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LIST OF ABBREVIATIONS

AEPC	: Apparel Export Promotion Council
AHVV	: Ambedkar Hastshilp Vikas Yojana
ASCENT	: Asian Centre for Entrepreneurial Initiatives
ASIDE	: Assistance to States for Infrastructure Development of Exports
CFC	: Common Facilities Centre
CDE	: Cluster Development Executive
CDO	: Cluster Development Officer
CDP	: Cluster Development Programme
DC MSME	: Development Commissioner, Micro, Small and Medium Enterprises
DIC	: District Industries Centre
CFTRI	: Central Food Technological Research Institute
DST	: Department of Science and Technology
DoH	: Department of Health
DRDA	: District Rural Development Agency
EDI	: Entrepreneurship Development Institute
EM I	: Entrepreneur's Memorandum I
EM II	: Entrepreneur's Memorandum II
GDP	: Gross Domestic Product
GoI	: Government of India
ICT	: Information and Communication Technology
IIE	: Indian Institute of Entrepreneurship
IHDS	: India Human Development Survey
IPR	: Intellectual Property Rights
ITI	: Industrial Training Institute
KVIC	: Khadi and Village Industries Commission
KVIB	: Khadi and Village Industries Board
MSME-TC	: Micro, Small and Medium Enterprises - Testing Centre
M/o MSME	: Ministry of Micro, Small and Medium Enterprises
MGIRI	: Mahatma Gandhi Institute for Rural Industrialisation
MSME-DI	: Micro, Small and Medium Enterprises - Development Institute
MSME-TI	: Micro, Small and Medium Enterprises - Training Institute
MSME	: Micro, Small and Medium Enterprises
MSE	: Micro and Small Enterprises
MSMED Act	: Micro, Small and Medium Enterprises Development Act
MSE-CDP	: Micro and Small Enterprises – Cluster Development Programme
MSME-TR	: Micro, Small and Medium Enterprises -Tool Room
MSME-TS	: Micro, Small and Medium Enterprises -Testing Station
MUDRA	: Micro Units Development and Refinance Agency
NCRPB	: National Capital Region Planning Board
NCR	: National Capital Region



Functional Plan for Micro and Household Enterprises in NCR

NCT	: National Capital Territory
NIC	: National Industrial Classification
NIESBUD	: National Institute for Entrepreneurship & Small Business Development
NID	: National Institute of Design
NI-MSME	: National Institute for Micro, Small and Medium Enterprises
NABARD	: National Bank for Agriculture and Rural Development
NSIC	: National Small Industries Corporation
NMCP	: National Manufacturing Competitiveness Programme
NATRiP	: National Automotive Testing and R&D Infrastructure Project
PPP	: Public Private Partnership
PMEGP	: Prime Minister's Employment Generation Programme
QMS	: Quality Management Standards
QTT	: Quality Technology Tools
R&D	: Research & Development
REGP	: Rural Employment Generation Programme
SDP	: Skill Development Programme
SHG	: Self-Help Group
SIDBI	: Small Industries Development Bank of India
SSI	: Small Scale Industries
SISI	: Small Industries Services Institute
SIDCO	: Small Industries Development Corporation
SFURTI	: Scheme of Fund for Regeneration of Traditional Industries
SME	: Small and Medium Enterprises
SICDP	: Small Industries Cluster Development Programme
SPV	: Special Purpose Vehicle
SGSY	: Swarnajayanti Gram Swarajgar Yojana
UNIDO	: United Nations Industrial Development Organisation
UPTECH	: Integrated Technology Upgradation and Management Programme
TDC	: Technology Development Centre
TIIC	: Tamil Nadu Industrial Investment Corporation
TANSTIA	: Tamilnadu Small and Tiny Industries Association
WSC	: World Standards Cooperation



1. INTRODUCTION

1.1 National Capital Region

National Capital Region (NCR) covers parts of States of Haryana, Uttar Pradesh & Rajasthan and the entire National Capital Territory of Delhi (NCT Delhi). As per the Regional Plan-2021, NCR comprises of NCT-Delhi, eight districts of State of Haryana, namely, Panipat, Sonipat, Rohtak, Jhajjar, Gurugram, Rewari, Mewat and Faridabad; five districts of State of Uttar Pradesh, namely, Meerut, Baghpat, Ghaziabad, Gautam Budh Nagar and Bulandshahr; and district Alwar of State of Rajasthan (refer Map 1-1). Later, few districts were bifurcated and reorganized by the respective NCR participating State Governments, resulting to which the NCR comprises nine districts of State of Haryana, six districts of State of Uttar Pradesh, district Alwar of State of Rajasthan and entire NCT Delhi (refer Map 1-2). Till September, 2013 the total area of NCR was 34,144 sq. km.

Further, Government of India vide Gazette Notification dated 01.10.2013, 26.11.2015 and 16.04.2018 added Bhiwani, Mahendragarh, Jind and Karnal districts of State of Haryana, Bharatpur district of State of Rajasthan and Muzaffarnagar and Shmal districts of State of Uttar Pradesh in NCR. Consequent to these notifications, the current area of NCR is 55,083 sq. km. The administrative units of constituent areas of NCR are as follows:

- i) **Entire NCT Delhi**
- ii) **Haryana sub-region** comprising of thirteen districts, namely, Panipat, Sonipat, Rohtak, Jhajjar, Gurugram, Rewari, Mewat, Faridabad, Palwal, Bhiwani, Mahendragarh, Jind and Karnal.
- iii) **Uttar Pradesh sub-region** comprising of seven districts, namely Meerut, Ghaziabad, Gautam Budh Nagar, Bulandshahr, Baghpat, Hapur, Muzaffarnagar and Shamli.
- iv) **Rajasthan sub-region** comprising of two districts, namely, Alwar and Bharatpur.

As per Census-2011, the total population of NCR is about 581 lakh of which nearly 38% population is rural. There are a total of 230 urban settlements and more than 8200 rural settlements, of varied population size in NCR.

1.2 Regional Plan-2021 for NCR

National Capital Region Planning Board (NCRPB) had prepared the Regional Plan for NCR with the perspective year 2021 (RP-2021) as per the provisions under Section 10 of the NCRPB Act, 1985, for balanced and harmonized development of the region. The RP-2021 was prepared for the then notified area of NCR (as shown in Map 1-1) and was notified on 17th September, 2005.



Map 1-1 National Capital Region- Constituent Areas (as per RP-2021)



Map 1-2 National Capital Region- Constituent Areas (after reorganization of districts)



1.2.1 Aim & Objectives of Regional Plan-2021 for NCR

The Regional Plan-2021 aims "to promote growth and balanced development of the National Capital Region". This aim is sought to be achieved through:

- i) Providing suitable economic base for future growth by identification and development of regional settlements capable of absorbing the economic development impulse of NCT Delhi.
- ii) Providing efficient and economic rail and road based transportation networks (including mass transport systems) that are well integrated with land use.
- iii) Minimizing the adverse environmental impact that may occur in the process of development of the NCR.
- iv) Developing selected urban settlements with urban infrastructural facilities such as transport, power, communication, drinking water, sewerage, drainage, etc. comparable with NCT Delhi.
- v) Providing a rational land use pattern in order to protect and preserve good agricultural land and utilize unproductive land for urban uses.
- vi) Promoting sustainable development in the region to improve the quality of life.
- vii) Improving the efficiency of existing methods of resource mobilization and adopting innovative methods of resource mobilization and facilitate, attract and guide private investment in desired direction.

RP-2021 has recognized that there is a sizable presence of informal sector activities and enterprises in various towns of the NCR, which produce comparatively inexpensive wage goods and services while providing abundant opportunities for self-employment to a large section of population. This unorganized sector has been recognized as an important segment of urban human activities which is making a positive contribution to the growth and economic development of these towns and, through them, of the entire region.

Some of these activities are being carried out since long and are also well recognized in terms of specialization and export potentials. RP-2021 identified the following informal sector activities in NCR:

- i) Engineering and metal work, leather work, *murtikari*, carpet weaving and pottery in Alwar
- ii) Handloom, sports goods and scissors & blades industry in Meerut
- iii) Pottery and ceramics in Khurja
- iv) Handloom industry in Panipat
- v) Brassware in Rewari
- vi) Potteries in Mewat.

RP-2021 advocates the necessity to address the informal sector in all its ramifications and evolve appropriate strategies to cater to the basic needs of its constituent population by way of providing



shelter, workplace, social amenities and financial support so as to facilitate their growth and, at the same time, mobilize their skills and entrepreneurship for the benefit of society at large. Under the strategy for accelerated development of NCR, the informal sector, including household industries, would be poised to claim a large share of the induced population growth and income generation. An attempt, therefore, is to be made to absorb the informal sector, as far as possible, particularly within the fabric of planned urban development and economic growth of the integrated townships which are at the core of the envisaged development strategy for NCR.

