)/ dl716203/ DELHI/ DL-DLH
Unique Doc. Reference : SUBIN-DL71620342815899094860U
Purchased by : DIGITAL INDIA CORPORATION
Description of Document : Article 5 General Agreement
Property Description : Not Applicable
Consideration Price (Rs.) : 0
 (Zero)
First Party : DEPARTMENT OF RURAL DEVELOPMENT AND MINISTRY OF RURAL DEVELOPMENT AND GOVT OF INDIA
Second Party : DIGITAL INDIA CORPORATION
Stamp Duty Paid By : DIGITAL INDIA CORPORATION
Stamp Duty Amount(Rs.) : 100
 (One Hundred only)



Please write or type below this line

Memorandum of Understanding (MoU)

This MoU is entered into at Delhi on Twenty Fourth Day of May Two Thousand and Twenty Two

Between

Department of Rural Development, Ministry of Rural Development
and

Digital India Corporation, Ministry of Electronics & Information Technology
For

The Development and Maintenance of e-Commerce Portal of Ministry of Rural Development (MoRD)

Statutory Alert:

- The authenticity of this Stamp certificate should be verified at 'www.shcilestamp.com' or using e-stamp on the website / Mobile App renders it invalid. Any discrepancy in the details on this Certificate and as available on the website / Mobile App renders it invalid.
- The onus of checking the legitimacy is on the users of the certificate.

DAY-NRLM Non-Farm Livelihoods: Guidelines & MoUs April 2024

Dr. VINAY THAKUR
 Sr. Director (Research)
 Digital India Corporation (DIC)
 Ministry of Electronics & Information Technology (MaitY)
 Government of India

Memorandum of Understanding (MoU)

**This MoU is entered into at Delhi on – th Day of May Two Thousand
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Between

Department of Rural Development, Ministry of Rural Development

and

**Digital India Corporation, Ministry of Electronics & Information
Technology**

For

**The Development and Maintenance of e-Commerce Portal of
Ministry of Rural Development (MoRD)**

Page 1 of 39



This MoU (hereinafter called the "MoU") is made on the 24th day of the month of May 2022, between the President of India acting through Director, **Department of Rural Development, Ministry of Rural Development, Government of India**, 7th Floor, NDCC-II Building, Jai Singh Road, New Delhi -110001 (hereinafter called the "Client"), of the First Part and, **Digital India Corporation**, {Registered Address- 4th Floor, Samruddhi Venture Park, Central MIDC Road #2, Andheri (East), Mumbai}, (hereinafter jointly called the "Implementing Agency") of the Second Part.

WHEREAS

- a. the Implementing Agency, having represented to the "Client" that they have the required professional skills, personnel and technical resources, have offered to provide services for development and maintenance of e-Commerce Portal of Ministry of Rural Development.
- b. the "Client" has accepted the offer of the Implementing Agency to provide the services on the terms and conditions set forth in this MoU.

NOW, THEREFORE, IT IS HEREBY AGREED between the parties as follows:

1. The following documents attached hereto shall be deemed to form an integral part of this MoU :

- a. The General Conditions of MoU ;
- b. The Special Conditions of MoU ;
- c. The following Appendices:

Appendix A: Description of Services

Appendix B: Cost Estimates

Appendix C: Duties of the Client

Appendix D: Indemnity Bond

2. The mutual rights and obligations of the Client and the Implementing Agency shall be as set forth in the MoU , in particular:

- a. the Implementing Agency shall carry out and complete the Services in accordance with the provisions of the MoU ; and
- b. the Client shall make payments to the Implementing Agency in accordance with the provisions of the MoU .




IN WITNESS WHEREOF, the Parties hereto have caused this MoU to be signed in their respective names as of the day and year first above written.

| | |
|----------------------------|---|
| | Signed by – |
| | <p>1. For and on behalf of the President of India</p> <p><i>[Handwritten Signature]</i> 24/5/2022</p> <p>राघवेंद्र प्रताप सिंह / RAGHVENDRA PRATAP SINGH निदेशक / Director भारत सरकार / Government of India ग्रामीण विकास मंत्रालय / M/o Rural Development कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi</p> <p>[Mr. Raghvendra Pratap Singh, Director, Department of Rural Development, Ministry of Rural Development, Government of India] [Authorized Representative]</p> |
| In presence of (Witnesses) | |
| (i) | <u><i>[Handwritten Signature]</i></u> R. S. RATHI. |
| (ii) | <u><i>[Handwritten Signature]</i></u> Rajeev K. Singh - NMM-NFL-NRLM |
| | <p>2. For and on behalf of Digital India Corporation, New Delhi</p> <p><i>[Handwritten Signature]</i></p> <p>[Dr. Vinay Thakur, Senior Director, Digital India Corporation, Ministry of Electronics & IT] [Authorized Representative]</p> <p>Dr. Vinay Thakur Senior Director Digital India Corporation Ministry of Electronics & Information Technology (MeitY) Government of India</p> <p><i>[Handwritten Signature]</i> <i>[Handwritten Signature]</i> 24/05/2022</p> |
| In presence of (Witnesses) | |
| (i) | <u><i>[Handwritten Signature]</i></u> |
| (ii) | <u><i>[Handwritten Signature]</i></u> |

General Conditions of MoU

1. GENERAL PROVISIONS

1.1. Definitions: Unless the context otherwise requires, the following terms whenever used in this MoU have the following meanings:

- a. "Applicable Law" means the laws and any other instruments having the force of law in India for the time being.
- b. "Implementing Agency" means any private or public entity that will provide the Services to the "Client" under the MoU .
- c. "MoU " means the MoU signed by the Parties and all the attached documents listed in its Clause 1 that is this General Conditions (GC), the Special Conditions (SC), and the Appendices.
- d. "Day" means calendar day.
- e. "Effective Date" means the date on which this MoU comes into force and effect pursuant to Clause GC 2.1.
- f. "Foreign Currency" means any currency other than the currency of the 'Client's' country.
- g. "GC" means these General Conditions of MoU.
- h. "Government" means the Government of India
- i. "Local Currency" means Indian Rupees.
- j. "Member" means any of the entities that make up the joint venture/consortium/association; and "Members" means all these entities.
- k. "Party" means the "Client" or the Implementing Agency, as the case may be, and "Parties" means both of them.
- l. "Personnel" means professionals and support staff provided by the Implementing Agency or by any Sub-Contractors and assigned to perform the Services or any part thereof; "Foreign Personnel" means such professionals and support staff who at the time of being so provided had their domicile outside the Government's country; "Local Personnel" means such professionals and support staff who at the time of being so provided had their domicile inside the Government's country; and "Key Personnel" means the Personnel referred to in Clause GC 4.2(a).
- m. "Reimbursable expenses" means all assignment-related costs [such as travel, translation, report printing, secretarial expenses, subject to specified maximum limits in the MoU].
- n. "SC" means the Special Conditions of MoU by which the GC may be amended or supplemented.
- o. "Services" means the work to be performed by the Implementing Agency pursuant to this MoU, as described in Appendix A hereto.
- p. "Sub-Contractors" means any person or entity to whom/which the Implementing Agency, sub-contractors any part of the Services.
- q. "Third Party" means any person or entity other than the "Client", or the Implementing Agency.




- r. "In writing" means communicated in written form with proof of receipt.
- 1.2. Relationship between the Parties:** Nothing contained herein shall be construed as establishing a relationship of master and servant or of principal and agent as between the "Client" and the "Implementing Agency". The Implementing Agency, subject to this MoU, has complete charge of Personnel and Sub-Contractors, if any, performing the Services and shall be fully responsible for the Services performed by them or on their behalf hereunder.
- 1.3. Law Governing MoU:** This MoU, its meaning and interpretation, and the relation between the Parties shall be governed by the applicable laws of India.
- 1.4. Headings:** The headings shall not limit, alter or affect the meaning of this MoU.
- 1.5. Notices**
- 1.5.1. Any notice, request or consent required or permitted to be given or made pursuant to this MoU shall be in writing. Any such notice, request or consent shall be deemed to have been given or made when delivered in person to an authorized representative of the Party to whom the communication is addressed, or when sent by registered post to such Party at the address specified in the SC.
- 1.5.2. A Party may change its address for notice hereunder by giving the other Party notice in writing of such change to the address specified in the SC.
- 1.6. Location:** The Services shall be performed at such locations as are specified in Appendix A hereto and, where the location of a particular task is not so specified, at such locations, as the "Client" may approve.
- 1.7. Authorized Representatives:** Any action required or permitted to be taken, and any document required or permitted to be executed under this MoU by the "Client" or the Implementing Agency may be taken or executed by the officials specified in the SC.
- 1.8. Taxes and Duties:** The Implementing Agency, Sub-Contractors and Personnel shall be liable to pay such direct and indirect taxes, duties, fees and other impositions levied under the applicable laws of India.
- 1.9. Fraud and Corruption**
- 1.9.1. **Definitions:** It is the Client's policy to require that Clients as well as Implementing Agency observe the highest standard of ethics during the execution of the MoU. In pursuance of this policy, the Client defines, for the purpose of this provision, the terms set forth below as follows:
- a. "Corrupt practice" means the offering, receiving, or soliciting, directly or indirectly, of anything of value to influence the action of a public official in the selection process or in MoU execution;
 - b. "fraudulent practice" means a misrepresentation or omission of facts in order to influence a selection process or the execution of a MoU ;




- c. "collusive practices" means a scheme or arrangement between two or more Implementing Agency, with or without the knowledge of the Client, designed to establish prices at artificial, non-competitive levels;
- d. "coercive practices" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in a procurement process, or affect the execution of a MoU ;

1.9.2. Measures to be taken by the Client

- a. The Client may terminate the MoU if it determines at any time that representatives of the Implementing Agency were engaged in corrupt, fraudulent, collusive or coercive practices during the selection process or the execution of that MoU , without the Implementing Agency having taken timely and appropriate action satisfactory to the Client to remedy the situation;
- b. The Client may also sanction against the Implementing Agency, including declaring the Implementing Agency ineligible, either indefinitely or for a stated period of time, to be awarded a project if it at any time determines that the Implementing Agency has, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for, or in executing, a Client-financed project;

1.9.3. Banning of Firms

1.9.3.1. Grades of Debarment of Implementing Agency/Service providers

Registration of Implementing Agency/service providers and their eligibility to participate in Procurement Entity's procurements is subject to compliance with Code of Integrity for Public Procurement and good performance in MoU. Following grades of debarment from registration and participation in Procuring Entity's procurements can be considered against delinquent bidders/suppliers/contractors/Implementing Agency/service providers.

1.9.3.2. Holiday Listing (Temporary Debarment - Suspension)

Whenever a Implementing Agency/service provider is found lacking in performance, in case of less frequent and less serious misdemeanours, the Implementing Agency/ service provider may be put on a holiday listing (temporary debarment) for a period up to 12 (Twelve) months after following the debarment procedures mentioned in Manual for Procurement of Consultancy & Other Services -2017, issued by Ministry of Finance, Government of India.

1.9.3.3. Debarment

Whenever a Implementing Agency/service provider is found lacking in performance, in case of frequent and serious misdemeanour, the Implementing Agency/ service provider




may be put on debarment for a period between 1 to 2 years, as decided by the competent authority after following the debarment procedures mentioned in Manual for Procurement of Consultancy & Other Services -2017, issued by Ministry of Finance, Government of India.

1.10. Commissions and Fees

At the time of execution of this MoU, the Implementing Agency shall disclose any commissions or fees that may have been paid or are agreed to be paid to agents, representatives, or commission agents with respect to the selection process or execution of the MoU. The information disclosed must include at least the name and address of the agent, representative, or commission agent, the amount and currency, and the purpose of the commission or fee.

2. COMMENCEMENT, COMPLETION, MODIFICATION AND TERMINATION OF MOU

2.1. Effectiveness of MoU: This MoU shall come into force and effect on the date (the "Effective Date") of the Client's notice to the Implementing Agency instructing the Implementing Agency to begin carrying out the Services. This notice shall confirm that the conditions precedent and effectiveness conditions, if any, listed in the SC have been met.

2.2. Termination of MoU for Failure to Become Effective: If this MoU has not become effective within such time period after the date of the MoU signed by the Parties as specified in the SC, either Party may, by not less than twenty one (21) days written notice to the other Party, declare this MoU to be null and void, and in the event of such a declaration by either Party, neither Party shall have any claim against the other Party with respect hereto.

2.3. Commencement of Services: The Implementing Agency shall begin carrying out the Services not later than the number of days after the Effective Date specified in the SC.

2.4. Expiration of MoU: Unless terminated earlier pursuant to Clause GC 2.9 hereof, this MoU shall expire at the end of such time period after the Effective Date as specified in the SC.

2.5. Entire Agreement: This MoU contains all covenants, stipulations and provisions agreed by the Parties. No agent or representative of either Party has authority to make, and the Parties shall not be bound by or be liable for, any other statement, representation, promise or agreement not set forth herein. In cases of substantial modifications or variations, the prior written consent of the Client is required.



2.6. Modifications or Variations: Any modification or variation of the terms and conditions of this MoU, including any modification or variation of the scope of the Services, may only be made by written agreement between the Parties. Pursuant to Clause GC 7.2 here of, however, each Party shall give due consideration to any proposals for modification or variation made by the other Party.

2.7. Force Majeure

2.7.1. Definition

- a. For the purposes of this MoU, "Force Majeure" means an event which is beyond the reasonable control of a Party, is not foreseeable, is unavoidable and not brought about by or at the instance of the Party claiming to be affected by such events and which has caused the non-performance or delay in performance, and which makes a Party's performance of its obligations hereunder impossible or so impractical as reasonably to be considered impossible in the circumstances, and includes, but is not limited to, war, riots, civil disorder, pandemics, earthquake, fire, explosion, storm, flood or other extreme adverse weather conditions, strikes, lockouts or other industrial action (except where such strikes, lockouts or other industrial action are within the power of the Party invoking Force Majeure to prevent), confiscation or any other action by Government agencies.
- b. Force Majeure shall not include (i) any event which is caused by the negligence or intentional action of a Party or by or of such Party's Sub-Contractors or agents or employees, nor (ii) any event which a diligent Party could reasonably have been expected both to take into account at the time of the conclusion of this MoU, and avoid or overcome in the carrying out of its obligations hereunder.
- c. Subject to clause 2.7.2, Force Majeure shall not include insufficiency of funds or inability to make any payment required hereunder.

2.7.2. No Breach of MoU: The failure of a Party to fulfil any of its obligations here under shall not be considered to be a breach of, or default under, this MoU insofar as such inability arises from an event of Force Majeure, provided that the Party affected by such an event has taken all reasonable precautions, due care and reasonable alternative measures, all with the objective of carrying out the terms and conditions of this MoU.

2.7.3. Measures to be taken:

- a. A Party affected by an event of Force Majeure shall continue to perform its obligations under the MoU as far as is reasonably practical, and shall take all reasonable measures to minimize the consequences of any event of Force Majeure.
- b. A Party affected by an event of Force Majeure shall notify the other Party of such event as soon as possible, and in any case not later than fourteen (14) days following the occurrence of such event, providing evidence of the nature and cause of such event, and shall similarly give written notice of the restoration of normal conditions as soon as possible.

- c. Any period within which a Party shall, pursuant to this MoU, complete any action or task, shall be extended for a period equal to the time during which such Party was unable to perform such action as a result of Force Majeure.
- d. During the period of their inability to perform the Services as a result of an event of Force Majeure, the Implementing Agency, upon instructions by the "Client", shall either:
 - i. demobilize; or
 - ii. continue with the Services to the extent possible, in which case the Implementing Agency shall continue to be paid proportionately and on pro-rata basis, under the terms of this MoU.
- e. In the case of disagreement between the Parties as to the existence or extent of Force Majeure, the matter shall be settled according to Clause GC 8.

2.8. Suspension: The "Client" may, by written notice of suspension to the Implementing Agency, suspend all payments to the Implementing Agency hereunder if the Implementing Agency fails to perform any of its obligations under this MoU, including the carrying out of the Services, provided that such notice of suspension (i) shall specify the nature of the failure, and (ii) shall allow the Implementing Agency to remedy such failure, if capable of being remedied, within a period not exceeding thirty (30) days after receipt by the Implementing Agency of such notice of suspension.

2.9. Termination

2.9.1. By the "Client": The "Client" may terminate this MoU in case of the occurrence of any of the events specified in paragraphs (a) through (f) of this Clause GC 2.9.1

- a. If the Implementing Agency fails to remedy a failure in the performance of its obligations hereunder, as specified in a notice of suspension pursuant to Clause GC 2.8 hereinabove, within thirty (30) days of receipt of such notice of suspension or within such further period as the "Client" may have subsequently approved in writing.
- b. If the Implementing Agency becomes (or, if the Implementing Agency consists of more than one entity, if any of its Members becomes and which has substantial bearing on providing Services under this MoU) insolvent or go into liquidation or receivership whether compulsory or voluntary.
- c. If the Implementing Agency fails to comply with any final decision reached as a result of arbitration proceedings pursuant to Clause GC 8 hereof.
- d. If the Implementing Agency, in the judgment of the "Client", has engaged in corrupt or fraudulent practices in competing for or in executing this MoU.
- e. If the Implementing Agency submits to the "Client" a false statement which has a material effect on the rights, obligations or interests of the "Client".
- f. If the Implementing Agency places itself in position of conflict of interest or fails to disclose promptly any conflict of interest to the Client.




- g. If the Implementing Agency fails to provide the quality services as envisaged under this MoU. The MoU Monitoring Committee (CMC) or any such other committee formulated to monitor the progress of the assignment may make judgment regarding the poor quality of services, the reasons for which shall be recorded in writing. The CMC or such other committee may decide to give one chance to the Implementing Agency to improve the quality of the services.
- h. If, as the result of Force Majeure, the Implementing Agency is unable to perform a material portion of the Services for a period of not less than sixty (60) days.
- i. If the "Client", in its sole discretion and for any reason whatsoever, decides to terminate this MoU.

In such an occurrence the "Client" shall give a not less than thirty (30) days' written notice of termination to the Implementing Agency, and sixty (60) days' in case of the event referred to in (h).

2.9.2. By the Implementing Agency: The Implementing Agency may terminate this MoU, by not less than thirty (30) days' written notice to the "Client", in case of the occurrence of any of the events specified in paragraphs (a) through (d) of this Clause GC 2.9.2.

- a. If the "Client" fails to pay any money due to the Implementing Agency pursuant to this MoU and not subject to dispute pursuant to Clause GC 8 hereof within forty-five (45) days after receiving written notice from the Implementing Agency that such payment is overdue.
- b. If, as the result of Force Majeure, the Implementing Agency is unable to perform a material portion of the Services for a period of not less than sixty (60) days.
- c. If the "Client" fails to comply with any final decision reached as a result of arbitration pursuant to Clause GC 8 hereof.
- d. If the "Client" is in material breach of its obligations pursuant to this MoU and has not remedied the same within forty-five (45) days (or such longer period as the Implementing Agency may have subsequently approved in writing) following the receipt by the "Client" of the Implementing Agency's notice specifying such breach.

2.9.3. Cessation of Rights and Obligations: Upon termination of this MoU pursuant to Clauses GC 2.2 or GC 2.9 hereof, or upon expiration of this MoU pursuant to Clause GC 2.4 hereof, all rights and obligations of the Parties hereunder shall cease, except

- a. such rights and obligations as may have accrued on the date of termination or expiration,
- b. the obligation of confidentiality set forth in Clause GC 3.3 hereof,
- c. the Implementing Agency's obligation to permit inspection, copying and auditing of their accounts and records set forth in Clause GC 3.5 hereof, and
- d. any right which a Party may have under the Law.




2.9.4. Cessation of Services: Upon termination of this MoU by notice of either Party to the other pursuant to Clauses GC 2.9.1 or GC 2.9.2 hereof, the Implementing Agency shall, immediately upon dispatch or receipt of such notice, take all necessary steps to bring the Services to a close in a prompt and orderly manner and shall make every reasonable effort to keep expenditures for this purpose to a minimum. With respect to documents prepared by the Implementing Agency and equipment and materials furnished by the "Client", the Implementing Agency shall proceed as provided, respectively, by Clauses GC 3.8 or GC 3.9 hereof.

2.9.5. Payment upon Termination: Upon termination of this MoU pursuant to Clauses GC 2.9.1 or GC 2.9.2 hereof, the "Client" shall make the following payments to the Implementing Agency:

a. If the MoU is terminated pursuant to Clause 2.9.1 (h), (i) or 2.9.2, remuneration pursuant to Clause GC 6.3(h).

- i. hereof for Services satisfactorily performed prior to the effective date of termination, and reimbursable expenditures pursuant to Clause GC 6.3(h).
- ii. hereof for expenditures actually and reasonably incurred prior to the effective date of termination;

b. If the agreement is terminated pursuant of Clause 2.9.1 (a) to (g), the Implementing Agency shall not be entitled to receive any agreed payments upon termination of the MoU. However, the "Client" may consider to make payment for the part satisfactorily performed on the basis of Quantum Merit as assessed by it, if such part is of economic utility to the Client. Applicable Under such circumstances, upon termination, the client may also impose liquidated damages as per the provisions of Clause 9 of this agreement. The Implementing Agency will be required to pay any such liquidated damages to client within 30 days of termination date.

2.9.6. Disputes about Events of Termination: If either Party disputes whether an event specified in paragraphs (a) through (g) of Clause GC 2.9.1 or in Clause GC 2.9.2 hereof has occurred, such Party may, within forty-five (30) days after receipt of notice of termination from the other Party, refer the matter to Clause GC 8 hereof, and this MoU shall not be terminated on account of such event except in accordance with the terms of any resulting arbitral award.

3. OBLIGATIONS OF THE IMPLEMENTING AGENCY

3.1. General

3.1.1. Standard of Performance: The Implementing Agency shall perform the Services and carry out their obligations hereunder with all due diligence, efficiency and economy, in accordance with generally accepted professional standards and practices, and shall observe sound management practices, and employ appropriate technology and safe and effective equipment, machinery, materials and methods. The Implementing Agency shall always act, in respect of any matter relating to this MoU or to the Services, as faithful




adviser to the "Client", and shall at all times support and safeguard the "Client's legitimate interests in any dealings with Sub-Contractor or Third Parties.

3.2. Conflict of Interests: The Implementing Agency shall hold the "Client's interests paramount, without any consideration for future work, and strictly avoid conflict of interest with other assignments or their own corporate interests. If during the period of this MoU, a conflict of interest arises for any reasons, the Implementing Agency shall promptly disclose the same to the Client and seek its instructions.

3.2.1. Implementing Agency not to benefit from Commissions, Discounts, etc.:

- a. The payment of the Implementing Agency pursuant to Clause GC 6 hereof shall constitute the Implementing Agency's only payment in connection with this MoU and, subject to Clause GC 3.2.2 hereof, the Implementing Agency shall not accept for its own benefit any trade commission, discount or similar payment in connection with activities pursuant to this MoU or in the discharge of its obligations hereunder, and the Implementing Agency shall use its best efforts to ensure that any Sub-Contractors, as well as the Personnel and agents of either of them, similarly shall not receive any such additional payment.
- b. Furthermore, if the Implementing Agency, as part of the Services, has the responsibility of advising the "Client" on the procurement of goods, works or services, the Implementing Agency shall comply with the Client's applicable procurement guidelines, and shall at all times exercise such responsibility in the best interest of the "Client". Any discounts or commissions obtained by the Implementing Agency in the exercise of such procurement responsibility shall be for the account of the "Client".

3.2.2. Implementing Agency and Affiliates Not to Engage in Certain Activities: The Implementing Agency agrees that, during the term of this MoU and after its termination, the Implementing Agency and any entity affiliated with the Implementing Agency, as well as any Sub-Contractors and any entity affiliated with such Sub-Contractors, shall be disqualified from providing goods, works or services (other than consulting services) resulting from or directly related to the Implementing Agency's Services for the preparation or implementation of the project.

3.2.3. Prohibition of Conflicting Activities: The Implementing Agency shall not engage, and shall cause their Personnel as well as their Sub-Contractors and their Personnel not to engage, either directly or indirectly, in any business or professional activities that would conflict with the activities assigned to them under this MoU.

3.3. Confidentiality: Except with the prior written consent of the "Client", the Implementing Agency and the Personnel shall not at any time communicate to any person or entity any confidential information acquired in the course of the Services, nor shall the Implementing Agency and its Personnel make public the recommendations formulated in the course of, or as a result of, the Services. If the data is misused, necessary action shall be initiated as per the provision of the Law.




3.4. Insurance to be Taken out by the Implementing Agency: The Implementing Agency (i) shall take out and maintain, and shall cause any Sub-Contractors to take out and maintain insurance, at their (or the Sub-Contractors', as the case may be) own cost but on terms and conditions approved by the "Client", insurance against the risks, and for the coverages specified in the SC, and (ii) at the "Client's request, shall provide evidence to the "Client" showing that such insurance has been taken out and maintained and that the current premiums therefore have been paid.

3.5. Accounting, Inspection and Auditing: The Implementing Agency

- a. shall keep accurate and systematic accounts and records in respect of the Services hereunder, in accordance with internationally accepted accounting principles and in such form and detail as will clearly identify all relevant time changes and costs, and the bases thereof, and
- b. shall periodically permit the "Client" or its designated representative and/or the Client, and up to five years from expiration or termination of this MoU, to inspect the same and make copies thereof as well as to have them audited by auditors appointed by the "Client" or the Client, if so required by the "Client" or the Client as the case may be. The Implementing Agency shall submit UC as per the format specified in the GFR, and shall also submit a statement of expenditure duly audited by the statutory auditor of the Implementing Agency, and any other documents required, to the Client for the release of payments as per the instalments defined later in this document.

3.6. Implementing Agency's Actions Required in Situations:

- a. The Implementing Agency shall obtain the "Client's prior approval in writing before any change or addition to the Personnel listed submitted for the project.
- b. Sub-Contracts: The Implementing Agency may Sub-Contract work relating to the Services and inform the Client as long as the overall responsibility and accountability for the assignment remaining with the Implementing Agency.

3.7. Reporting Obligations: The Implementing Agency shall submit to the "Client" the reports and documents specified in the deliverables in the numbers and within the time periods set forth in the said Appendix A.

3.8. Documents Prepared by the Implementing Agency to be the Property of the "Client": All plans, drawings, specifications, designs, reports, other documents and software prepared by the Implementing Agency for the "Client" under this MoU shall become and remain the property of the "Client", and the Implementing Agency shall, not later than upon termination or expiration of this MoU, deliver all such documents to the "Client", together with a detailed inventory thereof. The Implementing Agency may retain a copy of such documents, but shall not use anywhere, without taking permission, in writing, from the Client and the Client reserves right to grant or deny any such request. If license agreements are necessary or appropriate between the Implementing Agency and third parties for purposes of development of any such computer programs, the Implementing Agency shall obtain the "Client's prior written approval to such agreements, and the "Client" shall be entitled at its discretion to require recovering the expenses related to the development of the program(s) concerned.

3.9. Equipment, Vehicles and Materials Furnished by the "Client": Equipment, vehicles and materials made available to the Implementing Agency by the "Client", or purchased by the Implementing Agency wholly or partly with funds provided by the "Client", shall be the property of the "Client" and shall be marked accordingly. Upon termination or expiration of this MoU, the Implementing Agency shall make available to the "Client" an inventory of such equipment, vehicles and materials and shall dispose of such equipment and materials in accordance with the "Client's instructions. While in possession of such equipment, vehicles and materials, the Implementing Agency, unless otherwise instructed by the "Client" in writing, shall insure them at the expense of the "Client" in an amount equal to their full replacement value.

3.10. Equipment and Materials Provided by the Implementing Agency: Equipment or materials brought into the Government's country by the Implementing Agency and the Personnel and used either for the Project or personal use shall remain the property of the Implementing Agency or the Personnel concerned, as applicable.

