



EXECUTIVE SUMMARY

I. Background

Micro, Small and Medium Enterprises (MSMEs) play a pivotal role in economic and social development of the country. As per the fourth Census of MSMEs (2011-2012), there are a total of 3.6 crore MSMEs in the country with an overall employee strength of over 8.0 crore. Collectively, MSMEs accounts for 45% of total industrial production and 40% of total exports of the country. Total contribution of MSMEs to the national GDP is 37.54%, wherein a significant percentage (7%) comes from manufacturing segment alone. Thus, as the second largest employment generating sector after agriculture, MSMEs become an integral segment of Indian economy.

National Capital Region (NCR) is one of the fast growing industrial and urban regions in the country which comprises the entire National Capital Territory of Delhi (NCT Delhi) and parts of the State of Uttar Pradesh, Haryana and Rajasthan. Rich resource base, industrial development, large size of population and huge consumer market in the region are some of the factors that led to the mushrooming growth of MSMEs in NCR. There are about 85,648 micro and small scale enterprises in NCR with the total investment of Rs. 94,929 crore, employing over 9 lakh people. These enterprises are not only providing employment to lakh of workers in NCR but are also creating a sound entrepreneurial base in the economy by developing and nurturing talents & skills of micro, household and small entrepreneurs.

Regional Plan-2021 for NCR(RP-2021) recognized that a significant presence of informal sector activities and enterprises in NCR are producing comparatively inexpensive wage goods and services, thereby, providing abundant opportunities for self-employment to a large section of population. Therefore, RP-2021 identified some of the major informal activities/enterprises within NCR which includes engineering & metal works, leather works, *murtikala*, carpet weaving, pottery, handloom, sports goods manufacturing, scissors & blades industries, brassware manufacturing, etc. It is observed that the NCR participating States i.e. Haryana, Rajasthan, Uttar Pradesh and NCT Delhi offer an enormous range of MSME activities, with the support of Ministry of MSMEs and other Central Ministries/ departments.

In order to understand the existing situation of MSMEs, their issues & infrastructure requirements and to prepare a plan of action for the development of such enterprises in NCR, a study on “*Micro and Household Enterprises in NCR*” was undertaken by the NCR Planning Board, through a Consultant in year 2015. The study revealed that MSMEs in NCR are facing various problems related to availability of infrastructure (roads, power, water, land, etc.), procurement of raw materials, processing, design & technology up-gradation, financial assistance, marketing and export, etc. Accordingly, the Board decided to prepare a Functional Plan, to guide the NCR participating States towards addressing various issues related to growth and development of micro, small and households manufacturing



enterprises in the region. Thus, this Functional Plan has been formulated by way of providing general recommendations and sector/cluster specific recommendations. These recommendations are to be implemented by the NCR participating State Governments and the concerned Central Ministries/ Departments/ Agencies.

The existing situation analysis presented in the '*Functional Plan for Micro and Household Enterprises in NCR*' is limited to area as covered in RP-2021, notified in 2005. Six new districts namely, Bharatpur of the State of Rajasthan; Bhiwani, Mahendragarh, Jind and Karnal of the State of Haryana; and Muzzaffarnagar & Shamli of the State of Uttar Pradesh were included in NCR by the Government of India in year 2013, 2015 and 2018. Consequent to the inclusion of these six new districts, the total area of NCR has increased from 34,144 sq.km to 55,083 sq. km. It should be noted that the analysis of existing situation of MSMEs of aforesaid newly added districts has not been carried out, however, it is recognized that various types of MSME activities (as analyzed in this Functional Plan) are by and large exist or being carried out in these districts too. Therefore, it is suggested that the recommendations made in this Functional Plan may be applied to the entire NCR, including the newly added districts.

II. Development and growth of Micro & Household Enterprises in NCR

a) Policy Framework

The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 was notified by the Government of India in 2006. Further, the Ministry of MSME has taken various initiatives/ interventions regarding implementation of the MSMED Act, 2006 and has formulated several policies, schemes and programmes for overall growth & development of MSMEs (manufacturing) in the country which includes cluster development, infrastructure development, financial assistance, procurement of raw materials, marketing of finished products, display & exhibition of products, and exports & promotion, etc. Various sector specific Ministries concerned with the development of MSMEs, like Ministry of Textile, Ministry of Commerce and Industry, Ministry of Food Processing Industries, Ministry of Labour and Employment, Ministry of Finance, etc., have also taken major initiatives for the growth and development of MSMEs.