1.3 Study on Micro and Household Enterprises in NCR

Considering the importance of MSMEs in the NCR, NCRPB conducted a study on “*Micro and Households Enterprises in NCR*” through M/s Mott MacDonald Pvt. Ltd., which was initiated in 2009 and completed in 2015. The said study has covered micro and households manufacturing enterprises and it indicates that there are more than 35,000 registered micro manufacturing enterprises in NCR (as notified in RP-2021) and large number of un-registered micro manufacturing enterprises.

The Study Report was prepared after extensive consultations with concerned Ministries/ Departments of the Central Govt., NCR participating States and their Departments/Agencies. Draft findings & recommendations of the Study were also deliberated in a Stakeholder’s Workshop held on 08.05.2015. The report was finalized after incorporating the views/ comments/ suggestions received from various Stakeholders. Final Report of the Study of Micro & Household Enterprises for NCR was subsequently approved by the Consultancy Review Committee (CRC) constituted under the chairmanship of Member Secretary, NCRPB wherein Director, MSME Development Institute; Director, National Institute for Entrepreneurship and Small Business Development (NIESBUD) and representatives of Industries Department of Governments of Haryana, U.P., Rajasthan and NCT-Delhi were the members. The Final Report was approved by the CRC in its 6th Meeting held on 14.08.2015.

Study accentuated the potential for development of micro and household manufacturing enterprises in the region which would provide gainful employment opportunities to many households in NCR.

1.4 Need for Preparation of Functional Plan on Micro and Household Enterprises in NCR

The RP-2021 for NCR proposes “*to harness the spread of the developmental impulse and agglomeration economies generated by Delhi for harmonized, balanced and environmentally sustainable spatio-economic development of the NCR with effective cooperation of the participating States*”.

It is evident that many of the urban centres such as Delhi, Gurugram, Faridabad, Noida, Ghaziabad, Meerut, etc. in NCR have emerged as hubs of industry and service sector, however, many of the small towns and villages in NCR lack in employment generation activities. There is an urgent need to create adequate economic opportunities and employment generation activities in these smaller



urban centres and villages. Micro & household enterprises in NCR comprise of various types, such as agro-based enterprises, handicraft and handloom, etc. in rural areas and smaller towns. These need to be promoted in order to support urban activities and to stabilize rural economy in NCR. In addition to high potential for employment generation, micro and household enterprise sector is economically important because of low capital investment, high ratio of value addition and high potential for export and foreign exchange earnings.

Numerous artisans are engaged in craftworks on part-time basis in the NCR. The household/cottage industries provide employment to many artisans, including a large number of women and people belonging to the weaker sections of the society. Enormous potential exists in the micro & household enterprises in NCR to provide eco-friendly way of income and employment generation in variety of sectors including agro-processing, handicraft, textile, light engineering, ceramic & pottery, etc. Moreover, the micro & household manufacturing enterprises sector in NCR needs to be explored for potential areas.

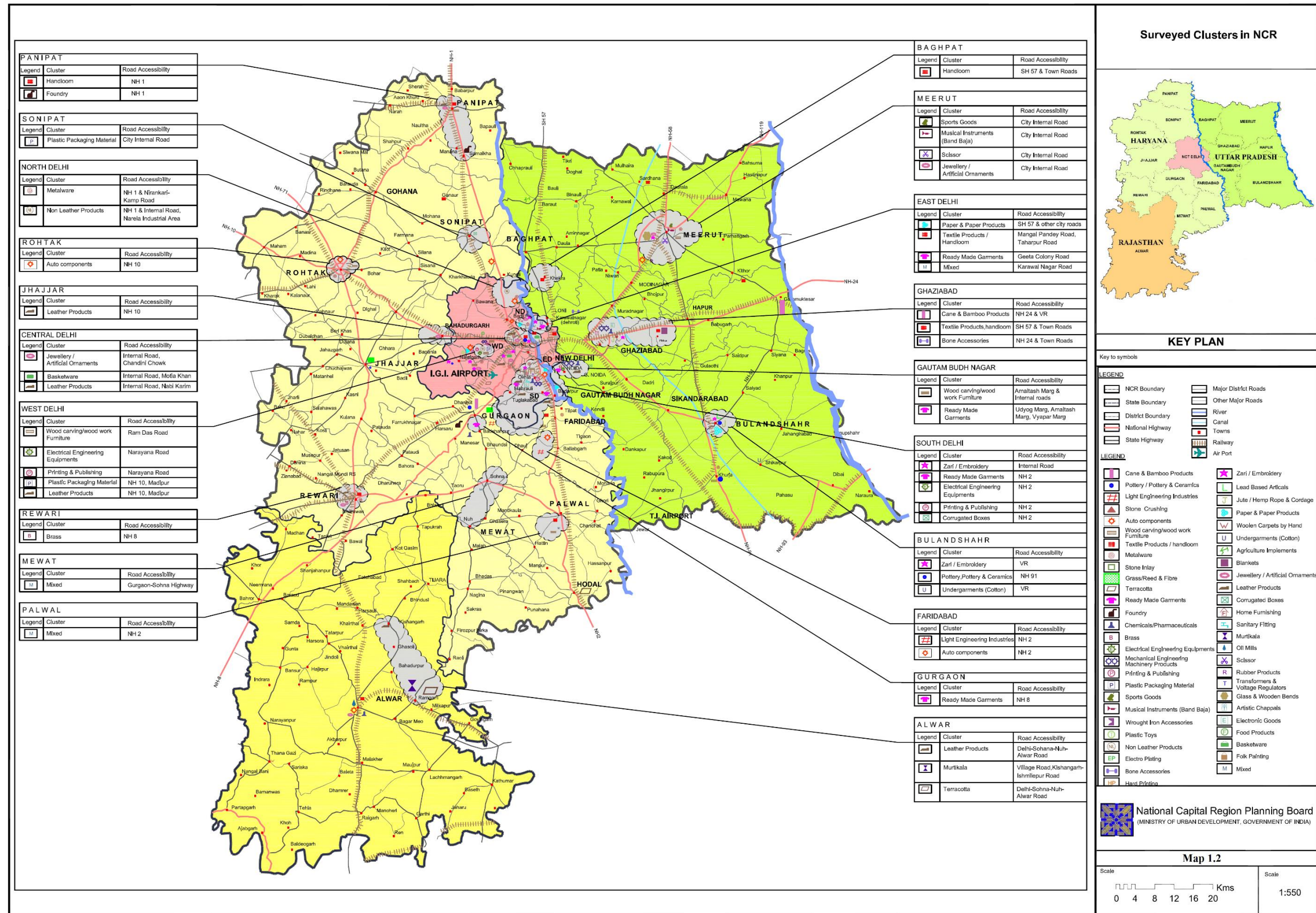
Keeping in view the constraints faced by micro & household manufacturing enterprises, as highlighted in the study on “*Micro and Households Enterprises in NCR*” and based on the enormous potential of the sector for enhancing the economic development & employment generation in NCR, the ‘*Functional Plan for Micro and Household Enterprises in NCR*’ has been prepared as per the provision under Section 16 of NCRPB Act, 1985 for the guidance of the NCR participating States. The Functional Plan provides recommendations for the development of micro & household manufacturing enterprises in NCR.

1.4.1 Methodology

Functional Plan for Micro & Household Enterprises in NCR has been prepared based on the analysis and findings of the study on Micro and Households Enterprises in NCR. The study was based on data/information published by Govt. of India & NCR participating State Govts., information provided by various industry associations and primary survey of 2500 micro & household enterprises. Details of district wise distribution of clusters, sampled clusters and clusters where primary survey was conducted is given in **Annexure-1** (Appendix 1.A, 1.B & 1.C). The spatial distribution of Surveyed Clusters is presented in **Map 1-3**.

In addition to the Study on Micro and Households Enterprises in NCR, district level data related to micro and small enterprises, published by MSME-Development Institute(s), Ministry of MSME, Government of India and various other organizations, has also been utilized to analyze the existing situation of micro, small and household manufacturing enterprises in NCR.

Micro and Household Enterprises comprises of three types i.e. manufacturing, repairing & maintenance, and services. Considering the wider base of the service based micro and household enterprises it was decided that the Functional Plan would be limited to micro, small and household manufacturing enterprises.



Map 1-3 Surveyed Clusters in NCR



2. MICRO & HOUSEHOLD ENTERPRISES: RELEVANT ACTS, POLICIES, PROGRAMMES AND SCHEMES

2.1 Background

The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 was notified in 2006 to address policy issues affecting Micro, Small and Medium Enterprises (MSMEs) as well as the coverage and investment ceiling of the sector. In May 2007, the Ministry of Small Scale Industries and the Ministry of Agro and Rural Industries were merged to form the Ministry of Micro, Small and Medium Enterprises (MoMSME). The Ministry of MSME designs policies, programmes, projects & schemes and monitors their implementation with a view to develop MSMEs.

MSMED Act, 2006 provides a legal framework for MSMEs in India and gave recognition to the concept of “*enterprise*” (comprising both manufacturing and services). It integrates three tiers of these enterprises, namely, *micro*, *small* and *medium*. Micro, small and medium (MSM) enterprises in the service sector are also covered under the Act and a separate investment limit for plant and machinery has been prescribed for MSM enterprises of this sector.