4. IMPLEMENTING AGENCY'S PERSONNEL AND SUB-CONTRACTORS

4.1. General: The Implementing Agency shall employ and provide such qualified and experienced personnel and Sub-Contractors as are required to carry out the Services.

4.2. Description of Personnel:

- a. The title, agreed job description, minimum qualification and estimated period of engagement in the carrying out of the Services of each of the Implementing Agency's Key Personnel are as per the Implementing Agency's proposal. If any of the Key Personnel has already been approved by the "Client", his/her name is listed as well.
- b. If required to- comply with the provisions of Clause GC 3.1.1 hereof, adjustments with respect to the estimated periods of engagement of Key Personnel may be made by the Implementing Agency by written notice to the "Client", provided
 - i. that such adjustments shall not alter the originally estimated period of engagement of any individual by more than 10% or one week, whichever is larger, and
 - ii. that the aggregate of such adjustments shall not cause payments under this MoU to exceed the ceilings set forth in Clause GC 6.1(b) of this MoU. Any other such adjustments shall only be made with the "Client's written approval.
- c. If additional work is required beyond the scope of the Services specified in Appendix A, the estimated periods of engagement of Key Personnel may be increased by agreement in writing between the "Client" and the Implementing Agency. In case where payments under this MoU exceed the ceilings set forth in Clause GC 6.1(b) of this MoU, this will be explicitly mentioned in the agreement.

4.3. Approval of Personnel: The Key Personnel and Sub-Contractors listed by title as well as by name are hereby approved by the "Client". In respect of other Personnel which




the Implementing Agency proposes to use in the carrying out of the Services, the Implementing Agency shall submit to the "Client" for review and approval a copy of their Curricula Vitae (CVs). If the "Client" does not object in writing (stating the reasons for the objection) within twenty-one (21) days from the date of receipt of such CVs, such Personnel shall be deemed to have been approved by the "Client".

4.4. Removal and/or Replacement of Personnel:

4.4.1. Except as the "Client" may otherwise agree, no changes shall be made in the Personnel. If, for any reason beyond the reasonable control of the Implementing Agency, such as retirement, death, medical incapacity, among others, it becomes necessary to replace any of the Personnel, the Implementing Agency shall forthwith provide as a replacement a person of equivalent or better qualifications.

4.4.2. If the "Client"

- a. finds that any of the Personnel has committed serious misconduct or has been charged with having committed a criminal action, or
- b. has reasonable cause to be dissatisfied with the performance of any of the Personnel, then the Implementing Agency shall, at the "Client's" written request specifying the grounds therefore, forthwith provide as a replacement a person with qualifications and experience acceptable to the "Client".

4.4.3. Any of the Personnel provided as a replacement under Clauses (a) and (b) above, as well as any reimbursable expenditures (including expenditures due to the number of eligible dependents) the Implementing Agency may wish to claim as a result of such replacement, shall be subject to the prior written approval by the "Client". The rate of remuneration applicable to a replacement person will be the rate of remuneration paid to the replacement person. Also

- c. the Implementing Agency shall bear all additional travel and other costs arising out of or incidental to any removal and/or replacement, and
- d. the remuneration to be paid for any of the Personnel provided as a replacement shall not exceed the remuneration which would have been payable to the Personnel replaced.

4.5. Resident Project Manager: If required by the SC, the Implementing Agency shall ensure that at all times during the Implementing Agency's performance of the Services a resident project manager, acceptable to the "Client", shall take charge of the performance of such Services.

5. OBLIGATIONS OF THE "CLIENT"




5.1. Assistance and Exemptions: Unless otherwise specified in the SC, the "Client" shall use its best efforts to ensure that the Government shall:

- a. Provide the Implementing Agency, Sub-Contractors and Personnel with work permits and such other documents as shall be necessary to enable the Implementing Agency, Sub-Contractors or Personnel to perform the Services.
- b. Issue to officials, agents and representatives of the Government all such instructions as may be necessary or appropriate for the prompt and effective implementation of the Services.
- c. Provide to the Implementing Agency, Sub-Contractors and Personnel any such other assistance as may be specified in the SC.

5.2. Change in the Applicable Law Related to Taxes and Duties: If, after the date of this MoU, there is any change in the Applicable Laws of India with respect to taxes and duties, which are directly payable by the Implementing Agency for providing the services i.e. service tax or any such applicable tax from time to time, which increases or decreases the cost incurred by the Implementing Agency in performing the Services, then the remuneration and reimbursable expenses otherwise payable to the Implementing Agency under this MoU shall be increased or decreased accordingly by agreement between the Parties hereto, and corresponding adjustments shall be made to the ceiling amounts specified in Clause GC 6.1(b).

5.3. Payment: In consideration of the Services performed by the Implementing Agency under this MoU, the "Client" shall make to the Implementing Agency such payments and in such manner as is provided by Clause GC 6 of this MoU.

5.4. Counterpart Personnel:

- a. If necessary, the "Client" shall make available to the Implementing Agency free of charge such professional and support counterpart personnel, to be nominated by the "Client" with the Implementing Agency's advice, if specified in this MoU.
- b. Professional and support counterpart personnel, excluding "Client's liaison personnel, shall work under the exclusive direction of the Implementing Agency. If any member of the counterpart personnel fails to perform adequately any work assigned to such member by the Implementing Agency that is consistent with the position occupied by such member, the Implementing Agency may request the replacement of such member, and the "Client" shall not unreasonably refuse to act upon such request.

6. PAYMENTS TO THE IMPLEMENTING AGENCY

6.1. Total Cost of the Services

- a. The total cost of the Services payable is set forth in Appendix B as per the Implementing Agency's proposal to the Client and as negotiated thereafter.

- b. Except as may be otherwise agreed under Clause GC 2.6 and subject to Clause GC 6.1(c), payments under this MoU shall not exceed the amount specified in Appendix-B.
- c. Notwithstanding Clause GC 6.1(b) hereof, if pursuant to any of the Clauses GC 4.2 (c) or 5.2 hereof, the Parties shall agree that additional payments shall be made to the Implementing Agency in order to cover any necessary additional expenditures not envisaged in the cost estimates referred to in Clause GC 6.1(a) above, the ceiling or ceilings, as the case may be, set forth in Clause GC 6.1(b) above shall be increased by the amount or amounts, as the case may be, of any such additional payments.
- d. All payments shall be on reimbursement basis except the Administrative and Institutional overheads (AIO) and consultancy fee, which shall be on Percentage basis for the direct expenses actually incurred. The Implementing Agency shall provide a UC to the MoRD as per the format defined in the GFR.

6.2. Currency of Payment: All payments shall be made in Indian Rupees [In case the payment is to be made in the currency other than Indian Rupees, the same shall be mentioned instead of Indian Rupees]

6.3. Terms of Payment: The payments in respect of the Services shall be made as follows:

- a. The Implementing Agency shall submit the request for payment when the payment is due as per the agreed terms. The payment shall be released as per the work related milestones achieved and as per the specified percentage as per SC 12
- b. Once a milestone is completed, the Implementing Agency shall submit the requisite deliverables as specified in this MoU. The Client shall release the requisite payment upon acceptance of the deliverables. However, if the Client fails to intimate acceptance of the deliverables or its objections thereto, within 30 days of receipt of it, the Client shall release the payment to the Implementing Agency without further delay.
- c. Final Payment: The final payment as specified in SC 12 shall be made only after the final report and a final statement, identified as such, shall have been submitted by the Implementing Agency and approved as satisfactory by the "Client". The Services shall be deemed completed and finally accepted by the "Client" and the final report and final statement shall be deemed approved by the "Client" as satisfactory ninety (90) calendar days after receipt of the final report and final statement by the "Client" unless the "Client", within such ninety (90) day period, gives written notice to the Implementing Agency specifying in detail deficiencies in the Services, the final report or final statement. The Implementing Agency shall thereupon promptly make any necessary corrections, and thereafter the foregoing process shall be repeated. Any amount, which the "Client" has paid or caused to be paid in accordance with this Clause in excess of the amounts actually payable in accordance with the provisions of this MoU, shall be reimbursed by the Implementing Agency to the "Client" within thirty (30) days after receipt by the Implementing Agency of notice thereof. Any such claim by the "Client" for reimbursement must be made within twelve (12) calendar months after receipt by the "Client" of a final report and a final statement approved by the "Client" in accordance with the above.




- d. For the purpose of payment under Clause 6.3 (b) above, acceptance means; acceptance of the deliverables by the Client after submission by the Implementing Agency and the Implementing Agency has made a presentation to the CMC / Client, with / without modifications to be communicated in writing by the Client to the Implementing Agency.
- e. If the deliverables submitted by the Implementing Agency are not acceptable to the Client / CMC, reasons for such non-acceptance should be recorded in writing; the Client shall not release the payment due to the Implementing Agency. This is without prejudicing the Client's right to levy any liquidated damages under clause 9. In such case, the payment will be released to the Implementing Agency only after it re-submits the deliverable and which is accepted by the Client.
- f. All payments under this MoU shall be made to the bank account of the Implementing Agency specified in the SC 14.
- g. With the exception of the final payment under (c) above, payments do not constitute acceptance of the Services nor relieve the Implementing Agency of any obligations hereunder, unless the acceptance has been communicated by the Client to the Implementing Agency in writing and the Implementing Agency has made necessary changes as per the comments / suggestions of the Client communicated to the Implementing Agency.
- h. In case of early termination of the MoU, the payment shall be made to the Implementing Agency as mentioned here with:
- i. Assessment should be made about work done from the previous milestone, for which the payment is made or to be made till the date of the termination. The Implementing Agency shall provide the details of persons reasonably worked during this period with supporting documents. Based on such details, the remuneration shall be calculated based on the man month rate as specified.
 - ii. A reasonable assessment of the reimbursable and miscellaneous expenses shall be made based on details furnished by the Implementing Agency in this regard with supporting documents and based on the assessment of the work done and the respective rates as provided. Wherever such an assessment is difficult, the rates should be arrived at by calculating the amount on pro-rata basis.

The total amount payable shall be the amount calculated as per (i) and (ii) above plus any applicable tax.

7. FAIRNESS AND GOOD FAITH

7.1. Good Faith: The Parties undertake to act in good faith with respect to each other's rights under this MoU and to adopt all reasonable measures to ensure the realization of the objectives of this MoU.




7.2. Operation of the MoU: The Parties recognize that it is impractical in this MoU to provide for every contingency which may arise during the life of the MoU, and the Parties hereby agree that it is their intention that this MoU shall operate fairly as between them, and without detriment to the interest of either of them, and that, if during the term of this MoU either Party believes that this MoU is operating unfairly, the Parties will use their best efforts to agree on such action as may be necessary to remove the cause or causes of such unfairness, but no failure to agree on any action pursuant to this Clause shall give rise to a dispute subject to arbitration in accordance with Clause GC 8 hereof.

8. SETTLEMENT OF DISPUTES

8.1. Amicable Settlement: Performance of the MoU is governed by the terms & conditions of the MoU, in case any dispute arises between the parties regarding any matter under the MoU, either Party of the MoU may send a written Notice of Dispute to the other party. The Party receiving the Notice of Dispute will consider the Notice and respond to it in writing within 30 days after receipt. If that party fails to respond within 30 days, or the dispute cannot be amicably settled within 60 days following the response of that party, clause GC 8.2 shall become applicable.

8.2. Arbitration: In the case of dispute arising upon or in relation to or in connection with the MoU between the Client and the Implementing Agency, which has not been settled amicably, any party can refer the dispute for Arbitration under (Indian) Arbitration and Conciliation Act, 1996. Such disputes shall be referred to an Arbitral Tribunal consisting of 3 (three) arbitrators, one each to be appointed by the Client and the Implementing Agency, the third arbitrator shall be chosen by the two arbitrators so appointed by the parties and shall act as Presiding Arbitrator. In case of failure of the two arbitrators, appointed by the parties to reach a consensus regarding the appointment of the third arbitrator within a period of 30 days from the date of appointment of the two arbitrators, the Presiding arbitrator shall be appointed by the Secretary of the Ministry / Department. The Arbitration and Conciliation Act, 1996 and any statutory modification or re-enactment thereof, shall apply to these arbitration proceedings.

8.3. Location of Arbitration proceedings: The Arbitration proceedings shall be held in India at the place indicated in SC and the language of the arbitration proceedings and that of all documents and communications between the parties shall be English.

8.4. Decision of arbitration: The decision of the majority of arbitrators shall be final and binding upon both parties. The expenses of the arbitrators as determined by the arbitrators shall be shared equally by the Client and the Implementing Agency. However, the expenses incurred by each party in connection with the preparation, presentation shall be borne by the party itself. All arbitration awards shall be in writing and shall state the reasons for the award.

9. Liquidated Damages

9.1. The parties hereby agree that due to negligence of act of the Implementing Agency, if the other party suffers losses and damages, the quantification of which may be difficult, and hence the amount specified hereunder shall be construed as reasonable estimate of

the damages and the Implementing Agency agree to pay such liquidated damages to MORD, as defined hereunder as per the provisions of this MoU.

9.2. The amount of liquidated damages under this MoU shall not exceed 10% of the value of the payments made for professional charges payable to the Implementing Agency under MoU at the given time as specified in Section B1 of Appendix B.

9.3. The liquidated damages shall be applicable under following circumstances:

9.4. If the deliverables are not submitted as per schedule as specified in SC 12, or as modified by the Client in writing, the Implementing Agency shall be liable to pay 1% of the total cost of the professional charges payable to the Implementing Agency under MoU at the given time as specified in Section B1 of appendix B, for delay of each fortnight or part thereof.

9.5. If the deliverables are not acceptable to the Client as mentioned in Clause 6.3 (e), and defects are not rectified to the satisfaction of the Client within 30 days of the receipt of the notice, the Implementing Agency shall be liable for Liquidated Damages for an amount equal to 1 % of total cost of the professional charges payable to the Implementing Agency under MoU at the given time as specified in Section B1 of appendix B, for every fortnight or part thereof for the delay.

10. Miscellaneous provisions:

10.1. "Nothing contained in this MoU shall be construed as establishing or creating between the Parties, a relationship of master and servant or principal and agent.

10.2. Any failure or delay on the part of any Party to exercise right or power under this MoU shall not operate as waiver thereof.

10.3. The Implementing Agency shall notify the Client/ the Government of India of any material change in their status, in particular, where such change would impact on performance of obligations under this MoU.

10.4. Each member/constituent of the Implementing Agency, in case of a consortium, shall be jointly and severally liable to and responsible for all obligations towards the Client/Government for performance of works/services including that of its Associates/Sub Contractors under the MoU.

10.5. The Implementing Agency shall at all times indemnify and keep indemnified the Client/Government of India against all claims/damages etc. for any infringement of any Intellectual Property Rights (IPR) while providing its services under the Project.

10.6. The Implementing Agency shall at all times indemnify and keep indemnified the Client/Government of India against any claims in respect of any damages or compensation payable in consequences of any accident or injury sustained or suffered by the Implementing Agency's employees or agents or by any other third Party resulting from or by any action, omission or operation conducted by or on behalf of the Implementing Agency.

10.7. The Implementing Agency shall at all times indemnify and keep indemnified the Client/Government of India against any and all claims by Employees, Workman, Contractors, sub-contractors, suppliers, agent(s), employed engaged or otherwise working for the project, in respect of wages, salaries, remuneration, compensation or the like.

10.8. All claims regarding indemnity shall survive the termination or expiry of the MoU.

10.9. It is acknowledged and agreed by all Parties that there is no representation of any type, implied or otherwise, of any absorption, regularization, continued engagement or concession or preference for employment of persons engaged by the (Implementing Agency) for any engagement, service or employment in any capacity in any office or establishment of the Government of India or the Client.



III. Special Conditions of MoU:

| SC Clause | Ref. of GC Clause | Amendments of, and Supplements to, Clauses in the General Conditions of MoU |
|-----------|-------------------|---|
| 1. | 1.5 | <p>The addresses are:</p> <p>1. "Client": Ministry of Rural Development, Department of Rural Development</p> <p>Attention: Joint Secretary (RL) Address: Ministry of Rural Development, Department of Rural Development, Rural Livelihoods Division 7th Floor, NDCC_II Building, Jai Singh Road, New Delhi Phone: 011-23438012 Email: js-skills@ddugky.gov.in</p> <p>2. Implementing Agency: Digital India Corporation</p> <p>Attention: Dr. Vinay Thakur, Senior Director (Research) Address: Digital India Corporation, Electronics Niketan, 6 CGO Complex, New Delhi 100003 Phone: 01124301414 Email: vinay@gov.in</p> |
| 2. | 1.7 | <p>The Authorized Representatives are:</p> <p>For the "Client": Director (RL)</p> <p>For the Implementing Agency: Senior Director(Research)</p> |
| 3.. | 2.1 | <p>The effectiveness conditions are the following: The MoU will be effective from the date of signing the MoU by both the parties.</p> |
| 4. | 2.2 | <p>Termination of MoU for Failure to Become Effective:</p> <p>The time period shall be one month from the date of signing the MoU.</p> |
| 5. | 2.3 | <p>Commencement of Services:</p> <p>The time period shall be 15 days from the date of signing the MoU.</p> |
| 6. | 2.4 | <p>Expiration of MoU: The time period shall be 36 months from the</p> |

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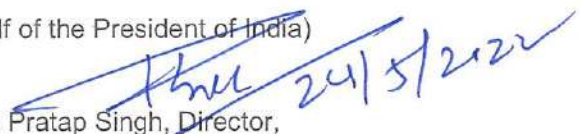

| SC Clause | Ref. of GC Clause | Amendments of, and Supplements to, Clauses in the General Conditions of MoU |
|-----------|-------------------|---|
| | | date of signing the MoU. |
| 7. | 9 | <p>Agency is expected to meet the service levels & time lines in the normal course of carrying out the activities as per the detailed Scope of Work. If the delay is of 10 weeks then the MoU would be cancelled. In case of unjustified delay in completion of tasks/ un acceptable quality of deliverables, MORD reserves the right to levy penalties on the agency up to 10% of section B1 of the MoU value. Subject to following conditions:</p> <p>a. Delay in completion of the assignment within the stipulated time - For each fortnight of delay in the submission of final deliverables, one percent of the professional charges payable to Implementing Agency (Section B1 of the project value) shall be deducted as penalty subject to maximum of 10% of the total value of professional charges payable to Implementing Agency (Section B1 of the project value);</p> <p>b. If the quality of deliverables are not acceptable and the Implementing Agency is not in a position to deliver the deliverables in the acceptable form, MORD may impose a penalty of a maximum of 10% of the total value of professional charges payable to Implementing Agency (Section B1 of the project value).</p> <p>However, the total penalty should not be more than 10% of the total of the total value of professional charges payable to Implementing Agency (Section B1 of the project value).</p> |
| 8. | 3.3 | <p>Limitation of the Implementing Agency's Liability towards the "Client"</p> <p>1. The Implementing Agency's liability should simply be governed by the Applicable Laws of India.</p> |
| 9. | 3.4 | <p>The risks and the insurance coverage shall be as follows:</p> <p>(a). Third Party motor vehicle liability insurance in respect of motor vehicles operated in the Government's country by the Implementing Agency or its Personnel or any Sub-Contractors or their Personnel, with a minimum coverage of [INR]; 10 lakhs</p> <p>(b). Workers' compensation insurance in respect of the Personnel of the Implementing Agency and of any Sub-Contractors, in accordance with the relevant provisions of the Applicable Laws of India, as well as, with respect to such Personnel, any such life, health, accident, travel or other insurance as may be appropriate; and</p> |

| SC Clause | Ref. of GC Clause | Amendments of, and Supplements to, Clauses in the General Conditions of MoU | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---------------------|------------------------|---|---------------------|---|--|-----------|-------|------------------------|---|---------|-------|------------------------|--|---------|-------|------------------------|--|---------|-------|------------------------|--|---------|-------|------------------------|--|----------|-------|------------------------|---|----------|-------|------------------------|--|----------|-------|------------------------|---|----------|
| | | <p>(c). Insurance against loss of or damage to</p> <p>i. Equipment and goods for sale, purchased in whole or in part with funds provided under this MoU,</p> <p>ii. the Implementing Agency's property used in the performance of the Services, and</p> <p>iii. any documents prepared by the Implementing Agency in the performance of the Services, by theft, fire or any natural calamity.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10. | 3.7 | <i>All proprietary rights in Deliverables specifically created for Client under this MoU remain with the Client.</i> The Implementing Agency shall not use the deliverables specially made for the purpose of this assignment in any form, and other related document for the purposes unrelated to this MoU. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 11. | 6.1 (b) | <p>The ceiling of total project price is Rs. 268.21 lakhs</p> <p>Currently no GST is applicable on the reimbursable component. The GST will be paid extra on the applicable items (Professional charges) at the prevailing rate.</p> <p>Reimbursable cost would be reimbursed on actual expenses incurred supported by evidence/receipts/certification (where receipts are not available).</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12. | 6.3 and 9.4 | <p>The payment to the Implementing Agency will be paid under :</p> <table border="1"> <thead> <tr> <th>Amount in INR Lakhs</th> <th>%</th> <th>Milestones (Appendix A Para 12 of the Project)</th> <th>Timelines</th> </tr> </thead> <tbody> <tr> <td>20.30</td> <td>25% of the year 1 cost</td> <td>Signing of Project & submission of Inception Report</td> <td>15 days</td> </tr> <tr> <td>20.30</td> <td>25% of the year 1 cost</td> <td>On achievement of physical milestone no. 2</td> <td>Month 2</td> </tr> <tr> <td>20.30</td> <td>25% of the year 1 cost</td> <td>On achievement of physical milestone no. 3 & 4</td> <td>Month 6</td> </tr> <tr> <td>20.30</td> <td>25% of the year 1 cost</td> <td>On achievement of physical milestone no. 5 & 6</td> <td>Month 9</td> </tr> <tr> <td>23.56</td> <td>25% of the year 2 cost</td> <td>On achievement of physical milestone no. 7 & 8</td> <td>Month 12</td> </tr> <tr> <td>23.56</td> <td>25% of the year 2 cost</td> <td>On achievement of physical milestone no. 9 - 11</td> <td>Month 15</td> </tr> <tr> <td>23.56</td> <td>25% of the year 2 cost</td> <td>On achievement of physical milestone no. 12 - 14</td> <td>Month 18</td> </tr> <tr> <td>23.56</td> <td>25% of the year 2 cost</td> <td>On achievement of physical milestone no. 15</td> <td>Month 21</td> </tr> </tbody> </table> | Amount in INR Lakhs | % | Milestones (Appendix A Para 12 of the Project) | Timelines | 20.30 | 25% of the year 1 cost | Signing of Project & submission of Inception Report | 15 days | 20.30 | 25% of the year 1 cost | On achievement of physical milestone no. 2 | Month 2 | 20.30 | 25% of the year 1 cost | On achievement of physical milestone no. 3 & 4 | Month 6 | 20.30 | 25% of the year 1 cost | On achievement of physical milestone no. 5 & 6 | Month 9 | 23.56 | 25% of the year 2 cost | On achievement of physical milestone no. 7 & 8 | Month 12 | 23.56 | 25% of the year 2 cost | On achievement of physical milestone no. 9 - 11 | Month 15 | 23.56 | 25% of the year 2 cost | On achievement of physical milestone no. 12 - 14 | Month 18 | 23.56 | 25% of the year 2 cost | On achievement of physical milestone no. 15 | Month 21 |
| Amount in INR Lakhs | % | Milestones (Appendix A Para 12 of the Project) | Timelines | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 20.30 | 25% of the year 1 cost | Signing of Project & submission of Inception Report | 15 days | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 20.30 | 25% of the year 1 cost | On achievement of physical milestone no. 2 | Month 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 20.30 | 25% of the year 1 cost | On achievement of physical milestone no. 3 & 4 | Month 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 20.30 | 25% of the year 1 cost | On achievement of physical milestone no. 5 & 6 | Month 9 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 23.56 | 25% of the year 2 cost | On achievement of physical milestone no. 7 & 8 | Month 12 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 23.56 | 25% of the year 2 cost | On achievement of physical milestone no. 9 - 11 | Month 15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 23.56 | 25% of the year 2 cost | On achievement of physical milestone no. 12 - 14 | Month 18 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 23.56 | 25% of the year 2 cost | On achievement of physical milestone no. 15 | Month 21 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| SC Clause | Ref. of GC Clause | Amendments of, and Supplements to, Clauses in the General Conditions of MoU | | | | |
|-----------|-------------------|---|---|--|--|--|
| | | 23.20 | 25% of the year 3 cost | On achievement of physical milestone no. 16 & 17 | Month 24 | |
| | | 23.20 | 25% of the year 3 cost | On achievement of physical milestone no. 18-20 | Month 27 | |
| | | 23.20 | 25% of the year 3 cost | Completion of Roll Out and Training milestone no. 21 | Month 30 | |
| | | 13.90 | 15% of the year 3 cost | Regular support for the software milestone no.22- 23 | Month 36 | |
| | | 9.27 | 10% of the year 3 cost | Handover of project including Source Code | Month 37 (after completion of project) | |
| | | 268.21 | <p>Currently, no GST is payable on reimbursements. In case in future, GST becomes applicable, then the same will be paid extra on the applicable items at the prevailing rate.</p> <p>Payment will be made only on receipt and acceptance of the deliverables as detailed in APPENDIX A (Para 12) and on submission of request as required as per the terms of this MoU.</p> | | | |
| 13. | 8.3 | The Arbitration proceedings shall take place in New Delhi, India. The Courts of jurisdiction of New Delhi only shall have the Jurisdiction to decide any dispute. | | | | |

Binding signature of Client Signed by

(for and on behalf of the President of India)



[Mr. Raghvendra Pratap Singh, Director, Department of Rural Development, Ministry of Rural Development, Government of India]

राघवेंद्र प्रताप सिंह / RAGHVENDRA PRATAP SINGH
 निदेशक / Director
 भारत सरकार / Government of India
 ग्रामीण विकास मंत्रालय / M/o Rural Development
 कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi

Binding signature of Implementing Agency Signed by



Dr. Vinay Thakur, Senior Director (Research)

(for and on behalf of Digital India Corporation, New Delhi duly authorized vide Resolution No. of Foundation for Development Rural Value Chains, New Delhi)

Dr. VINAY THAKUR
 Senior Director (Research)
 Digital India Corporation (DIC)
 Ministry of Electronics & Information Technology (MeitY)
 Government of India

In the presence of (Witnesses)



APPENDIX A – DESCRIPTION OF SERVICES

Title of the Project: Development and Maintenance of e-Commerce Portal of Ministry of Rural Development.

1. Project Implementing Agency / Organisation:

- a) Name: Digital India Corporation(DIC)
- b) PostalAddress:ElectronicsNiketanAnnexe,6CGOComplex,NewDelhi-03
- c) Contact Person1: Satya Vir Singh, Principal Research Scientist, 011-24303500/9818627772;satyavir@digitalindia.gov.in
- d) Contact Person2: Dr. T S Anurag, Principal Research Scientist, 011-24303500/9868284903; anurag@digitalindia.gov.in
- e) Legal Status: Not for profit organization of MeitY, Gol

2. Introduction

National Rural Livelihoods Mission (NRLM), Ministry of Rural Development (MoRD), Government of India aims to create and efficient and effective online platform for the enhancement of the livelihood of the rural people.

The online platform will promote the products of the rural people through online selling these items made by self-managed Self Help Groups (SHGs) and federated institutions.

3. Objective

To develop an e-Commerce Portal and mobile app for selling the products of SHGs/rural people for MoRD through the online portal and mobile app.

