



सत्यमेव जयते

Government of Rajasthan

INTEGRATED CLUSTER DEVELOPMENT SCHEME





Cluster Development approach has been a key strategy globally for enhancing the productivity and competitiveness as well as capacity building of enterprises in MSME sector. A need was being felt for quite some time to consolidate various Government Cluster Development initiatives and implement them in a focused manner. With this intent, State Government has released first of its kind **Integrated Cluster Development Scheme**.

This scheme has been designed to enhance the efficiency and market orientation of MSMEs and artisans. It also aims to address the common challenges of MSMEs in the field of technology, infrastructure, product development etc., thereby contributing to the economic advancement of the State.

Through the scheme, the State looks to build upon efforts of Central Government to maximize benefits for the MSMEs.

Through the scheme, State Government is committed to transform the technology and infrastructure landscape for the MSMEs in Rajasthan, ensuring their long-term sustainability and competitiveness.

I wish the scheme great success.

A handwritten signature in blue ink, which appears to read 'Bhaajan Lal Sharma'.

BHAJAN LAL SHARMA
Chief Minister, Rajasthan



While the MSME sector has been the backbone of socio-economic development in the state, MSME clusters in the state have been grappling with the challenges related to access to the latest technologies as well as to the fundamental infrastructural facilities. Globally, cluster development has proven to be an effective strategy for addressing common challenges faced by MSME clusters through collective action.

To implement the Cluster Development strategy in the state of Rajasthan, the State Government has launched the **Integrated Cluster Development Scheme** under the leadership of Honourable CM Shri Bhajan Lal Sharma Ji.

Primary focus of the scheme is to boost productivity and competitiveness in Handicraft, Handloom and MSME clusters through soft as well as hard interventions.

Artisans, craftsmen and weavers from the state will be supported through capacity building initiatives as well as creation of support infrastructure. For the MSME sector, the scheme will focus on development of Common Facility Centres to upgrade technology landscape and development of supporting infrastructure facilities like roads, water harvesting systems, drainage network etc.

Through the scheme, we commit to enhance the productivity and quality of Handicraft, Handloom, and MSME sector enterprises, making them competitive, sustainable and globally relevant.

A handwritten signature in blue ink, consisting of stylized initials and a surname, positioned above a horizontal line.

COL. RAJYAVARDHAN RATHORE
Industries & Commerce Minister
Rajasthan

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BACKGROUND

In the present era of global competition, MSMEs require interventions to make them more efficient and competitive. Accordingly, a practical, simple and acceptable scheme has been implemented in the state to develop important industrial sectors like handicrafts, handloom, MSMEs etc.

Cluster development approach will help these MSMEs and artisans in making them more efficient and market-oriented for the economic development of the state. Cluster development schemes are being run by various Central Government Ministries such as MSME, Textiles, Food Processing, Information and Technology, Commerce and Industry etc. to support MSMEs across the nation.

However, there is a strong need of coordination with Government of India programmes to maximize benefits of their cluster development programmes for MSMEs in Rajasthan. Further, more than 90% of such enterprises in State fall under the category of micro enterprises which are not able to participate in various Cluster Development programs of Government of India due to longer approval processes and resource requirements for relatively large-scale interventions.

Therefore, in order to disseminate the benefits of Cluster Development approach to the grassroot level micro and small enterprises in state, an **‘Integrated Cluster Development Scheme’** is being implemented in the state. The scheme will help in increasing the productivity and quality of handicrafts, handloom, MSME sectors as well as capacity building of MSMEs in these sectors in state, making them market-oriented and competitive.

A. Objectives of the Scheme

1. To provide support for activities like technical upgradation, skill development and upgradation, quality improvement, assistance for market development etc. for the development of handicraft, handloom, MSME sectors in the state.

2. To provide support for productivity, quality and capacity enhancement of handicraft, handloom, MSME based self-help groups, industrial associations and federations.
3. To provide support in the development and upgradation of basic facilities in the industrial areas/clusters of micro, small and medium enterprises.
4. To provide assistance for establishing facilities like Testing, Training Center, Raw Material Depot, Collective Production/Processing etc. through Common Facility Centers (CFCs) for artisans and MSMEs in the state.
5. To ensure effective participation of handicraft, handloom, MSME etc. sectors in the economic development and exports of the state.
6. To provide better opportunities for quality certification, reduction in product cost, market development including e-marketing, etc. of handicraft, handloom and MSME products of the state.

B. Name of the Scheme and Duration

The name of the scheme is “Integrated Cluster Development Scheme”. This scheme will be applicable in the state up to 31st March 2029.

C. Key components of the scheme

1. Support for Artisan/ Craftsman/ Weaver Clusters through State Government assistance for:
 - a. Undertaking soft interventions for capacity building of artisans/ craftsmen/ weavers
 - b. Operation of Raw Material Bank for easy availability of Raw Material
 - c. Market development through e-Commerce platforms
2. Support to MSME Clusters for establishment of Common Facility Centers (CFCs) through:
 - a. State Government assistance for CFC projects up to Rs. 10 Cr.
 - b. Assistance to participate under various Central Government schemes

- for CFC projects as per their scheme guidelines
3. Support for Infrastructure Development through State Government assistance:
 - a. For existing clusters in non-RIICO Industrial Areas
 - b. For Greenfield Clusters in non-RIICO Industrial Areas
 4. Special incentives for Cluster Development projects being implemented in the State

D. Project Approval Committee

Project shall be sanctioned and implemented under the guidance of Project Approval Committee (PAC). The members of the Committee shall be as under:

1	Commissioner, Industries & Commerce	Chairperson
2	Representative of Finance Department [Jt. Secretary, Finance (Expenditure)]	Member
3	Director, MSME Development and Facilitation Office of GoI at Jaipur	Member
4	MD RIICO or nominee [Not below the rank of Deputy General Manager] (For Infrastructure Development Projects)	Member
5	General Manager, Concerned District Industries & Commerce Centre	Member
6	Additional/Joint Commissioner (In charge Cluster Development), Industries & Commerce	Member-Secretary

NOTE: The Chairperson of the Project Approval Committee can co-opt any other member at his/her discretion.

The meeting shall be convened at least once in three months. Meeting can, however, be called at any other time at the discretion of the Chairperson of the Project Approval Committee.

E. Amendment/ Modification/ Interpretation of Scheme

Administrative Department i.e. Department of Industries & Commerce (MSME), Rajasthan will be competent to make any modifications/ amendments in the scheme guidelines and interpretation of provisions of the scheme.

F. Modalities for execution of the projects

Modalities for execution of the projects, formats for application of projects, formats for tripartite agreement and detailed scheme guidelines shall be released by Department of Industries & Commerce, Government of Rajasthan in due time.

G. Implementation and monitoring of the projects

Projects will be implemented and monitored by Implementing Agencies/ SPVs under the guidance of Commissioner, Industries & Commerce. For each approved project, GM DICC will be required to form a District Level Monitoring Committee under their chairmanship and having representation of various related stakeholders such as RIICO, IA, SPV etc. for monitoring of implementation of the projects.

District Level Monitoring Committee will be required to hold quarterly review meetings to assess physical and financial progress of the approved projects and will report to the Commissioner, Industries & Commerce. Commissioner, Industries & Commerce will be competent to decide on any corrective actions required to be taken to expedite implementation of projects.