The said Act was framed with the following objectives:

- To facilitate the promotion and development of micro, small and medium scale enterprises (MSM enterprises);
- To enhance the competitiveness of MSM enterprises;
- To concentrate on the related matters of MSM enterprises;
- To extend the scope of benefits from SSI undertaking and ancillary industries to MSM enterprises.

2.2 Concept and Definitions of relevant Terms

2.2.1 Enterprises

An institutional unit in its capacity as a producer of goods and services is known as an *enterprise*. An enterprise is an economic transact or autonomy in respect of financial and investment decision making, as well as authority and responsibility for allocating resources for production of goods and services. It may be engaged in one or more economic activities at one or more locations. An enterprise may be a sole legal unit.

2.2.2 Micro Enterprises

The earlier concept of ‘*industries*’ has been changed to ‘*enterprises*.’ Broadly, enterprises have been classified into the following two categories:

- i) Enterprises engaged in the manufacture/production of goods,
- ii) Enterprises engaged in providing/rendering of services.



MSMED Act defined enterprises in terms of micro, small and medium enterprises based on their investment in plant and machinery for manufacturing enterprises, or on equipment for enterprises providing or rendering services. The classification of enterprises based on investment ceiling is given in **Table 2.1**.

Table 2.1 Classification of MSME's based on ceiling on investment

Classification of Enterprises	Manufacturing Enterprises (Investment limit in plant & machinery)	Service Enterprises (Investment limit in equipment)
Micro	Rs. 25 lakh	Rs. 10 lakh
Small	Rs. 5 crore	Rs. 2 crore
Medium	Rs. 10 crore	Rs. 5 crore

Source: Study on Micro & Household Enterprise in NCR, NCRPB and MoMSME Report "MSME AT A GLANCE-2016"

2.2.3 Household Industries

As per Census of India, 'Household Industry' is defined as an industry conducted by one or more members of the household at home or within the village in rural areas and only within the precincts of the house, if the household lives in urban areas. The larger proportion of workers in the household industry consists of members of a household. The industry is not run on the scale of a registered factory which would qualify or has to be registered under the Indian Factories Act. Household Industry relates to production, processing, servicing, repairing or making and selling (but not merely selling) of goods.

2.2.4 Village Industries

The term 'village industries' has been defined in amended KVIC Act, 1956 as "any industry located in a rural area which produces any goods or renders any service with or without the use of power and in which the fixed capital investment per head of artisan or worker does not exceed Rs.1.0 lakh (Rs. 1.50 lakh in case of village industry located in a hilly area) or such other sum as may, by notification in the Official Gazette, be specified from time to time by the Central Government."

2.2.5 Registered Micro Enterprises

The following definitions are considered for 'registered micro enterprises':

- i) All enterprises engaged in the activities of manufacturing or in providing/rendering of services, registered permanently with District Industries Centres (DIC) up to 2.10.2006 (before the MSMED Act, 2006) may be referred as registered enterprises- before MSMED Act, 2006.
- ii) All enterprises engaged in the activities of manufacturing or in providing/rendering of services that have obtained Entrepreneurs Memorandum-II (EM-II) from District Industries Centres as on 31.03.2010 referred as registered enterprises with EM-II. Data / information on enterprises registered before 2006 was not available. Thus, the enterprises



that have been registered with the DICs after 2006 and obtained EM-II were considered to arrive at the inventory of registered enterprises.

2.2.6 Unregistered Micro Enterprises

All enterprises which are engaged in the activities of manufacturing or in providing/rendering of services but not registered permanently or obtained Entrepreneurs Memorandum-II (EM-II) with District Industries Centres as on 31.03.2010 referred as '*unregistered enterprises*'.

2.2.7 Cluster

As per Micro & Small Enterprises Cluster Development Programme (MSE-CDP), a '*cluster*' is defined as a group of enterprises located within an identifiable and as far as practicable, contiguous area and producing same/similar products/services. The geographical bounds of a cluster may constitute a *mohalla*, village, block, etc. A combination of villages, towns or blocks and even a smaller district/union territory, if easily administered under the programme, may also qualify as a cluster.

The essential characteristics of enterprises in a cluster are as follows:

- i) Similarity or complementarity in the methods of production, quality control and testing, energy consumption, pollution control, etc.;
- ii) Similar level of technology and marketing strategies/practices;
- iii) Channel for communication among the members of the cluster; and
- iv) Common challenges and opportunities.

2.2.8 Common Facility Centres (CFC)

As per the Modified Guidelines of MSE-CDP, Common Facility Centres (CFCs) consist of creation of tangible '*assets*' like Common Testing Facilities, Design Centre, Production/Processing, Common Raw Material Bank/Sales Depot, Training Centre, R&D Centres, Effluent Treatment Plant, Marketing Display/Selling Centre, Common Logistics Centre, and Information Centre, any other need based facilities, etc.

2.3 Institutional Structure of MSM Enterprises

Major institutions involved in the development of MSME Clusters in India are briefly illustrated in **Figure 2.1** and their roles and responsibilities are explained in the subsequent paras:

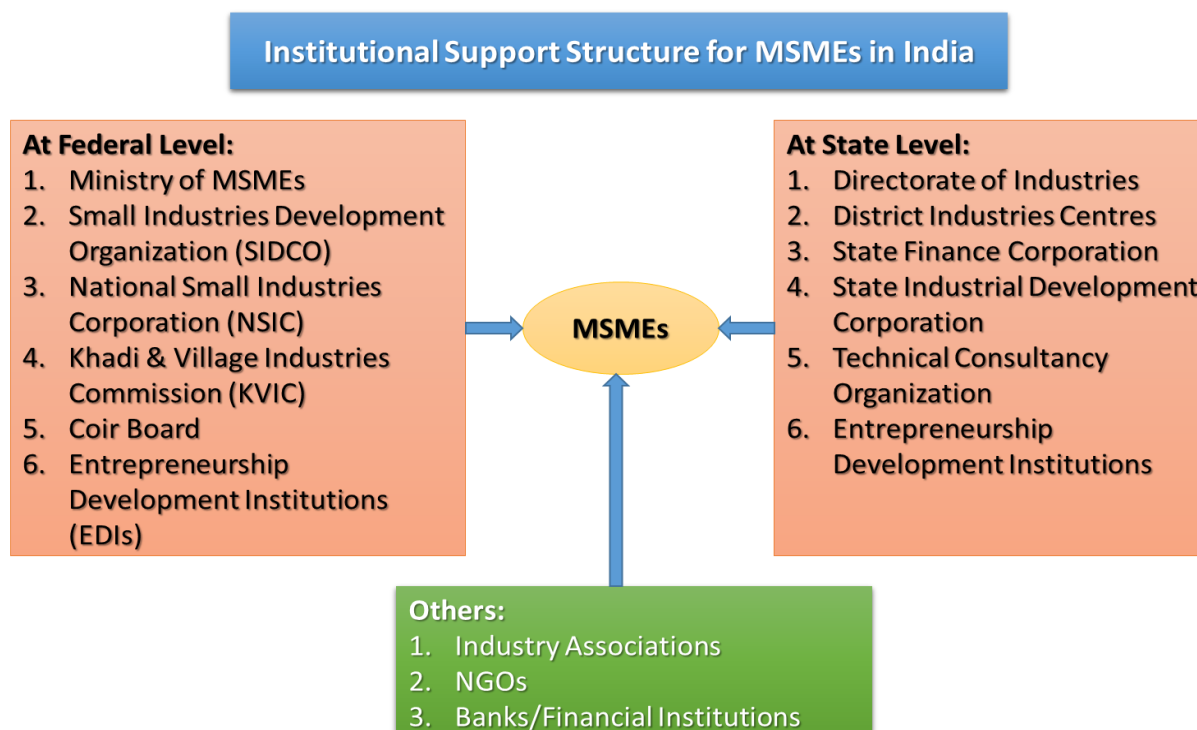


Figure 2.1 Institutional support structure for MSMEs, India

Source: NCRPB Study on Micro & Household Enterprise in NCR

2.3.1 Central Level

The implementation of policies and various programmes/ schemes for providing support services to MSMEs are undertaken through various agencies/ organizations of the Central government. Some of such important agencies/ departments agencies/ organizations and their respective roles are as follows:

i) **Office of Development Commissioner (MSME):**

The role of the Office of Development Commissioner, MSME headed by the Special Secretary & Development Commissioner (MSME) [DC-MSME], being an apex body for formulating and overseeing implementation of the policies for the development of MSMEs in the country, play a very positive and constructive role for strengthening this vital sector. It is working as an agency for advocacy, handholding and facilitation for the small industries sector. It functions through a network of MSME-DIs, Regional Testing Centres, Footwear Training Institutes, Production Centres, Field Testing Stations and specialized institutes. It has over 70 offices and 21 autonomous bodies under its management. These autonomous bodies include Tool Rooms, Training Institutions and Project-cum-Process Development Centres. Office of DC-MSME provides a wide spectrum of services to micro, small and medium industrial sector including facilities for testing, training for entrepreneurship development, preparation of project and product profiles, technical and managerial consultancy, assistance for exports, pollution and energy audits, etc. The office



of DC-MSME provides economic information services and advises government in policy formulation for the promotion and development of SSIs. The field offices also work as effective links between the Central and the State Governments.