4. Scope

4.1. Phase I

4.1.1. Development of eCommerce portal and app

4.1.1.1. Customer Management

4.1.1.2. Warehouse/Seller Management

4.1.1.3. Inventory Management – Will be displayed as per the data provided by third party retail management software /Ginesys

4.1.1.4. Product Management -provision of adding the product attributes (product listing and details will be fetched from inventory of third party retail management software /Ginesys) and the portal will also have its own product management modules in case the




3rd party software is delinked.

4.1.1.5. Order Management

4.1.2. Delivery Management(display the delivery status through API)

4.1.2.1. Provision to add warehouse

4.1.2.2. SMS alert/notification(escape delivery related)

4.1.2.3. Analytics and MIS Reports

4.1.2.4. Customer Support: IVRS Based Personalized Helpline(Its additional and have additional charges)

4.1.3. Integration of logistic partners(display the delivery status through API)

4.1.4. Integration with the retail management system

4.1.4.1. The data will be synchronised with the retail management system/Ginesys twice in a day and additional attributes will be added.

4.1.4.2. Before the During the order confirmation

4.1.5. Security Audit

4.1.6. Hosting of the portal on cloud

4.1.7. Training and handholding support to the users (as faculty)

4.1.8. Enhancement/bug fixing and maintenance

4.1.9. Technical Support

4.2. Phase II

4.2.1. Development of Vendor Management Module

4.2.1.1. Vendor on boarding – all vendors should be cross –verified from the NRLM MIS (should be listed on the NRLM MIS as SHG/ SHG member/ SVEP enterprise / Other enterprise / PG/ FPO / CLF etc.)

4.2.1.2. Vendor Feedback and Rating/grading

4.2.1.3. Automatic Alerts to the vendors (stock level)

4.2.1.4. Auto generation of purchase order

4.2.1.5. Access rights to vendors to see the purchase orders

4.2.1.6. Auto generation of invoice (by the vendor)

4.2.1.7. Calculation of the price of the products (as per data provided by Ginesys)

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- 4.2.1.8. Payment disbursement to the vendors
- 4.2.1.9. Invoice/reject quantity
- 4.2.1.10. Dashboard for the vendors – reports on the sale and comparative prices of their products vs other vendors on the MoRD portal and other portals
- 4.2.1.11. A module for the sharing the products listed on this portal seamlessly with the other GOI ecommerce portals (MOT portal, Trifed portal all the SRLMs etc) and commercial ecommerce platforms.
- 4.2.1.12. Ability to replicate this portal /create separate instances for all the SRLMs for all the states with the same products, pricing etc., but with a separate URL and landing page – eg. Products from Bihar would be listed simultaneously on both the MoRD portal and on the Bihar portal. The Bihar SRLM would be able to have a separate admin
- 4.2.1.13. This portal would have the capability to function as a market place with multiple sellers who'll sell their products directly (FDRVC may cease to be the only seller in phase 2. All vendor compliances related to listing and ecommerce legal & statutory requirements like GST registration, FSSAI would be captured and validated with government sites – MoRD's NRLM MIS, GST, Aadhaar, FSSAI and others as per mandate.
- 4.2.1.14. Vernacular Language platform(translation needs to be done by the vendor/user)
- 4.2.1.15. Creation of catalogue master
- 4.2.1.16. Analytics and reporting related to sale – dashboard reports for separate category of users
- 4.2.1.17. A module for aggregating the raw material requirements of the vendors and a process of providing them through a common /pooled buying platform
- 4.2.1.18. Security Audit
- 4.2.1.19. Bug fixing and technical support

4.3. Phase III

- 4.3.1. Security Audit
- 4.3.2. Roll out and Training (as faculty)
- 4.3.3. Bug fixing based on the users feedback
- 4.3.4. Technical Support Security Audit and Hosting of the Portal
- 4.3.5. Hosting Maintenance and Handholding
- 4.3.6. Enhancement/customization as per the requirement
- 4.3.7. Integration of analytical tool




4.3.8. Bug fixing and technical support

All the brand ownership and source code and IP rights of the software / portal being developed shall vest with the MoRD. Also the entire modules and software developed for MoRD can be shared with other government departments / ministries / SRLMs free of cost by the MoRD. DIC shall only charge these entities for additional customization and for costs related to rolling out a separate instance of the already developed software.

5. Features of the portal

- 5.1. User Centric
- 5.2. Easy On-boarding
- 5.3. Analytics
- 5.4. Security
- 5.5. Scalability
- 5.6. Performance
- 5.7. Interoperability
- 5.8. Manageability
- 5.9. Availability
- 5.10. Upgradeability
- 5.11. Maintainability
- 5.12. Cloud Enabled

6. Roles and Responsibilities:

6.1. Digital India Corporation

6.1.1. Development of e-Commerce: Web Portal and mobile app Setting up IVRS system for the customer support (Chat, IVRS, Email)

6.1.2. Integration of payment gateways and other stake holders (as per availability of APIs)

6.1.3. Security audit and certification

6.1.4. Hosting and maintenance

6.1.5. Training and handholding of vendor and other stakeholders as faculty

6.1.6. Change management (upgradation/enhancement)

6.1.7. Technical support an bug fixing

6.1.8. Synchronization of DIC software with inventory software of FDRVC.

6.2. Ministry of Rural Development

6.2.1. Define Portal Policy

6.2.2. Terms of service




- 6.2.3. Privacy policy
- 6.2.4. Refund/return policy
- 6.2.5. Default Store Policy
- 6.2.6. Registration Policy
- 6.2.7. Vendor (FDRVC) registration/On-Boarding
- 6.2.8. Provide category and sub category of the products
- 6.2.9. List of the products with products details and GST slabs
- 6.2.10. Cataloguing and uploading the products
- 6.2.11. Content Management/SEO
- 6.2.12. Manage Order
- 6.2.13. Agreement with the packaging, logistic and insurance partners.
- 6.2.14. Manage packaging and logistics (forward and backward) of the products
- 6.2.15. Manage order
- 6.2.16. Opening of a common bank account for online transaction
- 6.2.17. Agreement with the payment gateways
- 6.2.18. Publicity and awareness including social media
- 6.2.19. Manage GST and tax related matters

7. Security audit and Certification:

The portal will be audited from security point of view of the identified agency.

8. Hosting of the Portal

The portal will be hosted on the MeitY empanelled cloud services provider (empaneled by DIC). Domain name need to be taken by MoRD only.

9. Helpdesk:

Customer can complain through various mode, IVRS, chat, email for specific queries against the order/item. An IVRS helpline system will be setup to address the grievance of the customers. The vendor need to manage /operate the IVRS help line through customer



care executives as per the user base.

The brand name, portal logo and domain name need to be finalized by the MoRD

SMS header, email ID and bulk SMS need to be taken and managed by the MoRD only.

10. Training and Handholding

Training sessions will be conducted for the vendors for the usage of the portal, registration, product cataloguing and updation, order management, inventory management through user manual and operational videos. DIC will work as faculty to provide training to the users.

11. Promotion and Awareness

The promotion and awareness need to be taken care by the MoRD only.

12. Overall Operation of the Portal with Deliverables and timelines

All the operations of the portal will be carried out by the MoRD along with the technical support to DIC.

Year-1

| Milestone | Specification | Time | Cumm time | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
|-----------|---|----------|------------|---|---|---|---|---|---|---|---|---|----|----|----|
| 1. | Requirement Gathering and Analysis | 1 month | T+1 month | | | | | | | | | | | | |
| 2. | System Design Document | 2 months | T+2 months | | | | | | | | | | | | |
| 3. | Design and Development of Web Portal and mobile application(buyer , seller) | 5 months | T+6 months | | | | | | | | | | | | |
| 4. | Unit Testing | 2 month | T+6 months | | | | | | | | | | | | |


APPENDIX B – Cost of the Project
SUMMARY COST OF THE PROJECT**Budget Outlay (Development, Hosting and Maintenance)**

| S.N | Head | Year1 | Year2 | Year3 | Total (Rs) In Lakhs) |
|--------------|--------------------------|--------------|--------------|--------------|-----------------------------|
| 1. | Manpower | 38.40 | 42.24 | 30.49 | 111.13 |
| 2. | Hosting Charges* | 15.00 | 16.50 | 18.15 | 49.65 |
| 3. | Customer Support | 10.80 | 18.48 | 27.59 | 56.87 |
| 4. | Travel & Training** | 5.00 | 5.00 | 5.00 | 15.00 |
| 5. | Regular Security Audit** | 1.00 | 1.00 | 1.00 | 3.00 |
| 6. | Contingency** | 5.00 | 5.00 | 5.00 | 15.00 |
| 7. | Overhead (~10%) | 6.00 | 6.00 | 5.56 | 17.56 |
| Total | | 81.20 | 94.22 | 92.79 | 268.21 |

*Note: Hosting Charges may vary as per usage and will be calculated as per actuals Total Rupees (2CroreSixty Eight Lakhs and Twenty One Thousands)

**Note S No 4 to 6 will be on actuals

1stYear: Phase I- Rs. 81.20 Lakhs 2ndYears: PhaseII-Rs.94.22 Lakhs
3rdYears: Maintenance and Handholding: Rs.92.79Lakhs

Operational Charges need to be borne by MoRD

1. Call & SMS charges
2. Payment gateway charges
3. Packaging, logistic and insurance charges(forward and backward)
4. Promotion and publicity charges
5. GST and Tax related charges
6. Any other charges related to operations
7. Charges related to the communication/interactions with 3rd parties (Ginesys/ Brown tape).




Manpower Cost (Development):

| S N | Designation | 1stYear | | | 2ndYear | | | 3rdYear | | | Total |
|-------|---|-------------|-----------------------|---------------------|-------------|-----------------------|---------------------|-------------|-----------------------|---------------------|--------------------|
| | | No. of Post | Salary/ month/per son | Amount Rs. in Lakhs | No. of Post | Salary/ month/per son | Amount Rs. in Lakhs | No. of Post | Salary/ month/per son | Amount Rs. in Lakhs | Total Rs. in Lakhs |
| 1 | Project Manager Senior Software Developer | 1 | 0.90 | 10.80 | 1 | 0.99 | 11.88 | 1 | 1.09 | 13.07 | 35.75 |
| 2 | Software Developer | 2 | 0.60 | 14.40 | 2 | 0.66 | 15.84 | 1 | 0.73 | 8.71 | 38.95 |
| 3 | UI/UX Designer | 1 | 0.50 | 6.00 | 1 | 0.55 | 6.60 | 0 | 0.61 | 0.00 | 12.60 |
| 4 | Project Executive Cum Analyst | 1 | 0.60 | 7.20 | 1 | 0.66 | 7.92 | 1 | 0.73 | 8.71 | 23.83 |
| Total | | 5 | 2.60 | 38.40 | 5 | 2.86 | 42.24 | 3 | 3.15 | 30.49 | 111.13 |

Customer Support (CRM) Manpower for one shift (9 A.M - 5:30 P.M- 6 days/ week)

| S N | Designation | 1stYear | | | 2ndYear | | | 3rdYear | | | Total |
|-------|---------------|-------------|-----------------------|---------------------|-------------|--------------------------|---------------------|-------------|-----------------------|---------------------|--------------------|
| | | No. Of Post | Salary/ month/per son | Amount Rs. in Lakhs | No. of Post | Salary/ month/per person | Amount Rs. in Lakhs | No. of Post | Salary/ month/per son | Amount Rs. in Lakhs | Total Rs. in Lakhs |
| 1 | CRM Executive | 2 | 0.25 | 6.00 | 4 | 0.28 | 13.20 | 6 | 0.30 | 21.78 | 40.98 |
| 2 | CRM Manager | 1 | 0.40 | 4.80 | 1 | 0.44 | 5.28 | 1 | 0.48 | 5.81 | 15.89 |
| Total | | 3 | 0.65 | 10.80 | 5 | 0.72 | 18.48 | 7 | 0.79 | 27.59 | 56.87 |




APPENDIX C - DUTIES OF THE “CLIENT”**Services to be provided by the Client**

1. The MoRD would continuously supervise the assignment and facilitate any support needed.

Project Monitoring Committee to Monitor Implementing Agency's Works

The Mission Director -NRLM or an Officer designated by her shall be responsible for reviewing and monitoring the progress of the Implementing Agency's work and the deliverables. The Mission Director may also constitute a Project Monitoring committee to monitor the progress of the work for achievement of project deliverables and hold consultations with the Implementing Agency. The Mission Director or his nominee will act as the Chairperson of such a committee which could include external experts nominated by him. The committee may also seek comments and inputs on the Implementing Agency's work from the domain experts at MORD. The Mission Director may convene meetings of the review committee at occasional intervals and seek its opinion and comments on the deliverables of the Implementing Agency and forward all such comments to the Implementing Agency for appropriate changes in the work.

Operational Requirements to be provided by MoRD

| S N | Activity | Remarks |
|--------|--------------------|--|
| 1. | Brand Name | To be provided |
| 2. | Logo of the Portal | To be provided |
| 3. | Domain Name | To be provided |
| 4. | Policies | Return, Refund, Cancelation, product warrantee/guarantee, seller/product onboarding/de boarding, legal issue, CRM escalation, Litigation and dispute Management, |
| 5. | SOPs | All the SOPS- Platform Operation, Product Management, Seller Management, Logistic Management, CRM Management, |
| 6. | Price Calculation | Parameters and formula to calculate the product pricing including discount/offers |
| 7. | Packaging partner | To be identified |
| 8. | Logistic Partner | To be identified |
| 9. | Insurance partner | To be identified |
| 10. | Nodal Account | Account to be managed including return and other payments to various stake holders |

Page 36 of 39




| | | |
|-----|---|--|
| 11. | Feedback System | Procedure and flow for the customer feedback system |
| 12. | Finance Management | Accounting, Audit and taxation, |
| 13. | Content Management-Portal, products and Sellers | Onboarding of Seller and products, attributes, images, videos, price listing etc. |
| 14. | Promotion and Publicity | Advertisement(print social and electronic media), digital marketing, |
| 15. | Reporting/Dashboard formats | Parameters for dashboard and reports |
| 16. | Overall Operations details | End to end Operational activities including capacity building and handholding of sellers, product quality and quantity assurance |
| 17. | Translation in Local Languages | Platform will be provided in English by DIC translation in local Language need to be provided by MoRD |
| 18. | eMail ID | eMail ID for CRM and support |
| 19. | Call Charges – Toll Free/Tolled No (IVR) | The PRI no. has to be taken and bills to be borne by MoRD on actuals |
| 20. | SMS Header and Bulk SMS | SMS header to be applied and bills of bulk SMSs to be borne by MoRD on actuals |
| 21. | Payment Gateways | Payment Gateway to be taken by MoRD and integration will be done by DIC |




APPENDIX: D- INDEMNITY BOND IN LIEU OF BANK GUARANTEE FOR ADVANCE PAYMENT

To,
Ministry of Rural Development
National Rural Livelihoods Promotion Society
Government of India

Whereas We, M/s Digital India Corporation have entered into a MoU with you in accordance with the terms and conditions of the Agreement No DIC/SVS/eCom/NRLM/21/1(hereinafter referred to as "the said MoU")

Whereas, under the said MoU you have agreed to make certain advance payment to us on our furnishing an indemnity Bond.

We, Digital India Corporation hereby undertake as follows:

1. In consideration of your agreeing to pay the advance payment in accordance with the said MoU on our furnishing indemnity Bond, we hereby undertake to indemnify you and keep you indemnified from time to time to the extent of amount paid to DIC as advance payment (at that point of time- upto a maximum value of Rs.40.60 lakhs), granted to us in accordance with said MoU against any loss or damage caused to or suffered by you by reason of a any breach or breaches on our part of any of the terms and conditions contained in the said MoU and in the event we shall make any default or defaults in carrying out any of the works under the said MoU, we shall forthwith on demand pay to you for the amount paid to DIC as may be claimed by you as your losses and damages, costs, charges or expenses by reason of such default or defaults on our part.
2. Notwithstanding anything to the contrary in these presents or in the said MoU your decision as to whatever we have made any default or faults or committed any breach of the MoU or the amount or amounts to which you are entitled by reasons thereof will be binding on us for the purposes of this indemnity and we will pay the same on demand without demur. This will be without prejudice to your other rights under the MoU and/or this indemnity.
3. The indemnity shall continue and hold good until the handover of the eCommerce portal to the Ministry.
4. You shall have the fullest liberty from time to time to enforce or forebear to enforce any of the terms and condition of the said MoU and we shall not be released from our liability under this indemnity by the exercise of your liberty with reference to the matter aforesaid or by reason of any time being given to us or any forbearer act of



omission on your part or any indulgence by you to us or by any variations or modifications of the said MoU or any other act, matter or thing whatsoever on your part.

5. This indemnity bond and the powers and provisions herein contained are in addition to and not by way of limitation or substitute for any other guarantees, indemnities hereto before given to you by us and this indemnity does not revoke or limit such indemnities or guarantees.

Yours faithfully,

()

Name and Seal of Authorised Representative

Witness:

1.

2.

Dr. VINAY THAKUR
Sr. Director (Research)
Digital India Corporation (DIC)
Ministry of Electronics & Information Technology (MEITY)
Government of India

MoU with Divya Yog Mandir Trust (Patanjali) - NRO
Multiple Technical Support
2/11/2022

File No: S-11051/01/2022-23/NRLM(SVEP) (380287)

Government of India
Ministry of Rural Development
Department of Rural Development
<https://rural.nic.in>
(Rural Livelihoods Division)

7th Floor, NDCC-II Building
Jai Singh Road, New Delhi
November 04, 2022

To,

The State Mission Director/ CEO's
SVEP States/ UTs

Subject: MoU between DAY – NRLM, MoRD and Patanjali and way forward.

Madam/ Sir,

As you may be aware that DAY-NRLM, MoRD has signed an MoU with Divya Yog Mandir Trust (Patanjali) and has also recognized it as National Resource Organisation (NRO) under NRLM. Patanjali and its associated organisations will work in close coordination with NRLM and SRLMs to help support the SHG members develop required skill sets and move towards the achievement of its target of Lakhpati member.

The details of collaboration between the two organisations are framed under the MoU, however key thrust areas are summarized as below:

- a. Business opportunities for CLFs, PGs, PEs as dealers/ distributors for Patanjali products.
- b. Selected SHG products will be kept in select Patanjali stores.
- c. Co-branding of selected products from SHG by NRLM and Patanjali.
- d. SoPs and Quality Control for select SHG products and processes.
- e. CLFs, PGs, PEs as vendors to Patanjali for supply of selected commodities/ ingredients from the SHG producers
- f. SHG training on traditional and herbal medicines for common ailments and Yoga to expand the health options for the SHGs.

SRLMs are requested to harness best out of this association and help achieve objectives of Day-NRLM on a faster pace. Detailed listing of SHG products and commodities may be prepared for offering to Patanjali and VOs & CLF may be identified which may take up business with Patanjali institutions. Similarly, community cadre may be identified who can be trained on various aspects covering knowledge on herbal medicines, wellness through Yoga, soil testing, organic farming etc. as covered under the MoU.

Yours Faithfully,


(H.R.Meena)

Deputy Secretary to the Govt. of India

Ends; A/a



सत्यमेव जयते

INDIA NON JUDICIAL

Government of National Capital Territory of Delhi

e-Stamp

Certificate No. : IN-DL06441502718737U
Certificate Issued Date : 28-Oct-2022 12:59 PM
Account Reference : IMPACC (IV)/ dI939303/ DELHI/ DL-DLH
Unique Doc. Reference : SUBIN-DL93930390783895228258U
Purchased by : MINISTRY OF RURAL DEVELOPMENT GOVERNMENT OF INDIA
Description of Document : Article 5 General Agreement
Property Description : Not Applicable
Consideration Price (Rs.) : 0
 (Zero)
First Party : MINISTRY OF RURAL DEVELOPMENT GOVERNMENT OF INDIA
Second Party : DIVYA YOG MANDIR TRUST
Stamp Duty Paid By : MINISTRY OF RURAL DEVELOPMENT GOVERNMENT OF INDIA
Stamp Duty Amount(Rs.) : 100
 (One Hundred only)



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 अपर सचिव / Additional Secretary
 भारत सरकार / Government of India
 ग्रामीण विकास मंत्रालय / Ministry of Rural Development
 कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi

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Statutory Alert

1. The authenticity of this Stamp certificate should be verified at 'www.shelvestamp.com' or using e-Stamp Mobile App of Stock Holding

Any discrepancy in the details on this Certificate and as available on the website / Mobile App renders it invalid.

2. The only mode of checking the legitimacy is on the Basis of the Certificate.

3. In case of any discrepancy please inform the Competent Authority.

MEMORANDUM OF UNDERSTANDING

Between

[MINISTRY OF RURAL DEVELOPMENT, GOVERNMENT OF INDIA]

and

[Divya Yog Mandir Trust]

This Memorandum of Understanding is entered on 2nd day of November, 2022 at New Delhi

By and Between

MINISTRY OF RURAL DEVELOPMENT, GOVERNMENT OF INDIA (Department of Rural Development, Rural Livelihoods Division), having its office at 7th Floor, NDCC II Building, Jai Singh Road, New Delhi-110 001 (hereinafter referred to as “MoRD” which expression shall, unless repugnant to or inconsistent with the context or meaning thereof, be deemed to include its successors and permitted assigns) represented by the Additional Secretary (Rural Livelihoods), Department of Rural Development, Ministry of Rural Development, Government of India, its authorized representative, of the **FIRST PART**;

And

Divya Yog Mandir Trust registered under Indian Registration Act, 1908, having its registered office at Karipalu Bagh, Kankhal, Haridwar, Uttarakhand – 249 408, India. (hereinafter referred to as “Patanjali” which expression shall, unless repugnant to or inconsistent with the context or meaning thereof, be deemed to include its successors and permitted assigns) represented by Acharya Balkrishna, Secretary General as its authorized representative, of the **SECOND PART**;

Whereas, the MoRD and **Patanjali** agree on the importance of commercial and social development of women led rural enterprises and welcome the opportunity for cooperation for facilitating partnerships in the identified States/ UTs implementing National Rural Livelihood Mission and State Rural Livelihood Missions, hereinafter referred as “NRLM” and “SRLMs” respectively.



1

चरणजीत सिंह / CHARANJIT SINGH
अपर सचिव / Additional Secretary
भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / Ministry of Rural Development
कृषि भवन, नई दिल्ली

Now, therefore, the MoRD and Patanjali wish to record their interest as follows:

The MoRD is desirous to recognize Patanjali as a National Resource Organization to create mutual shared value for all stakeholders under NRLM/ SRLMs, with a focus on increasing skills, technological interventions, business and trade inclusion opportunities for underprivileged segments of the society. Key stakeholders include Patanjali, MoRD, SRLMs and the women led rural enterprises also referred to as “SHGs/ CLFs/ VOs/ Federations”.

FOR MoRD



चरणजीत सिंह / CHARANJIT SINGH
अपर सचिव / Additional Secretary
भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / Ministry of Rural Development
कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi

(Charanjit Singh)

Additional Secretary (Rural Livelihoods),
Department of Rural Development
Ministry of Rural Development
Government of India

FOR PATANJALI



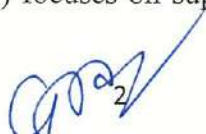
(Acharya Balkrishna)

Secretary General
Divya Yog Mandir Trust

Preamble

Whereas Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM), the program being implemented by Department of Rural Development, Ministry of Rural Development envisages to reduce poverty by enabling the poor households to access gainful self-employment and skilled wage employment opportunities, resulting in appreciable improvement in their livelihood on a sustainable basis, through building strong grassroots institutions of the poor. Under the programme, poor women have been mobilized to form their own institutions like Self Help Groups and higher order community institutions at village, Panchayat, cluster/block level to carry out various social activities and delivery of services. Activities of these community institutions include strengthening financial and livelihoods support services, imparting skills to the rural population.

Whereas for livelihood promotion DAY-NRLM focuses to stabilize and promote existing livelihoods portfolio of the poor, in farm and in non-farm sectors. The Startup village Entrepreneurship Programme (SVEP) focuses on supporting small entrepreneurs, individual



support. Specific interventions for artisans are expected to be supported under the innovative proposals under NRLM and Cluster programme under National Rural Economic Transformation Project (NRETP).

Whereas the interventions under MoRD are implemented in the various States by the State Rural Livelihood Missions (SRLMs) which are autonomous bodies established by the State Governments.

Whereas Divya Yog Mandir Trust is a premier institution for serving mankind with Yoga and Ayurveda. The Trust came into existence as a sole idea to serve mankind by eradication of all obstacles of sorrows, physical illness and to equip the masses with mental peace, by practicing Ayurveda, Ashtang Yog, Raj Yog, Dhyan Yog, Hath Yog, Aasan and Pranayam etc. To achieve the objectives, number of units such as Divya Pharmacy, Divya Prakashan, Divya Yoga Sadhana, Divya Gaushala & Divya Nursery have been commissioned and providing services under the guidance and close supervision of Swami Ramdev Ji and Acharya Balkrishna ji.. To fulfill the current need of updated health, nutrition and education through latest technologies and methodologies, the Divya Yog Mandir Trust works in association with fellow undertakings of Patanjali Institutions i.e. Bharuwa Solutions Pvt. Ltd., Bharuwa Agriscience Pvt. Ltd., Patanjali Organic Research Institute, and Patanjali Research Institute.

The broad terms and conditions of the MOU are as under:

1. Area of Cooperation

This MoU defines the broad framework of association between MoRD and Patanjali where MoRD and Patanjali are seeking associations with each other for technical support for the range of interventions with SHG/ member producers/ farmers, artisans in the hand-loom and handicraft sector as well as for marketing of different rural products. Any activity to be taken up under the area of association listed in this MoU shall be based on pre-agreed terms and conditions in the mandate of both the parties.

2. Area of Association:

The areas of association between MoRD and Patanjali are broadly defined as below. The details of the association are available under Annexure 1.


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 अवर सचिव / Additional Secretary
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 कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi

3

A. Marketing and Business Opportunities

- i. Logistic Facilitation through existing and new partners.
- ii. Product Co-branding for select SHG products by NRLM & Patanjali, e.g. for handicraft, home décor, handmade furniture and other artifacts can be co-branded and promoted through Patanjali Stores.
- iii. CLFs, PGs, PEs as vendors to Patanjali for selected commodities. Business opportunities for CLFs, PGs, PEs as dealers/ distributors for Patanjali products.
- iv. Various business and Marketing Models prevailing under Patanjali (but not restricted to) will be offered to the SHG network with an objective to increase market reach and E-Commerce accessibility as per suitability of the sellers and products e.g. Chain of retail outlets, e-commerce platforms, Marketplace for Hyper-local Business Model, National e-Commerce Platform, The Indian Rural Art (IRULA) App, Anndata App etc.

B. Quality Assurance by developing Standard Operating Procedures (SoPs) for the physical parameters of select SHG products for standardization and quality consistency including Up-gradation of tools, equipment and workplace of artisans/ SHGs towards quality improvement of products, design & product development, packaging etc. and related trainings.

C. Capacity Building of SHG members in the areas such as product standardization, technological intervention for productivity enhancement, organic farming, traditional health practitioner etc.

D. Organic farming/ Allied activities covering “Dharti Ka Doctor” (mobile soil testing kit for analyzing soil samples), Regional council for Uttarakhand for promoting organic farming, Bee Keeping etc.

E. Access to Finance through models like B-Bank ERP, PNB Patanjali RuPay Credit Card (Patanjali Swadeshi Samruddhi card) etc.

F. Patanjali as National Resource Organisation (NRO): For the collaborative interventions on any of the above areas, Patanjali is recognised as a National Resource Organisation for DAY – NRLM. NRLM/ SRLM can initiate specific interventions with Patanjali and any of its associate organization in the above areas of collaboration with the objective to increase skills, get technological interventions,

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 ग्रामीण विकास मंत्रालय / Ministry of Rural Development
 कृषि विभाग, नई दिल्ली / Kisan & MoU, New Delhi

4



enhance business and trade inclusion opportunities for the underprivileged segments of the society i.e. SHGs/ members/ CBOs.