In order to effectively implement and enforce the MSMED Act, 2006, NCR participating States have also formulated various policies, schemes and initiated interventions for growth and development of MSMEs. State wise brief of such interventions is as under:

- **Government of Haryana** has formulated '*Enterprises Promotion Policy-2015*', envisaging the development of about 20 major MSME clusters, Rural Functional Clusters, etc. It has also formulated '*Mini Cluster Development Scheme*' for the development of Common Facility Centre (CFC) in MSME clusters. Further, in order to promote geographical dispersal of industries, the entire State has been divided into four categories of Development Blocks based on level of industrialization and economic development. Accordingly, the incentives, namely, VAT remission, interest subsidy,



electricity duty exemption, stamp duty refund, etc., are being provided in these categorized blocks. Policy has also identified focus/ thrust sectors which are agro-based, food processing & allied industry, footwear & accessories, etc. to be considered among micro and small industrial activities in the State.

- **Government of Uttar Pradesh** has prepared the '*Infrastructure & Industrial Investment Policy -2012*' and accordingly the Department of Small Scale Industries got rechristened as 'Department of MSME & Export Promotion' to effectively enforce the MSMED Act, 2006. In view of the vital role of MSMEs in employment generation, the State Government is committed to nurture this sector in consonance with heavy industries in a balanced manner and both the sectors will be developed as complementary to each other. Under this policy, holders of Memorandum -I or Memorandum -II will be provided with the benefits of the Central Government schemes i.e. Cluster Development Programme (CDP), Prime Minister Employment Generation Programme (PMEGP), Assistance to States for Infrastructure Development of Exports (ASIDE), Industrial Infrastructure Up-gradation Scheme, Quality Improvement, Scheme for establishing Pollution Prevention Plants, Registration of Intellectual Property Rights and Credit Guarantee, Marketing Assistance, Skill Development, Bar Coding, etc. A special Cell, wherein an officer-in-charge will be appointed for every scheme, is proposed to be created in the Directorate of Industries for effective implementation of the Central Government schemes.
- **Government of Rajasthan** has formulated '*Rajasthan Micro, Small and Medium Enterprises (MSME) Policy, 2015*' for development of MSMEs in the State. Under this, specific benefits are given to the thrust sectors like, textile sector, ceramic and glass sector, dairy and kota stone, marble and granite sector. In accordance with the provisions contained in the Rajasthan MSME Policy, 2015 and to give effect to the benefits as provided in the said policy, '*Rajasthan MSME Assistance Scheme, 2015*' is introduced in the State. Further, for revival of viable and potentially viable sick micro and small enterprises in the State, '*Rajasthan Sick Micro & Small Enterprises (Revival and Rehabilitation) Scheme, 2015*' has also been formulated by the State Government as a comprehensive package.
- **Government of NCT Delhi** (GNCT Delhi) has formulated '*Industrial Policy for Delhi 2010-2021*'. The thrust of GNCT Delhi is on encouraging modern, hi-tech, sophisticated, export-oriented small scale industries in Delhi along with those industries which do not stretch its meager resources such as land, water, electricity, etc. In NCT Delhi, no prior registration is required for setting up of any small scale unit, however, setting a small scale unit is subject to location specific restrictions since these can only be set up in conforming areas. There is no specific policy for development of micro, small and medium enterprises in NCT Delhi. As per the Industrial Policy for Delhi 2010-2021, GNCT Delhi has envisaged the development of handicrafts, handloom & khadi



enterprises, cluster development, industrial waste management and skill development, etc.