ii) **National Board for Micro, Small and Medium Enterprises (NB MSME):**

Considering the wide range of development work in MSMEs and to facilitate coordination & inter-institutional linkages, a National Board for Micro, Small & Medium Enterprises (NB MSME) has been constituted in pursuance of the MSME Development Act, 2006. It is an apex advisory body constituted to render advice to government on all issues pertaining to MSME sector. The Minister In-charge of MSME of the Government of India is the Chairman and the Board comprises among others, State Industry Ministers, some Members of Parliament, and Secretaries of various departments of Government of India, financial institutions, public sector undertakings, industry associations and eminent experts in the field. The Board meets periodically to take stock of the issues pertaining to policy matters.

iii) **Office of Development Commissioner (Handicraft):**

The Office of Development Commissioner (Handicraft), Ministry of Textiles, GoI is implementing the following seven schemes for promotion and development of handicraft sector:

- a) Baba Saheb Hastshilp Vikas Yojana
- b) Design and Technology Up-gradation
- c) Marketing Support and Services
- d) Research and Development
- e) Human and Resource Development
- f) Handicrafts Artisans Comprehensive Welfare Scheme
- g) Infrastructure and Technology Development Scheme

While Baba Saheb Hastshilp Vikas Yojana is a cluster specific scheme, the remaining schemes cut across clusters dealing with specialized interventions.

iv) **UNIDO Cluster Development Programme (UNIDO-CDP):**

UNIDO-CDP in India is contributing to the overall performance and collective efficiency of small and medium enterprise clusters for sustainable development by assisting selected local communities of firms and associated institutions in the clusters. This entails the implementation of cluster support initiative in selected pilot clusters as well as assistance to central and local institutions in their programmes of cluster modernization and restructuring. The Partner Institutions of UNIDO CDP are:

- Development Commissioner (SSI), Ministry of SSI
- Development Commissioner (Handicrafts), Ministry of Textiles
- Department of Science & Technology, Ministry of Science & Technology
- Textiles Committee of India, Ministry of Textiles



- Small Industries Development Bank of India (SIDBI)
- State Bank of India (SBI) - UPTECH
- The National Small Industries Corporation Ltd. (NSIC)
- Entrepreneurship Development Institute of India (EDI)
- The National Institute for Small Industry Extension and Training (NISIET)
- National Institute of Design (NID)
- National Institute of Fashion Technology (NIFT)

v) **Khadi & Village Industries Commission (KVIC):**

The Khadi & Village Industries Commission (KVIC) is promoting and developing khadi and village industries for providing employment opportunities in rural areas, thereby strengthening the rural economy. KVIC has been identified as one of the major organisations in the decentralized sector for generating sustainable rural non-farm employment opportunities at low per capita investment. KVIC is a nodal agency for promotion of Cluster development for Khadi under SFURTI scheme.

vi) **Textiles Committee:**

Textiles Committee has initiated the Integrated Skill Development Scheme (ISDS) and Cluster Development Programme (CDP) in the textile sector. The Committee has emerged in diversified sectors such as quality inspection, commercial testing, Total Quality Management (TQM) consultancy, CDP, etc. It has Export Promotion and Quality Assurance division (EP & QA), Laboratories, Market Research division, TQM division, CDP cell and ISDS division.

vii) **Coir Board:**

The Coir Board is promoting overall sustainable development of coir industry and improving the living conditions of the workers engaged in this traditional industry. Activities of the Board for development of coir industries, inter-alia, include undertaking scientific, technological and economic research and development activities; developing new products & designs; and marketing of coir and coir products in India and abroad. It also promotes co-operative organizations among producers of husks, coir fibre, coir yarn and manufacturers of coir products; ensuring remunerative returns to producers and manufacturers, etc.

2.3.1.1 National Level Support Institutions

In order to inculcate the entrepreneurial culture, the MoMSME has set up three national level entrepreneurship development institutes viz; National Institute for Micro, Small and Medium Enterprises (NI-MSME) at Hyderabad, National Institute for Entrepreneurship and Small Business Development (NIESBUD) at Noida, and Indian Institute of Entrepreneurship (IIE) at Guwahati, as autonomous societies. (*NIESBUD and IIE have been transferred to Ministry of Skill*



Development and Entrepreneurship (MoSDE) in May 2015). Details of some of the important National Institutions engaged in developing and promotion of MSMEs is given as under:

i) **National Institute of Micro, Small and Medium Enterprises (ni-msme):**

National Institute of Micro, Small and Medium Enterprises (ni-msme), formerly, National Institute for Small Industry Extension Training (NISIET), takes up research and consultancy studies related to cluster development. Institute is engaged in developing training modules; undertaking research & training; and providing consultancy services for entrepreneurship development & promotion of MSMEs, including enhancement of their competitiveness. It provides handholding services to various SFURTI clusters all over India. It also provides technical service to Coir Clusters under SFURTI.

NIMSME is responsible for preparation of diagnostic study reports for a number of Clusters in Uttar Pradesh sub-region of NCR. It also provides tailor-made training programmes such as management development programmes, programme on area development, feasibility survey and analysis, programme for IAS/IES Officers, Engineers & Technocrats and programme on cluster development, etc.

ii) **National Institute for Entrepreneurship and Small Business Development (NEISBUD):**

NEISBUD under the Ministry of Skill Development and Entrepreneurship, Government of India, are engaged in training, consultancy, research and publication, in order to promote entrepreneurship. Major activities of the institute consist of training of trainers, Management Development Programmes (MDP), Entrepreneurship-cum-Skill Development Programmes (ESDP) and Entrepreneurship Development Programmes (EDP), etc.

NIESBUD is working in 24 clusters under MSME-Cluster Development Scheme and that of SFURTI for conducting Diagnostic Studies (DSRs), preparing Detailed Project Reports (DPRs), etc. It has intervened in various clusters under different schemes of Government of India to capacitate and enhance competitiveness of cluster actors (artisans/entrepreneurs) through networking and capacity building, addressing technological issues, product development & diversifications and marketing promotional assistance. In NCR, NIESBUD acts as implementing agency for five clusters namely *Scissors Cluster* in Meerut, *Boneware Cluster* in Loni, *Textile Printing Cluster* in Pilakhuwa, and *Plastic Packaging Material Cluster* in Ghaziabad and *Auto parts Clusters* in Gurugram. NIESBUD was instrumental in formation of Special Purpose Vehicle (SPV) for scissors clusters in Meerut and Boneware cluster at Loni and Textile Printing Cluster at Pilakhuwa. The artisans of the clusters were also sensitized to form Self Help Group (SHGs) to avail the benefit of credit and marketing linkages. It organizes seminars, workshops, exposure-cum-study tours and also motivated artisans to participate in exhibitions/ international trade fairs, etc.



NIESBUD facilitated the SPV members of Scissors Clusters, Meerut to arrange their share of Rs. 1.63 crore towards establishment of the Common Facility Centre (CFC) including a credit limit for Rs. one crore from Syndicate Bank. They have also procured land from the Meerut Development Authority where the basic structure of building and shed has been constructed for housing a CFC. In Textile Printing Cluster at Pilakhuwa, the Detailed Project Report for setting up a CFC with modern printing equipment is prepared and submitted by the institute.

iii) **Indian Institute of Entrepreneurship (IIE):**

Indian Institute of Entrepreneurship (IIE) was established in 1993 by the erstwhile Ministry of Industry (now the Ministry of Micro, Small and Medium Enterprises). Now, it is an autonomous organization under the Ministry of Skill Development & Entrepreneurship since 2015. The main aim of the institute is to provide training, research and consultancy activities in small and micro enterprises (SMEs), with special focus on entrepreneurship development. IIE promote & develop entrepreneurship, conduct research & provide consultancy for entrepreneurship development and coordinate & collaborate with other organizations in conducting training, research & other activities to increase outreach. It also provides monitoring service to MSMEs/ potential entrepreneurs and enhancing employability of participants.

IIE has initiated cluster development efforts to develop small and traditional industrial sector. The institute organizes various workshops on cluster activities. Currently, the main activities of the institute are related to consultancy research, extension and information services, apart from training. The institute provides technical services for Clusters under SFURTI. It also provides guidance and support to implementing agencies for preparation of action plans.

iv) **Mahatma Gandhi Institute for Rural Industrialisation (MGIRI):**

Mahatma Gandhi Institute for Rural Industrialization (MGIRI), a national level institute at Wardha, Maharashtra has been established to strengthen R&D activities in KVI sector. The main functions of the institute are to improve R&D activities under rural industrial sector through encouraging research, extension of R&D, quality control, training and dissemination of technology related information.

v) **National Small Industries Corporation Ltd. (NSIC):**

NSIC, a Public Sector Enterprise of the Ministry of MSME has been providing marketing support to micro and small enterprises by organizing international technology exhibitions in foreign countries and participation in international exhibitions/ trade fairs, organizing domestic exhibitions and participation in exhibitions/ trade fairs in India, organizing buyer-seller meets, conduct intensive campaigns and marketing promotion events, etc.