3. Roles & Responsibilities of Patanjali:

- Enhancement of business opportunities and skills of SHGs members through multiple interventions described under this MoU.
- Overall intervention/project management, execution and coordination of above activities for cost as pre agreed with MORD and in consonance with the term of the MoU.
- Assessment and enhancement of capacities through knowledge transfer programmes.
- Function as knowledge partner and NRO in respect of activities agreed upon.
- Delivery of agreed outputs as per terms of agreement.

4. Roles and Responsibilities of MoRD:

- Administrative support in identification and carrying out activities mutually agreed upon in respect to the area of association of the MoU.
- MoRD will facilitate identification of suitable SHGs/ members/ CBOs for extending online and offline product marketing support through Patanjali as per the details described under Annexure 2.
- Providing timely funding for agreed upon activities/projects in consonance with MoU and as per approved cost norms of MoRD.
- MoRD shall inform all the States/UTs regarding the recognition of Patanjali as NRO. Patanjali shall contact SRLMs directly to extend support as National Resource Organisation as per the scope of this MoU. Separate MoU shall be signed between Patanjali and SRLM for the agreed activity.

5. Terms/ Duration of MoU:

This MoU shall be deemed to have commenced on November 02.1.2022 and shall remain in force for five years thereafter unless terminated by either Party by giving 01 (one) month written notice to other party. The Memorandum can be extended further with mutual consent of both the Parties expressed in writing.

6. Funding:


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 ग्रामीण विकास मंत्रालय / Ministry of Rural Development
 नई दिल्ली / New Delhi

MoRD and Patanjali will mutually decide about the activities/projects or any other activity proposed to be undertaken as per this MoU. Patanjali will communicate the detailed scope of work, deliverables and financial implication including taxation and other terms and conditions for various activities proposed to be undertaken under this MoU. MoRD (NRLM/ SRLM) will communicate its acceptance of the terms and conditions in writing and arrange for the funds and other resources for all such activities.

7. Review:

The signatories to the Parties will review at their level, at least once in 3 months, the activities undertaken under this MoU. A joint review by the chief executives of both the organizations shall be held once in six months.

8. Procedure for amendment, cancellation and exclusivity:

- a. No amendment, modification or addition to this MoU shall be effective or binding on any of the Parties unless the same has been set forth in writing and executed by them through their duly authorized representatives.
- b. Either of the two Parties can, at any time during the period of the MoU, rescind the same after giving a notice in writing recording cogent reasons for doing so. The notice period will not be less than one month.
- c. MoRD may utilize expertise of other agencies in implementation of the projects under DAY NRLM and will be free to sign any agreement/MoU with such agencies, provided that it does not come in direct conflict with any project or activity specifically assigned by MoRD (NRLM/ SRLM) to Patanjali.

9. Service of notice:

All approvals, consents and notices under this MoU shall be in writing and may be served by sending the same by Registered Post A.D or Speed Post addressed to the parties at its last known place of business or as per provisions of IT Act at its designated mail ID and such notices shall be deemed to have been given or served at the expiry of seven days from the time of posting the same and proving service thereof it shall be sufficient to show the said notice was properly addressed stamped and posted.


चरणजीत सिंह / CHARANJIT SINGH
 अपर सचिव / Additional Secretary 6
 भारत सरकार / Government of India
 राष्ट्रीय विकास संचालन / Ministry of Rural Development
 कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi



10. The focal points for liaison for the effective implementation of this MOU will be

| For MoRD | For Patanjali |
|---|--|
| Shri Rajeev Kumar Singhal National Mission Manager – Non-Farm Livelihoods National Rural Livelihoods Mission Ministry of Rural Development Ph.: +91 9634222849 Email: rajeev.nrlm@gmail.com | Dr. Vedpriya Arya Head Herbal Research Division, Patanjali Research Institute, Haridwar Ph.: +91 7060472471 Email: vedpriya.arya@patanjali.res.in |

11. Jurisdiction:

This MoU shall be governed and construed by the laws of India. If a dispute, controversy or claim arises out of or relates to this MoU, or breach, termination or invalidity thereof, and if such dispute, controversy or claim cannot be settled and resolved through negotiation, then the issue or claim not resolved in good faith shall be referred to and finally resolved by arbitration proceedings in New Delhi in accordance with the Arbitration and Conciliation Act, 1996, and the amendments thereto.

12. Assignment:

Neither Party shall assign, sub-contract or delegate its rights or obligation under this MoU without the written consent of the other.

13. Waiver:

The failure of the Parties to enforce at any time the provisions of this MoU or any right in respect thereto shall be in no way be considered to be a waiver of such provisions or rights or in any way to affect validity of this MoU.

14. Indemnification:

It is hereby made clear and expressly agreed between the Parties that the intent of MoRD is purely to engage with Patanjali as National Resource Organisation (NRO) to provide implementation and handholding support to State Rural Livelihoods Missions (SRLMs) for increasing skills, technological interventions, business and trade inclusion opportunities for underprivileged segments of the society. NRLM/ SRLMs and the NRO would keep MoRD indemnified against any claims directly attributable to them. Notwithstanding anything contained to the contrary under this MoU, the liability of NRO

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 अवर सचिव / Additional Secretary
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 ग्रामीण विकास मंत्रालय / Ministry of Rural Development
 कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi



shall be determined by a committee constituted by MoRD and comprises of representatives from NRLM, Patanjali and external subject matter specialist on case to case basis.

15. Force Majeure:

In the event of either party being rendered unable by force majeure to perform any obligation required to be performed by them under this agreement, the relative obligation of the affected party by such force majeure shall be suspended for the period during which such cause lasts. The term “force majeure” as employed herein shall mean, acts of God, war, revolt, riot, fire, flood, pandemic and acts, orders and regulations of the State and/or central Government of India or any of its authorized agencies. Upon the occurrence of such cause and upon its termination the party alleging that it has been rendered unable as aforesaid thereby shall notify the other party in writing within 7 (seven) day of the alleged beginning and ending thereof giving full particulars and satisfactory proof. The time for performance or relative obligations suspended by the force majeure shall be extended by the period for which the cause lasts or condoned by the NRO without any penalty. If the work is suspended by force majeure conditions lasting for more than 01 (one) month either of the parties shall have the option of cancelling the MoU in whole or in part thereof at its own discretion.

IN WITNESS WHEREOF the MoRD and the Patanjali have signed and seals this MoU through their duly authorized representatives on the day, month and the year first above written

FOR MoRD



चरणजीत सिंह / CHARANJIT SINGH
अपर सचिव / Additional Secretary
भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / Ministry of Rural Development
कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi

(Charanjit Singh)
Additional Secretary (Rural Livelihoods),
Department of Rural Development
Ministry of Rural Development
Government of India

FOR PATANJALI



(Acharya Balkrishna)
General Secretary
Divya Yog Mandir Trust

WITNESS

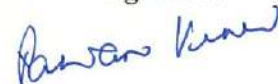
1. Name and signature



Place : New Delhi

Date : November 2022

Name and signature

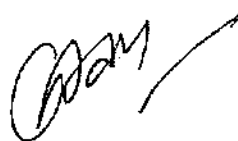


Annexure 1**Areas of Collaboration between Patanjali and DAY – NRLM**

Following are the areas of collaboration between Patanjali and DAY – NRLM under the MoU:

A. Marketing and Business Opportunities

- a. Increase market reach and E-Commerce Accessibility: Patanjali has developed a chain of retail outlets and has also expanded the marketplace through e-commerce platforms. The models discussed and which may be piloted before scaling up are summarized as below:
- b. Marketplace for Hyperlocal Business Model: An app-based model where SHG members can enroll and upload products for local sale. The delivery of the products can be managed by SHG members themselves as per their mobility feasibility. The serviceable radius can be defined by the seller SHG.
- c. National e-Commerce Platform:
 - i. The Indian Rural Art (IRULA) App: A multilingual e-Commerce platform for traditional artists and artisans looking to boost their market performance. The interested and compliant SHG artisans may be enrolled for promoting traditional arts such as handicrafts, paintings, showpieces, hanging goods, wooden art, and other crafts. As regard to the GST compliance, if SHGs are not having GST registration, they can still be the suppliers and the billing can be managed by Patanjali (*with all necessary statutory compliances*).
 - ii. Annadata App: A two-tiered e-commerce platform for connecting farmers at the local and national levels with mandis, FPOs, and Agri-retail stores. This has provision of Live mandi rate, fix pricing and online bidding of Agri-commodities. SHG farmers and traders may be enrolled for online sale and purchase of Agri produce. GST will not be mandatory for SHG farmer producers. However, for SHG/ CLF traders GST may be required.
 - iii. Patanjali has tie-ups with logistic partners for pick-up and delivery of items. However, to further empower this mechanism, MoRD and Patanjali can have tie-up with India Posts with enhanced serviceable PIN and better economics.
- d. Product Co-branding: NRLM is promoting SHG products and services under “SARAS Aajeevika” brand name and Patanjali products are being promoted through their exclusive retail chains and other stores. Selected SHG products such as handicraft, home décor, handmade furniture and other artifacts can be “Co-branded” and promoted through Patanjali Stores as well. Suitable model/ joint entity will be developed mutually to affect this.
- e. CLFs, PGs, PEs as vendors to Patanjali: Many NTFP and agriculture products produced by SHG members can be supplied to Patanjali. Proper quality



assurance and certification systems can be established for the supply of these products to Patanjali.

- f. Business opportunities for CLFs, PGs, PEs as dealers/ distributors for Patanjali products: Patanjali has wide range of FMCG products and bio-fertilizers/ pesticides which are marketed through their own retail outlets and also through distributor and dealer network. Selected and interested community institutions may act as their distributors for identified products.

B. SoPs and Quality Control

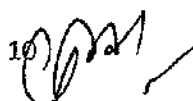
- a. Quality Assurance and systems for SHG Products: SHGs are engaged in producing wide range of products. Standardization of operating procedure for manufacturing, product consistency and quality check to be done to enhance the product quality. Patanjali has developed robust quality assurance systems for supply chains in farm and non-farm sectors. Patanjali will support in developing SoPs for the physical parameters of selected SHG products for standardization and quality consistency including upgradation of tools, equipment and workplace of artisans/ SHGs towards quality improvement of products, design & product development, packaging etc..
- b. Development of related operating manual and training modules.
- c. Training of Trainers/ SHG members/ groups on these aspects.

C. Organic farming/ Allied activities

- a. Dharti Ka Doctor: Patanjali Organic Research Institute (PORI) developed a mobile soil testing kit for analyzing soil samples. The kit can be used to analyze N, P, K, pH and Organic carbon. The chemicals can be used for 50 samples and to be refilled. The chemicals are available with PORI can be obtained on payment. Selected Krishi Sakhis under NRLM can be trained by Patanjali on soil testing using this kit and further CLFs/ PGs/ PEs can act as distributors for these kits. A suitable model can be jointly developed by NRLM and Patanjali to implement this. (*Eg. The kit can be provided to Krishi Sakhis for analysing the soil samples in their villages. Krishi Sakhis can charge for testing the soil samples. PORI can provide the training to Krishi Sakhis on soil sample collection and soil sample analysis*).
- b. Regional council for Uttarakhand: Divya Yoga Mandir Trust promoted by Patanjali is a recognized as regional council for organic farming by NCONF. As Uttarakhand SRLM is promoting Organic Farming under MKSP, they can use the services of Divya Mandir Trust as regional council to register the local groups. Suitable alliance to be further worked out between NRLM and Patanjali Institutions.
- c. Bee Keeping: A suitable model on harnessing the potential of Bee Keeping will be developed jointly by NRLM and Patanjali based on each other's learning which will be piloted with selected farmers and will be scaled up subsequently.

D. Capacity Building

- a. Patanjali has collaborated with ICAR and ASCI and developed training modules on organic farming for farmers. DAY – NRLM can collaborate with

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Patanjali for capacity building programs on organic farming in Uttarakhand, UP and Haryana.

- b. Traditional Health Practitioner: Pilot to train selected community cadre on primary health skills and treatment through traditional medicines to be conducted through Patanjali. Along with this CRPs can also be skilled as Yoga Trainers for creating health awareness and an enhanced livelihood option.

E. Access to Finance

- a. B-Bank ERP: A Paper-less, Contact-less Loan/subsidy/Govt. schemes application process for business empowerment. It may be connected with financial institutions/Banks for pre-and post-due diligence of loan credibility. It can act as micro-ATM and also accounting system. This can be piloted with select SHG entrepreneurs and subsequently scaled up (if successful).
- b. PNB Patanjali RuPay Credit Card (Patanjali Sodashi Samruddhi card): Offers a credit limit of Rs.50,000 to Rs.10 lakh at a low interest rate of around 12% and Rs.10 lakh in insurance coverage for accidental death and personal total disability. A pilot may be conducted with select groups on this solution.

F. Patanjali as NRO:

Based on all above possibilities of collaboration, Patanjali has been recognized as a National Resource Organisation for DAY – NRLM and selected pilots can be initiated in coordination with SRLMs.



Annexure 2

Details of Roles on Marketing and Branding Collaboration

1. The deliverables of SRLMs , as represented by under the guidance of Ministry of Rural Development, as confirmed by NRLM, are under this MOU are as follows:
 - a. Wherever applicable, SRLM/NRLM will facilitate the on-boarding of Self Help Groups (SHGs)/ Members/ CLFs etc. on the e-commerce platform/ app of Patanjali [(wherein Self Help Groups (SHGs) are collectives of 5 – 20 rural women and are part of NRLM database AND/OR any other entity representing SHGs and are recognised by NRLM/ SRLM will be referred to as "SHGs" under this document)], as applicable, and facilitate the submission of documents requested by Patanjali from such SHGs to Patanjali related to market promotion.
 - b. SRLMs/NRLM will facilitate identification of cluster(s) with high density of SHGs producing high quality products, [(wherein cluster refers to a geographical grouping of such SHGs ("Cluster(s)"), and State "center(s)" serving such Clusters; and register one Seller account on the Platform (either itself, SHGs or Clusters), for each specific Center as required."]
 - c. SRLMs/NRLM will ensure that the participating SHG(s) has requisite licenses/permits/registrations including GST registration, PAN card, and a Bank account as may be required by for the purpose; and all the SHGs/Clusters under respective SRLMs will individually or collectively list their products on the online and offline platforms offered by Patanjali; it is clarified that the SHG(s) holding the account on the offered platform shall be responsible for the products sold under its account through the offered platform.
 - d. SRLMs/NRLM, will designate a serviceable pick-up point(s) (Pincode) for each center for the purpose of training members of SHGs, imaging and placement of their products on the offered platform;
 - e. SRLMs/NRLM shall ensure that SHG(s) shall use the brand name which is to be designated by Ministry of Rural Development under which umbrella all these products sold by the SHG(s) on the offered platforms shall be marketed and sold online/ offline.
 - f. SRLMs, shall assign a designated nodal officer at the State level to manage a center and SHG accounts on the offered platform on behalf of the State Mission Director. The responsibilities of the nodal officer will include end to end management of SHG account, including attending training workshops organized by Patanjali Institutions, mobilizing SHGs for training, and enabling imaging and cataloguing for products listed by the SHG(s) on the offered platform. The nodal officer, along with the State Mission Director of the



5. The SHG Seller will not be charged commission for sale of goods on the website/ store and shall be eligible for;
 - i. cataloguing support from Patanjali for a maximum of 100 products, or such number as may be enhanced by Patanjali at its discretion;
 - ii. warehousing support from Patanjali Institutions;
 - iii. account management support;
 - iv. priority seller support, (collectively "Benefits")

6. Further, Patanjali may also extend the below mentioned support to the SHG Sellers at its e-commerce platform/ app/ physical stores:
 - i. Patanjali may provide visibility of SHG Seller's products on the Website;
 - ii. Patanjali authorizes the SHG Seller to use the badge "Patanjali Partner" on the Website;
 - iii. Patanjali may, at the request of the SHG Seller, indicate a disclaimer on the product page (as required by the SHG Seller) stating that the product(s) are hand-crafted.

7. Patanjali will provide training (virtual or on-ground) to the SHG Seller.

8. SHG Seller agrees to provide all valid on-boarding documents, as requested by Patanjali Institutions, such as, GST registration certificate, at the time of registration in order to receive Benefits. It is clarified that the on-boarding documents submitted by the SHG Seller must be as per its registration under any statute as the case may be.



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| 132 | Tripura | Tuhin Mitra | Program Manager- Nonfarm | pm.nf.trlm@gmail.com | 9436580546 7005010714 |
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| 142 | Uttarakhand | Rohit Singh | | ceouksrlm@gmail.com | 9927935259 |
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| 144 | West Bengal | Bikash Laha | SPM (Training & Capacity Building) | cb.wbsrlm@gmail.com | 9647512287 |
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| 146 | West Bengal | Debayan Kundu | Marketing Consultant | marketing.wbsrlm@gmail.com | 8617622535 |

LIST OF SRLM FARM TEAM

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| Uttar Pradesh | Nishi Kant Dixit | Kd.nishi@gmail.com | 7738708884 |
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MoU with Patanjali Addendum - NRO Multiple
Technical Support
3/7/2023

File No: S-11051/01/2022-23/NRLM(SVEP) (380287)
Government of India
Ministry of Rural Development
Department of Rural Development
<https://rural.nic.in>
(Rural Livelihoods Division)

7th Floor, NDCC-II Building
Jai Singh Road, New Delhi
July 03, 2023

To,
The State Mission Director/ CEO's
All States/ UTs

Subject: Patanjali MoU and Addendum for update in its Annexure 1.

Madam/ Sir,

This is in continuation to letter no. S-11051/01/2022-23/NRLM(SVEP) (380287) dated November 04, 2022 of this office regarding the MoU signed between NRLM and Patanjali and the addendum to the MoU (copies enclosed).

I am directed to inform you that the Capacity Building Program on Organic Farming under the MoU signed between NRLM and Patanjali has been extended to all the States and UTs. The clause D(a) of Annexure 1 of the MoU may thus be read as below:

"D. Capacity Building

a) Patanjali has collaborated with ICAR and ASCI and developed training modules on organic farming for farmers. DAY – NRLM can collaborate with Patanjali for capacity building programs on organic farming in all the potential and interested States and UTs."

A copy of the addendum to the MoU signed between NRLM-MoRD and Patanjali dated July 03, 2023 to effect this, is enclosed with the letter for your ready reference and records. The progress and initiatives by SRLM under the MoU may please be reported on monthly basis as per earlier letter no. S-11051/01/2022-23/NRLM(SVEP) (380287) dated March 23, 2023 of this office

Yours faithfully,


(Raghendra Pratap Singh)
Director – RL

Encls.; A/a

CC:- Shree Acharya Balkrishna, Secretary General, Divya Yog Mandir (Trust), Haridwar



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Description of Document : Article 5 Agreement or Memorandum of an agreement
Property Description : -
Consideration Price (Rs.) : 0
 (Zero)
First Party : DIVYA YOG MANDIR TRUST HARIDWAR
Second Party : 0
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सत्यमेव जयते

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 चरणजीत सिंह / CHARANJIT SINGH
 अपर सचिव / Additional Secretary
 भारत सरकार / Government of India
 ग्रामीण विकास मंत्रालय / Ministry of Rural Development
 कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi

Please write or type below this line

Department of Rural Development, Ministry of Rural Development (MoRD)

MoU dated November 02, 2022

ADDENDUM TO THE MOU

Signed Between

Department of Rural Development, Ministry of Rural Development (MoRD)

And

Divya Yog Mandir Trust (Patanjali), Haridwar

Addendum No_1

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3. In case of any discrepancy please inform the Competent Authority.

Dated 03 July, 2023

WHEREAS

MOU dated November 02, 2022 was signed between the Department of Rural Development, Ministry of Rural Development (MoRD) and Divya Yog Mandir Trust (Patanjali).

NOW, THEREFORE

This ADDENDUM (hereinafter called the "Contract Amendment") is made on 01 July, 2023 between, on the one hand, Department of Rural Development, Ministry of Rural Development (hereinafter called "MoRD") and on the other hand, Divya Yog Mandir Trust (hereinafter called Patanjali).

1. The existing clause D(a) of Annexure 1 of the MoU as reproduced as below:

"D. Capacity Building

a) Patanjali has collaborated with ICAR and ASCI and developed training modules on organic farming for farmers. DAY – NRLM can collaborate with Patanjali for capacity building programs on organic farming in Uttarakhand, UP and Haryana."

Is replaced with




a) Patanjali has collaborated with ICAR and ASCI and developed training modules on organic farming for farmers. DAY – NRLM can collaborate with Patanjali for capacity building programs on organic farming in all the potential and interested States and UTs."

2. The MoU Addendum will be effective from the date of this Addendum.
3. All other terms and conditions of the MoU dated November 02, 2022 shall remain the same.

Read and Agreed

Place: New Delhi

Dated: July 03, 2023

| For and on behalf of Divya Yog Mandir Trust (Patanjali) | For and on behalf on MoRD |
|---|--|
|  <p>Acharya Balkrishna Secretary General Divya Yog Mandir Trust</p>  |  <p>Shri Charanjit Singh Additional Secretary - RL Department of Rural Development Ministry of Rural Development 7th Floor, NDCC-II Building Jai Singh Marg, New Delhi</p> |

चरणजीत सिंह / CHARANJIT SINGH
अपर सचिव / Additional Secretary
भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / Ministry of Rural Development
कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi

File No: S-11051/01/2022-23/NRLM(SVEP) (380287)

Government of India
 Ministry of Rural Development
 Department of Rural Development
<https://rural.nic.in>
 (Rural Livelihoods Division)

7th Floor, NDCC-II Building
 Jai Singh Road, New Delhi
March 23, 2023

To,
 The State Mission Director/ CEO
 States/ UTs

Subject: Patanjali MoU and the way forward.

Madam/ Sir,

A few SRLMs have identified some activities and have initiated dialogue with Patanjali. However, monthly note on the progress made is yet to be received from SRLMs. A status update shared by Patanjali has been received and is enclosed for your ready reference. All the SRLMs are further requested to identify their needs as per the scope of work agreed under MoU and engage with Patanjali expertise to strengthen the capacities and businesses of SHG/ members. Some suggestive activities and steps based on the learnings so far are indicated as below:

- i. Need Assessment of the activities such as capacity building of SHG members/ cadre, list and volume of Products being produced by SHGs, select products Co-branding, New business that may be taken up by SHGs/ CLFs etc.
- ii. Identification of suitable cadre for trainings on Dharti Ka Doctor (DKD), Herbal treatment, Organic farming, Production SOPs, Compliance's, Marketing skills etc.
- iii. Identification of SHGs/ PGs/ PCs/ individual entrepreneurs and facilitation for the use of POS machine for inventory management and tracking their businesses.
- iv. Coordination and meeting with Patanjali team for deliberations on the needs, setting up priorities, developing implementation plan with output and timelines.
- v. Supplementary MoU signing between SRLM and Patanjali as per identified activities and program implementation (if required).
- vi. The capacity building and related activities can be supported by SRLMs under B2 - Institutional Building and Capacity Building budget head of NRLM. SHG CBOs may be facilitated for appropriate decision making on the installation of any machinery/ device that may be required for product processing standardization / digitization.

A periodic progress review is being scheduled with the States through VC on monthly basis. The dates and VC link will be shared separately. A template to reflect progress is enclosed herewith for your information and necessary action

Yours Faithfully,


 (Raghendra Pratap Singh)
 Director - RL

Encls.: A/a

CC:- Shree Acharya Balkrishna, Secretary General, Divya Yog Mandir (Trust), Haridwar

File No: S-11051/01/2022-23/NRLM(SVEP) (380287)

Government of India
Ministry of Rural Development
Department of Rural Development
<https://rural.nic.in>
(Rural Livelihoods Division)

7th Floor, NDCC-II Building
Jai Singh Road, New Delhi
November 04, 2022

To,

The State Mission Director/ CEO's
SVEP States/ UTs

Subject: MoU between DAY – NRLM, MoRD and Patanjali and way forward.

Madam/ Sir,


As you may be aware that DAY-NRLM, MoRD has signed an MoU with Divya Yog Mandir Trust (Patanjali) and has also recognized it as National Resource Organisation (NRO) under NRLM. Patanjali and its associated organisations will work in close coordination with NRLM and SRLMs to help support the SHG members develop required skill sets and move towards the achievement of its target of Lakhpati member.

The details of collaboration between the two organisations are framed under the MoU, however key thrust areas are summarized as below:

- Business opportunities for CLFs, PGs, PEs as dealers/ distributors for Patanjali products.
- Selected SHG products will be kept in select Patanjali stores.
- Co-branding of selected products from SHG by NRLM and Patanjali.
- SoPs and Quality Control for select SHG products and processes.
- CLFs, PGs, PEs as vendors to Patanjali for supply of selected commodities/ ingredients from the SHG producers
- SHG training on traditional and herbal medicines for common ailments and Yoga to expand the health options for the SHGs.

SRLMs are requested to harness best out of this association and help achieve objectives of Day-NRLM on a faster pace. Detailed listing of SHG products and commodities may be prepared for offering to Patanjali and VOs & CLF may be identified which may take up business with Patanjali institutions. Similarly, community cadre may be identified who can be trained on various aspects covering knowledge on herbal medicines, wellness through Yoga, soil testing, organic farming etc. as covered under the MoU.

Yours Faithfully,


(H.R.Meena)

Deputy Secretary to the Govt. of India

Ends; A/a



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 भारत सरकार / Government of India
 ग्रामीण विकास मंत्रालय / Ministry of Rural Development
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MEMORANDUM OF UNDERSTANDING

Between

[MINISTRY OF RURAL DEVELOPMENT, GOVERNMENT OF INDIA]

and

[Divya Yog Mandir Trust]

This Memorandum of Understanding is entered on 2nd day of November, 2022 at New Delhi

By and Between

MINISTRY OF RURAL DEVELOPMENT, GOVERNMENT OF INDIA (Department of Rural Development, Rural Livelihoods Division), having its office at 7th Floor, NDCC II Building, Jai Singh Road, New Delhi-110 001 (hereinafter referred to as “MoRD” which expression shall, unless repugnant to or inconsistent with the context or meaning thereof, be deemed to include its successors and permitted assigns) represented by the Additional Secretary (Rural Livelihoods), Department of Rural Development, Ministry of Rural Development, Government of India, its authorized representative, of the **FIRST PART**;

And

Divya Yog Mandir Trust registered under Indian Registration Act, 1908, having its registered office at Karipalu Bagh, Kankhal, Haridwar, Uttarakhand – 249 408, India. (hereinafter referred to as “**Patanjali**” which expression shall, unless repugnant to or inconsistent with the context or meaning thereof, be deemed to include its successors and permitted assigns) represented by Acharya Balkrishna, Secretary General as its authorized representative, of the **SECOND PART**;

Whereas, the MoRD and **Patanjali** agree on the importance of commercial and social development of women led rural enterprises and welcome the opportunity for cooperation for facilitating partnerships in the identified States/ UTs implementing National Rural Livelihood Mission and State Rural Livelihood Missions, hereinafter referred as “NRLM” and “SRLMs” respectively.


1


चरणजीत सिंह / CHARANJIT SINGH
अपर सचिव / Additional Secretary
भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / Ministry of Rural Development
कृषि भवन, नई दिल्ली

Now, therefore, the MoRD and Patanjali wish to record their interest as follows:

The MoRD is desirous to recognize Patanjali as a National Resource Organization to create mutual shared value for all stakeholders under NRLM/ SRLMs, with a focus on increasing skills, technological interventions, business and trade inclusion opportunities for underprivileged segments of the society. Key stakeholders include Patanjali, MoRD, SRLMs and the women led rural enterprises also referred to as “SHGs/ CLFs/ VOs/ Federations”.