b) Spatial Distribution, Existing Situation and Growth

In NCR, **Haryana sub-region** is largely known for textile manufacturing. The sub-region is specialized in home furnishings, textiles and foundry in Panipat; chemical, fabrication and general engineering in Faridabad; automobile manufacturing and repairing in Rohtak; footwear manufacturing in Jhajjar; brass product manufacturing in Rewari; packaging of finished goods in Sonapat; and readymade garment in Gurugram. In **Rajasthan sub-region**, district Alwar is specialized in terracotta, *murtikala* and leather product manufacturing. **Uttar Pradesh sub-region** is known for its export items, as it ranks on the top in terms of exporting products from India. Within this sub-region, Bulandshahr is specialized in pottery & ceramic, zari/embroidery and under-garments; Ghaziabad & Hapur are known for *modha* making, bone accessories and block printing; Meerut is popular for sports goods manufacturing, artificial ornaments, musical instrument manufacturing, scissor making and handlooms. Micro, small & household enterprises in **NCT Delhi** are specialized in manufacturing readymade garments, non-leather products, furniture, paper products, electrical items, jewelry, printing, zari/embroidery work, etc. A high percentage of workers are engaged in readymade garment manufacturing in Delhi. It is observed that the proximity to NCT Delhi and other large cities like Meerut, Ghaziabad, Noida, Gurugram, etc. plays an integral role in the concentration of various clusters within NCR.

In total, there are about 41.9 lakh MSMEs in NCR. It is observed that Haryana sub-region ranks on the top in terms of number of existing micro and small enterprises as it constitutes 42.15 % of the total MSMEs in region, followed by Rajasthan sub-region (28.42%), Uttar Pradesh sub-region (28.41%) and NCT Delhi (1%). Further, district level analysis of the region shows that Alwar district in Rajasthan sub-region has highest number of MSMEs holding 28.42% of total MSMEs in region, followed by Gurugram district of Haryana sub-region (15.75%) and Gautam Budh Nagar district in UP sub-region (14.77%). Districts having less number of micro and small enterprises include Mewat (0.04%), Palwal (0.08%) and Panipat (0.84%) districts in Haryana sub-region.

In NCR, a substantial share of MSMEs (93.25%) is unregistered which is very close to the national average of 92.70%. In the region only 6.67% MSMEs are registered. Analysis shows that MSME sector is dominated by micro enterprises, as these constitute 99.72% (i.e. 41.7 lakh units) of the total MSMEs in NCR (94.94% at all India level), followed by 0.26% small enterprises and about 341 medium enterprises (0.008%). Further, based on the analysis by type of activities performed by MSMEs, it is observed that in NCR, 76.10% enterprises are engaged in various kinds of manufacturing activities, followed by 15% enterprises related to repairing & maintenance and 8.89% enterprises related to service sector.

About 15.4 lakh persons in NCR are engaged in various MSMEs, which constitutes 16.5% share of total MSME's workforce in India. Among the total MSME workforce in NCR,



maximum share i.e. 71.85% is engaged in micro enterprises followed by small enterprises (24%) and medium enterprises (4%).

III. Issues related to Micro & Household Enterprises in NCR

Study on *Micro & Household Enterprises in NCR* revealed that the main determinant governing origin and development of micro & household manufacturing enterprises in NCR is the existence of large market for products followed by support of the Central and State Governments. It is observed that despite of enormous importance and potential of MSMEs in NCR, most of the micro, household and small enterprise clusters in the region are facing numerous problems related to the availability of physical infrastructure (i.e. electricity, water supply, road, shelter, storage, etc.), procurement of raw material, purchase of machinery & equipment, design & technology, access to credit, marketing products and institutional support, etc. These issues and problems have been categorized into three categories i.e. general issues and sector/clusters specific issues. Brief of issues related to micro, small and medium enterprises in NCR is as under:

A. General issues:

Majority of issues pertaining to micro, small and medium enterprises are common in nature, which are as follows:

- lack of skilled manpower, skill up-gradation and labour availability
- direct access to raw material & cost of material
- shortage of space for work & workers, storage of raw material & finished goods, parking space for loading & unloading of material, etc.
- lack of physical infrastructure like supply of power & water, road connectivity, Common Effluent Treatment Plant (CETP), Common Facility Center (CFC) including Testing Labs, Tool Room, Design Center, etc.
- allocation of land in the Master Plans or Development Plans
- problem in obtaining loans from banks/ financial institutions
- poor packaging, branding and marketing facilities
- obsolete technology and outdated designs
- lack of linkages and partnership among enterprises/clusters
- registration or filing of Entrepreneurs Memorandum (EM I & II)
- multiplicity of Institutions and overlapping of policies
- database management for MSMEs