H. Definitions

Turnover/ Revenue:

“Turnover” means the aggregate value of the realisation of amount made from the sale of manufactured goods by the enterprise during a financial year. Income from other sources (non-operating activities) like interest received, grants or subsidies, trading activity, resale of products / goods will not be counted under turnover.

Turnover for Services:

“Turnover for Services” means operating revenue generated in return for completing a service. It includes any service that the business provides, whether or not the customer submits payment. Service revenue doesn’t include things like a shipment of goods or interest. It focuses primarily on the services of the business. Revenue from other non-operating sources such as dividend income, investments, foreign exchange write-offs or any write-downs from business assets will not be eligible for calculating turnover linked incentives for service enterprises.

For Artisan/ Craftsman/ Weaver Clusters:

Cluster:

A group of minimum 50 individual artisans/craftsmen/weavers located within an identifiable and contiguous area (within 30 Kms. Radius) and producing same/ similar products using same raw material, working in same/ similar product value chain, working with similar technologies/ skills or using same/ similar production processes. Group of artisans having lower numbers may also be considered as Cluster in case of languishing crafts with the approval of Project Approval Committee (PAC).

Special Purpose Vehicle (SPV):

For implementation of the cluster development project related to artisans/ craftsmen/ weavers, SPV will be an entity constituted as a partnership firm/trust/society/co-operative society/ company/ producer company etc. with at least 10 artisans/ craftsmen/ weavers having registered Artisan ID Card. Artisans/ craftsmen/ weavers practicing their trade in Rajasthan will be eligible to be part of the SPV.

Implementing Agency (IA):

- An Implementing Agency will be required for implementation and monitoring of the cluster development projects.
- Organizations of Central/ State Government or any Autonomous Institutes of Central/ State Government or any other Central/ State Government funded agency including agencies functioning under PPP mode will be given priority as Implementing Agencies.
- In case of no consent from above said agencies for implementation of such projects, implementing agency will be selected through release of Expression of Interest (EoI) which can be an NGO or Consulting Agency of repute having experience in Cluster Development.

For establishment of Common Facility Centers (CFCs) in

MSME Clusters:

Cluster:

Minimum number of enterprises working in the cluster should be 20, located within a district and producing same/ similar products, working in same/ similar product value chain, working with similar technologies/ skills or using same/ similar production processes.

Special Purpose Vehicle (SPV):

SPV will be a Company registered under Section 8 of the Company Act and will have at least 10 micro and/or small enterprises (MSEs) having Udyam Registration as members. There is no ceiling of maximum number of members in SPV.

Infrastructure Development for existing clusters in non-RIICO

Industrial Areas:

Special Purpose Vehicle (SPV):

- SPV will be a registered institution under Section 8 of Companies Act which either has ownership of the land in the said Industrial Area or is authorized by the owner/(s) of land in the cluster to undertake

Infrastructure Development work.

- For the infrastructure development work, owner/(s) of land will be required to provide No Objection Certificate (NOC) to SPV.

Infrastructure Development for greenfield clusters in non-RIICO Industrial Areas:

Implementing Agency (IA):

Implementing Agency means any Industries Association / any enterprise registered as Private Sector Company / Limited Liability Partnership/ Societies/ Trust etc. or SPV constituted for setting up of Industrial Park shall be eligible to develop Industrial Park under the scheme component.



I. SUPPORT FOR ARTISAN/ CRAFTSMAN/ WEAVER CLUSTERS THROUGH STATE GOVERNMENT ASSISTANCE

I (A). SOFT INTERVENTIONS FOR CAPACITY BUILDING OF ARTISANS/ CRAFTSMEN/ WEAVERS

1. Quantum of Assistance:

For soft intervention projects, 100% costs will be eligible for State Government grant-in-aid. Maximum eligible project cost for soft intervention shall be Rs. 50 Lakhs per cluster of artisans/ craftsmen/ weavers.

Maximum 15% of the eligible project cost can be included as the administrative costs of IA for successful implementation and operation of the project, however such costs to IA will be paid basis the actual project cost within the cap of 15% of the eligible project cost. 2/3rd of the total administrative costs will be paid to the IA during the implementation of project and remaining 1/3rd administrative cost will be paid to the IA for follow-up and handholding support to the cluster members.

2. Soft Interventions:

Soft activities under the scheme may consist of following activities which lead to overall strengthening of the cluster:

- i. **Training:** Trainings related to Skill Development, Technology Upgradation, Product Design, Product Development, Product Packaging etc.
- ii. **Market Development:** Buyer Seller Meet, Export Promotion Visits, Market Exhibition Visits, eMarketing etc.
- iii. **Exposure Visits:** Exposure visits to learn best practices related to manufacturing processes, production techniques, technology, market

development etc.

iv. **Standardization/ Quality Certifications:** Cluster activities related to product standardization, quality certifications and branding initiatives like GI Tag etc.

v. **Formulation of SPV**

vi. **Any other interventions to enhance competitiveness of the cluster.**

These interventions bring about general attitudinal changes necessary to initiate improvement in the existing style of working of the artisans in the cluster. However, it should be noted that cluster beneficiary/(ies) should not have taken similar benefits under any other similar State Govt. Scheme. Under the scheme component, new initiatives would also be permissible in the artisan clusters where soft interventions have already been completed under any State/ Central Govt. Cluster Development Scheme.

IA can take support from specialized agencies for implementation of various activities under Soft Interventions in Cluster. It is necessary to prepare a Diagnostic Study-cum-Detailed Project Report (DSR-cum-DPR) including validated action plan, performance indicators/ milestones to evaluate the project, before undertaking Soft Interventions. Activities should be undertaken as per approved action plan included in DSR-cum-DPR.

Implementing Agency will be required to follow up with the artisans for a period of at least 1 year post implementation of the project to monitor benefits of the interventions. IA will provide the handholding support to artisans such as support to apply under other relevant schemes to address any challenges post project implementation.

For this purpose, IA will be required to submit progress reports as below to the Department highlighting benefits of the interventions undertaken in cluster, further issues being faced by clusters after implementation of project and handholding support provided by IA to cluster members:

a. First Progress Report to be submitted at 6 months after the completion of implementation of project.

- b. Second Progress Report to be submitted at 1 year after the completion of implementation of project.

3. Eligibility:

- a. For benefits under the scheme, a group of existing artisans/ craftsmen/ weavers having registered Artisan ID Cards may participate along with an Implementing Agency.
- b. Projects undertaken for Soft Interventions should be completed within 18 months from the date of final approval. This period can be extended by the PAC, keeping in view the justification of the delay. Escalation in the cost of project above the sanctioned amount, due to any reason, will be borne by the applicant cluster members.
- c. If cluster members form a SPV to undertake any joint interventions, it should have a character of inclusiveness wherein provision for enrolling new members to enable participation from larger entrepreneur community in Cluster.
- d. No single member in SPV should be allowed to hold more than 10 per cent in the equity capital (or equivalent capital contribution) of the SPV.
- e. An agreement between State Government and IA shall be signed before implementation of the soft intervention project.

4. How to apply:

GM, DICC will be required to send the proposals for potential initiative to be undertaken as soft interventions in the cluster interventions. GM DICC will also be responsible for identification and engagement of any Central/ State Government agency or any other government funded agency including agencies functioning under PPP mode as the IA before forwarding the proposal for the project. If GM, DICC along with Cluster Enterprises fail to engage any government implementing agency for the proposed project, the proposal would be forwarded to Cluster Division for release of an EoI to engage an NGO or Consulting Agency of repute having similar cluster development experiences. In such cases, IA will be finalized by evaluation of

EoI applicants by a committee under the chairmanship of Officer-in-charge, Cluster Development, Industries & Commerce.