FOR MoRD



चरणजीत सिंह / CHARANJIT SINGH
अपर सचिव / Additional Secretary
भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / Ministry of Rural Development
कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi

(Charanjit Singh)

Additional Secretary (Rural Livelihoods),
Department of Rural Development
Ministry of Rural Development
Government of India

FOR PATANJALI



(Acharya Balkrishna)

Secretary General
Divya Yog Mandir Trust

Preamble

Whereas Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM), the program being implemented by Department of Rural Development, Ministry of Rural Development envisages to reduce poverty by enabling the poor households to access gainful self-employment and skilled wage employment opportunities, resulting in appreciable improvement in their livelihood on a sustainable basis, through building strong grassroots institutions of the poor. Under the programme, poor women have been mobilized to form their own institutions like Self Help Groups and higher order community institutions at village, Panchayat, cluster/block level to carry out various social activities and delivery of services. Activities of these community institutions include strengthening financial and livelihoods support services, imparting skills to the rural population.

Whereas for livelihood promotion DAY-NRLM focuses to stabilize and promote existing livelihoods portfolio of the poor, in farm and in non-farm sectors. The Startup village Entrepreneurship Programme (SVEP) focuses on supporting small entrepreneurs, individual



support. Specific interventions for artisans are expected to be supported under the innovative proposals under NRLM and Cluster programme under National Rural Economic Transformation Project (NRETP).

Whereas the interventions under MoRD are implemented in the various States by the State Rural Livelihood Missions (SRLMs) which are autonomous bodies established by the State Governments.

Whereas Divya Yog Mandir Trust is a premier institution for serving mankind with Yoga and Ayurveda. The Trust came into existence as a sole idea to serve mankind by eradication of all obstacles of sorrows, physical illness and to equip the masses with mental peace, by practicing Ayurveda, Ashtang Yog, Raj Yog, Dhyan Yog, Hath Yog, Aasan and Pranayam etc. To achieve the objectives, number of units such as Divya Pharmacy, Divya Prakashan, Divya Yoga Sadhana, Divya Gaushala & Divya Nursery have been commissioned and providing services under the guidance and close supervision of Swami Ramdev Ji and Acharya Balkrishna ji.. To fulfill the current need of updated health, nutrition and education through latest technologies and methodologies, the Divya Yog Mandir Trust works in association with fellow undertakings of Patanjali Institutions i.e. Bharuwa Solutions Pvt. Ltd., Bharuwa Agriscience Pvt. Ltd., Patanjali Organic Research Institute, and Patanjali Research Institute.

The broad terms and conditions of the MOU are as under:

1. Area of Cooperation

This MoU defines the broad framework of association between MoRD and Patanjali where MoRD and Patanjali are seeking associations with each other for technical support for the range of interventions with SHG/ member producers/ farmers, artisans in the hand-loom and handicraft sector as well as for marketing of different rural products. Any activity to be taken up under the area of association listed in this MoU shall be based on pre-agreed terms and conditions in the mandate of both the parties.

2. Area of Association:

The areas of association between MoRD and Patanjali are broadly defined as below. The details of the association are available under Annexure 1.

Charanjit Singh / CHARANJIT SINGH
अपर सचिव / Additional Secretary
भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / Ministry of Rural Development
कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi

3



A. Marketing and Business Opportunities

- i. Logistic Facilitation through existing and new partners.
- ii. Product Co-branding for select SHG products by NRLM & Patanjali, e.g. for handicraft, home décor, handmade furniture and other artifacts can be co-branded and promoted through Patanjali Stores.
- iii. CLFs, PGs, PEs as vendors to Patanjali for selected commodities. Business opportunities for CLFs, PGs, PEs as dealers/ distributors for Patanjali products.
- iv. Various business and Marketing Models prevailing under Patanjali (but not restricted to) will be offered to the SHG network with an objective to increase market reach and E-Commerce accessibility as per suitability of the sellers and products e.g. Chain of retail outlets, e-commerce platforms, Marketplace for Hyper-local Business Model, National e-Commerce Platform, The Indian Rural Art (IRULA) App, Anndata App etc.

B. Quality Assurance by developing Standard Operating Procedures (SoPs) for the physical parameters of select SHG products for standardization and quality consistency including Up-gradation of tools, equipment and workplace of artisans/ SHGs towards quality improvement of products, design & product development, packaging etc. and related trainings.

C. Capacity Building of SHG members in the areas such as product standardization, technological intervention for productivity enhancement, organic farming, traditional health practitioner etc.

D. Organic farming/ Allied activities covering “Dharti Ka Doctor” (mobile soil testing kit for analyzing soil samples), Regional council for Uttarakhand for promoting organic farming, Bee Keeping etc.

E. Access to Finance through models like B-Bank ERP, PNB Patanjali RuPay Credit Card (Patanjali Swadeshi Samruddhi card) etc.

F. Patanjali as National Resource Organisation (NRO): For the collaborative interventions on any of the above areas, Patanjali is recognised as a National Resource Organisation for DAY – NRLM. NRLM/ SRLM can initiate specific interventions with Patanjali and any of its associate organization in the above areas of collaboration with the objective to increase skills, get technological interventions,

चरणजीत सिंह / CHARANJIT SINGH
 अतिरिक्त सचिव / Additional Secretary
 भारत सरकार / Government of India
 ग्रामीण विकास मंत्रालय / Ministry of Rural Development
 कृषि विभाग, नई दिल्ली / Kisan & MoU, April 2024

4



enhance business and trade inclusion opportunities for the underprivileged segments of the society i.e. SHGs/ members/ CBOs.

3. Roles & Responsibilities of Patanjali:

- a. Enhancement of business opportunities and skills of SHGs members through multiple interventions described under this MoU.
- b. Overall intervention/project management, execution and coordination of above activities for cost as pre agreed with MORD and in consonance with the term of the MoU.
- c. Assessment and enhancement of capacities through knowledge transfer programmes.
- d. Function as knowledge partner and NRO in respect of activities agreed upon.
- e. Delivery of agreed outputs as per terms of agreement.

4. Roles and Responsibilities of MoRD:

- a. Administrative support in identification and carrying out activities mutually agreed upon in respect to the area of association of the MoU.
- b. MoRD will facilitate identification of suitable SHGs/ members/ CBOs for extending online and offline product marketing support through Patanjali as per the details described under Annexure 2.
- c. Providing timely funding for agreed upon activities/projects in consonance with MoU and as per approved cost norms of MoRD.
- d. MoRD shall inform all the States/UTs regarding the recognition of Patanjali as NRO. Patanjali shall contact SRLMs directly to extend support as National Resource Organisation as per the scope of this MoU. Separate MoU shall be signed between Patanjali and SRLM for the agreed activity.

5. Terms/ Duration of MoU:

This MoU shall be deemed to have commenced on November 02.1.2022 and shall remain in force for five years thereafter unless terminated by either Party by giving 01 (one) month written notice to other party. The Memorandum can be extended further with mutual consent of both the Parties expressed in writing.

6. Funding:


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अपर सचिव / Additional Secretary
भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / Ministry of Rural Development
नई दिल्ली / New Delhi

MoRD and Patanjali will mutually decide about the activities/projects or any other activity proposed to be undertaken as per this MoU. Patanjali will communicate the detailed scope of work, deliverables and financial implication including taxation and other terms and conditions for various activities proposed to be undertaken under this MoU. MoRD (NRLM/ SRLM) will communicate its acceptance of the terms and conditions in writing and arrange for the funds and other resources for all such activities.

7. Review:

The signatories to the Parties will review at their level, at least once in 3 months, the activities undertaken under this MoU. A joint review by the chief executives of both the organizations shall be held once in six months.

8. Procedure for amendment, cancellation and exclusivity:

- a. No amendment, modification or addition to this MoU shall be effective or binding on any of the Parties unless the same has been set forth in writing and executed by them through their duly authorized representatives.
- b. Either of the two Parties can, at any time during the period of the MoU, rescind the same after giving a notice in writing recording cogent reasons for doing so. The notice period will not be less than one month.
- c. MoRD may utilize expertise of other agencies in implementation of the projects under DAY NRLM and will be free to sign any agreement/MoU with such agencies, provided that it does not come in direct conflict with any project or activity specifically assigned by MoRD (NRLM/ SRLM) to Patanjali.

9. Service of notice:

All approvals, consents and notices under this MoU shall be in writing and may be served by sending the same by Registered Post A.D or Speed Post addressed to the parties at its last known place of business or as per provisions of IT Act at its designated mail ID and such notices shall be deemed to have been given or served at the expiry of seven days from the time of posting the same and proving service thereof it shall be sufficient to show the said notice was properly addressed stamped and posted.


चरणजीत सिंह / CHARANJIT SINGH
अपर सचिव / Additional Secretary 6
भारत सरकार / Government of India
राष्ट्रीय विकास मंत्रालय / Ministry of Rural Development
कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi



10. The focal points for liaison for the effective implementation of this MOU will be

| For MoRD | For Patanjali |
|---|--|
| Shri Rajeev Kumar Singhal National Mission Manager – Non-Farm Livelihoods National Rural Livelihoods Mission Ministry of Rural Development Ph.: +91 9634222849 Email: rajeev.nrlm@gmail.com | Dr. Vedpriya Arya Head Herbal Research Division, Patanjali Research Institute, Haridwar Ph.: +91 7060472471 Email: vedpriya.arya@patanjali.res.in |

11. Jurisdiction:

This MoU shall be governed and construed by the laws of India. If a dispute, controversy or claim arises out of or relates to this MoU, or breach, termination or invalidity thereof, and if such dispute, controversy or claim cannot be settled and resolved through negotiation, then the issue or claim not resolved in good faith shall be referred to and finally resolved by arbitration proceedings in New Delhi in accordance with the Arbitration and Conciliation Act, 1996, and the amendments thereto.

12. Assignment:

Neither Party shall assign, sub-contract or delegate its rights or obligation under this MoU without the written consent of the other.

13. Waiver:

The failure of the Parties to enforce at any time the provisions of this MoU or any right in respect thereto shall be in no way be considered to be a waiver of such provisions or rights or in any way to affect validity of this MoU.

14. Indemnification:

It is hereby made clear and expressly agreed between the Parties that the intent of MoRD is purely to engage with Patanjali as National Resource Organisation (NRO) to provide implementation and handholding support to State Rural Livelihoods Missions (SRLMs) for increasing skills, technological interventions, business and trade inclusion opportunities for underprivileged segments of the society. NRLM/ SRLMs and the NRO would keep MoRD indemnified against any claims directly attributable to them. Notwithstanding anything contained to the contrary under this MoU, the liability of NRO

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 अवर सचिव / Additional Secretary
 भारत सरकार / Government of India
 ग्रामीण विकास मंत्रालय / Ministry of Rural Development
 कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi



shall be determined by a committee constituted by MoRD and comprises of representatives from NRLM, Patanjali and external subject matter specialist on case to case basis.

15. Force Majeure:

In the event of either party being rendered unable by force majeure to perform any obligation required to be performed by them under this agreement, the relative obligation of the affected party by such force majeure shall be suspended for the period during which such cause lasts. The term “force majeure” as employed herein shall mean, acts of God, war, revolt, riot, fire, flood, pandemic and acts, orders and regulations of the State and/or central Government of India or any of its authorized agencies. Upon the occurrence of such cause and upon its termination the party alleging that it has been rendered unable as aforesaid thereby shall notify the other party in writing within 7 (seven) day of the alleged beginning and ending thereof giving full particulars and satisfactory proof. The time for performance or relative obligations suspended by the force majeure shall be extended by the period for which the cause lasts or condoned by the NRO without any penalty. If the work is suspended by force majeure conditions lasting for more than 01 (one) month either of the parties shall have the option of cancelling the MoU in whole or in part thereof at its own discretion.

IN WITNESS WHEREOF the MoRD and the Patanjali have signed and seals this MoU through their duly authorized representatives on the day, month and the year first above written

FOR MoRD



चरणजीत सिंह / CHARANJIT SINGH
अपर सचिव / Additional Secretary
भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / Ministry of Rural Development
कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi

(Charanjit Singh)
Additional Secretary (Rural Livelihoods),
Department of Rural Development
Ministry of Rural Development
Government of India

FOR PATANJALI



(Acharya Balkrishna)
General Secretary
Divya Yog Mandir Trust

WITNESS

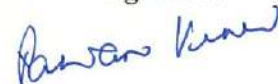
1. Name and signature



Place : New Delhi

Date : November 2022

Name and signature

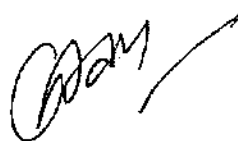


Annexure 1**Areas of Collaboration between Patanjali and DAY – NRLM**

Following are the areas of collaboration between Patanjali and DAY – NRLM under the MoU:

A. Marketing and Business Opportunities

- a. Increase market reach and E-Commerce Accessibility: Patanjali has developed a chain of retail outlets and has also expanded the marketplace through e-commerce platforms. The models discussed and which may be piloted before scaling up are summarized as below:
- b. Marketplace for Hyperlocal Business Model: An app-based model where SHG members can enroll and upload products for local sale. The delivery of the products can be managed by SHG members themselves as per their mobility feasibility. The serviceable radius can be defined by the seller SHG.
- c. National e-Commerce Platform:
 - i. The Indian Rural Art (IRULA) App: A multilingual e-Commerce platform for traditional artists and artisans looking to boost their market performance. The interested and compliant SHG artisans may be enrolled for promoting traditional arts such as handicrafts, paintings, showpieces, hanging goods, wooden art, and other crafts. As regard to the GST compliance, if SHGs are not having GST registration, they can still be the suppliers and the billing can be managed by Patanjali (*with all necessary statutory compliances*).
 - ii. Annadata App: A two-tiered e-commerce platform for connecting farmers at the local and national levels with mandis, FPOs, and Agri-retail stores. This has provision of Live mandi rate, fix pricing and online bidding of Agri-commodities. SHG farmers and traders may be enrolled for online sale and purchase of Agri produce. GST will not be mandatory for SHG farmer producers. However, for SHG/ CLF traders GST may be required.
 - iii. Patanjali has tie-ups with logistic partners for pick-up and delivery of items. However, to further empower this mechanism, MoRD and Patanjali can have tie-up with India Posts with enhanced serviceable PIN and better economics.
- d. Product Co-branding: NRLM is promoting SHG products and services under “SARAS Aajeevika” brand name and Patanjali products are being promoted through their exclusive retail chains and other stores. Selected SHG products such as handicraft, home décor, handmade furniture and other artifacts can be “Co-branded” and promoted through Patanjali Stores as well. Suitable model/ joint entity will be developed mutually to affect this.
- e. CLFs, PGs, PEs as vendors to Patanjali: Many NTFP and agriculture products produced by SHG members can be supplied to Patanjali. Proper quality



assurance and certification systems can be established for the supply of these products to Patanjali.

- f. Business opportunities for CLFs, PGs, PEs as dealers/ distributors for Patanjali products: Patanjali has wide range of FMCG products and bio-fertilizers/ pesticides which are marketed through their own retail outlets and also through distributor and dealer network. Selected and interested community institutions may act as their distributors for identified products.

B. SoPs and Quality Control

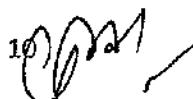
- a. Quality Assurance and systems for SHG Products: SHGs are engaged in producing wide range of products. Standardization of operating procedure for manufacturing, product consistency and quality check to be done to enhance the product quality. Patanjali has developed robust quality assurance systems for supply chains in farm and non-farm sectors. Patanjali will support in developing SoPs for the physical parameters of selected SHG products for standardization and quality consistency including upgradation of tools, equipment and workplace of artisans/ SHGs towards quality improvement of products, design & product development, packaging etc..
- b. Development of related operating manual and training modules.
- c. Training of Trainers/ SHG members/ groups on these aspects.

C. Organic farming/ Allied activities

- a. Dharti Ka Doctor: Patanjali Organic Research Institute (PORI) developed a mobile soil testing kit for analyzing soil samples. The kit can be used to analyze N, P, K, pH and Organic carbon. The chemicals can be used for 50 samples and to be refilled. The chemicals are available with PORI can be obtained on payment. Selected Krishi Sakhis under NRLM can be trained by Patanjali on soil testing using this kit and further CLFs/ PGs/ PEs can act as distributors for these kits. A suitable model can be jointly developed by NRLM and Patanjali to implement this. *(Eg. The kit can be provided to Krishi Sakhis for analysing the soil samples in their villages. Krishi Sakhis can charge for testing the soil samples. PORI can provide the training to Krishi Sakhis on soil sample collection and soil sample analysis).*
- b. Regional council for Uttarakhand: Divya Yoga Mandir Trust promoted by Patanjali is a recognized as regional council for organic farming by NCONF. As Uttarakhand SRLM is promoting Organic Farming under MKSP, they can use the services of Divya Mandir Trust as regional council to register the local groups. Suitable alliance to be further worked out between NRLM and Patanjali Institutions.
- c. Bee Keeping: A suitable model on harnessing the potential of Bee Keeping will be developed jointly by NRLM and Patanjali based on each other's learning which will be piloted with selected farmers and will be scaled up subsequently.

D. Capacity Building

- a. Patanjali has collaborated with ICAR and ASCI and developed training modules on organic farming for farmers. DAY – NRLM can collaborate with

10 

Patanjali for capacity building programs on organic farming in Uttarakhand, UP and Haryana.

- b. Traditional Health Practitioner: Pilot to train selected community cadre on primary health skills and treatment through traditional medicines to be conducted through Patanjali. Along with this CRPs can also be skilled as Yoga Trainers for creating health awareness and an enhanced livelihood option.

E. Access to Finance

- a. B-Bank ERP: A Paper-less, Contact-less Loan/subsidy/Govt. schemes application process for business empowerment. It may be connected with financial institutions/Banks for pre-and post-due diligence of loan credibility. It can act as micro-ATM and also accounting system. This can be piloted with select SHG entrepreneurs and subsequently scaled up (if successful).
- b. PNB Patanjali RuPay Credit Card (Patanjali Sodashi Samruddhi card): Offers a credit limit of Rs.50,000 to Rs.10 lakh at a low interest rate of around 12% and Rs.10 lakh in insurance coverage for accidental death and personal total disability. A pilot may be conducted with select groups on this solution.

F. Patanjali as NRO:

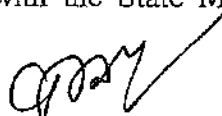
Based on all above possibilities of collaboration, Patanjali has been recognized as a National Resource Organisation for DAY – NRLM and selected pilots can be initiated in coordination with SRLMs.



Annexure 2

Details of Roles on Marketing and Branding Collaboration

1. The deliverables of SRLMs , as represented by under the guidance of Ministry of Rural Development, as confirmed by NRLM, are under this MOU are as follows:
 - a. Wherever applicable, SRLM/NRLM will facilitate the on-boarding of Self Help Groups (SHGs)/ Members/ CLFs etc. on the e-commerce platform/ app of Patanjali [(wherein Self Help Groups (SHGs) are collectives of 5 – 20 rural women and are part of NRLM database AND/OR any other entity representing SHGs and are recognised by NRLM/ SRLM will be referred to as "SHGs" under this document)], as applicable, and facilitate the submission of documents requested by Patanjali from such SHGs to Patanjali related to market promotion.
 - b. SRLMs/NRLM will facilitate identification of cluster(s) with high density of SHGs producing high quality products, [(wherein cluster refers to a geographical grouping of such SHGs ("Cluster(s)")), and State "center(s)" serving such Clusters; and register one Seller account on the Platform (either itself, SHGs or Clusters), for each specific Center as required."
 - c. SRLMs/NRLM will ensure that the participating SHG(s) has requisite licenses/permits/registrations including GST registration, PAN card, and a Bank account as may be required by for the purpose; and all the SHGs/Clusters under respective SRLMs will individually or collectively list their products on the online and offline platforms offered by Patanjali; it is clarified that the SHG(s) holding the account on the offered platform shall be responsible for the products sold under its account through the offered platform.
 - d. SRLMs/NRLM, will designate a serviceable pick-up point(s) (Pincode) for each center for the purpose of training members of SHGs, imaging and placement of their products on the offered platform;
 - e. SRLMs/NRLM shall ensure that SHG(s) shall use the brand name which is to be designated by Ministry of Rural Development under which umbrella all these products sold by the SHG(s) on the offered platforms shall be marketed and sold online/ offline.
 - f. SRLMs, shall assign a designated nodal officer at the State level to manage a center and SHG accounts on the offered platform on behalf of the State Mission Director. The responsibilities of the nodal officer will include end to end management of SHG account, including attending training workshops organized by Patanjali Institutions, mobilizing SHGs for training, and enabling imaging and cataloguing for products listed by the SHG(s) on the offered platform. The nodal officer, along with the State Mission Director of the



respective State will be the points of contact to Patanjali for all the queries and updates regarding their SHGs account on the offered platform.

- g. SRLMs/NRLM shall ensure continuous functioning of the center(s) on holidays and weekends as per the actual requirements;
 - h. SRLMs/NRLM shall ensure insurance cover for products stored in the State center(s).
 - i. SRLMs/NRLM(s) shall ensure that:
 - (i) The Seller SHG(s) shall be responsible to settle the accounts with the producer, other SHGs or any issues relating to the same.
 - (ii) The Seller SHG(s) shall maintain all the necessary administrative and financial records at their end for monitoring and accounting purposes.
2. The SHG seller(s) of raw & organic food items shall comply with applicable laws in addition to **Food Products packaging/ labelling guidelines** of Patanjali Institutions.
3. Primary Packaging image or labelling of the products should have the following mandatory details in order to sell on the offered Platform of Patanjali Institutions:
- a. FSSAI Number
 - b. Nutrition information
 - c. Ingredient information
 - d. Manufacturing date
 - e. Expiry date
 - f. Shelf Life
 - g. Manufacturer/Importer Details
 - h. Veg/Non-Veg mark
 - i. MRP
4. Subject to the SHG Seller(s) being referred to by State Mission and subject to the SHG Seller being incorporated on or before 1st January, 2022 and being:
- i. registered under Section 8 of the Companies Act, 2013, or
 - ii. a specially abled entrepreneur, or
 - iii. an artisan or weaver, or
 - iv. a Government entity, or
 - v. a SHG or its federation registered under any applicable law.



5. The SHG Seller will not be charged commission for sale of goods on the website/ store and shall be eligible for;
 - i. cataloguing support from Patanjali for a maximum of 100 products, or such number as may be enhanced by Patanjali at its discretion;
 - ii. warehousing support from Patanjali Institutions;
 - iii. account management support;
 - iv. priority seller support, (collectively “Benefits”)

6. Further, Patanjali may also extend the below mentioned support to the SHG Sellers at its e-commerce platform/ app/ physical stores:
 - i. Patanjali may provide visibility of SHG Seller’s products on the Website;
 - ii. Patanjali authorizes the SHG Seller to use the badge “Patanjali Partner” on the Website;
 - iii. Patanjali may, at the request of the SHG Seller, indicate a disclaimer on the product page (as required by the SHG Seller) stating that the product(s) are hand-crafted.

7. Patanjali will provide training (virtual or on-ground) to the SHG Seller.

8. SHG Seller agrees to provide all valid on-boarding documents, as requested by Patanjali Institutions, such as, GST registration certificate, at the time of registration in order to receive Benefits. It is clarified that the on-boarding documents submitted by the SHG Seller must be as per its registration under any statute as the case may be.

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

MoU with Fashnear Technologies Private Limited
(Meesho)- Online Marketing Platform Support
16/02/2023

File No: S-11057/09/2022-23/NRLM(SVEP)/miscellaneous/Partfile (383188)

Government of India
Ministry of Rural Development
Department of Rural Development
<https://rural.nic.in/>
(Rural Livelihoods Division)

7th Floor, NDCC-11 Building
Jai Singh Road, New Delhi

Dated: February 21, 2023

To,

The State Mission Director/ CEO's
SRLMs

Subject: MoU between NRLM-MoRD and Fashnear Technologies Private Limited for on-boarding and marketing of SHG products through "Meesho"

Madam/ Sir,

This is to inform you that the Ministry and Fashnear Technologies Private Limited (Meesho) have entered into a Memorandum of Understanding (MoU) for on-boarding and online marketing of SHG products through their e-commerce platform called "Meesho". A copy of the MoU is enclosed herewith for your ready reference.

You are requested to designate official from SRLM team to coordinate with the Meesho team for identifying suitable entities from the State like SHGs/CLFs/PG/PEs/PCs/ Individuals etc. (as the case may be) who may be willing, competent and compliant to sell good products online and get them on-boarded at the Meesho platform. Kindly note that SHG products on Meesho will use "Saras Aajeevika" as the National umbrella brand for symmetry and further State brand (if any) can be mentioned as a sub brand. The Saras Aajeevika logo being used at Saras Gallery and Saras Fairs is also enclosed for your reference and usage for promoting SHG products.

The team from Meesho will also help in orienting the State/district team about the advantages and requirements for e-commerce platform and will guide on the products photo-shoot and cataloguing to initiate the process of products on-boarding. It is advisable to facilitate in identifying maximum potential products from compliant SHGs/ members for on-boarding at Meesho. A list of designated officials at State level for marketing related activities as available at NMMU is enclosed for your reference. Please do let us know, if there is any update in the designated officer/ contact details related to your State.

Ms. Prachi Bhuchar of Meesho (prachi.bhuchar@meesho.com/ +91 98992 99328) may be coordinated with for the support and facilitation from Meesho in the process, preferably over email.

Yours sincerely,



(Raghvendra Pratap Singh)
Director (RL)

Encls.: A/a

CC:-

Sh. Sanjeev Barnwal, Co Founder and CTO, Fashnear Technologies Private Limited (Meesho), 06-105-B, 06-102, (138 Wu) Vaishnavi Signature, No. 78/9, Outer Ring Road, Bellandur, Varthur Hobli, Bengaluru-560103, Karnataka (for information and necessary facilitation)



सत्यमेव जयते

INDIA NON JUDICIAL

Government of National Capital Territory of Delhi

₹100

e-Stamp

Certificate No. : IN-DL62345475265232V
Certificate Issued Date : 13-Feb-2023 03:53 PM
Account Reference : IMPACC (IV)/ dl939303/ DELHI/ DL-DLH
Unique Doc. Reference : SUBIN-DL93930397681312792127V
Purchased by : MINISTRY OF RURAL DEVELOPMENT GOVT OF INDIA
Description of Document : Article 5 General Agreement
Property Description : Not Applicable
Consideration Price (Rs.) : 0
 (Zero)
First Party : MINISTRY OF RURAL DEVELOPMENT GOVT OF INDIA
Second Party : FASHNEAR TECHNOLOGIES PRIVATE LIMITED
Stamp Duty Paid By : MINISTRY OF RURAL DEVELOPMENT GOVT OF INDIA
Stamp Duty Amount(Rs.) : 100
 (One Hundred only)

सत्यमेव जयते



₹100

Please write or type below this line

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चरणजीत सिंह / CHARANJIT SINGH
 अवर सचिव / Additional Secretary
 भारत सरकार / Government of India
 ग्रामीण विकास मंत्रालय / Ministry of Rural Development
 कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi

SANJEEV BARNWAL
 CTO AND CO-FOUNDER
 FASHNEAR TECHNOLOGIES PVT LTD

Statutory Alert

1. The authenticity of this Stamp certificate should be verified at 'www.shcilestamp.com' or using e-Stamp Mobile App of Stock Holding. Any discrepancy in the details on this Certificate and as available on the website / Mobile App renders it invalid.

