2. The State Governments are required to forward the proposals alongwith recommendations for release of funds under the Scheme. The following aspects have to be given due consideration for recommending any proposal for funding under the Scheme:

i) Existing potential of different MFP items within the States;
ii) Present level of exploitation-MFP item-wise in the State.
iii) Price paid to tribals through the intervention of State TDCC and other-wise during the last 3 years for each of the MFP proposal for collections.
iv) Infrastructure like processing facilities (in terms of value addition) existing available capacity and present level of utilization of the State, both in Public Cooperative and Private Sector.
v) Possibility for future expansion in terms of new uses and value added items; and
vi) Cost analysis in terms of different components like prices to tribals, overheads, royalty etc.

3. It has been experienced that the State Govts. have been sending their proposals to the Ministry under this Scheme at a very late stage during the financial year making it quite difficult to examine the proposals in the right perspective as well as releasing the money in time. Hence, you are requested to send the proposal alongwith your recommendations at the earliest so that the funds under the Scheme can be released to State Govts. in time.

4. While recommending the proposals the following points are required to be categorically mentioned in the proposal:

i) Authorized Share Capital of the Corporation (as on date).
ii) The paid up share capital of the corporation (as on date)
iii) The Central Govt. share (as on date)
iv) The State Govt. share (as on date)
v) Utilisation Certificate for the grants already released alongwith beneficiaries covered/and details of tangible benefits (for on going proposals).

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