Once the IA has been finalized, it shall submit the application as per the prescribed DSR-cum-DPR format to the concerned General Manager (GM), District Industries & Commerce Centre (DICC).

GM of the concerned DICC shall forward the proposal to the Department of Industries & Commerce with their recommendation. Proposal along with the recommendations of GM DICC will be put up to the PAC for the approval of DSR-cum-DPR.

5. Project Approval:


- a. The project shall be sanctioned and implemented under the guidance of Project Approval Committee.
- b. Project implementation shall be done by an Implementing Agency along with cluster stakeholders and the concerned GM DICC.

6. Disbursement of Grant-in-aid:

- a. On the basis of Diagnostic Study cum Detailed Project Report approval by the Project Approval Committee, grant-in-aid will only be released to the implementing agencies through the concerned General Manager, DICC.
- b. General Manager, District Industries & Commerce Center (DICC) will be authorized to release a maximum of 25 percent of the approved grant-in-aid as advance to the implementing agency.
- c. General Manager, District Industries & Commerce Center will make the release of further grant-in-aid to the IA on submission of component wise utilization certificate as per prescribed format for utilization certificate for the amount spent by the implementing agencies after completing the cluster development activities. GM DICC will be required to conduct necessary physical and financial verification for the activities conducted by Implementing Agencies.
- d. General Manager, DICC shall ensure the adjustment of the advance

amount released to the implementing agencies within 3 months of the release of advance.

- e. Under the scheme, only a maximum of 90% of the total approved grant-in-aid can be released to the implementing agencies by the General Manager, DICCC before completion of the approved activities.
 - f. Remaining final payment of 10% of the amount of the approved grant-in-aid to the implementing agencies will only be made after completion of the project and approval of completion report by the Project Approval Committee.
 - g. Release of administrative costs to IA: Administrative costs to be paid to IA for implementation of the projects will be released proportionately as part of the grant-in-aid and only after completion of minimum of 50% targeted objectives of the project.
 - h. Remaining administrative costs, to be paid to IA for follow up and handholding support to cluster entrepreneurs, will be released proportionately after submission of progress reports to the department basis the success of the cluster development interventions.
 - i. Pending utilization of State Government grant, the funds will be parked in the dedicated account opened by IA. Interest accrued, if any, on unutilized fund shall be adjusted against future disbursements under the scheme.
 - j. Funds across the project components may be diverted during the implementation phase as per the actual requirements within the approved project cost with approval of PAC.
- 7. Monitoring and Evaluation:**
- a. The Project Approval Committee (PAC) will be the apex body for coordinating and overseeing the progress of the projects.
 - b. PAC will also facilitate the SPV members for obtaining State Government approvals from the other department.

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- c. Project implementation will be monitored by the District Level Monitoring Committee.
- d. IA will be required to submit progress reports to the Department highlighting benefits of the intervention undertaken in cluster, further issues being faced by clusters after implementation of project and handholding support provided by IA to cluster members to address such challenges as per below timelines:
- First Progress Report to be submitted at 6 months after the completion of implementation of project.
 - Second Progress Report to be submitted at 1 year after the completion of implementation of project.

I (B). OPERATION OF RAW MATERIAL BANK FOR EASY AVAILABILITY OF RAW MATERIAL

Raw Material Assistance will be provided to the local **artisan/ handloom clusters** across the state in collaboration with Special Purpose Vehicles who have adequate storage, display and selling infrastructure. These SPVs will provide backward linkages to the artisans/ craftsmen/ weavers located within the cluster to get raw material at economical rates as per their requirement.

1. Assistance under the scheme:

- **Soft Loan at affordable rates for Raw Material Bank:** The SPV is eligible for interest subvention on a term/ composite loan of up to Rs. 50 lakhs for establishing the raw material depot. The SPV may provide margin money in line with the requirements of financial institutions (such as scheduled commercial banks, SIDBI, RFC, and others).
- The State Government will provide 8% interest subsidy assistance on the loan, as reimbursement to the SPV on submission of relevant documents duly verified by relevant financial institutions as mentioned above.
- The reimbursement of the assistance of interest subsidy on the soft loan, will be provided to only those SPVs which has a clear track record and duly operationalising the Raw Material Depot.
- The reimbursement of the assistance of interest subsidy will be provided on the quarterly basis, on as is basis from the claims given from the financial institutions as mentioned above.
- The State Govt will support maximum 10 (Ten) Clusters / SPVs for operationalising the Raw Material Depot.
- Detailed guidelines shall be issued separately for implementation of the scheme by the Department of Industries and Commerce, Govt of Rajasthan.

2. Terms and Conditions for Eligibility:

For benefits under the Raw Material Assistance scheme, following eligibility

criteria would be applicable:

- SPV should have required building infrastructure as well as other infrastructure like electricity etc. available for housing the raw material procured.
- Building infrastructure should be either owned by the SPV or should be available on long term lease of at least 5 years. Building infrastructure should be located on minimum 40 feet wide road in urban areas.
- SPV should have a character of inclusiveness wherein provision for enrolling new members to enable participation from larger entrepreneur community in Cluster.
- All the sale and purchase transactions by the SPV should be made through proper invoicing as per the prevalent taxation laws. Raw Material should be sold to the cluster artisans/ enterprises at rates below the prevailing market rates.
- All the profits to be earned by the SPV will be ploughed back to the facility and will not be distributed to the shareholders as dividends.



I (C). ASSISTANCE FOR MARKET DEVELOPMENT THROUGH E-COMMERCE PLATFORMS

Rajasthan has a long and illustrious history of handicraft production. It has a long tradition of manufacturing high-quality handicraft products with unparalleled experience and craftsmanship. Despite the widespread availability of handicraft products, industry's capacity has been discovered to be substantially underutilized. To boost the earnings of such artisans, State Government will support such clusters in creating recognition for their products through social media and e-commerce marketing approach.

1. Quantum of Assistance:

Artisan/ Craftsman/ Weaver enterprises will be provided a sale incentive of 20% of the total annual sales generated through reputed e-Commerce platforms up to a maximum limit of **Rs. 50,000** per enterprise or artisan.

2. Eligibility:

- a. Artisans/ Craftsmen/ Weavers, who have participated under the soft intervention activities under State Cluster Development Program or SFURTI Scheme or any other Government sponsored programme, have registered Artisan ID Card and are practicing their trade in Rajasthan will be eligible to participate for market development assistance for business generated through eCommerce mode under the scheme. Business through eCommerce mode should only include sale of products for craft mentioned on their Artisan ID Card.
- b. Market development assistance will only be admissible to those artisans/ craftsmen/ weavers who are not already doing business through any electronic website or portal before commencement of soft interventions in the cluster.
- c. Eligible Artisans/ Craftsmen/ Weavers will be required to generate a minimum annual turnover of Rs. 1,00,000 through e-Commerce mode.
- d. Assistance under this scheme component will be applicable on the

annual turnover for the beneficiary and will be provided only once per beneficiary.

- e. Beneficiary would only be eligible to apply for the benefit within three years from the date of completion of soft intervention project in the cluster.
- f. If any time it is found that the beneficiary entity/ individual has deliberately submitted false documents, misrepresented/ concealed facts, misused the financial assistance, State Government, without prejudice to any other rights, shall be entitled to recover the amount of loss as arrears of land revenue from the beneficiary. Also, the business entity/ individual shall be blacklisted from any future Govt. assistance.