DAY-NRLM Non-Farm Livelihoods Guidelines & MoUs, April 2024

3. In case of any discrepancy please inform the Competent Authority.

Compendium Page 669 of 725

MEMORANDUM OF UNDERSTANDING
Between
[MINISTRY OF RURAL DEVELOPMENT, GOVERNMENT OF INDIA]
AND
FASHNEAR TECHNOLOGIES PVT. LTD]

This Memorandum of Understanding is entered on **16th February, 2023** New Delhi

By and Between

MINISTRY OF RURAL DEVELOPMENT, GOVERNMENT OF INDIA (Department of Rural Development, Rural Livelihoods Division) having its office at 7th Floor, NDCC II Building, Jai Singh Road, New Delhi-110 001 (hereinafter referred to as "MoRD" which expression shall, unless repugnant to or inconsistent with the context or meaning thereof, be deemed to include its successors and permitted assigns) represented by Sh. Charanjit Singh, Additional Secretary (Rural Livelihoods), Ministry of Rural Development, Government of India, its authorised representative, of the **FIRST PART;**

And

FASHNEAR TECHNOLOGIES PRIVATE LIMITED, registered and incorporated under the Indian Companies Act, 2013, having its registered office at 06-105-B, 06-102, (138 Wu) Vaishnavi Signature, No. 78/9, Outer Ring Road, Bellandur, Varthur Hobli, Bengaluru-560103, Karnataka, India, Karnataka, India (hereinafter referred to as "**Meesho**" which expression shall, unless repugnant to or inconsistent with the context or meaning thereof, be deemed to include its successors and permitted assigns) represented by Sanjeev Barnwal, CTO and Co-Founder, Fashnear Technologies Private Limited] its authorised representative (*duly authorized vide board resolution dated 10-02-2023 - copy enclosed*), of the **SECOND PART;**

For establishing the following projects.

WHEREAS

- A. MoRD through its Department of Rural Development, Rural Livelihoods Division and State Rural Livelihood Missions (SRLMs) is engaged supporting the rural women by organizing them as community institutions, their capacity building on various social and economic aspects, their financial inclusion, supporting them for taking them various livelihood activities as micro-enterprise and facilitating them for market access.
- B. Fashnear Technologies Private Limited (Meesho) operates an online marketplace www.meesho.com that enables sellers to sell their products online in India to customers throughout the country. Sellers on "Meesho" sell products in various product categories including but not limited to apparel, home décor, footwear, jewelry, and grocery.
- C. Whereas the MoRD and Meesho agree on the importance of commercial and social development of women led rural enterprises and welcome the opportunity for cooperation for facilitating partnerships in the identified states/ UTs implementing National Rural Livelihood Mission ("**NRLM**") herein referred as State Rural Livelihood Missions ("**SRLMs**").


चरणजीत सिंह / CHARANJIT SINGH
अपर सचिव / Additional Secretary
भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / Ministry of Rural Development
कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi


SANJEEV BARNWAL
CTO AND CO-FOUNDER
FASHNEAR TECHNOLOGIES PVT LTD

Now, therefore, the MoRD and Meesho wish to record their interest as follows:

1. The MoRD and Meesho are desirous to create mutual shared value for all stakeholders in SRLMs, with a focus on increasing business and trade inclusion opportunities for underprivileged segments of society. Key stakeholders include Meesho, MoRD, SRLMs, SHG/ CBOs and the women led rural enterprises.
2. SHG(s), SHG entrepreneurs, SHG collectives like Village Organisations (VO), Cluster level federations (CLF), Producer Groups (PG), Producer Enterprise (PE), SHG Farmer Producer Organisation (FPO), Producer Company (PC) or any other entity/ aggregator representing SHGs and recognized by NRLM/ SRLMs can be facilitated for onboarding SHG products on Meesho, will be referred as "**Seller**" under this MoU.
3. As part of this initiative, the MoRD will support Meesho's engagement with state-owned / SRLM promoted/ affiliated enterprises and undertakings that work with local artisans, weavers and crafts producers in identified SRLMs to provide market access and/ training and support. SRLMs under guidance of NRLM/ MoRD and the Meesho shall undertake the deliverables, as outlined under Annexure-I
4. SRLMs will procure/ facilitate its sellers to procure all necessary approvals/ registrations / clearances etc. from the concerned departments of the state, as per existing rules and regulations of Govt. of the state of respective SRLMs as also outlined in Annexure-II
5. MoRD / NRLM/ SRLMs shall facilitate the following :
 - a. Designate and communicate the PoC at NRLM and SRLM level to manage the partnership with Meesho.
 - b. Identify periodically the SHGs who have products suitable for online sale on Meesho's platform;
 - c. Identifying and listing districts where the in-person trainings workshops need to be conducted; Mission shall identify at least 1-2 members from each district who will be the part of core team of master trainers from the cadre for providing last mile support to SHGs.
 - d. Mobilising the SHGs through camps/ awareness campaigns and through other means help in increasing awareness and publicity about Meesho's platform and managing logistics for SRLMs trainees at the planned locations for the trainings;
 - e. Shall provide all necessary support required to help increase the digitization of small sellers (through access to internet and financial services) including facilitate in removing any regulatory hurdles/issues in the existing law for smooth implementation of the Purpose;
 - f. Enabling more SHG sellers/ aggregators to get GSTN and smoothen the registration process;
 - g. Help the SHGs/ aggregators to ship products in line with Meesho's policies and ensure a dedicated POC to manage the partnership with Meesho.


 चरणजीत सिंह / CHARANJIT SINGH
 अपर सचिव / Additional Secretary
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 ग्रामीण विकास मंत्रालय / Ministry of Rural Development
 कृषि भवन, नई दिल्ली / Kisan Bhawan, New Delhi

2


 SANJEEV BARNWAL
 CTO AND CO-FOUNDER
 FASHNEAR TECHNOLOGIES PVT LTD

6. Meesho shall perform the following obligations, on a best endeavors basis:
- Support NRLM/ SRLM in conducting in-person trainings for an agreed-on number of SHGs sellers/ staff using pre-prepared training modules in English/Hindi/(Other as per state need) at the various locations identified by respective SRLM as per mutually agreed calendar.
 - The training module is intended to help the SHGs understand the basics of running an online business including:
 - Seller Account Creation – Support with setting up their seller accounts on the Meesho platform, upload their listings, guidance on how to package their products, returns and other policies that apply on the Meesho platform,
 - Cataloging Process - Educate SHGs on the end-to-end catalog upload process for the Meesho Platform including image upload, catalog attributes, catalog pricing, HSN code, etc.
 - Marketing & Business - Education and Training on seller tools and supplier panel features available to all sellers on product recommendation, pricing, etc.
 - Ongoing Support –
 - (i) Do a follow up online session on a need basis with each group if required to help address their queries and concerns, as well as support them in driving further business growth after initial activation;
 - (ii) designate dedicated POC(s) for NRLM/ SRLM who the teams can collaborate with and who shall be responsible for coordinating and managing activities under the MoU;
 - Meesho shall facilitate and guide NRLM/ SRLMs with logistic (e.g courier service) tie ups available in respective states.
 - Meesho will explore the possibility creation of a Store Front at www.meesho.com as "Saras Aajeevika" and help the SRLMs to onboard their SHG sellers/ aggregators with the State's brand.
 - Meesho will help generate State and National level reports to reflect the progress of sellers and products onboarding, orders, sales etc. for monitoring purposes at a mutually agreed upon frequency.
7. The relationship between MoRD and Meesho is on a principal to principal and independent entity. Nothing in this MoU shall constitute the either party as the legal representative, agent, joint venture or partner of the other.
8. This MoU is not intended to provide any basis for investment or partnership decisions at present or in the future, outside of the scope mentioned in this MoU. None of the provisions shall be deemed to be binding on either party
9. **Payment to SHGs against orders:** The amount payable/paid by customers for the purchase of products sold by SHGs, shall be collected by Meesho on behalf of the SHG/ supplier, via the payment mode as opted for by the customer (*i.e., through third party payment aggregators and payment gateways or through cash on delivery*). The amount so collected by Meesho shall be paid to the SHG/ supplier after deduction of applicable taxes/ expenses etc. as per the payment timelines policy of Meesho (*as agreed between Meesho and SHG/Suppliers by executing the separate agreement*). However, it is made clear that MoRD, GoI shall not stand as Guarantor neither for Meesho nor for SHG/Supplier and the separate agreement will be executed between Meesho and SHG/Suppliers and GoI is only facilitating the SHG/Suppliers to list their products with Meesho under the "Saras Aajeevika" as mentioned in para 6(d) of this MOU.

चरणजीत सिंह / CHARANJIT SINGH
 अपर सचिव / Additional Secretary
 भारत सरकार / Government of India
 कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi

3

SANJEEV BARNWAL
 CTO AND CO-FOUNDER
 FASHNEAR TECHNOLOGIES PVT LTD

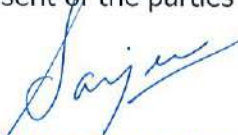
10. Intellectual property rights:

- (a) All rights, title and interest in the respective trademarks, trade names, service marks, logos, materials and formats shall lawfully belong solely and exclusively to the respective Parties and no other party shall claim adversely to or challenge the rights of the lawful owner with respect to others intellectual property rights.
- (b) MoRD hereby provides a limited, sub-licensable, non-exclusive, royalty-free, revocable, non-assignable, non-transferable, worldwide right and license during the Term (*defined below*) of this MoU and for as long thereafter as Organisation is permitted to grant the said license under applicable law to Meesho to use its trademarks and logos identified at Annexure - II (hereinafter collectively referred to as "MoRD Trademark(s)") at Meesho portal for recognising SHG products. Department of Rural Development, Rural Livelihoods Division represents that the Trademarks comply with applicable law and that their usage will not infringe any third-party intellectual property rights.
- (c) Meesho provides a revocable, royalty-free, non-exclusive, non-transferable, non-assignable, non- sub-licensable, India-wide limited right and license, during the Term (*defined below*), to use its trademarks and logos identified at Annexure - II (hereinafter collectively referred to as "Meesho Trademark(s)"), solely for the purpose of the use in accordance with the MoU.
11. Both parties agree to hold all information provided by the other party by virtue of this MOU, ("**Confidential Information**") in strict confidence, and not to release or divulge to any third party without the prior written approval of the other party. Neither party will use the other's Confidential Information for purposes other than those necessary to directly further the purposes of this MoU. However, no obligation of confidentiality applies to any of the following information:
- is or becomes generally known or available to the public through no act or omission of the receiving party in breach of this clause.
 - is disclosed pursuant to a court order, provided the receiving party, at the request and expense of the disclosing party, uses reasonable efforts to limit such disclosure to the extent requested.

The confidentiality undertakings of both parties pursuant to this clause shall remain in full force and effect during the duration of this MoU and five (5) years thereafter.

12. Terms of MoU: This MoU shall come into effect from the date of both parties signing the MoU and shall be valid for a period of 3 (three) years. The parties may further extend the period on such terms and conditions as may be mutually agreed and reduced to writing. Either Party may terminate this MoU by providing a written notice of 30 days to the other Party.
13. Amendment: Any amendment or change in the scope of the work or terms of engagement under the MoU could be effected from time to time with mutual consent of the parties and in writing only.


चरणजीत सिंह / CHARANJIT SINGH
अपर सचिव / Additional Secretary
भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / Ministry of Rural Development
कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi


SANJEEV BARNWAL
CTO AND CO-FOUNDER
FASHNEAR TECHNOLOGIES PVT LTD

This MOU shall be governed and construed by the laws of India. If a dispute, controversy or claim arises out of or relates to this MoU, or breach, termination or invalidity thereof, and if such dispute, controversy or claim cannot be settled and resolved through negotiation, then the issue or claim not resolved in good faith shall be referred to and finally resolved by arbitration in New Delhi in accordance with the Arbitration and Conciliation Act, 1996, and the amendments thereto.

IN WITNESS WHEREOF the MoRD and Meesho have signed and seals this MoU through their duly authorised representatives on the day, month and the year first above written.

For MoRD



Charanjit Singh

Additional Secretary (Rural Livelihoods),

Charanjit Singh / CHARANJIT SINGH
Additional Secretary

भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / Ministry of Rural Development
कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi

WITNESS



1. Name and signature

For Fashnear Technologies Private Limited



Sanjeev Barnwal

CTO and Co-Founder

Fashnear Technologies Private Limited

SANJEEV BARNWAL
CTO AND CO-FOUNDER
FASHNEAR TECHNOLOGIES PVT LT



Name and signature

(Prachi Bhuchar)

Place: New Delhi

Date:



Annexure I

1. The deliverables of SRLMs, as represented by under the guidance of Ministry of Rural Development, as confirmed by NRLM, are under this MOU are as follows:
 - a. Wherever applicable, SRLM/NRLM will facilitate the "Seller" onboarding of Self Help Groups (SHGs) and Clusters on the Platform [*(wherein Self Help Groups (SHGs) are collectives of 5- 20 rural women and are part of NRLM database AND/OR any other entity/ aggregator representing SHGs and are recognised by NRLM/SRLM will be referred to as "SHGs" under this document)*], as applicable, and facilitate the submission of documents requested by Meesho (including any declaration forms) from such SHGs and Clusters the Sellers to Meesho.
 - b. SRLMs/NRLM agree to identify cluster(s) with high density of SHGs producing quality products, *{(wherein cluster refers to a geographical grouping of such SHGs ("Cluster(s) ".))}*, and state "**center(s)**" serving such Clusters; and register one Seller account on the Platform (either itself, SHGs or Clusters), for each specific Center as required, under the Program." [center(s) refers to the place wherein the operations including warehousing will be carried out by the State Missions]. State Missions agree to identify cluster(s) with high density of SHGs producing quality products, and state center(s) serving such clusters; and register one Seller account on the Platform, for each specific center as required, under the Meesho Samarth Program.
 - c. SRLMs/NRLM will ensure that the participating Seller(s) has requisite licenses/permits/registrations including GST registration, PAN card, and a bank account as may be required by Meesho (as may be applicable), and all the SHGs/Clusters/ Sellers under respective SRLMs will individually or collectively list their products on the Meesho Platform through the respective Seller accounts on the Platform; it is clarified that the Seller(s) holding the seller account on the Platform shall be responsible for the products sold under its Seller account on the Platform.
 - d. SRLMs/NRLM, will designate a serviceable pick-up point(s) (pincode) for each center for the purpose of training members of SHGs, imaging and listing of their products on the Platform;
 - e. SRLMs/NRLM shall undertake information, education and communication (IEC) activities regarding the Program subject to a prior written consent from Meesho. The use of NRLM/ SRLMs and Meesho logos on such promotional materials shall be allowed as per the scope of this MoU.
 - f. SRLMs/NRLM shall ensure that the Seller(s) shall use the brand name which is to be designated by Ministry of Rural Development under which umbrella all these products sold by the Seller(s) on the Platform shall be marketed and sold online under the Program.

- g. SRLMs, shall assign a designated nodal officer at the State level to manage a center and Seller accounts on the Platform on behalf of the Seller state Mission Director. The responsibilities of the nodal officer will include end to end management of Seller account, including attending training workshops organized by Meesho, mobilizing SHGs for training, and enabling imaging and cataloguing for products listed by the Seller(s) on the Platform. The nodal officer, along with the Seller state Mission Director of the respective State will be the points of contact to Meesho for all the queries and updates regarding their seller account on the Platform
- h. SRLMs/NRLM shall ensure continuous functioning of the center(s) on holidays and weekends as per the actual requirements;
- i. SRLMs/NRLM shall ensure insurance cover for products stored in the state center(s).
- j. SRLMs/NRLM(s) shall ensure that:
 - (i) The Seller(s) shall be responsible to settle the accounts with the producer, SHGs or any issues relating to the same.
 - (ii) The Seller(s) shall maintain all the necessary administrative and financial records at their end for monitoring and accounting purposes.

Annexure II

1. The seller(s) of raw & organic food items shall comply with applicable laws in addition to Food Products packaging/ labelling guidelines of Meesho.
2. Primary Packaging image or labeling of the products should have the following mandatory details in order to sell on the Platform Meesho:
 - a. FSSAI Number
 - b. Nutrition information
 - c. Ingredient information
 - d. Manufacturing date
 - e. Expiry date
 - f. Shelf Life
 - g. Country of Origin and Manufacturer /Importer Details
 - h. Veg/Non-Veg mark
 - i. MRP
3. Trademarks of Department of Rural Development under MoRD and of Fashnear Technologies Private Limited (Meesho) to be used under the scope of this Mou by the associated stakeholders defined under MoU.

| | |
|--|--|
| <p>Department of Rural Development under MoRD</p> <ol style="list-style-type: none"> 1. Saras Aajeevika 2. Saras 3. Aajeevika |  |
| <p>Fashnear Technologies Private Limited (Meesho)</p> |  |

4. Subject to the Seller(s) being referred to by NRLM/ SRLMs and subject to the Seller being incorporated under any of the following statute under the NRLM portfolio, will be eligible for onboarding at Meesho under this MoU:
 - i) registered under Section 8 of the Companies Act, 2013, or
 - ii) a specially abled entrepreneur, or
 - iii) an artisan or weaver, or
 - iv) Government entity, or
 - v) a SHG** or its federation registered under any applicable law.

*** SHGs are legally recognized by RBI and acceptable by banks. SHGs, however are non-registered entities.*

5. The Seller shall be eligible for:
 - i) cataloguing support from Meesho for a maximum of 100 products for individual sellers / 300 products for collectives/ aggregators, or such number as may be provided by Meesho at its discretion;
 - ii) Logistics support from Meesho through its third-party logistic partners
 - iii) account management support;
6. Meesho will provide training (virtual or on-ground) to the Seller(s)/ SRLM designated staff.
7. Fees: Meesho currently do not charge any referral fees from sellers on the sale of their products. However, vendor service charges, such as logistics will be applicable which is subject to change with prior notice.
8. Seller agrees to provide all valid onboarding documents, as requested by Meesho, such as, GST registration certificate, at the time of registration in order to receive Benefits. It is clarified that the onboarding documents submitted by the Seller must be as per its recognition as SHG by NRLM/ SRLM or its registration under any legal statute of Government of India, as the case may be.

Fashnear Technologies Private Limited

CIN: U74900KA2015PTC082263

Registered office: Office Number 06-105-B, 06-102, (138 WU)
Vaishnavi Signature, No. 78/9, Outer Ring Road, Bellandur Village,
Varthur Hobli, Bengaluru, Karnataka-560103

Phone: +91-9606441771

adminsupport@meesho.com

www.meesho.com

meesho

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS ("THE BOARD") OF FASHNEAR TECHNOLOGIES PRIVATE LIMITED ("THE COMPANY") AT THE BOARD MEETING HELD ON 04 JANUARY 2023 AT 10.00 AM AT THE REGISTERED OFFICE OF THE COMPANY AT 06-105-B, 06-102, (138 WU) VAISHNAVI SIGNATURE, NO. 78/9, OUTER RING ROAD, BELLANDUR VILLAGE, VARTHUR HOBLI, BENGALURU, KARNATAKA-560103

General authorization to Mr. Sanjeev Kumar, Director of the Company

"RESOLVED THAT the consent of the Board of the Company be and is hereby accorded to authorize Mr. Sanjeev Kumar, Director of the Company, to act as an authorized signatory to sign, validate, deliver and execute various applications, forms, letters, agreements, deeds, MOUs and other business related documents in connection with the Company's business and operations that are required to be filed with the various Regulatory Bodies, State or Central Government Departments or Local Authorities or with any other competent authorities or documents to be executed with, or provided to, any other entity/party with whom the Company wants to enter into any business arrangement or for any other business related purposes, as may be required from time to time on behalf of the Company.

RESOLVED FURTHER THAT Mr. Sanjeev Kumar, Director of the Company is also authorized to issue the authority letters, power of attorney and such other means to further delegate/ sub-delegate any or all the powers conferred upon him to any of the employees of the Company/consultants/advisors/external agents or any other person acting on behalf of the Company subject to such conditions, if any, as he may deem fit for efficient discharge of responsibilities entrusted in any matter incidental or ancillary to business related operations.

RESOLVED FURTHER THAT authority to Mr. Sanjeev Kumar shall be valid till the cessation of his position as Director with the Company or till such other date as may be decided by the Board of the Company whichever is earlier."

For and on behalf of

Fashnear Technologies Private Limited

VIDIT

Digitally signed by
VIDIT AATREY

AATREY

Date: 2023.02.10
17:12:50 +05'30'

Vidit Aatrey

Director

DIN: 07248661

Address: Office Number 06-105-B, 06-102,
(138 WU) Vaishnavi Signature,
No. 78/9, Outer Ring Road, Bellandur Village,
Varthur Hobli, Bengaluru, Karnataka-560103

List of Non-farm Personnel in SRLMs (Marketing)

| No | State | Name | Designation | email id | Phone No. | SARAS/Mkt/GeM |
|----|---------------------|------------------------|--|---|--------------------------|---------------|
| 1 | Andhra Pradesh | R.Vijaya Kumar | PM & Incharge Director(NF) | reddipallivijay@gmail.com | 9154073939/ 9849901077 | Saras/Mkt |
| 2 | Andhra Pradesh | E. Sudhakar | Programme Executive | directornonfarm@gmail.com | 7993317125 | Saras/Mkt |
| 3 | Telangana | A Nagaraja Rao | Project Manager Non Farm Livelihoods | nagarajarao69@gmail.com | 9701452017 | Saras/Mkt |
| 4 | Telangana | K Prabhakar | Admn Assy Non Farm Unit SERP Telangana | kothaprabhakartserp@gmail.com | 9701367789, 9701367789 | Saras/Mkt |
| 5 | Arunachal Pradesh | Nabam Tubin | Programe Manager (Non-Farm) | pmlharsrlm@gmail.com | 7641823288/ 9717447125 | Saras/Mkt |
| 7 | Assam | Pallab Goswami | SPM Non Farm Livelihoods | asrlms.pallab.pmlm@gmail.com | 9707530654 | Saras/Mkt |
| 8 | Assam | Indrajit Das | SPM- EP, NRETP | spmep.asrlms@gmail.com | 9101612857 | Saras/Mkt |
| 9 | Bihar | Samir Kumar | PM-NF | pm.nf@brlps.in | 9771478622 | Saras/Mkt |
| 10 | Bihar | Ms Nupur Kamal | State Consultant-Art and Craft | nupurkamal@yahoo.com | 8862902552 | Saras/Mkt |
| 12 | Chhattisgarh | Alice Lakra | SPM | coo.cgsrlm@gmail.com | 9993389331 | Saras/Mkt |
| 11 | Chhattisgarh | Manoj Mishra | ASPM-Jobs | manojmishra_vns@yahoo.co.in | 9165079784 | Saras/Mkt |
| 13 | Gujarat | Manoharsinh Gohil | General Manager-Marketing | gmnretp@glpc.co.in | 9638983838 | Saras/Mkt |
| 14 | Gujarat | Dharmesh Vaghela | General Manager-Marketing | djdharm@gmail.com | 9099925619 | Saras/Mkt |
| 16 | Haryana | Manoj Bansal | SPM | ceohsrlm@gmail.com, spmhsrlm.lh@gmail.com | 9779289383 | Saras/Mkt |
| 18 | Himachal Pradesh | Sh Rajat Sharma | SPM | spm.hp23@gmail.com | 9882080588 | Saras/Mkt |
| 19 | Himachal Pradesh | Akansha | ME | nrlmhp@gmail.com | 82191647273 | Saras/Mkt |
| 21 | Jammu & Kashmir(UT) | Yasir Ahmad Bhat | SPM | spmnonfarm.jkrlm@gmail.com | 9906726427 | Saras/Mkt |
| 23 | Jharkhand | Nitish Kumar | SPM Non Farm | nitishsinhasagy@gmail.com | 7632953055 / 6204407645 | Saras/Mkt |
| 24 | Jharkhand | Tumul Taran | PM Non Farm | pnmfjslps@gmail.com | 8407074107 | Saras/Mkt |
| 26 | Karnataka | Snehal vichare | SPM | snehal.ksrlps@gmail.com | 9513707371 | Saras/Mkt |
| | Karnataka | Pradeep K R | ASPM-Jobs | pradeepkr.ksrlps@gmail.com | 9060982113 | Saras/Mkt |
| 30 | Kerala | Jiby Mathew Philip | State Assistant Programme Manager (SAPM)-Marketing | marketing@kudumbashree.org | 9747713345 | Saras/Mkt |
| 33 | Madhya Pradesh | Ms Garima Sai Sundaram | State Project Manager-MED/ Nonfarm | spmmedmpsrlm@gmail.com | 9109100443 | Saras/Mkt |
| 35 | Maharashtra | Ashwini Akuskar | PM NF-NRLM | convergence@umed.in | 9404512393 | Saras/Mkt |
| 37 | Manipur | Khamba Ronglo | SMM-L | ronglo007@gmail.com | 8131821194 | Saras/Mkt |
| 39 | Meghalaya | Rimki Kyandait | Programme Manager-NF | msrlslivelihoodpromotion@gmail.com | 8731028298 | Saras/Mkt |
| 40 | Mizoram | F. Laldinthara | SMM Non Farm | pakhup7@gmail.com | 9612378006 | Saras/Mkt |
| 42 | Nagaland | A. Tiasenba Longchar | SPM-NF | taisengem@gmail.com | 7085285523 | Saras/Mkt |
| 44 | Odisha | Dr. Babita Mohapatra | Addl.CEO - Operations | apdpro.tripti@gmail.com | 9439001816 | Saras/Mkt |
| 46 | Odisha | Sanat Kumar Mishra | STE | msbazaar2023@gmail.com, nonfarm.olm@gmail.com | | Saras/Mkt |
| 47 | Puducherry | P Lakshmanan | SPM | lakshmanannasa1975@gmail.com | 9488819095 | Saras/Mkt |
| 48 | Puducherry | Shobhana | livelihood coordinator | shobypuru@gmail.com | 7708365444 | Saras/Mkt |
| 49 | Punjab | Sonal Bansal | SPM | nanditavijay444@gmail.com | 9056719804 | Saras/Mkt |
| 52 | Rajasthan | Amrat Singh | SPM-Enterprise Promotion | amratsinghindolia@gmail.com | 9929854310 | Saras/Mkt |
| | Rajasthan | Shyam Sundar Sharma | PM-Non Farm | sssssjpr@gmail.com | 9828689333 | Saras/Mkt |
| 54 | Sikkim | Bedhna Subba | Programme Manager Livelihoods | bedhna.shanti@gmail.com | 7407380290 | Saras/Mkt |
| 56 | Tamil Nadu | Ms Kavita | Additional CEO/Additional Director-RD | tnsrlmlive@gmail.com | 9444094204 | Saras/Mkt |
| 60 | Tripura | Tuhin Mitra | Program Manager- Nonfarm | pm.nf.trlm@gmail.com | 9436580546 7005010714 | Saras/Mkt |
| 61 | Uttar Pradesh | Acharaya Shekhar | SPM Non Farm | acharyalucknow@gmail.com | 99356 45899 | Saras/Mkt |

| | | | | | | |
|----|---------------|----------------------------|--|------------------------------|------------|-----------|
| 62 | Uttar Pradesh | Naveen Sharma | PM NFL | navsum19@gmail.com | 9411223390 | Saras/Mkt |
| 63 | Uttarakhand | Pradeep Pandey | ACEO | ceouksrlm@gmail.com | 9412093900 | Saras/Mkt |
| 64 | Uttarakhand | Rohit Singh | SPM | usrlm.uk@gmail.com | 9927935259 | Saras/Mkt |
| 65 | West Bengal | Ms Moumita Das Chakraborti | Convergence Consultant & SPM (Non-farm, in-charge) | convergence.wbsrlm@gmail.com | 9432506829 | Saras/Mkt |
| 66 | West Bengal | Ms Kakali Das | Consultant (Monitoring & Evaluation) | me.wbsrlm@gmail.com | 9433079597 | Saras/Mkt |

MoU with Jio, Reliance Retail limited - Online
Marketing Platform Support
22/12/2023

S-11057/09/2022-23/NRLM(SVEP)/miscellaneous/Partfile (383188)
Government of India
Ministry of Rural Development
Department of Rural Development
<https://rural.nic.in/>
(Rural Livelihoods Division)

7th Floor, NDCC-11 Building
Jai Singh Road, New Delhi

Dated: **December 26, 2023**

To,
The State Mission Director/ CEO, SRLMS
All States/ UTs

Subject: MoU between NRLM-DoRD and "JioMart" for marketing of SHG products on <https://www.jiomart.com> by SRLMS

Madam/ Sir,

This is to inform you that NRLM-MoRD and **Reliance Retail Limited** (JioMart) has entered into a Memorandum of Understanding (MoU) with the Ministry for on-boarding and online marketing of SHG products through their e-commerce platform called as "JioMart". A copy of the MoU is enclosed herewith for your ready reference.