B. Enterprises/ clusters wise issues:

- **Handloom enterprises/ clusters:** Handloom activities are among the prime activities being undertaken by numerous micro, small and household enterprises in NCR. Handloom enterprises during the process of dyeing and finishing, discharge hazardous chemical effluents without the treatment, hence, it is leading to water pollution. It is also observed that due to the lack of proper drainage system in



Handloom Clusters, waste water accumulates in the area and creates a water logging situation. Further, the problem related to fluctuations in cost of raw materials, high transportation cost, lack of innovations in design & technological aspects and dearth of storage facility, machinery, etc. are also associated with Handloom enterprises/clusters in NCR.

- **Weaving Apparel/ Garment enterprises/ clusters:** Garment industry is fed by handloom sector, however, garment industry generally procures material which is readily available nearby from dealers in the vicinity instead of procuring it from the source. This leads to increase in the cost of raw material. Apart from this, garment industry requires latest design and technology.
- **Leather & Footwear enterprises/ clusters:** Increase in the cost of raw material and dependency on imports for critical non-leather components like PU sole, insole, steel toe caps, metal fittings etc. leads to low profit margin for the enterprises related to leather & footwear activities. Moreover, there is a pressure on investment due to mandatory effluent treatment plan as a result of which the cost of finished leather rises. It is also observed that there is a lack of testing & certifying agencies for quality assurance, skilled manpower for dyeing, tailoring & cutting, awareness about quality norms & standards; and R&D, etc. which is hampering the growth of such clusters.
- **Light Engineering and Auto-Component enterprises/ clusters:** It is observed that absence of latest machinery & skilled manpower (to match up with the quality measures of large and medium scale industries), fluctuation in price of raw material, monopoly of suppliers, lack of low cost credit, poor basic infrastructure like power, transport/ logistics, sewage, etc. are some of the major issues related to enterprises engaged in light engineering and auto-component manufacturing in NCR.
- **Pottery, Terracotta, Ceramics enterprises/ clusters:** The artisans do not have proper work place as majority of them either work in open shed/ place or within their home. Insufficient lighting and improper ventilation deteriorates the working conditions and make it to worst. Further, problem of storage, lack of proper place to display the finished products, poor transportation & marketing facilities leads to wastage & damage of products and adversely affects production.
- **Packaging enterprises/ clusters:** It is observed that shortage of skilled manpower, inadequate credit facilities, lack of exposure/training to best management & manufacturing practices and shortage of raw material & its costs, etc. are some of the major concerning issues affecting various packaging enterprises/clusters in NCR.
- **Sports Goods enterprises/ clusters:** Enterprises engaged in manufacturing of sports goods in NCR use manual/indigenous machinery which is restricting the quality as well as timely production of the products. Also, non-availability & high cost of raw material; lack of skilled manpower, branding & marketing of goods, latest technology & tools, training and R&D facilities, availability of credit on low interest



rate and lack of synergy & coordination among various sports goods manufacturers are some of the other issues limiting growth of such clusters.

- **Miscellaneous Manufacturing enterprises/ clusters:** There are several other small manufacturing clusters such as scissor manufacturing, musical instrument, artificial ornaments, handloom, *zari* and embroidery, brassware, *modha* making, marble *murtikala*, etc.in NCR. It is observed that these clusters are also facing problems related to lack of supporting physical infrastructure, credit availability on low interest rate, availability of raw material & its cost, availability of skilled manpower, poor work environment & storage facilities, etc.

IV. Recommendations for development of Micro & Household Enterprises in NCR

It is evident that the issues and challenges associated with micro, small & household enterprises in NCR are by and large common among all types of enterprises/clusters. However, as the issues of micro, small & household enterprises in NCR are categorized into three categories i.e. general and sector/clusters specific, similarly the recommendations are also given at these three levels, to address these issues. Some of the major recommendations for micro, small & household enterprises in NCR are summarized in following paragraphs.