3. How to apply:

The beneficiary shall submit the application as per the prescribed application form to the concerned GM DICC.

4. Application approval:

Under this Market Development Assistance (MDA) scheme component, the authority to approve / sanction applications shall be with GM DICC. The list of the approved applications/ claims by the GM DICC shall be shared with the Commissioner, Industries & Commerce quarterly.

5. Disbursement of MDA Assistance:

- a. Assistance to the beneficiaries will only be released through the concerned General Manager, District Industries & Commerce Centers (DICC).
- b. General Manager, District Industries & Commerce Center (DICC) will be authorized to release the MDA assistance to the beneficiary.
- c. General Manager, District Industries & Commerce Center will make the release to the beneficiary based on the necessary verification of the following documents to be submitted by the beneficiary:
 - Proof of participation of beneficiary in Cluster Soft Interventions.

- Registration proof on e-commerce Portal/Website
- CA Certificate regarding beneficiary turnover through E-Commerce mode after registration on E-commerce portal /Website
- Self-certified sale summary generated by E-commerce portal / Website showing total sale
- Cancelled Beneficiary Cheque
- Any other required documents

6. Awards for e-commerce Business Growth:

Artisans/ artisan enterprises amongst beneficiaries of this component shall be recognized and awarded for achieving exemplary growth and success in eCommerce Business to promote e-commerce.

7. Monitoring and Evaluation:

- All the General Manager, DICC's will be required to notify Commissioner, Industries & Commerce every quarter regarding approved applications/ claims under MDA scheme component.
- District Level Monitoring Committee will be the responsible body for coordinating and overseeing the progress of the scheme component.



II. SUPPORT TO MSME CLUSTERS FOR ESTABLISHMENT OF COMMON FACILITY CENTERS (CFCs)

II (A). STATE GOVERNMENT ASSISTANCE FOR CFC PROJECTS UP TO RS. 10 CR.

1. Eligibility:

A group of Micro and Small functional industrial (both manufacturing and service) units, with similar activities/ products/ processes in an identified area, which have filed Udyam Registration (UR), may apply.

The CFC shall be required to be functional within two years from the date of final approval, unless extended with the approval of Project Approval Committee.

2. Quantum of Assistance:

For creation of Common Facility Centre (CFC) for a group of existing micro and small units, the State Grant will be restricted to 80% (90% for the clusters where more than 50% units in SPV are SC/ST/Women owned or are ODOP enterprises) of the cost of project with maximum eligible project cost ceiling of Rs. 10.00 crores.

- Such projects will be funded by both RIICO and State Government where State Government and RIICO will provide the equal grant-in-aid for the projects.
- RIICO will release 50% of its complete share under the scheme in advance to the Department of Industries & Commerce. Next instalment of 50% of RIICO's contribution shall be made after utilization of 1st instalment.
- Department of Industries & Commerce, Government of Rajasthan will issue detailed guidelines for release of funds by RIICO and State Government under the scheme.

- Maximum 10 (Ten) such projects are envisaged to be approved under this scheme.

3. CFC Interventions:

Interventions under the scheme will consist of creation of tangible “assets” as Common Facility Centers (CFCs) to enhance overall competitiveness of the MSMEs in the state. List of illustrative admissible facilities as CFCs has been provided below:

Illustrative admissible facilities for setting up of CFCs for MSMEs:

- a. Common Production / Processing Centre (for balancing/correcting / improving production line that cannot be undertaken by individual units)
- b. Common Recycling/Resource Recovery Plant
- c. Industry 4.0 and its Learning Facilities, Additive Manufacturing Facilities, Digital Infrastructure
- d. Design/Incubation Centers
- e. Testing and Quality Upgradation Facilities/Product Standards Development
- f. Packaging Facilities
- g. Training Centre / Skill Upgradation Facilities
- h. Research & Development (R&D) Centers
- i. For waste management, disposal and sustainable handling of biodegradable wastes in industrial areas, biogas / Bio-CNG projects will also be supported.
- j. Common Logistics Centre
- k. Common Raw Material Bank
- l. Facilities relating to linkages Backward / Forward linkages for value addition in bi-product/waste of cluster units.
- m. Export Promotion Facilities for FPO such as for processing, storage (cold chains), Pack Houses, testing and packaging

- n. Any other common facilities which will improve competitiveness and productivity of the cluster units

State support for setting up of Common Facility Centers will be as per following conditions:

- a. The eligible cost of project for grant-in-aid for CFC projects shall include cost of land, building (land and building cost not more than 20% of maximum eligible Project cost), machinery & equipment and preliminary & pre-operative expenses (only expenses incurred for preparation of DSR, DPR and implementation of the project), margin money for working capital (max. 25% of the working capital requirements of 1st year). The SPV shall arrange remaining working capital, if any, from its own resources for operations of the CFC.
- b. The entire cost of land and building shall be borne by the SPV. In case of existing land and building is provided by stakeholder, the cost of land and building will be decided on the basis of valuation report prepared by an approved agency of Central/State Govt. Departments/FIs/Public Sector Banks. The cost of land and building shall be taken towards the contribution of the SPV in the project.
- c. CFC can also be set up on leased premises, however, land lease shall be not less than a period of 10 years.
- d. It is necessary to form an SPV prior to setting up of and running the proposed CFC. The SPV shall consist of members who fall under the definition of Micro and Small enterprises. The SPV should have a character of inclusiveness wherein provision for enrolling new members to enable prospective entrepreneurs in the cluster to utilize the facility should be provided. The SPV should have provisions for one State Govt. officer as member of the SPV.
- e. The share of the cluster beneficiaries should be as high as possible but not less than 20% (10% for the clusters where more than 50% units in SPV are SC/ST/Women owned) of the total cost of CFC. State Government

contribution will be considered as gap funding. Participating micro and small enterprises in the SPV should be financially and managerially independent. No single member in SPV will hold more than 10 per cent in the equity capital (or equivalent capital contribution) of the SPV.

- f. Contribution by the SPV or the beneficiaries' share should be made upfront on the basis of which grant-in-aid of the State Government will be released.
- g. The CFC created under the scheme may be utilized by the SPV members and also others in the cluster.
- h. The CFC should be operationalized within two years from the date of final approval, unless extended with the approval of Project Approval Committee.
- i. Escalation in the cost of project above the sanctioned amount, due to any reason, will be borne by the SPV.
- j. User charges for services of CFC shall be close to prevailing market prices, as decided by the Governing Council of the SPV. The SPV members may be given reasonable preference in user charges and capacity utilization.
- k. An agreement between State Government and SPV shall be signed for CFC project.

4. How to apply:

The beneficiaries shall submit preliminary application to the concerned General Manager (GM), District Industries & Commerce Centre (DICC). Minimum no. of participant members, as defined in the scheme component, will have to be identified before the application.

GM of the concerned DICC shall forward the preliminary application to the Department of Industries & Commerce with their recommendation. Preliminary application along with the recommendations of GM DICC will be put up to the Commissioner, Industries & Commerce for the approval to conduct DSR.