As a part of the Bank Credit Facilitation Programme, NSIC arranges credit support from banks without any cost to MSMEs. MSMEs can upgrade their competence in terms of



business and technologies by getting rated through independent, renowned and professional rating agencies like CRISIL, ICRA, etc. empaneled with NSIC.

NSIC through Raw Material Assistance Scheme, helping micro and small enterprises by way of financing the purchase of raw material (both indigenous & imported). This gives an opportunity to micro and small enterprises to focus better on manufacturing quality products. It provides financial assistance for procurement of raw material, helps to avail economics of purchases like bulk purchase, cash discount, etc. and take care of all the procedures, documentation. It also issue Letter of Credit in case of imports.

vi) **National Bank for Agriculture & Rural Development (NABARD):**

Under the National Programme for Rural Industrialization, NABARD has planned to develop 50 rural clusters. Objective is to strengthen existing clusters towards sustainable competitive advantage through technology up-gradation/transfer, raw material access, skill development, managerial inputs, credit and market support.

2.3.1.2 International Organizations

United Nations Industrial Development Organization (UNIDO) is a specialized agency of the United Nations that promotes industrial development for poverty reduction, inclusive globalization and environmental sustainability. The mission of UNIDO is to promote and accelerate inclusive and sustainable industrial development (ISID) in developing countries.

UNIDO activities contains a number of individual programs, which are implemented in a holistic manner to achieve effective outcomes and impacts through UNIDO's four enabling functions: (i) technical cooperation; (ii) analytical & research functions and policy advisory services; (iii) normative functions, standards and quality-related activities; and (iv) convening partnerships for knowledge transfer, networking and industrial cooperation.

The core elements of UNIDO's technical cooperation services in India are to implement its activities in harmony with national policy priorities and development strategies to build strong and long-term partnerships. UNIDO Country Programme serves as a portfolio of development interventions by UNIDO, focusing on sustainable industrial development and inclusive economic growth. UNIDO has initiated a Process-cum-Product Development Centre at Sports Goods Cluster in Meerut which provides required assistance in developing new designs and up-gradation of technology in sports goods enterprises.

2.3.1.3 Schemes/ Initiatives of the Ministry of MSME for the promotion & development of Micro, Small & Medium Enterprises

i. **Micro and Small Enterprises-Cluster Development Programme (MSE-CDP)**

MSE-CDP is being implemented by the MoMSME for holistic and integrated development of micro and small enterprises in clusters through **Soft Interventions** (such as diagnostic study, capacity building, marketing development, export promotion, skill development, technology upgradation, organizing workshops, seminars, training, study visits exposure visit, etc.), **Hard**



Interventions (setting up of Common Facility Centres) and **Infrastructure Up-gradation** (create/upgrade infrastructural facilities in the new/existing industrial areas/clusters of MSEs).

Following is the detail of financial assistance provided under the Scheme:

➤ Diagnostic Study	: Maximum cost Rs. 2.50 lakhs.
➤ Soft Interventions	: Maximum cost of project Rs. 25.00 lakh, with GoI contribution of 75% (90% for Special Category States and for clusters with more than 50% women/micro/village/SC/ST units).
➤ Hard Interventions	: i.e. setting up of CFCs – maximum eligible project cost of Rs. 15.00 crore with GoI contribution of 70% (90% for Special Category States and for clusters with more than 50% women/micro/village/SC/ST units).
➤ Infrastructure Development	: In the new/ existing industrial estates/areas. Maximum eligible project cost Rs.10.00 crore, with GoI contribution of 60% (80% for Special Category States and for clusters with more than 50% women/micro/SC/ST units).

Source: www.dcsmse.gov.in/mse-cdprog.htm

The remaining amount can be arranged as a loan from SIDBI/ Banks/ Financial Institutions or equity from State/UT Government.

ii. Credit Guarantee Scheme for Micro and Small Enterprises (CGMSE)

Considering the difficulties of MSEs in obtaining bank loans, CGMSE was launched by the Government of India in 2015 to make available collateral-free credit to this sector. Both, the existing and new enterprises are eligible for this scheme. The Ministry of MSMEs and Small Industries Development Bank of India (SIDBI), established a Trust named Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) to implement the CGMSE scheme.

The credit facilities which are eligible to be covered under the scheme are both term loans and/or working capital facility up to Rs.100 lakh per borrowing unit, extended without any collateral security and / or third party guarantee, to a new or existing micro and small enterprise. For those units covered under the guarantee scheme, which may become sick owing to factors beyond the control of management, rehabilitation assistance extended by the lender could also be covered under the guarantee scheme. Any credit facility in respect of which risks are additionally covered under a scheme, operated by Government or other agencies, will not be eligible for coverage under the scheme. The Guarantee cover under the scheme is for the agreed tenure of term loan/composite credit. In case of working capital, the guarantee cover is of 5 years or block of 5 years.

The scheme covers collateral free credit facility (term loan and/ or working capital) extended by eligible lending institutions to new and existing micro and small enterprises up to Rs. 100 lakh per borrowing unit. The guarantee cover provided is up to 75% of the credit facility up to Rs.50 lakh (85% for loans up to Rs. 5 lakh provided to micro enterprises, 80% for MSEs owned/ operated by women and all loans to NER) with a uniform guarantee at 50% of the credit exposure above Rs.50 lakh and up to Rs.100 lakh. A composite all-in Annual Guarantee Fee of 1.0 % of the credit facility sanctioned (0.75% for credit facility upto Rs. 5 lakh and 0.85% for above Rs. 5 lakh and upto 100 lakh for Woman, Micro Enterprises and units in NER including Sikkim) is being charged under



this scheme. In case of default, Trust settles the claim up to 75% (or 85% / 80% / 50% wherever applicable) of the amount in default of the credit facility extended by the lending institution. For this purpose the amount in default is counted as the principal amount outstanding in the account of the borrower, in respect of term loan, and amount of outstanding working capital facilities, including interest, as on the date of the account turning Non-Performing Asset (NPA).

iii. Prime Minister's Employment Generation Programme (PMEGP)

Government of India has introduced a new credit linked subsidy scheme called *Prime Minister's Employment Generation Programme* (PMEGP) by merging the two schemes that were in operation till March, 2008 namely Prime Minister's Rojgar Yojana (PMRY) and Rural Employment Generation Programme (REGP), for generation of employment opportunities through establishment of micro enterprises in rural as well as urban areas. PMEGP is a central sector scheme to be administered by the Ministry of MSME. The Scheme is being implemented by Khadi and Village Industries Commission (KVIC), as the single nodal agency at the National level. At the State level, it is to be implemented through State KVIC Directorates, State Khadi and Village Industries Boards (KVIBs) and District Industries Centres (DICs) and Banks. The Government subsidy under the Scheme will be routed by KVIC through the identified Banks for eventual distribution to the beneficiaries / entrepreneurs in their Bank accounts. The Implementing Agencies, namely KVIC, KVIBs and DICs has to associate reputed Non-Government Organization (NGOs)/reputed autonomous institutions/Self Help Groups (SHGs)/ National Small Industries Corporation (NSIC) / Udyami Mitras empanelled under Rajiv Gandhi Udyami Mitra Yojana (RGUMY), Panchayati Raj Institutions and other relevant bodies in the implementation of the Scheme, especially in the area of identification of beneficiaries, of area specific viable projects, and providing training in entrepreneurship development.

The quantum and nature of financial assistance & levels of funding under PMEGP are as under:

Categories of beneficiaries under PMEGP Area (location of project/ unit)	Beneficiary's contribution (of project cost)	Rate of Subsidy (of project cost)	
		Urban	Rural
➤ General Category	10%	15%	25%
➤ Special (including SC / ST / OBC / Minorities/Women, Ex-servicemen, Physically handicapped, etc.	05%	25%	35%

Note: (1) The maximum cost of the project/unit admissible under manufacturing sector is Rs. 25 lakh.
 (2) The maximum cost of the project/unit admissible under business/service sector is Rs. 10 lakh.
 (3) The balance amount of the total project cost will be provided by Banks as term loan

Recently, in order to expand the scope of PMEGP negative list of the PMEGP Guidelines has been modified. Under the modified guidelines, the following activities have now been allowed:

- Industries such as processing of pashmina wool and other products like hand spinning and hand weaving.
- All rural and urban transport activities.
- Value added Products for tea, coffee, rubber etc. sericulture, horticulture, floriculture.



Instructions have been issued to the concerned agencies for implementation of the concept of one nodal branch of each Public Sector Bank in each State. All the nodal branches of the banks under PMEGP have been connected through Central Plan Scheme Monitoring System (CPSMS) under PFMS (Plan Financial Management System) to monitor the flow of funds. Regular updating of the database is being done directly by the nodal branches.