You are requested to designate official from SRLM team to coordinate with the JioMart team for identifying suitable entities from the state like SHGs/CLFs/PG/PEs/PCs/ Individuals etc. (as the case may be) who may be willing, competent and compliant to sell good products online and get them on-boarded at the JioMart platform. Kindly note that SHG products on JioMart will use "Saras Aajeevika" as the National umbrella brand for symmetry and further state brand (if any) can be mentioned as a sub brand. The Saras Aajeevika logo being used at Saras Gallery and Saras Fairs is also enclosed for your reference and usage for promoting SHG products.

The team from JioMart will also help orienting the State/District team about the advantages and requirement for e-commerce platform and will guide on the products photoshoot and cataloguing to initiate the process of products on-boarding. It is advisable to facilitate identifying maximum potential products from compliant SHGs/ members for on-boarding at JioMart. A list of designated officials at State level for marketing related activities as available at NMMU is enclosed for your reference, which has been shared with JioMart team for necessary coordination. Please do let us know, if there is any update in the designated officer/ contact details related to your State.

Mr. Yuvraj Patil, Head - Public Policy, Reliance Retail Limited (Yuvraj.Patil@ril.com/ 9167066463/ 8851179420) may be coordinated with for the support and facilitation from JioMart in the process, preferably over email.

Yours sincerely,



(Nivedita Prasad)
Deputy Secretary (RL)

Encls.: A/a

CC:- Dr. Ravi Prakash Gandhi, President and Chief of Public Policy and Regulatory, Reliance Retail Limited, 3rd Floor, Court House, Lokmanya Tilak Marg, Dhobi Talao, Mumbai, Maharashtra – 400002 (for information and necessary facilitation)



सत्यमेव जयते

INDIA NON JUDICIAL

Government of National Capital Territory of Delhi

e-Stamp

| | |
|---------------------------|---|
| Certificate No. | : IN-DL09504337442947V |
| Certificate Issued Date | : 08-Dec-2023 03:19 PM |
| Account Reference | : IMPACC (IV)/ dl939303/ DELHI/ DL-DLH |
| Unique Doc. Reference | : SUBIN-DL09504337442947V |
| Purchased by | : MINISTRY OF RURAL DEVELOPMENT GOVT OF INDIA |
| Description of Document | : Article 5 General Agreement |
| Property Description | : Not Applicable |
| Consideration Price (Rs.) | : 0 (Zero) |
| First Party | : MINISTRY OF RURAL DEVELOPMENT GOVT OF INDIA |
| Second Party | : RELIANCE RETAIL LIMITED |
| Stamp Duty Paid By | : MINISTRY OF RURAL DEVELOPMENT GOVT OF INDIA |
| Stamp Duty Amount(Rs.) | : 100 (One Hundred only) |



Please write or type below this line

चरणजीत सिंह / CHARANJIT SINGH
अपर सचिव / Additional Secretary
भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / Ministry of Rural Development
कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi



Statutory Alert:

1. The authenticity of this Stamp certificate should be verified at 'www.shcilestamp.com' or using e-Stamp Mobile App of Stock Holding. Any discrepancy in the details on this Certificate and as available on the website / Mobile App renders it invalid.
2. The onus of checking the legitimacy is on the users of the certificate.
3. In case of any discrepancy please inform the Competent Authority.

MEMORANDUM OF UNDERSTANDING ("MOU")

This Memorandum of Understanding ("MOU") is being entered this 22nd day of December, 2023 ("**Effective Date**") by and between:

MINISTRY OF RURAL DEVELOPMENT, GOVERNMENT OF INDIA (Department of Rural Development, Rural Livelihoods Division) for the promotion of the National Rural Livelihood Mission, having its office at 7th Floor, NDCC II Building, Jai Singh Road, New Delhi-110 001 (hereinafter referred to as "MoRD/NRLM" which expression shall, unless repugnant to or inconsistent with the context or meaning thereof, be deemed to include its successors and permitted assigns) represented by the Additional Secretary (Rural Livelihoods), Ministry of Rural Development, Government of India, its authorised representative;

AND

RELIANCE RETAIL LIMITED, a company duly incorporated under the Companies Act, 1956, having CIN Number U01MH1999PLC120563 and its registered office at 3rd Floor, Court House, Lokmanya Tilak Marg, Dhobi Talao, Mumbai, Maharashtra - 400002 (hereinafter referred to as "**Reliance**", "**us**", "**we**", "**our**", which expression shall include its successors and permitted assigns); represented by Dr. Ravi Prakash Gandhi, President and Chief of Public Policy and Regulatory, Reliance Retail Limited its authorised representative;

Reliance and MoRD are hereinafter collectively referred to as the "**Parties**" and individually as a "**Party**".

The Parties agree that this MoU shall come into force and effect on 22nd December, 2023 (the "**Effective Date**") and shall be valid for a period of 3 (three) years from the Effective Date ("**Term**"), unless terminated by the Parties the Term will automatically extend for successive periods of 1 (one) year till the 5 (five) years from the Effective Date.

WHEREAS, **MoRD** under the framework of Deendayal Antayodaya Yojana - National Rural Livelihoods Mission ("**DAY-NRLM**") program aims at creating efficient and effective institutional platforms for the rural population for marketing of products made by the Self


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अपर सचिव / Additional Secretary
भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / Ministry of Rural Development
कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi

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Help Groups (“SHGs”). As part of the efforts to connect producers to market, DAY-NRLM in partnership with e-commerce portals have taken steps to promote curated products from SHGs.

WHEREAS, **Reliance** is engaged in the business of, *inter alia*, sale and purchase of goods through online and offline platform. For the purpose of this MOU platform means the website www.jiomart.com available at JioMart along with its corresponding mobile application(s) as operated by Reliance (“**JioMart**”). JioMart aims to help local communities, artisans, weavers, and cooperatives by enabling them to use the marketplace to sell their products.

And WHEREAS, both the Parties express their willingness and agree to cooperate on a mutual collaboration within the DAY-NRLM’s framework to provide support to several artisans in the country through SHGs and their federations (“**Seller(s)**”) to list their products on JioMart.

NOW THEREFORE, the Parties agree to as follows:

1. MoRD and Reliance by executing this MOU are intending to provide market access to SHGs member of National Rural Livelihood Mission, State Rural Livelihood Mission, National Rural Development Authority, State Rural Development Authority and any other departments designated to implement the program at National and State level (“**NRLM/SRLM**”) by onboarding them as Seller on JioMart (“**Joint Mission**”).
2. MoRD shall facilitate the Joint Mission by issuing a letter to all NRLM/SRLM and its other partner organizations regarding the scope and effect of this partnership and regarding the support that will be provided by JioMart (*the deliverables by NRLM/SRLM are detailed under Annexure I*).
3. JioMart shall provide support to the Sellers under the Joint Mission and institutional support to NRLM/ SRLM for online marketing of SHG products (*the deliverables by JioMart are detailed under Annexure II*).
4. Both the Parties represented that it has full power and authority to enter into this MOU and perform the agreed services and has necessary infrastructure to perform the services under this MOU.
5. This MOU shall come into force from the Effective Date and valid unless terminated by the Parties in writing by providing 30 (thirty) days’ advance notice of termination.


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6. Considering that MoRD is not a seller on JioMart, Parties agree that neither Party shall be obligated to pay the other Party any monies (including certain seller fees that may be applicable to the Sellers) in relation to the understanding under this MOU. JioMart agrees to provide the services under this MOU to all the Sellers as per *Annexure-II* in accordance with JioMart terms and policies. It is hereby clarified that MoRD will not have any financial obligation towards JioMart in this regard.
7. All rights, title and interest in the respective trademarks, trade names, service marks, logos, materials and formats shall lawfully belong solely and exclusively to the respective Parties and no other Party shall claim adversely to or challenge the rights of the lawful owner with respect to other's intellectual property rights.
8. JioMart grants to MoRD, a limited, nation-wide, non-sub-licensable (except to the extent as permitted under this MOU), non-exclusive, non-assignable, non-transferable license for the term to use its trademarks or logos identified in *Annexure III* (JioMart logo), solely to discharge its obligations under this MOU provided that such usage is in accordance with the JioMart Trademark Usage Guidelines set forth under *Annexure III*. Subject to the foregoing, MoRD may at its own discretion allow the NRLM/SRLM to use JioMart's logo for carrying out activities under this MOU including but not limited to electronic media campaigns (including social media), print media campaigns, outdoor publicity (including pamphlets, banners etc.), awareness generation programmes, press conferences and others. MoRD hereby acknowledges and agrees that NRLM/SRLM may only use JioMart Logo in accordance with the JioMart Trademark Usage Guidelines provided under *Annexure-III*.
9. MoRD grants to JioMart, a limited, nation-wide, non-sub-licensable (except to the extent as permitted under this MOU), non-exclusive, non-assignable, non-transferable license for the term to use its trademarks or logos identified in *Annexure IV* ("MoRD Content") and may be construed to be provided for and on behalf of the Seller(s) to the extent such content related to the Sellers or their products, solely to discharge its obligations under this MOU provided that such usage is in accordance with the MoRD Trademark Usage Guidelines set forth under *Annexure IV*.
10. Both Parties agree to hold all information provided by the other Party, ("**Confidential Information**") in strict confidence, and not to release or divulge to any third party without the prior written approval of the other Party. Neither Party will use the other Party Confidential Information for purposes other than those necessary to directly further the purposes of this MOU. All discussions of the Parties under or pursuant to


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 अपर सचिव / Additional Secretary
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 ग्रामीण विकास मंत्रालय / Ministry of Rural Development
 कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi



this MOU shall be considered Confidential Information and may be disclosed by the receiving Party only upon consent of the disclosing Party. However, no obligation of confidentiality applies to any of the following information that:

- a. is or becomes generally known or available to the public through no act or omission of the receiving Party in breach of this clause.
- b. is disclosed as mandated under any applicable Indian laws.
- c. is disclosed pursuant to a court order, provided by the receiving Party, at the request and expense of the disclosing Party, uses reasonable efforts to limit such disclosure to the extent requested.

The confidentiality undertakings of both Parties pursuant to this clause shall remain in full force and effect during the term of this MOU and survive 5(five) years from the termination of this MOU.

11. Each Parties shall assign two officer(s), who will act as point(s) of contact for all queries, communications, and updates regarding the convergence of will of the Parties under this MoU. All the four together will work as "Project Monitoring Group".
12. The Project Monitoring Group will monitor seller onboarding, timely delivery, timely payments, operational support, ideas for facilitating the sale of the SHG products on JioMart platform as per applicable policies. The Project Monitoring group will also provide necessary inputs to MoRD and JioMart from time to time.
13. The Parties shall mutually acknowledge the contribution of each other in public communications wherever applicable.
14. This MOU may be revised on mutually agreed terms and conditions and the revisions shall be in writing and only become effective on signing by authorized representatives of each party.
15. This MOU shall be governed by the laws of India.


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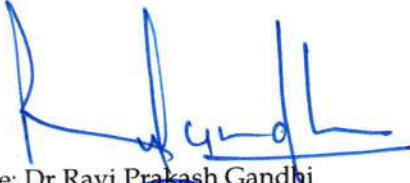
In affirmation of the above, the Parties above named have signed this Memorandum of Understanding on this 22nd day of December 2023.

SIGNED for and on behalf of **Ministry Of Rural Development, Government Of India**



SIGNED for and on behalf of **Reliance Retail Limited**

By: 
Name: Sh. Charanjit Singh
Title: Additional Secretary (Rural Livelihoods)
चरणजीत सिंह / CHARANJIT SINGH
अपर सचिव / Additional Secretary
भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / Ministry of Rural Development
कृषि भवन, नई दिल्ली / Krishi Bhawan, New Delhi
WITNESS By:


Ragesh K. Sarda
NMM- NFL
NRLM - MoRD .

By: 
Name: Dr Ravi Prakash Gandhi
Title: President and Chief of Public Policy and Regulatory

WITNESS By:



(YUVRAJ PATIL)
Head - Public Policy
Reliance Retail

Annexure I**Deliverables by NRLM/SRLM**

1. The deliverables of NRLM/SRLM under this MOU are as follows:
 - i. NRLM/SRLM agree to identify cluster(s) with high density of SHGs producing Quality products (wherein cluster refers to the geographical grouping of such SHGs), and Seller's center(s) serving such clusters; and register one Seller account on JioMart, for each specific Seller center as required under the Joint Mission as per applicable JioMart seller onboarding terms and documentation;
 - ii. shall facilitate the Seller onboarding on JioMart;
 - iii. shall ensure that the Seller(s) have regular GST registration, PAN card, and a bank account and any additional documents that may be required by JioMart at category level/seller onboarding in accordance with law for the purposes of selling on the portal; and all the SHGs under respective NRLM/SRLM will individually or collectively list their products on JioMart through the respective Seller account on the portal. It is clarified that the Seller(s) shall be responsible for the products sold under its Seller account on JioMart;
 - iv. shall ensure that the Seller will read and accept the terms and conditions of JioMart seller services agreement; and acknowledges that JioMart reserves the right to revise the terms and conditions of JioMart seller services agreement at any time without prior notice to the Seller. Continued usage of the JioMart services to sell on the portal, is deemed acceptance of the terms and conditions updated from time to time.
 - v. shall undertake the obligation to inform and educate the sellers regarding the Joint Mission through Information, Education and Communication ("IEC") activities;
 - vi. shall endeavour to ensure that the Seller(s) shall use the brand name which is to be designated by DAY- NRLM under which umbrella the Seller's products shall be marketed and sold online under the Joint Mission;
 - vii. shall organise trainings and workshops from time to time, with the aim of enabling Sellers to become familiar with the process of selling on JioMart. JioMart shall participate in such trainings and workshops to ensure that the Sellers acquire the necessary knowledge and skills to effectively sell on the portal; ;


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- viii. shall assign a designated nodal officer at NRLM to coordination at SRLMs to facilitate Seller's center at each State and Seller accounts on the portal. The responsibilities of the nodal officer will include end to end management of Seller account, including attending training workshops from time to time. The appointed officer will act as point of contact for all queries and updates regarding the Seller account on JioMart;
- ix. shall ensure continuous functioning of the Seller's centre(s) on holidays and weekends as per the actual requirements;
- x. shall ensure insurance coverage for products stored in the Seller's center(s) as necessary; and
- xi. the NRLM/SRLM shall ensure that:
 - a. the Seller(s) shall maintain all the necessary administrative and financial records at their end for accounting and audit purposes.


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Annexure II**Deliverables by JioMart**

1. The deliverables of JioMart under this MOU are as follows:
 - i. JioMart shall enable Seller(s) identified by NRLM/SRLM to launch their online business on www.jiomart.com;
 - ii. shall participate in trainings and workshops facilitated by MoRD at mutually convenient timing, to enable sellers to familiarize selling experience on JioMart; and provide post-launch training and support to Seller(s) regarding their accounts on JioMart;
 - iii. shall provide account management support to Sellers to operate their account on JioMart in a similar manner as provided to all other sellers on the portal;
 - iv. JioMart has third-party service providers that lists their services on the portal such as, including but not limited account management, imaging, etc., which the Sellers on boarded under the Joint Mission may also avail as per the applicable terms;
 - v. JioMart may run various programs from time to time;
 - vi. marketing support: Seller(s) shall be provided an option to participate in varied marketing promotions on JioMart as provided to other sellers on JioMart as per the applicable terms;
 - vii. JioMart shall release press releases/promotional content about its association with the DAY-NRLM in respect of the Joint Mission after consulting with the DAY-NRLM on the same;
 - viii. JioMart shall provide report to MoRD/ NRLM/ SRLM on the Joint Mission from time to time, on a mutually agreed frequency detailing mutually agreed parameters.

2. The MoRD acknowledges and agrees that the Seller accounts will be credited with the payments as per the timelines prescribed in the terms and conditions and, policies as applicable on JioMart seller portal, and in compliance with the applicable laws of India. The MoRD further acknowledges the JioMart seller portal terms and conditions are subject to periodic updates and modifications. By continuing to use the JioMart services for selling on the portal, such Seller agrees to the updated terms and conditions. Further JioMart will send email communication from time to time of all relevant updates to MoRD.

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Annexure IIIJioMart Trademark Usage Guidelines

- i. The JioMart Trademark Usage Guideline ("Trademark Guidelines") are an integral part of the MOU and will apply to MoRD's use of JioMart Logo ("**JioMart Logo**") identified below or any other trademark as agreed to in writing by the Parties, in materials that have been approved in advance by JioMart. Strict compliance with these 'Trademark Guidelines' is required at all times, and any use of the JioMart Logo in violation of these Trademark Guidelines will terminate any license related to MoRD's use of the JioMart Logo.
- ii. MoRD may use the JioMart Logo solely to discharge obligations under this MOU and the use must: (i) comply with the most up-to-date version of the JioMart Logo; (ii) comply with the most up-to-date version of these Trademark Guidelines. MoRD's use of JioMart Logo must additionally comply with any other terms, conditions, or policies that JioMart may issue from time to time that apply to the use of the JioMart Logo. In the event there are any changes to these Trademark Guidelines, or any other terms, conditions or policies issued by JioMart, it will be JioMart's obligation to notify MoRD of such changes.
- iii. JioMart will provide an approved image of the JioMart Logo for MoRD to use. MoRD shall not alter JioMart Logo in any manner, including but not limited to, changing the proportion, color, or font of the JioMart Logo, or adding or removing any element(s).
- iv. MoRD shall not use the JioMart Logo in any manner that implies sponsorship or endorsement by JioMart other than by using the JioMart Logo as specifically authorized under this MOU.
- v. MoRD shall not use the JioMart Logo to disparage JioMart, its products or services, or in a manner which, in JioMart's sole discretion, may diminish or otherwise damage or tarnish JioMart's goodwill in the JioMart Logo.
- vi. JioMart Logo must appear by itself with reasonable spacing between each side of the JioMart Logo and other visual, graphic or textual elements. Under no circumstance should the JioMart Logo be placed on any background which interferes with the readability or display of the JioMart Logo.

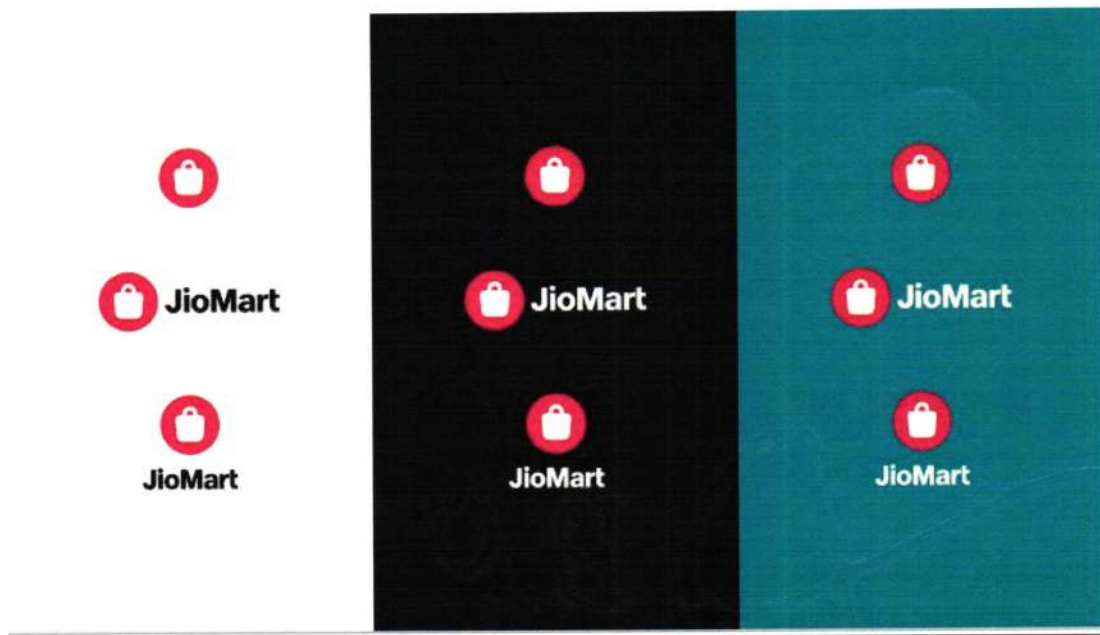

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- vii. MoRD acknowledges that all rights to the JioMart Logo is exclusive property of JioMart, and all goodwill generated through MoRD's use of the JioMart Logo will inure to the sole benefit of JioMart. MoRD will not take any action that is in conflict with JioMart's rights in, or ownership of, the JioMart Logo.
- viii. JioMart reserves the right, exercisable at its sole discretion to modify these Trademark Guideline and/or the approved JioMart Logo at any time and to take appropriate action against any use without consent or any use that does not conform to these Trademark Guidelines.

If you have any queries about these Trademark Guidelines, please contact JioMart at: brand@ril.com

JIOMART LOGO:




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भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / Ministry of Rural Development
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Annexure IV**MoRD TRADEMARK USAGE GUIDELINES**

- i. The MoRD Trademark Usage Guideline ("Trademark Guidelines") are an integral part of the MOU and will apply to JioMart's use of the program logo i.e., DAY-NRLM ("DAY-NRLM Logo") identified below or any other trademark as agreed to in writing by the parties, in materials that have been approved in advance by MoRD. Strict compliance with these "Trademark Guidelines" is required at all times, and any use of the JioMart Logo in violation of these Trademark Guidelines will terminate any license related to MoRD's use of the DAY-NRLM Logo.
- ii. JioMart may use the DAY-NRLM Logo solely to discharge obligations under this MOU and the use must: (i) comply with the most up-to-date version of the DAY-NRLM Logo; (ii) comply with the most up-to-date version of these Trademark Guidelines. JioMart use of DAY-NRLM Logo must additionally comply with any other terms, conditions, or policies that MoRD may issue from time to time that apply to the use of the DAY-NRLM Logo. In the event there are any changes to these Trademark Guidelines, or any other terms, conditions or policies issued by MoRD, it will be MoRD's obligation to notify JioMart of such changes.
- iii. MoRD will provide an approved image of the DAY-NRLM Logo for MoRD to use. JioMart shall not alter DAY-NRLM Logo in any manner, including but not limited to, changing the proportion, color, or font of the DAY-NRLM Logo, or adding or removing any element(s).
- iv. JioMart shall not use the DAY-NRLM Logo in any manner that implies sponsorship or endorsement by MoRD other than by using the DAY-NRLM Logo as specifically authorized under this MOU.
- v. JioMart shall not use the DAY-NRLM Logo to disparage MoRD or the program DAY-NRLM, or in a manner which, in MoRD sole discretion, may diminish or otherwise damage or tarnish MoRD's goodwill in the DAY-NRLM Logo.
- vi. DAY-NRLM Logo must appear by itself with reasonable spacing between each side of the DAY-NRLM Logo and other visual, graphic or textual elements. Under no circumstance


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should the DAY-NRLM Logo be placed on any background which interferes with the readability or display of the DAY-NRLM Logo.

- vii. JioMart acknowledges that all rights to the DAY-NRLM Logo is exclusive property of MoRD or DAY-NRLM program, and all goodwill generated through JioMart's use of the DAY-NRLM Logo will inure to the sole benefit of MoRD. JioMart will not take any action that is in conflict with MoRD's rights in, or ownership of, the DAY-NRLM Logo.
- viii. MoRD or DAY-NRLM reserves the right, exercisable at its sole discretion to modify these Trademark Guideline and/or the approved DAY-NRLM Logo at any time and to take appropriate action against any use without consent or any use that does not conform to these Trademark Guidelines.

If you have any queries about these Trademark Guidelines, please contact MoRD at:
asnrlmoffice@gmail.com

DAY- NRLM Trademarks and LOGO:

- Saras Aajeevika
- Saras
- Aajeevika




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Foundation for MSME Clusters (FMC) as
NRO for Clusters
Letter to SRLMs
29/12/2023

File No.: S-11051/01/2023-24/NRLM(SVEP) (385646)

Government of India
Ministry of Rural Development
Department of Rural Development
<https://rural.nic.in>
(Rural Livelihoods Division)

7th Floor, NDCC-II Building
Jai Singh Road, New Delhi
Dated the 29th December, 2023

To,

The State Mission Director/ CEO, SRLMs
All States/ UTs

Subject: Empanelment of Foundation for MSME Clusters (FMC) as National Resource Organisation (NRO) under Start-up Village Entrepreneurship Programme – SVEP Umbrella for its Cluster component to support States/UTs for capacity building/training and programme implementation

Madam/ Sir,

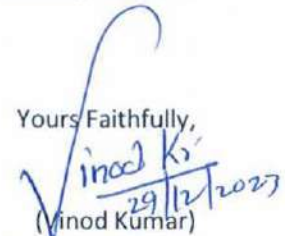
As you are aware that the Non-Farm component of NRLM has expanded its activities to spread across all the States/ UTs under the SVEP Umbrella program covering the SVEP, MED, OSF, Cluster development and Incubators. For providing technical support to SRLMs for implementing these activities particularly the Cluster Development projects, NRLM has empaneled Foundation for MSME Clusters as NRO under Start-up Village Entrepreneurship Programme – SVEP Umbrella.

Being an NRO, FMC can be engaged by SRLMs as the technical support agency and Memorandum of Understanding (MoU) for specific assignments may be signed between respective SRLM and FMC with clear terms and conditions, roles and responsibilities, deliverables and timelines etc. mainly focusing on the cluster development program.

In addition to the above SRLMs and NRO may mutually agree on other areas of collaboration for enterprise promotion under SVEP umbrella program in the State.

SRLMs are requested to harness best out of this association and help achieve objectives of DAY-NRLM on a faster pace.

The Nodal Officer from Foundation for MSME Clusters (FMC) for coordination with NRLM/ SRLMs is Ms Suchismita Nayak, Mob:9938859984, Email:suchismita@msmefoundation.org

Yours Faithfully,

(Vinod Kumar)
29/12/2023

Under Secretary to the Govt. of India

CC:- Sh. Mukesh Gulati
Executive Director
Foundation for MSME Clusters (FMC)
USO House, 2nd Floor, USO Road, 6 Special Institutional Area, Off Shaheed Jeet Singh Marg, New Delhi – 110067

National Council for Handloom and Handicraft
Development NCHHD (erstwhile COHANDS) as
NRO for Clusters
Letter to SRLMs
29/01/2024

File No.:S-11051/02/2023-24/NRLM(SVEP) (385651)

Government of India
Ministry of Rural Development
Department of Rural Development
<https://rural.nic.in>
(Rural Livelihoods Division)

7th Floor, NDCC-II Building
Jai Singh Road, New Delhi
January 29, 2024

To,

The State Mission Director/ CEO
States of Mizoram, Rajasthan, Chhattisgarh, Madhya Pradesh and Telangana

Subject: Empanelment of National Council for Handloom and Handicraft Development - NCHHD (erstwhile COHANDS) as National Resource Organisation (NRO) under Start-up Village Entrepreneurship Programme – SVEP Umbrella for its Cluster component to support States/UTs for capacity building/training and programme implementation

Madam/ Sir,

As you are aware, Non-Farm component of NRLM has expanded its activities to spread across all the States/ UTs under NRLM under the SVEP Umbrella program covering the SVEP, MED, OSF, Cluster development and Incubators. For providing technical support to SRLMs for implementing these activities particularly the Cluster Development projects, NRLM has empaneled National Council for Handloom and Handicraft Development - NCHHD (erstwhile COHANDS) as NRO under Start-up Village Entrepreneurship Programme – SVEP Umbrella.