5. Project Approval:

- a. The project shall be sanctioned and implemented under the guidance of Project Approval Committee.
- b. The DSR shall be duly validated by the concerned GM DICC and shall be put up to the Commissioner Industries & Commerce for his acceptance and approval for preparation of Detailed Project Report (DPR).
- c. The DPR shall also be validated by the members of the SPV and the representative of concerned GM DICC under the chairmanship of Additional/ Joint Commissioner (Officer-in-charge, Cluster), Department of Industries & Commerce.
- d. The project shall be approved by the Project Approval Committee.
- e. The project implementation shall be done by a committee constituted by the Commissioner, Industries & Commerce under the supervision of the concerned GM DICC.
- f. Purchase Committee: The Purchase Committee shall consist of the following members.

1	Additional/ Joint Commissioner (In charge Cluster Development), Industries & Commerce	Chairperson
2	2 nominated SPV members	Members
3	Accounts Officer, Concerned DICC	Member
4	General Manager, DICC of the concerned District	Member Secretary
5	Any other special invitee co-opted by Chairperson	Special Invitee

- g. The Purchase Committee will ensure the transparency in the process of preparation of RFP/ floating of tenders and its finalization as per the Rajasthan Transparency in Public Procurement Rules.
- h. The State Government (Department of Industries & Commerce) will engage a professional consultancy agency for overall management of the project including project conceptualization, preparation of DSR, preparation of DPR and implementation support for the project. The charges paid to the firm for the project may be adjusted in the project cost and subsequent grant in aid.
- i. In a scenario where State Government does not have an appointed consultancy agency, the SPV may propose to engage a competent firm as its project consultant, for complete project management. A sum equivalent to max 5% of the project cost will be considered as project management charges for the consultancy agency engaged by the SPV. Project management charges will include cost of preparation of DSR, preparation of DPR and implementation support for the project.
- j. The project management charges to be paid to the consultant engaged by the SPV will be made part of the preliminary and pre-operative component of eligible project cost and may be adjusted in the eligible grant-in-aid. Engaged consultancy agency will support the SPV in implementation of the project.

6. Disbursement of Grant-in-aid:

Contribution by the SPV or the beneficiaries' share should be made upfront for disbursement of grant-in-aid of State Government. The grant-in-aid shall be disbursed to the SPV in three instalments (50%:40%:10%) basis the contribution made by the SPV:

- a. 1st Instalment (50%) of grant-in-aid shall be released after compliance of the following formalities:
 - I. Land/Building should be registered/ leased in the name of the Special Purpose Vehicle (SPV).

- ii. The SPV has opened the bank account dedicated for the purpose of deposit of contribution of the SPV and State Government grant.
 - iii. After execution of the agreement by SPV with the State Government.
 - iv. Submission of CA Certificate with component wise expenditure of SPV Contribution.
 - v. 1st instalment will be released only after Purchase Committee constituted for this purpose has recommended the grant-in-aid after ensuring that the transparent tendering process for procurement of machinery has been finalized.
- b. 2nd Instalment (40%) of grant-in-aid shall be released after compliance of the following formalities:
- i. Submission of CA Certificate with component wise expenditure of the 1st instalment of grant-in-aid.
 - ii. Submission of Physical Inspection Report of the status of CFC by the concerned GM of DICCC.
 - iii. Recommendations of the Purchase Committee (Minutes) for release of 2nd instalment of grant-in-aid with the details of plant & machinery finalized.
- c. 3rd and final instalment (10%) of grant-in-aid shall be released on reimbursement basis after compliance of the following formalities:
- i. Submission of completion report in the prescribed format duly signed by the concerned GM DICCC
 - ii. Submission of CA Certificate with component wise expenditure of the 2nd instalment of grant-in-aid and SPV contribution of the amount equal to 3rd instalment of grant-in-aid.
 - iii. Submission of Physical Inspection Report of the status of CFC by the concerned GM of DICCC.
 - iv. Recommendations of the Purchase Committee (Minutes) for release of 3rd instalment of grant-in-aid with the details of plant & machinery finalized.

Pending utilization of State Government grant, the funds will be parked in the dedicated account opened by SPV. Interest accrued, if any, on unutilized fund shall be adjusted against future disbursements under the scheme.

7. Monitoring and Evaluation:

- a. The Project Approval Committee (PAC) will be the apex body for coordinating and overseeing the progress of the projects.
- b. PAC will also facilitate the SPV members for obtaining State Government approvals from the other department.
- c. The project completion/ implementation period for CFC projects shall be 2 years from the date of approval by PAC. This period can be extended by the PAC, keeping in view the justification of the delay.
- d. The SPV will run the Common Facility Centre (CFC) for a period of at least 10 years from the date of going into operation. In case of its closure and violation of the terms & conditions of the sanction letter by the SPV, the possession of the CFC shall be taken over by the State Government.
- e. The SPV shall, at its own cost, insure and keep insured all the plant, machinery, fixtures and equipment created through State Government grant-in-aid for a minimum period of 10 years. In case of loss or damage to such plant, machinery, fixtures and equipment, etc., the insurance claim shall be payable to the State Government.
- f. All plant, machinery, fixtures and equipment procured with the support of the State Government grant shall be the exclusive property of the Government.
- g. Books of Accounts of the expenses incurred for the purchase of fixed assets for the purpose of the project shall be maintained by the SPV. The accounts books shall be open for inspection by the statutory auditors/auditors of the State Government.
- h. SPV will submit a copy of audited balance sheet at the close of each financial year in the office of concerned GM, DICCC before September.

II (B). ASSISTANCE TO PARTICIPATE UNDER VARIOUS CENTRAL GOVERNMENT SCHEMES FOR CFC PROJECTS AS PER THEIR SCHEME GUIDELINES

Various Central Government Ministries run their own Cluster Development programmes to upgrade access to technology as well as basic infrastructure for MSMEs across the country. Some of the prominent cluster development programmes are Micro and Small Enterprises – Cluster Development Programme (MSE-CDP), Ministry of MSME; Assistance to Pharmaceutical and Medical Devices Units for Common Facilities, Ministry of Chemical & Fertilizers; Creation of infrastructure for Agro Processing Clusters, Ministry of Food Processing Industries etc.

While some of these cluster development programmes are executed directly with the MSMEs by respective ministries, some of them require State Government intervention in terms of contribution towards the project as well as initial review and approval of projects.

The approval of the project and determination of state participation/state share will be done by the **state level committee constituted as per the guidelines of the cluster development programmes/schemes** run by the central government ministries.

In the schemes/programs where there is no provision for formation of state level committee, the Project Approval Committee constituted under the Integrated Cluster Development Scheme can take decision regarding state participation and state share as per requirements.

State Government will also provide necessary required technical/ consulting support to such projects from Rajasthan under Central Government Cluster Development schemes.

III. SUPPORT FOR INFRASTRUCTURE DEVELOPMENT THROUGH STATE GOVERNMENT ASSISTANCE

III (A). SUPPORT FOR INFRASTRUCTURE DEVELOPMENT FOR EXISTING CLUSTERS IN NON-RIICO INDUSTRIAL AREAS

1. Definitions:

Definition of **Special Purpose Vehicle (SPV)** for the purpose of Infrastructure Development component in existing clusters in non-RIICO Industrial Areas:

- SPV will be a registered institution under Section 8 of Companies Act 2013 which either has ownership of the land in the said Industrial Area or is authorized by the owner/(s) of land in the cluster to undertake Infrastructure Development work.
- For the infrastructure development work, owner/(s) of land will be required to provide No Objection Certificate (NOC) to SPV.