To bring in transparency in implementation of PMEGP scheme as well as to create data base of PMEGP beneficiaries, e-tracking of PMEGP applications has been introduced. The PMEGP and REGP units have been enabled to register online for filing Entrepreneurship Memorandum (EM-I) -Application for industrial land, application for credit, pollution clearance etc. so that the entrepreneurs can obtain the benefits under the EM-I of Ministry of MSME. KVIC has executed an MoU with National Association of Rural Self Employment Training Institutes (RSETI) to impart Entrepreneurship Development Programme (EDP) training through the training centers of RSETI/RUDSETI under PMEGP.

iv. Credit Linked Capital Subsidy Scheme (CLCSS)

To facilitate technological up-gradation, the Government of India has introduced & is implementing the Credit Linked Capital Subsidy Scheme (CLCSS). The scheme is applicable to new and existing Micro & Small Enterprises (MSEs) engaged in manufacturing. Under this scheme 15% upfront capital subsidy to a maximum limit of Rs.15 lakhs (*investment in approved plant & machinery upto Rs.1 crore*) for induction of well-established and improved technologies is being facilitated. About 51 sub-sectors/products with approved Machinery/Technologies are covered under the scheme.

Presently, the scheme is being operated through 12 Nodal Banks/Agencies and also with a large number of Co-opted PLI under the nodal banks SIDBI & NABARD. The eligible beneficiary enterprises are to avail institutional credit to purchase machineries/technologies approved under the Scheme.

v. Scheme of fund for Regeneration of Traditional Industries (SFURTI)

To make the traditional industries more productive & competitive and facilitating their sustainable development, the Govt. of India announced setting up of a fund for regeneration of traditional industries under SFURTI. The objective of the scheme is to organize the traditional industries and artisans into clusters to make them competitive and provide support for their long term sustainability and economy of scale, and provide sustained employment for traditional industry artisans and rural entrepreneurs to enhance marketability of products of such clusters by providing support for new products, design intervention and improved packaging and also the improvement of marketing infrastructure. Another objective is to equip traditional artisans of the associated clusters with the improved skills and capabilities through training and exposure visits and to make provision for common facilities and improved tools and equipments for artisans in order to strengthen the cluster governance systems with the active participation of the stakeholders, so that they are able to gauge the emerging challenges and opportunities and respond to them in a coherent manner. Funding for the cluster varies from Rs.1.5 crore to Rs.8 crore depending on size and scale of the project. The scheme has provisions for funding of **soft interventions** including skill training, capacity building, design development, etc. and **hard interventions** including Common Facility Centres, Raw Material Banks (RMB), training centres, etc. and cross cutting thematic interventions



which include brand building & promotion, news media marketing, e-commerce, innovation, R&D initiatives and developing linkages between clusters.

Other Schemes/ Initiatives

In addition to the above mentioned schemes, there are several other schemes/ initiatives which are being implemented by the Ministry of MSME. These schemes/ initiatives are listed as under:

- Performance & Credit Rating Scheme
- Marketing Assistance Scheme
- International Cooperation (IC) Scheme
- Assistance to Training Institutions Scheme
- Survey, Studies and Policy Research
- Market Promotion and Development Assistance (MPDA)
- Coir Vikas Yojana
- Coir Udyami Yojana
- Coir S &T Yojana (PLAN S & T)

There are certain schemes/ programmes/ initiatives which are being implemented by Development Commissioner MSME, the same are listed as under:

- Design Clinic Scheme (under NMCP)
- Lean Manufacturing (under NMCP)
- Information and Communication Technology (under NMCP)
- Intellectual Property Rights
- Incubation
- Bar Code Scheme (under MDA)
- Marketing Development Assistance (MDA) Scheme
- ZED Maturity Model: Quality Management Standards (QMS) And Quality Technology Tools (QTT) – under NMCP
- Trade Related Entrepreneurship Assistance and Development (TREAD) for Women
- Marketing Assistance and Technology Up-gradation (MATU)
- Technology Centre Systems Programme (TCSP)
- MSME Technology Centers (TCS)
- Technology and Quality Up Gradation Support to MSMEs

Recently, the Ministry of MSME has taken some initiatives to further facilitate the MSEs. These initiatives includes, A Scheme for Promoting Innovation and Rural Entrepreneurship (ASPIRE); Technology Centre Systems Programmes; Revamped Coir Udyami Yojana (CUY) & Coir Vikas Yojana (CVY); Udyog Aadhaar: for the ease of Registration Process through Udyog Aadhaar Memorandum (UAM); Quality Management System (ISO) in Ministry of MSME, KVIC, Coir Board and ni-msme; preparation of District Industry Profile; Skill Mapping and framework for Revival and Rehabilitation of MSME.

Apart from above mentioned schemes, various other Central Ministries/ Departments/ Agencies have initiated a number of schemes/ programmes/ initiatives for up-gradation & development of sector specific MSMEs and household enterprises. A comprehensive list of such schemes, programmes and initiatives is given at **Annexure-2**.



2.3.2 State level Institutional Mechanism

In order to effectively enforce and implement the MSMED Act, 2006, the NCR participating State Governments have formulated various policies and schemes for overall development of MSMEs including infrastructure, financial assistance, product quality improvement, skill development, marketing support etc. Departments and institutions involved & responsible for the development of MSMEs in NCR participating States includes Department of Industry/ Micro, Small and Medium Enterprises, Directorate of Industries, District Industries Centres, State Industrial Development Corporation, State Financial Corporation, Technical Consultancy Organisations and Entrepreneurship Development Institutions. Sub-region wise detail w.r.t. various initiatives taken by NCR participating States and their existing institutional mechanism is given in the following paragraphs:

I. NCT DELHI SUB-REGION

The Department of Industries, Government of NCT Delhi prepared '*Industrial Policy for Delhi (2010-2021)*'. As per the policy, Department of Industries is the nodal agency to plan, promote and develop industries in Delhi. Since Delhi's thrust is on encouraging modern hi-tech, sophisticated export-oriented small scale industries in Delhi as well as those industries which do not stretch its meagre resources such as land, water and electricity. In NCT Delhi, no prior registration is required for setting up of any small scale unit. However, the setting up of a small scale unit is subject to locational restrictions since these can only be set up in conforming areas. Household industries can be set up even in residential areas provided they conform to set norms. There is no specific policy for development of MSMEs in NCT Delhi. However, Industrial Policy for Delhi (2010-2021), Department of Industries and Government of NCT Delhi envisaged the following with regard to development of industries/ enterprises in NCT Delhi:

Handicrafts, Handloom and Khadi

- i) The Industrial Policy for Delhi (2010-2021) provides provisions for the development of handloom, handicrafts and khadi manufacturing enterprises in NCT Delhi. Keeping in view that these are the traditional industrial activities of Delhi, the policy envisaged preservation of ancient crafts and to infuse modern techniques of design and production.
- ii) Government at Central and State level, have number of programmes to support this industry which includes reservation of certain types of fabric manufactured by handlooms, award for master craftsmen and financial support through various schemes executed by cooperative banks, nationalized banks and Delhi Financial Corporation from time to time.
- iii) Delhi's existing strengths in handloom, handicrafts and khadi sector need to be leveraged for use in fashion and interior design industry. For this purpose, it is important to create linkages with the fashion design industry and devise more aggressive marketing strategies.

Skill Development

- (i) The existing units engaged in low skilled activities need to be graduated from knowledge based industries. The sectors such as ready-made garments require skilled workforce capable



of meeting the changing demands of industry due to technological advancements. It is important that specific skill development and bridge courses should be developed to enable the existing workforce to become capable to handle superior technology.

- (ii) Department of Training and Technical Education (DTTE) will be the nodal body for promoting skill development in Delhi.
- (iii) Delhi Knowledge Development Foundation (DKDF) is responsible for providing trained technical manpower for enhancing the industrial production and services.
- (iv) Delhi Skill Mission Society (DSMS) is proposed to be set up to execute the Delhi Skill Mission, focusing on upgrading the skills of youth (drop out of school), informal sector workers and other weaker sections. The mission will encourage partnerships with a range of institutions in the public and private sectors.

Cluster Development

- (i) In Delhi, cluster approach started in its industrial estates wherein land being allotted to enterprises to ensure that units from particular sector would be located together. It is envisaged to follow the '*Cluster Approach*' in the new industrial areas too. This is to be done through creating dedicated industrial parks, offering superior infrastructure and facilities for identified sectors in the industrial areas.
- (ii) The industrial policy envisages development of Electronic & Light Engineering Park/SEZ, Fashion Technology & Design Park and Gems & Jewellery SEZ.
- (iii) The industry will also have strong linkages with the Fashion Technology, and Design Park being suggested for Delhi. Moreover, this industry is clean and does not result in environmental pollution.
- (iv) Gems & Jewellery and Information Technology are export oriented sectors and DSIIDC is setting up two sectors specific SEZs at Baprola in NCT-Delhi.

Industrial Waste Management

- (i) The policy recognized that effective operation and maintenance of Common Effluent Treatment Plant (CETP) and safe waste disposal is crucial to create clean industrial areas. However, there is a shortage of areas demarcated for disposal and also issues relating to design and operation of CETPs.
- (ii) In order to save water, the option of installing dual piping system where waste water can be recycled in industrial areas (future and existing) may be explored.