A. General Recommendations:

➤ **Creation of Special Purpose Vehicle (SPV)**

1. Special Purpose Vehicle (SPV) should be created at each cluster/ group of clusters level. Also, Common Facility Center (CFC) should be established by each NCR participating State Governments at sub-regional level.

➤ **Manpower**

2. Short-term courses, suiting the requirement of various enterprises need be organized in association with various technical, financial institutes, NGOs, etc. The participants should also be given an impetus to attend these training courses in the form of stipend equivalent to the daily wages/opportunity cost.
3. Awareness programmes for training and skill up-gradation activities should be initiated frequently.

➤ **Raw material**

4. Raw material banks should be set up in each district and the concept of common markets should be introduced. The enterprises should be encouraged & facilitated to procure raw material directly from the first hand producers.
5. A common shed/storage area should be built at each cluster level.
6. Research and development should be initiated and funded in order to come up with new material with similar properties so that the dependency on natural resources to be substituted and reduced.



7. Enterprise/cluster's interdependency should be recognized in terms of supply chain linkages and frequent buyer-seller meets should be organized to strengthen such linkages.
- **Land /Space for Micro and Small Enterprises**
8. Development Authorities/ ULBs/ State Governments should identify and earmark land/space for micro, small & household enterprises and develop such land parcels with all necessary infrastructure, in collaboration/ through support from concerned Central Ministries/ Departments and SPVs, etc.
- **Physical Infrastructure**
9. Infrastructure development initiatives like development of land, provision of water supply, drainage, power distribution, non-conventional sources of energy for common captive use, construction of roads, common facility centres (CFCS) like common production/ processing centre, design centres, testing facilities, training centre, R&D centres, common effluent treatment plant (CETP), marketing display/selling centre, common logistics centre, common raw material bank/sales depot, etc. along with the first aid centre, canteen and other need based infrastructural facilities should be taken by the local authorities and other concerned departments/ agencies in collaboration with SPVs/ industry associations in and around the Clusters.
10. Infrastructure development schemes for the cluster(s) should be prepared.
11. Options for alternate clean energy sources including solar and biomass should be explored; and SPVs/Industry associations should take initiative in power generation for their own clusters.
12. CETPs should be constructed in the respective clusters based on requirement of the area to avoid and control environmental pollution. Incentives can be given to private developers to construct CETP and other required infrastructure on PPP mode.
- **Harmonize Master Plans with micro, small & household manufacturing activities**
13. Mechanisms for according priority to development activities related to micro, small & household manufacturing in urban areas should be evolved. Land /space for such enterprises should be earmarked in the Master Plan/ Development Plan. Also, efforts should be made for redevelopment/ rejuvenation and infrastructure development for MSMEs located/ concentrated in the old city areas. ULBs and Development Authorities should be incentivized to accord priority to designate areas for MSMEs manufacturing activities.
- **Finance and Credit**
14. MSMEs should be made aware of various schemes related to credit which they can avail. SPVs/ Industry Associations should set-up an effective institutional mechanism for facilitating credit flow.