2. Eligibility:

For benefits under the scheme, a SPV may apply with funding pattern of maximum 80% State Government grant-in-aid and minimum 20% SPV contribution for project cost up to Rs. 10 crores. Maximum State Government grant-in-aid will be Rs. 8 Crores for projects with project costs of Rs. 10 crore and more.

For Infrastructure Development Projects under the scheme, following eligibility criteria will be applicable:

- Land should have been allotted/ converted for industrial purposes
- Land should be available for developments without any dispute
- Industrial area should have at least 20 Micro and/or Small units operating
 - a. Cost of preparation of work estimates, cost of third-party valuation and

any other preliminary expenses will be eligible limited to 5% of the project cost or Rs. 10.00 Lakhs, whichever is less.

- b. SPV will be responsible to carry out all the industrial infrastructure related development works. However, wherever SPV does not have the technical capability or PAC deems fit to engage a Govt. Agency, a Central/ State Agency such as PWD/RIICO/PHED etc. will be appointed as the Execution Agency (EA) by the Project Approval Committee to carry out the industrial infrastructure related development works. Administrative expenses of up to 10% of the project cost may be included in the project for engagement of any such execution agency to carry out the development work.
- c. The SPV shall submit a detailed project report, clearly highlighting the infrastructure facilities needed for the estate/ industrial area and its impact on industrial and social sector. The project cost should also indicate the means of finance in terms of contribution of applicant.
- d. Project estimate mentioned in project report should be based on prevailing rates of concerned State Government Department.
- e. A total of maximum 5 (Five) such projects are envisaged to be approved under this scheme.

3. Infrastructure Development Interventions:

Following facilities will be admissible under the Infrastructure Development Projects:

- i. Laying roads
- ii. Water supply including overhead tanks, and pump houses
- iii. Gas distribution network
- iv. Water harvesting
- v. Sewage and drainage network
- vi. Power (Works related to sub-station and distribution network including streetlights etc.)

vii. Any other essential infrastructure facility as approved by PAC

SPV will be required to open a bank account dedicated for the purpose of deposit of contribution of the SPV. Contribution by the SPV or the beneficiaries' share should be made upfront on the basis of which grant-in-aid by the State Government will be released.

Projects undertaken in the scheme should be completed within two years from the date of final approval, unless extended with the approval of Project Approval Committee.

Escalation in the cost of project above the sanctioned amount, due to any reason, will be borne by the SPV. The projects with cost higher than Rs 10.00 crore can also be considered. However, the State Government grant-in-aid will be calculated with project cost ceiling of Rs 10.00 crore. SPV will also be required to propose a mechanism at the time of submission of application to maintain the Industrial Infrastructure created under the scheme for at least 10 years.

4. How to apply:

The SPV shall submit the application as per the prescribed application form to the concerned General Manager, District Industries & Commerce Centre. The application will be in the form of a Detailed Project report which should include estimates as well as plan for the work duly certified by Chartered Civil Engineer or any other competent institution. Application of the SPV will be evaluated by the following project evaluation committee at district level:

S. No.	Designation	Role in Committee
1	General Manager, District Industries & Commerce Centre	Convenor
2	Unit Head, RIICO Office (Concerned)	Member
3	SPV Representative	Member

Basis the findings of the project evaluation committee, GM of the concerned DICC shall forward the application to the Department of Industries & Commerce with their recommendation. Application along with the recommendations of GM DICC will be put up to Project Approval Committee for approval of the project.

5. Project Approval:

The project shall be sanctioned and implemented under the guidance of Project Approval Committee (PAC)

- Projects under this scheme will be funded by both RIICO and State Government where State Government and RIICO will provide the equal grant-in-aid for the projects.
- RIICO will release 50% of its complete share under the scheme in advance to the Department of Industries & Commerce. Next instalment of 50% of RIICO's contribution shall be made after utilization of 1st instalment.
- Department of Industries & Commerce, Government of Rajasthan will issue detailed guidelines for release of funds by RIICO and State Government under the scheme.

6. Disbursement of Grant-in-aid:

Contribution by the SPV share should be made upfront for disbursement of State Government grant-in-aid. The grant-in-aid shall be disbursed to the SPV/EA in three instalments (50%:40%:10%) basis the contribution made by the SPV:

- a. 1st instalment (50%) of grant-in-aid shall be released after compliance of the following formalities:
 - i. SPV should have NOC/authorization from the owner/(s) of the Land or concerned authority for the development work to be undertaken.
 - ii. SPV should submit relevant statutory approvals and any other pre-requisite supporting documentation to effectively undertake

- development work.
- iii. Signing of an agreement between the SPV, State Government and Execution Agency (wherever applicable).
 - iv. The SPV has opened the bank account dedicated for the purpose of deposit of contribution of the SPV.
 - v. Submission of CA Certificate for component wise expenditure of the SPV contribution to be made 100% upfront.
 - vi. Submission of certificate from EA/ Chartered Engineer (Civil) for technical civil works with comments on the quality and status of implementation duly countersigned by the SPV.
 - vii. Submission of certificate from Chartered Engineer (Mechanical) for plant & machinery with comments on the quality and status of implementation duly countersigned by the SPV.
 - viii. Proof of SPV contribution (at least 5% of the project cost) collected separately for repair & maintenance of infrastructure developed.
 - ix. Recommendation of GM, DICC of concerned district after site visit certifying the fulfilment of conditions as per guidelines of the scheme.
 - x. Any other condition which may be specified from time-to-time.
- b. 2nd instalment (40%) of grant-in-aid shall be released after compliance of the following formalities:
- i. Submission of CA Certificate for component wise expenditure of the 100% SPV contribution and 1st instalment of state government grant-in-aid.
 - ii. Physical Progress Report of the status of development work certified by the GM, DICC.
 - iii. Submission of certificate from EA/ Chartered Engineer (Civil) for technical civil works with comments on the quality and status of implementation duly countersigned by the SPV.
 - iv. Submission of certificate from Chartered Engineer (Mechanical) for

- plant & machinery with comments on the quality and status of implementation duly countersigned by the SPV.
- v. Recommendation of GM, DICC of concerned district after site visit certifying the fulfilment of conditions as per guidelines of the scheme.
 - vi. Any other condition which may be specified from time-to-time.
- c. 3rd and final instalment (10%) of grant-in-aid shall be released on reimbursement basis after compliance of the following formalities:
- i. Submission of CA Certificate for component wise expenditure of the 100% SPV upfront contribution, 1st and 2nd instalment of state government grant-in-aid as well as SPV contribution equivalent to the 10% of the State Govt. grant-in-aid.
 - ii. Completion Report for the development work duly certified by the GM DICC.
 - iii. Submission of certificate from EA/ Chartered Engineer (Civil) for technical civil works with comments on the quality and status of implementation duly countersigned by the SPV.
 - iv. Submission of certificate from Chartered Engineer (Mechanical) for plant & machinery with comments on the quality and status of implementation duly countersigned by the SPV.
 - v. Any other condition which may be specified from time-to-time.

7. Monitoring and Evaluation:

- a. The Project Approval Committee will be the apex body for coordinating and overseeing the progress of the projects.
- b. PAC will also facilitate the SPV members for obtaining State Government approvals from the other departments.
- c. The project completion period for the development work in the cluster shall be 2 years from the date of approval by PAC. This period can be extended by the PAC, keeping in view the justification of the delay.
- d. The SPV will maintain the Industrial Infrastructure created under the

scheme at least for a period of 10 years from the date of completion of the project. In this regard, SPV will be required to collect at least 5% of the project cost as upfront contribution for repair & maintenance of infrastructure developed through scheme. Such collection will be over and above the project cost for infrastructure development work. Also, SPV is required to suggest a mechanism in the application for collection of funds from units in the industrial area to maintain the infrastructure for at least 10 years. SPV will not be eligible to avail any other State Government benefit for development of infrastructure in the industrial area for 10 years.