Institutional Mechanism

In NCT Delhi, a majority of the planned industrial estates and flatted complexes are developed by DDA and maintained through MCD. DSIIDC manages and be held accountable for development and management of all industrial estates, regularized industrial areas, community work centres,



new industrial areas and flatted complexes. DSIIDC to be the nodal body for developing industrial infrastructure under public-private-partnerships (PPP) through operation and maintenance contracts or re-development. The departments and agencies involved in development of industrial activities and skill development in NCT Delhi are as under:

- i) Department of Industries
- ii) Delhi State Industrial Infrastructure Development Corporation (DSIIDC)
- iii) Delhi Khadi & Village Industries Board
- iv) Delhi Financial Corporation
- v) Tool Room & Training Centre
- vi) Hi-Tech Vocational Training Centre
- vii) Municipal Corporations of Delhi
- viii) Delhi Jal Board
- ix) Department of Training and Technical Education (DTTE)
- x) Delhi Knowledge Development Foundation (DKDF)
- xi) Delhi Institute of Tool Engineering
- xii) Society for Self-Employment

II. HARYANA SUB-REGION

Government of Haryana recognized that the vibrant MSME sector is critical for investment, growth and employment generation in both rural & urban areas in the State and accordingly, a number of interventions, to support the MSME, have been envisaged in the *Enterprises Promotion Policy, 2015*. The following support to manufacturing enterprises has been provided in the said policy:

Cluster Development

In Haryana, more than 20 clusters have been identified for development/ support, involving more than 6,000 MSMEs. Major clusters in the State include Gurugram (leather and readymade garments), Faridabad (light engineering), Manesar (auto components), Karnal (printing & packaging, agri-implements and pharmaceuticals), Panipat (textile machinery), Yamunanagar (engineering and plywood), Kundli (stainless steel), Jagadhri (metal), etc.

- i. **State Mini Cluster Development Scheme** – This scheme has been formulated for creating Common Facility Centre (CFC) for a group of existing units with funding pattern of 90% State contribution and 10% SPV contribution for a project cost upto Rs. 2 crore.
- ii. **Incentive led geographical dispersal-** In order to promote geographical dispersal of industry, the entire State has been divided into four categories of Development Blocks, based on level of industrialization and economic development. These four categories are - Developed (A), Intermediate (B), Backward (C), and Most Backward (D) Blocks. The category of incentives, namely, VAT remission, interest subsidy, electricity duty exemption, stamp duty refund, etc. will be provided in the B, C & D category blocks. In addition to this, special incentives have



also been provided for the thrust areas/ focus clusters i.e. textiles and food processing industry utilizing raw material produced in the State.

- iii. **Rural Functional Clusters-** Such clusters related to Apparel and Footwear manufacturing are being supported through flatted factory complexes on lease basis on panchayat land, 24X7 power supply, reduced power tariff, employment generation subsidy and last mile connectivity through Industrial Infrastructure Development Fund, permission for CLUs in Agri - zones in B, C &D category block.

Further, the District Industries Centres would be strengthened and re-positioned as Enterprise Assistance Group to provide all necessary support to MSMEs right from '*Inception to Operation*' including funding from MUDRA Bank, identifying triggers for corrective action and preparing Corrective Action Plans, etc. These Groups would be suitably strengthened by positioning professionals/ consultants specialized in Finance, Marketing, Operations, etc. The Directorate of Industries would set-up a dedicated cell for MSMEs for an effective interface with the Ministry of MSME and the MSMEs.

Government of Haryana recognized the following thrust areas and investments which will be accorded a higher priority. These areas include the following:

- i. **Agro-based, Food Processing & Allied Industry-** Haryana is predominantly an agricultural State with favourable weather conditions for both *rabi* and *kharif* crops. It has achieved self-sustainability status in food production and milk products. Haryana is the second largest food-grains producer in the country. The State enjoys locational advantage due to its proximity to one of the largest consumer market of NCR. Also, the State has a huge potential for establishment of agro-based and food processing industry.

Panipat town is famous for its handloom products, furnishing fabrics, terry-towels and blankets. There are-about 125 carpet manufacturing units, 400 dyeing units, 42 open end units, 20-25 blanket manufacturing units and 250 shoddy yarn manufacturing units, 4000 shuttle-less looms and 8000 power looms units besides other textile based industries. Government of India has approved setting up of an Integrated Textile Park at Panipat which would spread over an area of 30 acres with a project cost of about Rs.140 crore to be borne by a group of private entrepreneurs.

Gurugram has emerged as hub for manufacturing of readymade garments. Some of the largest manufacturers of Readymade Garments in Asia are having their manufacturing facilities in Gurugram. There are about 300 readymade garment units, 4 weaving units having more than 50 power looms, around 15 process houses & 50 hosiery units in Gurugram. Similarly, Faridabad has also emerged as a hub for textile processing industry in the State. There are 70-80 dyeing/printing units, 10 hosiery units, 10 -15 units of readymade garments (exporting units) and around 100 denim washing and dyeing units.

A Textile Incubation Center at Panipat has already been approved by the Ministry of Textiles.



HSI IDC has filed an application under the SITP Scheme for setting up a Textile Park over an area of about 85 acres at Panipat. An International Trade and Convention Centre is also being developed at Panipat to promote handloom products.

- ii. **Footwear & Accessories-** The footwear sector is labour intensive and provides gainful employment in the State. Significantly, this sector comprises of micro and small enterprises with high concentration of non-leather footwear units in Bahadurgarh. A Common Facility Centre (CFC) is being set up under MSE-CDP scheme. All major brands/companies like Liberty, Action, Relaxo, Lancer, Today, Columbus, Aeroback, and Welcome are located in Haryana. Karnal City is the center of footwear production employing nearly 50,000 workers (direct and indirect). A footwear hub is proposed to be established at Karnal supported with footwear fashion related research & development facilities and a Footwear Technology Institute. Special incentives have been provided to this sector like power tariff subsidy @ Rs. 2 per unit, interest subsidy @ 6%, investment subsidy on VAT @ 50% - 75%, reduction in VAT on footwear above Rs. 500/-, refund of 80% -100% stamp duty and 50% exemption from External Development Charges (EDC), etc. for the categories.

The State Government is providing package of incentives to Ultra Mega Projects, Mega Projects, Thrust Sectors, Rural Functional clusters, especially related to micro, small & medium enterprises.

- iii. **Investment Subsidy in lieu of VAT/SGST-** Although, the quantum of incentive has been differentiated across different sectors of micro, small, large & mega projects, the primary principle followed by providing investment subsidy in lieu of net VAT/ SGST, paid through online mechanism to reduce the transaction cost. By following this principle, the State Government will continue to provide this facility even in GST regime by reimbursement of appropriate percentage of State GST component. It is estimated to provide this incentive to the tune of Rs.200 crore yearly, @ 50% - 75% of VAT/ SGST net paid for 8-10 years.
- iv. **Interest Subsidy-** It has been observed that a large numbers of micro and small units which provide alternative employment opportunities in rural areas are not able to setup/expand/modernize due to their unaffordability to bear high capital cost. Therefore, interest subsidy will go in a long way in fulfilling much needed fillip to these units to scalp up and grow in size and induct latest technology in the manufacturing process, primarily a tool to reduce cost of production.

The industry will also be incentivized for providing employment to local persons through the provision of employment generation subsidy. Being highly employment oriented, MSMEs will be facilitated with focused approach by providing vast range of incentives. In order to create market for the products, provisions for financial support in respect of Market Development Assistance, Brand Building Support and 20% reservation in procurement policy has been felt a necessity.

To adopt this concept of Zero Defect and Zero Effect, Govt. of Haryana will provide financial



support for quality certification, technology acquisition, patent registration, testing equipment to the extent of @ 50% maximum for each type and technology up-gradation & assistance for establishment of Effluent Treatment Plant for environment compliance @ 50%.

Institutional Mechanism

The Departments and Agencies involved in the development of industries/ enterprises in the Haryana sub-region are as under:

- i) District Industries Centre
- ii) Haryana State Industrial Infrastructure Development Corporation Ltd (HSIIDC).
- iii) Haryana State Industrial Development Corporation Ltd (HSIDC)
- iv) Haryana Financial Corporation Ltd.
- v) District Khadi & Village Industries Board
- vi) National Small Industries Corporation Ltd.
- vii) National Bank for Agriculture & Rural Development
- viii) MSME - Development Institute (MSME-DI), Karnal, Ministry of MSME

III. UTTAR PRADESH SUB-REGION

Government of U.P, in accordance with the *Infrastructure & Industrial Investment Policy -2012*, Department of Small Scale Industries has been rechristened as Micro Small and Medium Enterprises Department, 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 balance manner and both the sectors will be developed as complementary to each other.