15. Capacity of MSE loan officers should be developed by the banks to provide various advisory services to the MSMEs.
 16. Lead bank/ SIDBI should adopt MSME clusters.
 17. Micro and household enterprises should be encouraged to avail loan facilities at cheaper interest rates from MUDRA Bank. MUDRA loans, i.e., loans up to 10 lakh, have been made collateral free, as per the RBI norms in this regard.
 18. Govt. of India has also initiated a number of schemes and programs like Pradhan Mantri Rozgar Yojana (PMRY), Prime Minister's Employment Generation Programme (PMEGP), etc. to provide the financial assistance for micro and small enterprises. Efforts should be made to make maximum benefits from such scheme of the Central Government.
- **Technology, Design and Packaging**
19. Awareness regarding various programmes and schemes related to technology, design, packaging aspects, etc. should be initiated and trainings programmes should be organized by involving various National or State level technical and design research institutes.
 20. Design Centre and Testing Centres should be set up at cluster or district headquarters level in collaboration with SPVs/ SHGs/ Industrial Associations, etc.
- **Marketing of Products**
21. Information dissemination centres, display halls, exhibition centres, etc. should be set up in major industrial centres having concentration of MSMEs. If needed, such facilities can be developed in PPP mode.
 22. Inter-cluster and intra-cluster linkages should be identified to improve supply chain within NCR.
 23. The potential of tourist circuits/corridors should be tapped by establishing sales depots, display centres, etc. integrated with the government guest houses/motels or restaurants on these circuits/corridors.
 24. Branding of indigenous products and advertisement on State level web-portals, major magazines, national television, etc. should be done.
 25. The Digital India programme should be widely adopted; and MSMEs should be facilitated by creating e-commerce platforms on Business to Customer (B2C) and Business to Business (B2B) basis to significantly upscale e-commerce and enable the buyer & sellers to access virtual market for both the niche products as well as products of mass consumption in varied quantities.
 26. NCR participating State Governments should formulate '*Public Procurement Policy*' on the lines of the Central Government.
 27. A web portal should be set up containing details of clusters and a detailed catalogue of products should be made available on this portal.



➤ **Registration/ Filing of Entrepreneurs Memorandum (EM)**

28. Aggressive intervention for increasing awareness among the entrepreneurs regarding benefits of filing EM-II/registration with State Governments/DICs is required. Efforts should be made to register all micro, small & household enterprises in a phased manner.

➤ **Institutional/ Governance Structure**

29. NCR participating State Governments should evolve suitable mechanism to address issues of micro and household enterprises. DICs should be activated and their field officers should be appropriately guided and mobilized. Necessary training should be provided to DIC officers for enhancing their capacities. Programme specific training should be imparted to the functionaries.

30. Regional offices and institutions related to MSME should be strengthened, proper deployment of staff therein and optimum utilization of their existing facilities should be ensured. SHGs should be formed/ promoted.

➤ **Formulation of Projects for Financial Assistance**

31. Clusters should formulate projects/ proposals to avail financial assistance available through various programmes/ schemes of the Central and State Government concern. SPVs/ Industrial Associations and/or DICs can play a lead role in this regard.

32. Financial assistance in terms of soft loans should be availed by NCR participating States from NCRPB for the development of Micro, Small & Household Enterprises/ Clusters in NCR, as per the prevailing guidelines of NCRPB.

➤ **Formulation of policies/ schemes for MSMEs**

33. NCR participating State Governments should prepare policies/ schemes for revival and rehabilitation of sick MSMEs.

B. Enterprises/ Cluster-wise recommendations:

a) Handloom enterprises/ clusters

- i) CETPs should be constructed in the respective handloom clusters. If needed, the State Governments should provide incentives to the private developers to construct and operate CETP on PPP mode.
- ii) Sizeable Raw Material Banks (RMBs) should be set up.
- iii) Yarn Supply Scheme of the Ministry of Textiles, Government of India having three components, namely, (i) Supply of yarn at Mill Gate Price (ii) 10% Price Subsidy on cotton hank yarn, domestic silk and wool (iii) Investment in NHDC, should be widely disseminated and implemented.
- iv) Awareness should be created amongst handloom enterprises to market their products to the garment industry or other stakeholders; and regular buyer-seller meet should be organised.
- v) Special courses and workshops for design and technology, specific for the handloom clusters, should be designed and organised.



- vi) Major growth centres/areas for development of handloom enterprises should be identified and developed with necessary infrastructure.
- vii) CFCs should be set up at cluster level and Hire Purchase & Leasing Scheme of NSIC should be initiated in the clusters.

b) Wearing Apparel/ Garment enterprises/ clusters

- i) Awareness should be created amongst garment manufacturers to procure raw material directly from handloom enterprises; and regular buyer-seller meet should be organised so that handloom weavers (producers) and garment manufacturers (buyers) can establish direct contact.
- ii) Design and Testing Centres should be set up at district or cluster level.
- iii) Identify/earmark major markets where the enterprises can sell their products.
- iv) CFCs should be set up and schemes like Hire Purchase & Leasing of NSIC should be initiated at cluster level.