- e. In the event, if it is found that the SPV has not utilized the amount of grant, or any part of it, for the infrastructure development or has subsequently sold or otherwise disposed of any of the assets acquired out of the grant or has not adhered to the guidelines of the scheme, the State Government, without prejudice to any other rights, shall be entitled to recover the amount of loss as arrears of land revenue from the SPV and / or members associated with SPV jointly and severally.
- f. Books of Accounts of the expenses incurred for the development work under the scheme in the cluster shall be maintained by the SPV. The accounts books shall be open for inspection by the State Government/ statutory auditors/auditors of the State Government.



III (B). SUPPORT FOR INFRASTRUCTURE DEVELOPMENT FOR GREENFIELD CLUSTERS IN NON-RIICO INDUSTRIAL AREAS

This scheme component aims at development of modern industrial parks providing affordable operating facilities with necessary amenities to encourage entrepreneurs to set up units based on cluster approach. The scheme component will play an important role in facilitating geographical dispersal of industry and provide modern infrastructure for the MSMEs in Rajasthan.

1. Implementing Agency (IA):

1.1. Eligibility Criteria:

- a. IA needs to bring in at least 20% of the total project cost as equity / contribution.
- b. The land for the project shall be arranged by the IA either by purchase or on lease of at least 30 years.
- c. Preference will be given to the Special Purpose Vehicles (SPVs) of Micro, Small and Medium Enterprises (MSMEs).
- d. A minimum of 20 no. of total leasable/ saleable plots should be created as part of the industrial area. Maximum area of individual plots in the industrial park should not exceed 5000 Sq. Mtr.
- e. Minimum 80% of the total leasable/ saleable area will be required to be reserved for micro and small enterprises.
- f. Any entity / applicant which has availed financial assistance for a project under this scheme, will not be eligible to apply for another project under same scheme until one year after operationalization of earlier project.
- g. The same applicant / entity shall not be entitled for more than two times under this scheme.
- h. The promoter(s) of the facility will be eligible for availing financial

assistance under other schemes of State / Central Governments for setting up of the unit(s) in these facilities.

- i. IA should not be categorized as Willful Defaulter as per RBI guidelines.

1.2. Responsibilities of IA:

- a. To formulate the Detailed Project Report (DPR) and execute the project in a transparent, efficient and timely manner.
- b. To procure/purchase land and ensure external infrastructure linkages for the project.
- c. To obtain statutory approvals/clearances including environmental clearances, which are prerequisite for commencement and operation of the Project.
- d. To achieve financial closure and ensure timely completion of the project in specified timelines.
- e. To own and maintain the enabling infrastructure and common facilities.
- f. To receive grant-in-aid under the Scheme and to ensure its utilization in a transparent and judicious manner.
- g. To maintain proper accounts of the project implementation and the maintenance of infrastructure and common facilities after commissioning of the project.
- h. Provide quarterly progress report with pictures / photographs of site.
- i. Every IA will mention the lease rates/ sale price for plots in the DPR. Approved rates will also be published on their websites and also on a board at the gate of the facility for wider information of the prospective investors. Any changes in the rate of plots in developed area will only be made after due approval of State Government.
- j. IA will be allowed sell / lease plots in developed facility to only MSME units.

2. Quantum of Assistance:

The State Government grant will be restricted to maximum 60% of the

eligible cost of Project up to a maximum grant-in-aid of Rs. 5 Crore for developing industrial park in minimum 10 acres of land. For the purpose of this scheme component, districts in the state will be divided in following two categories:

i. Industrially Developed Districts: Jodhpur, Bikaner, Alwar, Jaipur, Ajmer, Bhilwara, Udaipur - Maximum State Government grant-in-aid up to 50% of the eligible project cost

ii. Other Districts: Maximum State Government grant-in-aid up to 60% of the eligible project cost

Adaptive reuse of the unutilized / partially utilized buildings and assets under Private Sector would be encouraged under the scheme.

Cost of preparation of work estimates, cost of third-party valuation and any other preliminary expenses will be eligible limited to 5% of the project cost or Rs. 10.00 Lakhs, whichever is less.

IA will be responsible to carry out all the industrial infrastructure related development works. However, wherever IA does not have the technical capability or PAC deems fit to engage a Govt. Agency, a Central/ State Agency such as PWD/RIICO/PHED etc. will be appointed as the Execution Agency (EA) by the Project Approval Committee to carry out the industrial infrastructure related development works. Administrative expenses of up to 10% of the project cost may be included in the project for engagement of any such execution agency to carry out the development work.

- Projects under this scheme will be funded by both RIICO and State Government where State Government and RIICO will provide the equal grant-in-aid for the projects.
- RIICO will release 50% of its complete share under the scheme in advance to the Department of Industries & Commerce. Next instalment of 50% of RIICO's contribution shall be made after utilization of 1st instalment.

- Department of Industries & Commerce, Government of Rajasthan will issue detailed guidelines for release of funds by RIICO and State Government under the scheme.
- A total of maximum 5 (Five) such projects are envisaged to be approved under this scheme.

3. Infrastructure Development Interventions:

Following facilities will be admissible under the Infrastructure Development Projects:

a. Core infrastructure: It will include site development including boundary wall, roads, sewage and drainage, water supply, electricity supply including power backup, common office space etc. but will not include cost of land.

b. Common Facilities: The common facilities will be based on the needs of the units which will be set up in these clusters. The cost of common facilities would not exceed 25 percent of the total eligible project cost. The common facilities of capital-intensive nature may include facilities like common effluent treatment plant, testing laboratory, warehouse/ cold storage, specialized packaging etc.

The above-mentioned facilities are only illustrative, and the exact nature of facilities may vary from project to project based on requirements of the units in the cluster. However, Micro and Small Enterprises being set up in these greenfield clusters will also be eligible to take benefits of the CFC schemes of Government of India as well as State Government.

IA will be required to open a bank account dedicated for the purpose of deposit of contribution of the IA for the project. Contribution of beneficiaries' share should be made upfront on the basis of which grant-in-aid by the State Government will be released.

Projects undertaken in the scheme should be completed within two years from the date of final approval, unless extended with the approval of Project Approval Committee.

Escalation in the cost of project above the sanctioned amount, due to any reason, will be borne by the IA. IA will also be required to propose a mechanism at the time of submission of application to maintain the Industrial Infrastructure created under the scheme for at least 10 years.

4. How to apply:

The IA shall submit the application as per the prescribed application form to the concerned General Manager, District Industries & Commerce Centre. The application will be in the form of a Detailed Project Report which should include estimates as well as plan for the work duly certified by Chartered Civil Engineer or any other competent institution. Application of the IA will be evaluated by the following project evaluation committee at district level:

S. No.	Designation	Role in Committee
1	General Manager, District Industries & Commerce Centre	Convenor
2	Unit Head, RIICO Office (Concerned)	Member
3	IA Representative	Member

Basis the findings of the project evaluation committee, GM of the concerned DICC shall forward the application to the Department of Industries & Commerce with their recommendation. Application along with the recommendations of GM DICC will be put up to Project Approval Committee for approval of the project.