Being an NRO, NCHHD can be engaged by SRLMs as the technical support agency and Memorandum of Understanding (MoU) for specific assignments will be signed between respective SRLM and NCHHD with clear terms and conditions, roles and responsibilities, deliverables and timelines etc. mainly focusing for the cluster development program (*but not limited to*) for the following activities:

1. Identifying opportunities for cluster development in the State/ UT.
2. Conducting the Detailed Scoping Study for the identified cluster.
3. Preparation of Diagnostic Study Report Promotion of producer enterprises in consultation with SRLM. Secondary research on production scenario, taking up value chain studies, identifying business models.
4. Preparation of Business plan and related proposals for Innovation Fund among others. This will include
 - a. Developing procurement, marketing, value addition strategies and plans
 - b. Working out financial viability of proposed producer enterprise by analysing fund requirement, Break even analysis and detailed budget estimates.
5. Providing Implementation support to Producer enterprises (PE) including:
 - a. Preparation of Business Plans
 - b. Establishing Producer Enterprise - member mobilization, registration of the enterprise
 - c. Establishing standard operating processes (SOP) for key functions of PE - procurement, storage, financial and accounts, purchases etc.
 - d. Establishing MIS and IT systems
 - e. Recruitment of professionals and staff for the producer enterprises
 - f. Ensuring all statutory compliances - holding board meetings, acquisition of licenses and certification among others

Cont,...

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- g. Identification of location and setting up of the procurement centres
 - h. Setting up of Processing units/ Common Facility Centres (CFCs) and Work sheds
 - i. Procurement & installation of machines with appropriate Technology and consumables
 - j. Setting up of Raw Material Banks (RMBs),
 - k. Tools and technology up-gradation,
 - l. Warehousing facility,
 - m. Training Centre,
 - n. Establishing market linkages and distribution network
 - o. Helping the producer enterprises meeting the sales and profitability targets
6. Capacity Building of member/shareholders, staff of PE, Directors of the PE
 7. Handholding of PE - NRO will closely work with PE staff and BOD members in running the enterprise.
 8. Training of the SRLM staff on cluster initiatives

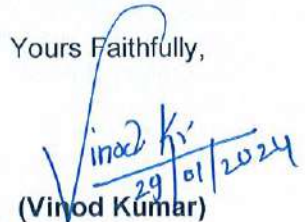
In addition to the above SRLMs and NRO may mutually agree on other areas of collaboration for enterprise promotion under SVEP umbrella program in the State.

SRLMs are requested to harness best out of this association and help achieve objectives of Day-NRLM on a faster pace.

The copies of the cluster guidelines of NRLM are enclosed for your ready reference.

The Nodal Officer from **NCHHD** for coordination with NRLM/ SRLMs is Mohammad Fazal, Technical Advisor (contact@nchhd.org/ 91-11-26176431).

Yours Faithfully,


(Vinod Kumar)

Under Secretary to the Govt. of India

Encls.: A/a

CC:- Sh. V P Thakur, Executive Director, National Council for Handloom & Handicraft Development, (Erstwhile COHANDS), No.122-123, G-Floor August Kranti Bhawan, Handloom Haveli, Bhikaji Cama Palace, New Delhi-110066

Cont.:-

MoU with Easy My Trip (Easy Planner Limited) -
Pilot Ticketing Enterprise
5/3/2024

S-11057/09/2023-24/NRLM(SVEP) (387594)

Government of India
Ministry of Rural Development
Department of Rural Development
<https://rural.nic.in/>
(Rural Livelihoods Division)

7th Floor, NDCC-11 Building
Jai Singh Road, New Delhi
Dated: March 07, 2024

To,

The State Mission Director/ CEO
State of Bihar, Gujarat, Madhya Pradesh and Uttar Pradesh SRLMs

Subject: MoU between DoRD - MoRD and "EasyTrip Planners Ltd. (EMT)" for Travel & Tourism activities and piloting for selected SHG members.

Madam/ Sir,

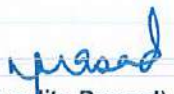
This is to inform you that NRLM-MoRD and EasyTrip Planners Ltd. (EMT) has entered into a Memorandum of Understanding (MoU) on 5th March 2024 for training and supporting the selected SHG members in setting up Travel Booking enterprises at Block level. A copy of the MoU is enclosed herewith for your ready reference.

You are requested to designate official from SRLM team to coordinate with the EasyTrip Planners Ltd. (EMT) team and ensure timely accomplishment of the pilot in your State as per MoU and below summary:

- a. Finalise the Blocks in coordination with EMT
- b. Select and propose 5 names per Block as per the criteria below and willingness of the SHG members to set-up Ticket enterprise, 1 of which shall be finalised for the training.
 - i. *Basic Knowledge of reading & writing English / Hindi*
 - ii. *Basic Knowledge of using a Computer & browsing the internet*
- c. Facilitate training to be given by EMT officials and setting up of the corresponding Ticket Enterprise. Live internet connection is to be ensured by SRLM at the enterprise.
- d. Close monitoring of the progress of the pilot and sharing the feedback and learning with this office.

Mr. Raghav Bhasin, Vice President - Strategic Alliances, EasyTrip Planners Ltd. (EMT) (+91 9818839554 ; raghav.bhasin@EaseMyTrip.com) may be coordinated with for the support and necessary facilitation from Easytrip Planners Ltd. in the process.

Yours sincerely,


(Nivedita Prasad)
Deputy Secretary (RL)

Encls.: A/a
CC:-

1. Mrs. Nutan Gupta, Chief Operating Officer, 223, F.I.E., Patparganj, Industrial Area, East Delhi, Delhi, 110 092 (for information and necessary facilitation)
2. Sh. Raghav Bhasin, Vice President - Strategic Alliances, 223, F.I.E., Patparganj Industrial Area, East Delhi, Delhi, 110 092



सत्यमेव जयते

INDIA NON JUDICIAL

Government of National Capital Territory of Delhi

e-Stamp

Certificate No. : IN-DL52392016505482W
 Certificate Issued Date : 01-Mar-2024 04:14 PM
 Account Reference : IMPACC (IV)/ dl939303/ DELHI/ DL-DLH
 Unique Doc. Reference : SUBIN-DL93930365632517500569W
 Purchased by : DEPARTMENT OF RURAL DEVELOPMENT RL DIVISION
 Description of Document : Article 5 General Agreement
 Property Description : Not Applicable
 Consideration Price (Rs.) : 0
 (Zero)
 First Party : DEPARTMENT OF RURAL DEVELOPMENT RL DIVISION
 Second Party : EASYTRIP PLANNERS LTD
 Stamp Duty Paid By : DEPARTMENT OF RURAL DEVELOPMENT RL DIVISION
 Stamp Duty Amount(Rs.) : 100
 (One Hundred only)



Please write or type below this line

स्मृति शरण / SMRITI SHARAN
 संयुक्त सचिव / Joint Secretary
 भारत सरकार / Government of India
 ग्रामीण विकास विभाग / Depto Rural Development



DAY-NRLM Non-Farm Livelihoods Guidelines & MoUs-April 2024

2. The onus of checking the legitimacy is on the users of the certificate
 3. In case of any discrepancy please inform the Competent Authority.

Compendium Page 704 of 725

MEMORANDUM OF UNDERSTANDING

BETWEEN

MINISTRY OF RURAL DEVELOPMENT

(Department of Rural Development, Rural Livelihoods Division)

GOVERNMENT OF INDIA

AND

EASYTRIP PLANNERS LTD. (EMT)

File No: S-11057/09/2023-24/NRLM(SVEP) (387594)


स्मृति शरण / SMRITI SHARAN
संयुक्त सचिव / Joint Secretary
भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / Mo Rural Development
एन डी सी भवन, नई दिल्ली / NDCCN Building, New Delhi



MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is entered on 05th day of March, 2024 at New Delhi

By and Between

MINISTRY OF RURAL DEVELOPMENT, GOVERNMENT OF INDIA (Department of Rural Development, Rural Livelihoods Division), having its office at 7th Floor, NDCC II Building, Jai Singh Road, New Delhi-110 001 (hereinafter referred to as “**MoRD**” which expression shall, unless repugnant to or inconsistent with the context or meaning thereof, be deemed to include its successors and permitted assigns) represented by the Additional Secretary (Rural Livelihoods), Department of Rural Development, Ministry of Rural Development, Government of India, its authorised representative, of the **FIRST PART**;

And

EasyTrip Planners Ltd. (EMT), is a company registered under Company’s Act 1956, incorporated in 2008, having its registered office at 223, F.I.E., Patparganj, Industrial Area, East Delhi, Delhi, 110092, India (hereinafter referred to as “**EMT**” or “**EaseMyTrip**” which expression shall, unless repugnant to or inconsistent with the context or meaning thereof, be deemed to include its successors and permitted assigns) represented herein by Mrs. Nutan Gupta, Chief Operating Officer as its authorized representative, of the **SECOND PART**;

Whereas, the **MoRD** and **EMT** agree on the importance of commercial and social development of women led rural enterprises and welcome the opportunity for cooperation for facilitating partnerships in the identified States/ UTs implementing National Rural Livelihood Mission and State Rural Livelihood Missions, hereinafter referred as “**NRLM**” and “**SRLMs**” respectively.

Now, therefore, the **MoRD** and **EMT** wish to record their interest as follows:

The **MoRD** & **EMT** desirous to train women’s Self Help Groups (SHGs) members, so that they are able to harness their entrepreneurial skills to earn a sustainable income of at least Rs 1 lakh per year per household by setting up micro-enterprises in their villages. Vide the Lakhpati Didi


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एन डी सी सी-II भवन, नई दिल्ली / NDCC-II Building, New Delhi



Yojana, EaseMyTrip proposes to train & empower 1 Self Help Group (SHG) Member (Didi) per Block across 800 districts in India.

The Member shall be trained & empowered to be able to make travel reservations for Trains, Bus, Hotels & Flights. They shall also learn to search, book, make payment & print the ticket on behalf of their customers. The selected member can be called "Ticket Wali Didi"

EaseMyTrip proposes a Pilot project across 10 Blocks in specific Districts across India. MORD to help identify the Districts & Blocks

Terms and Conditions & Deliverables:

- EMT shall conduct a Pilot project across 10 Blocks in Districts identified in accordance with MORD. These are mentioned in Annexure I.
- This pilot shall be conducted for a period of 3 months and then shall be extended to other districts as well. After the pilot is complete, an assessment will be carried out and feedback from States will be taken. Any decision to extend to other districts will be taken thereafter.
- EMT shall ensure and demonstrate the profit earnings of the SHG members managing the ticket book enterprise (post training) of at least Rs. 10000.00 per month each to become Lakhpati during the pilot. Details of the estimated P&L for the ticket booking enterprise and the quantum of ticket booking value for the Didis to earn this profit would be share by EMT soon after the signing of MoU.
- MORD shall direct The Block Project Manager to propose 5 names per Block and 1 of those shall be selected by EMT for the training. Criteria for this selection is mentioned below.
 - a. *Basic Knowledge of reading & writing English / Hindi*
 - b. *Basic Knowledge of using a Computer & browsing the internet*
- EMT shall make available access to the EMT platform for the selected Member.
- The selected Member shall be trained to be able to Search, Book & Print travel services including tickets for Bus, Train, Hotels & Flights.
- MORD shall mobilise the Members and ensure their availability for the training.



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भारत सरकार / Government of India

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- EMT agrees to provide 1 working Computer along with a working Printer for each selected Member for the Pilot only.
- The selected member / MORD shall make available Internet access for the smooth utilization of the Platform.

FOR MoRD

(Smriti Sharan)

Joint Secretary
Department of Rural Development
Ministry of Rural Development

Government of India SHARAN

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भारत सरकार / Government of India
ग्रामीण विकास मंत्रालय / M/o Rural Development
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FOR EMT

(Nutan Gupta)

Chief Operating Officer
EasyTrip Planners Ltd. (EMT)

**Preamble**

Whereas Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM), the program being implemented by Department of Rural Development, Ministry of Rural Development envisages to reduce poverty by enabling the poor households to access gainful self-employment and skilled wage employment opportunities, resulting in appreciable improvement in their livelihood on a sustainable basis, through building strong grassroots institutions of the poor. Under the programme, poor women have been mobilized to form their own institutions like Self Help Groups and higher order community institutions at village, Panchayat, cluster/block level to carry out various social activities and delivery of services. Activities of these community institutions include strengthening financial and livelihoods support services, imparting skills to the rural population.

Deendayal Antyodaya Yojana-National Rural Livelihood Mission (DAY-NRLM) has built a powerful platform of community institutions to uplift millions of households on a durable pathway out of poverty and into prosperity. DAY-NRLM envisions a further acceleration of this that extends even further the inclusion of many more households and especially women.



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Whereas for livelihood promotion DAY-NRLM focuses to stabilize and promote existing livelihoods portfolio of the poor, in farm and in non-farm sectors. The Startup village Entrepreneurship Umbrella Programme covering SVEP, One Stop Facility, Micro Enterprise Development, Clusters and Incubators focuses on supporting rural entrepreneurs, individual and group, artisans through various business support services as well as credit and market access support.

Whereas the interventions under MoRD are implemented in the various States by the State Rural Livelihood Missions (SRLMs) which are autonomous bodies established by the State Governments.

Whereas EasyTrip Planners Ltd. (EMT), is a company registered under Company's Act 1956, incorporated in 2008 and is having its registered office at 223, F.I.E., Patparganj, Industrial Area, East Delhi, Delhi, 110092. EaseMyTrip operates in the travel business and offers 'End to End' travel solutions including air tickets for more than 400 international and domestic airlines, hotel bookings for nearly 1 million hotels in India and abroad, cab booking with 4000+ cab operators, bus tickets with 2000+ bus operators, and railway tickets in India for all major cities. EaseMyTrip has committed to synergizing its objectives with those of the National Rural Livelihoods Mission (NRLM) by focusing on empowering women in rural communities. In line with NRLM's mission, EaseMyTrip aims to equip women entrepreneurs with the necessary skills to establish micro-enterprises in their villages. Through this proposed collaboration, EaseMyTrip plans to provide comprehensive training to these women, enabling them to proficiently manage travel reservations and generate sustainable incomes through commissions on bookings. By fostering self-reliance and financial independence among women, this initiative not only supports NRLM's overarching goals but also contributes to the socio-economic empowerment of rural communities.



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The broad terms and conditions of the MOU are as under:

1. Roles & Responsibilities of EMT:

- a. Enhancement of skills of SHGs members through multiple interventions described under this MoU.
- b. Overall intervention/project management, execution and coordination of above activities in consonance with the term of the MoU.
- c. Assessment and enhancement of capacities through knowledge transfer programmes.
- d. Delivery of agreed outputs as per terms of agreement.

2. Roles and Responsibilities of MoRD:

- a. Administrative support in identification and carrying out activities mutually agreed upon in respect to the area of association of the MoU.
- b. MoRD will facilitate identification of suitable SHGs/ members/ CBOs for the pilot project.
- c. MoRD shall inform all the States/UTs regarding the MoU with EMT. EMT shall contact SRLMs directly to extend support as per the scope of this MoU.

3. Terms/ Duration of MoU:

This MoU shall be deemed to have commenced on March 05, 2024 and shall remain in force for 3 years thereafter unless terminated by either Party by giving 01 (one) month written notice to other party. The Memorandum can be extended further with mutual consent of both the Parties expressed in writing.

4. Funding:

This is a non-financial MoU and no part is liable to make any financial payments to either part for conducting the activities engaged under this MoU. Both the parties will incur their own expenditure out of their own resources.


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5. Review:

The signatories to the Parties will review at their level, at least once in 3 months, the activities undertaken under this MoU. A joint review by the chief executives of both the organizations shall be held once in six months.

6. Procedure for amendment, cancellation and exclusivity:

- No amendment, modification or addition to this MoU shall be effective or binding on any of the Parties unless the same has been set forth in writing and executed by them through their duly authorized representatives.
- Either of the two Parties can, at any time during the period of the MoU, rescind the same after giving a notice in writing recording cogent reasons for doing so. The notice period will not be less than one month.
- MoRD may utilize expertise of other agencies in implementation of the projects under DAY NRLM and will be free to sign any agreement/MoU with such agencies, provided that it does not come in direct conflict with any project or activity specifically assigned by MoRD (NRLM/ SRLM) to EMT.

7. Service of notice:

All approvals, consents and notices under this MoU shall be in writing and may be served by sending the same by Registered Post A.D or Speed Post addressed to the parties at its last known place of business or as per provisions of IT Act at its designated mail ID and such notices shall be deemed to have been given or served at the expiry of seven days from the time of posting the same and proving service thereof it shall be sufficient to show the said notice was properly addressed stamped and posted.

- The focal points for liaison for the effective implementation of this MOU will be

| For MoRD | For EMT |
|--|---|
| Rajeev Kumar Singhal National Mission Manager – Non-Farm Livelihoods National Rural Livelihoods Mission Ministry of Rural Development Ph,: +91 9634222849 Email: rajeev.nrlm@gmail.com | Raghav Bhasin Vice President - Strategic Alliances EasyTrip Planners Ltd. (EMT) Ph,: +91 9818839554 Email: raghav.bhasin@EaseMyTrip.com |


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9. Jurisdiction:

This MoU shall be governed and construed by the laws of India. If a dispute, controversy or claim arises out of or relates to this MoU, or breach, termination or invalidity thereof, and if such dispute, controversy or claim cannot be settled and resolved through negotiation, then the issue or claim not resolved in good faith shall be referred to and finally resolved by arbitration proceedings in New Delhi in accordance with the Arbitration and Conciliation Act, 1996, and the amendments thereto.

10. Assignment:

Neither Party shall assign, sub-contract or delegate its rights or obligation under this MoU without the written consent of the other.

11. Waiver:

The failure of the Parties to enforce at any time the provisions of this MoU or any right in respect thereto shall be in no way be considered to be a waiver of such provisions or rights or in any way to affect validity of this MoU.

12. Indemnification:

It is hereby made clear and expressly agreed between the Parties that the intent of MoRD is purely to engage with EMT to provide implementation and handholding support to SHG members of the State Rural Livelihoods Missions (SRLMs) for increasing skills, and capacity building for the said objectives. NRLM/ SRLMs and the EMT would keep MoRD indemnified against any claims directly attributable to them. Notwithstanding anything contained to the contrary under this MoU, the liability of EMT shall be determined by a committee constituted by MoRD and comprises of representatives from NRLM, EMT and external subject matter specialist on case to case basis.

13. Force Majeure:

In the event of either party being rendered unable by force majeure to perform any obligation required to be performed by them under this agreement, the relative obligation of the affected party by such force majeure shall be suspended for the period during which


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such cause lasts. The term “force majeure” as employed herein shall mean, acts of God, war, revolt, riot, fire, flood, pandemic and acts, orders and regulations of the State and/or central Government of India or any of its authorized agencies. Upon the occurrence of such cause and upon its termination the party alleging that it has been rendered unable as aforesaid thereby shall notify the other party in writing within 7 (seven) day of the alleged beginning and ending thereof giving full particulars and satisfactory proof. The time for performance or relative obligations suspended by the force majeure shall be extended by the period for which the cause lasts or condoned by EMT without any penalty. If the work is suspended by force majeure conditions lasting for more than 01 (one) month either of the parties shall have the option of cancelling the MoU in whole or in part thereof at its own discretion.

IN WITNESS WHEREOF the MoRD and the EMT have signed and seals this MoU through their duly authorized representatives on the day, month and the year first above written

FOR MoRD

(Smriti Sharan)
 Joint Secretary
 Department of Rural Development
 Ministry of Rural Development
 Government of India

स्मृति शरण / SMRITI SHARAN
 संयुक्त सचिव / Joint Secretary
 भारत सरकार / Government of India
 ग्रामीण विकास मंत्रालय / Mo Rural Development
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FOR EMT

(Nutan Gupta)
 Chief Operating Officer
 EasyTrip Planners Ltd. (EMT)



WITNESS

1. Name and signature

RAGHU V BHASIN
 21/11/24-NFL

Name and signature

RAGHU V BHASIN

Place : New Delhi

Date : March 05, 2024

Annexure I

| STATES, DISTRICTS & No. of Blocks* | | | | |
|------------------------------------|----------------|--------------------|---------------|-----------|
| S. No. | State | District (blocks*) | | |
| 1 | Bihar | Patna (1) | Begusarai (1) | |
| 2 | Gujarat | Vadodara (1) | Rajkot (1) | Surat (1) |
| 3 | Madhya Pradesh | Bhopal (1) | Ujjain (1) | |
| 4 | Uttar Pradesh | Ayodhya (1) | Varanasi (2) | |

* Block names shall be finalized in consultation with the respective SRLM



Non-Farm Livelihoods Team
NRLM and all SRLMs

| Key Contacts: SPMs/ PMs - All States/ UTs | | | | | |
|---|---------------------------|-------------------------|--|---|---------------------------|
| 1 | Andaman & Nicobar Islands | Reshma Singh | State Programme Manager | anirml.ut@gmail.com/reshmasingh1589@gmail.com | 7063970389 |
| 2 | Andhra Pradesh | G.Padmavathi | Director-LH (NF &F) & MIS | directornonfarm@gmail.com | 8121041742 |
| 3 | Andhra Pradesh | Dr.R.Vijaya Kumar | Consultanat-NFL | reddipallivijay@gmail.com | 9154073939/ 9849901077 |
| 4 | Andhra Pradesh | Sarala | Addl.Director-PMFME | apserppmfme@gmail.com | 8121041737 |
| 5 | Andhra Pradesh | E.Sudhakar | Addl.Director-NFL (I/C) | directornonfarm@gmail.com | 7993317125 |
| 6 | Andhra Pradesh | K.A. Kumar | Project Executive-NFL | directornonfarm@gmail.com | 9154073942 |
| 7 | Andhra Pradesh | Sekhar | Junior Project Executive-NFL | directornonfarm@gmail.com | 8121041734 |
| 8 | Andhra Pradesh | Suneetha | Admin Assistant-PMFME | apserppmfme@gmail.com | 9100996889 |
| 9 | Andhra Pradesh | Ramya | Consultanat-PMFME | apserppmfme@gmail.com | 9154576940 |
| 10 | Arunachal Pradesh | Nabam Tubin | Program Manager, Livelihoods and Skills | pmlharsrlm@gmail.com | 9717447125 |
| 11 | Arunachal Pradesh | Longwang Ralongham | Mission Exceutive, Non-Farm Livelihoods | menonfarm@gmail.com | 8413890331 |
| 12 | Arunachal Pradesh | Lony Singpho | Block Coordinator, Non-Farm Livelihoods | arsrlm.nonfarmcoordinator@gmail.com | 6901260010 |
| 13 | Arunachal Pradesh | Nani Sunya | Assistant Livelihoods | arsrlm.asstt.lh@gmail.com | 9711752256 |
| 14 | Assam | Mr. Pallab Goswami | SPM- Non Farm | asrlmspallabpmlm@gmail.com | 9707530654 |
| 15 | Assam | Mr. Indrajit Das | SPM- Enterprise Promotion | spmep.asrlms@gmail.com | 8136010820/ 9101612857 |
| 16 | Assam | Mr. Jnandeep Saikia | PM- Enterprise Promotion | nretp.pm@gmail.com | 7503062985 |
| 17 | Assam | Mr. Himangshu Das | PM- Non Farm | pmnfl.asrlms@gmail.com | 9678240835/ 8638596159 |
| 18 | Assam | Mr. Sanju Kr. Gogoi | YP- Non Farm | sgogoi.asrlms@gmail.com | 8099002120 |
| 19 | Bihar | Samir Kumar | State Project Manager- Non Farm & Micro Enterprise, SPMU | spm.nf@brlps.in | 9771478622 |
| 20 | Bihar | SANGEET KUMAR | Project Manager-Business Development, SPMU | pm.bd@brlps.in | 8709204632 |
| 21 | Bihar | Mukesh Tiwari Sudhanshu | Manager-Non Farm & Micro Enterprise, SPMU | mukeshrmd78@gmail.com | 9430293110 |
| 22 | Bihar | ASHRUTA SINGH | Manager-Non Farm & Micro Enterprise, SPMU | mail4ashruta@gmail.com | 9430687241 |
| 23 | Bihar | Surdeep Samdarshi | Manager-Non Farm & Micro Enterprise, SPMU | surdeep.nf@gmail.com | 9955326462 |
| 24 | Bihar | Zeeshan Khalid | Young Professional, SPMU | zeeshan7070@gmail.com | 8102926107 |
| 25 | Bihar | Mr. HIMANSHU RANJAN | Young Professional, SPMU | himanshuranjan398@gmail.com | 8102922886 |
| 26 | Bihar | Rajnish Kumar | Young Professional, SPMU | rajnishkumar07038@gmail.com | 9153881750 |
| 27 | Bihar | SURBHI SAVARNA | Young Professional, SPMU | savarnasurbhi@gmail.com | 9341515038 |
| 28 | Bihar | Nupur Kamal | Consultatn Art & Craft Non Farm, SPMU | nupurkamal@yahoo.com | 8862902552 |
| 29 | Bihar | Rajeev Ranjan | Consultatn Didi Ki Rasoi Non Farm, SPMU | rajeevranjan10290@gmail.com | 9810583265 |
| 30 | Bihar | Amal A.M | Young Professional, SPMU | aam22brlps@gmail.com | 7356359774 |
| 31 | Bihar | Sheetal Kumari | Project Associate, SPMU | kumarisheetal066@gmail.com | 7070890648 |

| | | | | | |
|----|----------------------------------|-----------------------|---------------------------------|-------------------------------|--------------|
| 32 | Chhattisgarh | Alice Manisha Lakra | SPM (LH) | coo.cgsrlm@gmail.com | 9993389331 |
| 33 | Chhattisgarh | Manoj Mishra | ASPM | manojmishra_vns@yahoo.co.in | 9165079784 |
| 34 | Dadra nagar hevali and daman diu | Dikhsha | SPM | deekshasharma019@gmail.com | 7878428667 |
| 35 | Goa | Ms. Sailee Dhawaskar | SMM: NFL | sailee@goalivelihoods.in | 9769801243 |
| 36 | Goa | Ms. Supriya Sawal | DTM (North Goa) | supriya@ goalivelihoods.in | 97643 62895 |
| 37 | Goa | Ms. Prachita Priolkar | DTM (South Goa) | prachita@goalivelihoods.in | 9545252400 |
| 38 | Gujarat | Ms Shobhana Varma | Joint Managing Director | jtmd@glpc.co.in | 079-23248512 |
| 39 | Gujarat | Sweta Agath | General Manager-Marketing | gmmarketing@glpc.co.in | 7874965565 |
| 40 | Gujarat | Rakesh Sadhu | Project Manager-NRETP-EP | pnmretpep.glpc@gmail.com | 9974542393 |
| 41 | Gujarat | Hardik Kaliya | I/c Program Manager-Non Farm | pmnonfarm.glpc@gmail.com | 8866612526 |
| 42 | Gujarat | Rahul Shah | Programe Manager-Marketing | iec@glpc.in | 7600068108 |
| 43 | Gujarat | Ravindra Luhar | Assi. Programe Manager-Non Farm | apmnonfarm@gmail.com | 8780716065 |
| 44 | Gujarat | Ajay Pawar | Yong Professional NRETP | ypnretpep.glpc@gmail.com | 8208528963 |
| 45 | Gujarat | Divyesh Piparotar | Yong Professional Non Farm | ypnonfarm.glpc@gmail.com | 9737540836 |
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