c) Agro Based and Food Processing enterprises/ clusters

- i) Physical infrastructure facilities required for agro-based and food processing MSMEs should be developed. Emphasis should be given on establishment of processing infrastructure in production catchment and maintaining cold chain.
- ii) Power supply should be strengthened and easy accessibility of electricity connection should be assured to the MSMEs on lower rates.
- iii) Since most of the items/ products of agro-based and food processing MSMEs are for immediate consumption and are perishable, it is suggested that express Public Transport facilities like refrigerated van, specially designed wagons for perishables, etc. should be created on PPP mode in order to expedite the transport of agro-food products up to the consumer markets with safety.
- iv) Research and Development (R&D) plays a major role for development of any industrial sector. For agro-based and food processing MSMEs R&D facilities be strengthen appropriately so that the cost of processing equipment and machinery can be reduced.
- v) More focus should be given on development of dairy, vegetable and oil seed based food processing enterprises in NCR.
- vi) Processing centres should be setup at appropriate locations considering the catchments/ clusters. Optimum number of quality control laboratories should also be setup.
- vii) Entrepreneurship/ skill development programme, Training on Smart marketing, etc. should be conducted for the MSMEs on regular basis with the help of ICAR, SAU, private sector, Khadi and village industry board and State Departments of Agriculture and Horticulture in association with Krishi Vigyan Kerndra (KVK), etc.
- viii) Appropriate marketing infrastructure and provision for marketing of processed food needs to be developed by the concerned NCR participating State Agencies and Central Government Agencies. The Cooperative marketing options should



be explored by such agencies and a system should be developed on market information & intelligence in order to facilitate the agro-based and food processing MSMEs. The functional food (Protein rich food products from cereal and pulses, soybean, oil meal product) produced by the MSMEs can be considered for Public Distribution System (PDS).

- ix) Single window system/ Suvidha centre for electricity and water connection, licensing and loan, etc. should be established and Tax holidays and other incentives including export subsidy for agro-processing units can be introduced wherever possible.

d) Light Engineering and Auto-Component enterprises/ clusters

- i) Government should take necessary steps to control prices of steel which is the main raw material for light engineering and auto-component enterprises.
- ii) Government should facilitate and/or incentivize light engineering and auto component manufacturing enterprises for creation and use of shared infrastructure; and capacity development for R&D, testing labs and design centres.
- iii) Schemes run by institutions like National Manufacturing Competitiveness Council (NMCC) and Ministry of MSME should be tapped to meet financial requirements. Also, awareness about various schemes and facilities should be created among the stakeholders.
- iv) Government has taken major initiatives under National Automotive Testing and R&D Infrastructure Project (NATRiP) and have plans under this scheme to provide expensive infrastructure for developing capabilities of automotive industry. NCR participating States/ DICs or the SPVs/ Industrial associations should get maximum benefits from such schemes.
- v) Awareness campaigns regarding need for getting credit worthiness rating and availability of low cost institutional equity capital and risk capital funds for expansion plans of MSMEs should be carried out. Some of the schemes of this category include *SME Growth Fund* of SIDBI Venture Capital Limited (SVCL), which can be tapped to meet the financial requirements in auto-components clusters. The EXIM bank also has several schemes for financing SMEs, firms, product export and overseas investments.
- vi) Training for specific skills suited for the specific work need should be imparted to the workers and entrepreneurs to increase the productivity.
- vii) Regular supply of power at a reasonable rate, efficient transportation and logistics services, and other required infrastructural facilities should be provided at cluster level.



e) Pottery, Terracotta, Ceramics enterprises/ clusters

- i) Training & capacity programmes should be organised for imparting training on modern methods of production, use of improved tools and latest technology for fast production of goods, product designs as well as quality control.
- ii) Government authorities should take steps for effectual market promotion of crafts.
- iii) Infrastructure facilities like roads, transport, communication and power supply should be provided in such clusters.
- iv) Financial assistance provided by the banks should be increased and improved.
- v) More showrooms/ display centres within and outside the craft villages, i.e. in nearby towns should be set up for better exposure of the products.
- vi) Exports of pottery, terracotta, ceramics, etc., products should be promoted.