5. Project Approval:

The project shall be sanctioned and implemented under the guidance of Project Approval Committee (PAC).

6. Disbursement of Grant-in-aid:

Contribution by the IA should be made upfront for disbursement of State

Government grant-in-aid. The grant-in-aid shall be disbursed to IA/EA in three instalments (50%:40%:10%) as below:

First instalment of 50% of the total approved grant will be released after incurring an expenditure of 100% IA contribution / equity as per eligible project cost and submission of following documents:

- a. CA certificate for component wise expenditure on the project duly certified by IA indicating utilization of at least 50% of term loan (if applicable) & 100% IA contribution.
- b. Certificate from Execution Agency/ Chartered Engineer (Civil) for technical civil works indicating item wise progress on approved components, cost, quantity, manufacturers/suppliers and comment on quality and status of implementation duly countersigned by the IA.
- c. Certificate from Chartered Engineer (Mechanical) for plant and machinery indicating item wise progress on approved components, cost, quantity, manufacturers/suppliers and comment on quality and status of implementation duly countersigned by the IA.
- d. Certificate from the concerned bank/ financial institution which has sanctioned and disbursed term loan for the project certifying that it has disbursed 50% of the total sanctioned term loan (if applicable).
- e. Signing of an agreement between the IA, State Government and Execution Agency (wherever applicable).
- f. Allotment of at least 50% of total proposed leasable/ saleable plots to Micro and Small Enterprises. All such allotments should be made to separate entities and allotment should cover at least 40% of the leasable/ saleable area.
- g. Land should have been allotted/ converted for industrial purposes.
- h. Relevant approvals from State Pollution Control Board.
- i. Inspection report of the GM, DICC of concerned district based on site visit recommending release of the instalment.
- j. Any other condition which may be specified from time-to-time.

Second instalment of 40% of the total approved grant will be released after submission of the following documents by IA:

- a. CA certificate for component wise expenditure on the project duly certified by IA indicating utilization of 100% term loan (if applicable), 100% IA contribution / equity and 100% utilization of first instalment of grant-in-aid.
- b. Certificate from Execution Agency/ Chartered Engineer (Civil) for technical civil works indicating item wise progress on approved components, cost, quantity, manufacturers/suppliers and comment on quality and status of implementation duly countersigned by the IA.
- c. Certificate from Chartered Engineer (Mechanical) for plant and machinery indicating item wise progress on approved components, cost, quantity, manufacturers/suppliers and comment on quality and status of implementation duly countersigned by the IA.
- d. Certificate from the concerned bank/ financial institution which has sanctioned and disbursed term loan for the project certifying that it has disbursed 100% of the total sanctioned term loan (if applicable).
- e. Commencement of production by the enterprises on at least 50% of total proposed leasable/ saleable plots in the industrial area. Such commencement of production by enterprises should utilize at least 40% of the total saleable/leasable area.
- f. IA should create/ designate an agency which will be responsible for repair and maintenance of the proposed industrial area. IA would also be required to submit a mechanism for collection of charges by the dedicated agency for repair and maintenance of the industrial area.
- g. Recommendation of GM, DICC of concerned district after site visit certifying the fulfilment of conditions as per guidelines of the scheme.
- h. Any other condition which may be specified from time-to-time.

Third instalment of 10% of the total approved grant will be released on reimbursement basis after completion of the project and submission of the

following documents:

- a. CA certificate for component wise expenditure on the project duly certified by the IA indicating utilization of 100% of term loan (if applicable), 100% IA contribution / equity, 90% of the State Govt. contribution and additional IA contribution of amount equivalent to 10% of the State Govt. grant-in-aid.
- b. Certificate from Execution Agency/ Chartered Engineer (Civil) for technical civil works indicating item wise progress on approved components, cost, quantity, manufacturers/suppliers and comment on quality and status of implementation duly countersigned by the IA.
- c. Certificate from Chartered Engineer (Mechanical) for plant and machinery indicating item wise progress on approved components, cost, quantity, manufacturers/suppliers and comment on quality and status of implementation duly countersigned by the IA.
- d. Status of the service charges collected by dedicated agency responsible for repair and maintenance of industrial area.
- e. Project completion report.
- f. Recommendation of GM, DICC of concerned district after site visit certifying the fulfilment of conditions as per guidelines of the scheme.
- g. Any other condition which may be specified from time-to-time.

7. Monitoring and Evaluation:

- a. The Project Approval Committee will be the apex body for coordinating and overseeing the progress of the projects.
- b. The project completion period for the development work in the cluster shall be 2 years from the date of approval by PAC. This period can be extended by the PAC, keeping in view the justification of the delay.
- c. The IA/ designated agency will be responsible to maintain the Industrial Infrastructure created under the scheme at least for a period of 10 years from the date of completion of the project. IA/ designated agency will not

be eligible to avail any other State Government benefit for development of infrastructure in the industrial area for 10 years.

- d. In the event, if it is found that the IA has not utilized the amount of grant, or any part of it, for the infrastructure development or has not adhered to the guidelines of the scheme, the State Government, without prejudice to any other rights, shall be entitled to recover the amount of loss as arrears of land revenue from the IA and / or members associated with IA jointly and severally.
- e. Books of Accounts of the expenses incurred for the development work under the scheme in the cluster shall be maintained by the IA. The accounts books shall be open for inspection by the State Government/ statutory auditors/auditors of the State Government.
- f. IA and its designated agency will be required to adhere to the monitoring guidelines issued by the Commissioner, Industries & Commerce from time to time.



IV. SPECIAL INCENTIVES FOR CLUSTER DEVELOPMENT PROJECTS BEING IMPLEMENTED IN THE STATE

1. Allotment of land at concessional rates:

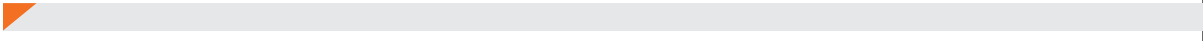
For establishment/creation of Common Facility Centre for artisans/craftsmen/weavers and Micro and Small Enterprises under any State/Gol funded cluster development programme/scheme, land will be allotted by RIICO in its industrial areas @25% of the prevailing industrial rate of allotment as per the recommendation of Commissioner, Industries & Commerce. The land will be allotted on lease basis for an initial period of 31 years which may be considered for renewal for further period(s) of 10 years at a time and also, thereafter, depending on the progress/performance of the SPV.

Arrangement of land at places other than RIICO industrial areas will be required to be done by the concerned SPV/Implementing Agency/State Government.

2. Assistance for Exposure Visits:

Social Capital and Trust Building amongst SPV members is an essential component for success of the Cluster Development initiatives. Exposure Visits are key for cluster members from Rajasthan to observe and learn from the initiatives being undertaken by MSMEs in other states. Exposure to already setup Common Facility Centers may provide the necessary boost and vision to setup a future looking facility under the Cluster Development Programmes of Gol.

In this regard, State Government will support interested cluster representatives to undertake such exposure visits. Such cluster representatives will be required to submit a request to respective GM DICC with a concept note on the project to be presented to Commissioner,



Industries & Commerce. Commissioner, Industries & Commerce basis the presentation may decide to sanction support up to Rs. 2 Lakhs to the concerned DICC for exposure visits of the cluster beneficiaries including a State Government official from concerned DICC/ department HQ after due approval of Accounts Section of the Department. Any additional expenses over and above Rs. 2 Lakhs will be borne by the SPV members/ beneficiaries.



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