f) Leather & Footwear enterprises/ clusters

- i) Support programs for R&D in emerging technologies and similar material to substitute leather should be initiated.
- ii) Support for establishing common facilities to enhance collaboration among SMEs should be provided and scheme/ programs should be initiated to support common facilities like marketing & business development centre, shared testing & certification centre, R&D centre, etc. at sub-region level.
- iii) Technology development & demonstration schemes should be undertaken.
- iv) Database of industry experts for technical support should be created.
- v) Entrepreneurs should be trained through short term or long term courses on traditional footwear (e.g. *mojari*) and other leather accessories especially on new designs & techniques. Also, awareness programme should be conducted to educate & train the entrepreneurs.
- vi) Raw material banks should be set-up and linkages with designers of leather accessories and footwear should be established.

g) Packaging enterprises/ clusters

- i) Eco-friendly and innovative packaging solutions with WTO/ world standards compliance, high lifecycle cost, waste management, cost effectiveness, and consumer convenience, etc. should be offered in association with the Packaging Industry Association of India (PIAI).
- ii) Capital investment subsidy should be designed for the development of infrastructure, latest machinery, technology up-gradation, R&D activities, etc.
- iii) Private players should be encouraged for establishing Packaging Parks on PPP mode.
- iv) Ministry of MSME, Government of India, has a scheme whereby it reimburses the ISO 9001/14001/HACCP certification expenses to the tune of 75% or Rs. 75,000/- whichever is less, through the respective Directorate of MSME/ DICs.



Awareness programmes, campaigns/workshops, etc. should be conducted w.r.t. ISO certification.

- v) Training for various types of packaging works should be imparted to the workers and entrepreneurs to enhance their skills and also to increase the productivity.
- vi) Premium institutes like Indian Institute of Packaging (IIP), School of Packaging-Packaging Technology Centre, etc. should be given more thrust and to be developed into centers with world-class facilities.
- vii) A long-term roadmap with commitment on milestones for overall development of packaging enterprises/ clusters in NCR to be prepared and implemented.

h) Sports Goods enterprises/ clusters

- i) Ministry of Youth Affairs and Sports; Ministry of Commerce and Industries, Ministry of MSME or any other concerned Central Ministry/ Department should take necessary actions towards removal of restrictions in the movement of raw materials. Raw material banks should be established to facilitate the sports goods manufacturers by way of providing regular supply of raw material on reasonable rates.
- ii) Financial assistance for technological up-gradation should be provided to the enterprises. Availability of loans on cheaper rates should be ensured.
- iii) Capacity building and training programmes should be organised for the entrepreneurs and workers in association with the Sports Goods Export Promotion Council (SGEPC), Process and Product Development Centre, Sports Goods Associations, Sports Good Foundation of India, etc.
- iv) Brand India should be popularized domestically. Players/ participants at the international events that take place in India to be encouraged to use sports goods manufactured in India conforming to the international specifications and standards. The national sports channel, DD Sports, All India Radio, etc. should advertise the local sports brands at concessional rates. Local brand should be promoted at international fairs.
- v) Adequate infrastructure facilities like power supply, good road, drainage, storage, display centres, etc., should be provided to existing enterprises/ clusters.
- vi) A database/ directory of sport goods enterprises should be created and efforts should be made to establish synergy and coordination amongst various sports goods manufacturers by organising workshops, seminars and interaction meets, etc.
- vii) There is an urgent need for product diversification. For the same, R&D centres should be established to conduct research on new products.



i) Miscellaneous Manufacturing enterprises/ clusters

Miscellaneous manufacturing clusters includes Musical instruments cluster, Artificial Ornaments cluster, Modha making cluster, Murti kala cluster, etc. These clusters are highly unorganised and fragmented, located in small towns/villages and/or alongside the National/State Highways. It is recommended that the concerned NCR participating State Governments should conduct a comprehensive analysis of their respective sub-regions and should prepare a road-map/detailed plan for the overall planned development and growth of such clusters, considering the above recommendations.