- i) Under the policy, holders of Memorandum-I or Memorandum-II will be provided with optimal advantages of the Central government schemes, like Cluster Development, Prime Minister Employment Generation Programme, ASIDE, Industrial Infrastructure Upgradation Scheme, Quality Improvement, Scheme for establishing Pollution Prevention Plants, registration of Intellectual Property Rights and Geographical Indicators, Credit Guarantee, Marketing Assistance, Skill Development, Management Development, Bar Coding etc. A special Cell proposed to be created in the Directorate of Industries for implementation of the Central government schemes, under which an officer in-charge will be appointed for every scheme.
- ii) Skills of handicraft artisans will be improved and new designs would be made available to them. Under the State scheme, selling price of the handicraft products would be determined after proper valuation and they would be sold on the basis of commission. Under this scheme, provision will be made for artisans to provide advance amount proportionate to their goods produced so that they do not face working capital scarcity.
- iii) Support would be extended to artisans for participation in different fairs by reimbursing the rent charges of stalls and assisting them in ferrying their exhibits to such expositions. This will enable the handicraft artisans to smoothly market their products.



- iv) A scheme will be implemented to provide loan at lower interest rate to entrepreneurs for modernisation and technological development of micro, small and medium enterprises. Arrangements will be made to provide maximum benefits to the entrepreneurs through Central government run Technology Up-gradation Scheme and other such schemes.
- v) After the receipt of Memorandum-I, the industry related recommendations and approvals of related departments will be issued on a weekly basis within the stipulated time through a single table system and all Memorandum-I will be monitored regularly. Likewise, resolution of problems, providing facilities under different schemes and regular monitoring will be ensured for units obtaining Memorandum-II.
- vi) State level financial institutions will be revived for financing MSMEs, through which implementation of the Central government and the State government schemes will be ensured.
- vii) Non-polluting micro and small enterprises, which operate without deforming or harming the form of buildings and which do not pollute land, water and atmosphere, will be allowed to run in residential areas. In this respect, Pollution Control Department in consultation with Small Industries Department will declare the list of such non-polluting enterprises.
- viii) Enterprises, which are non-polluting and which do not cause damage to buildings, will also be allowed in multi-storey apartments. As is the case for residential apartments, rules will be framed for sale and renting of industrial buildings. Necessary provisions will be made in building bye-laws/ regulations for the construction of such buildings.

Institutional Mechanism

The Departments and Agencies involved in the development of industries/ enterprises and skill development in Uttar Pradesh sub-region are as under:

- i) District Industries Centre
- ii) National Small Industries Corporation Ltd.
- iii) Uttar Pradesh State Industrial Development Corporation Ltd.
- iv) Uttar Pradesh Small Industries Corporation Ltd. (Regional Office)
- v) Uttar Pradesh Financial Corporation
- vi) District Khadi & Village Industries Board
- vii) National Bank for Agriculture & Rural Development
- viii) MSME - Development Institute (MSME-DI), Agra, Ministry of MSME

IV. RAJASTHAN SUB-REGION

In order to effectively enforce Micro, Small and Medium Enterprises Act, 2006, Department of Industries, Government of Rajasthan has formulated *Rajasthan Micro, Small and Medium Enterprises (MSME) Policy, 2015*. Industries Department, Government of Rajasthan is the nodal Department responsible for development of MSMEs in the State.



- i. The key measures included in the Rajasthan Micro, Small and Medium Enterprises (MSME) Policy-2015 are as under:
 - Streamlining procedures, rules and regulations for ease of doing business
 - Strengthening the Single Window System
 - Setting up facilitation mechanisms for guidance to new investors and support to existing ones
 - Providing competitive fiscal incentives and concessions to attract investment
 - Creation of new industrial areas
 - Time bound allotment or conversion of land for industry
 - Encouragement of private industrial parks and MSME Clusters
 - Focus on thrust sectors, including handicrafts, handlooms and khadi
 - Facilitate SMEs for raising or obtaining credit/capital
 - Assist unemployed youth for setting up micro enterprises
 - Promoting start-ups and budding entrepreneurs through setting up of plug and-play facilities and incubation centres
 - Marketing support to MSMEs
 - Encourage Quality Improvement and Research & Development
 - Promote adoption of practices for environment protection and water & energy conservation
 - Focused skill development programmes to provide adequate workforce
 - Assist sick units in revival efforts
 - Strengthening of MSME Government support agencies
 - Recognition and encouragement to MSME adopting best practices.
- ii. The policy envisage modernization of the District Industries Centre (DICs) through technology up-gradation and capacity building of staff, so as to restructure them as facilitating e-enabled centres to provide all the facilities related to the MSMEs such as land, electric/water connection, Rajasthan Pollution Control Board clearances, labour/ factory and Boiler Department/ VAT registration at a single point to ensure effective implementation of single window system and online approvals.
- iii. Setting up of a State level MSME Facilitation Centre for providing guidance and support to new investors in context of information about investment opportunities, procedure for setting up an industry, approvals required, guidance in preparation of project report, documentation, access to credit institutions and handholding support for registration and obtaining necessary clearances and approvals.
- iv. The State Government shall encourage Cluster Development approach as an effective strategy for the development of MSMEs. The basic aim of the strategy and approach would be addressing critical infrastructure gaps and optimizing local resources with the objective of creating production centres constituting the critical mass to become production or



service hubs so as to ensure economy of scales for overall benefit. Sectors namely handicrafts, handloom & khadi, gems & jewelry, agro-based/ food processing, leather & leather products, textiles & apparels, stone, ceramics & glass, pottery, light engineering & auto components, Electronics System Design & Manufacturing (ESDM), IT & Information Technology Enabled Services (ITES), etc. shall be taken up on priority for development in clusters, especially for the development of artisans, craftsmen, weavers and micro enterprises.

- v. The State Government will make concerted efforts for the development of Khadi, Handloom & Craft sectors, for employment generation and increase earning opportunities of the artisans and weavers. The interventions will include design development, innovations, product development, skill development, technological up-gradation, quality improvement, branding, marketing support and various other means for popularizing these handicrafts for contemporary use.
- vi. The Government of Rajasthan will provide credit access and support to the MSMEs from financial institutions. Rajasthan Financial Corporation will provide credit to MSMEs on easier terms and loan scheme.
- vii. With a view to create more business opportunities for MSMEs and to establish linkages between vendors & anchor units, marketing events for MSMEs like buyer-seller meets, trade fairs and expositions will be organized and assistance will be provided to the MSMEs for setting up stalls and participation in such state, national and international events.

Thrust Areas – Under the Rajasthan MSME Policy, 2015, specific benefits for following thrust sectors has been given:

- (i) **Ceramic and Glass sector:-** At a minimum investment of Rs. 5 crore - 50% investment subsidy and up to 10% Employment Generation subsidy of VAT & CST for 10 years.
- (ii) **Dairy sector:-** For minimum investment of Rs. 25 crore- 50% Investment subsidy and up to 10% Employment Generation subsidy of VAT & CST for 10 years, 50% Entry Tax Exemption on capital goods for setting up new plant or expansion of existing enterprises.
- (iii) **ESDM sector:-** For investment of Rs. 25 lakh but below Rs. 250 crore- 75% Investment subsidy for first 4 years, 60% for next 3 years & 50% for last 3 years and up to 10% Employment Generation subsidy of VAT & CST for 10 years. 50% Entry Tax exemption on capital goods, for setting up new plant or expansion of existing enterprises.
- (iv) **MSME sector:-** In addition to the benefits given to manufacturing enterprises, 75% exemption from electricity duty for micro & small enterprises in rural areas, reduced CST of 1% for 10 years, 50% exemption from payment of entry tax on raw & processing materials and packaging materials excluding fuel.
- (v) **Plastic to Oil Manufacturing sector:-** For minimum investment of Rs. 1 crore- 60% Investment subsidy & 10% Employment Generation subsidy of VAT & CST for 10 years.



50% Entry Tax exemption on capital goods, for setting up new plant or expansion of existing enterprises.

- (vi) **Textile sector:-** For minimum investment of Rs. 25 lakh - 5% interest subsidy, 1% additional interest subsidy for investment more than Rs. 25 crore; 7% interest subsidy for technical textile sector, 50% reimbursement on purchase of yarn, fibre, recycled fibre yarn, cotton and pet bottles, 50% Entry Tax Exemption on capital goods for setting up new plant or expansion of existing enterprises, capital subsidy on zero liquid discharge based ETP equivalent to 20% of amount paid to the suppliers for the plant excluding civil work (max. Rs. 1 crore).
- (vii) **Kota stone, Marble and Granite Sector:-** For minimum investment of Rs. 25 lakhs-55% Investment subsidy & 10% Employment Generation subsidy of VAT & CST for 7 years.

In accordance with the provisions of the Rajasthan MSME Policy, 2015, Government of Rajasthan has formulated *Rajasthan MSME Assistance Scheme, 2015* for providing benefits to MSMEs. The Scheme is applicable to all new and existing MSMEs either having Entrepreneurs Memorandum-I or Entrepreneurs Memorandum-II issued by Industries (MSME) Department or Udyog Aadhaar acknowledgement issued under MSME Act, 2006. Under this Scheme, assistance/ benefits are provided for the following:

- i) Credit access & support for micro and small enterprises by way of reimbursement of one time service processing fees for collateral free loan from Financial Institutions.
- ii) Support for quality improvement by reimbursing 50% charges/ fees paid by MSMEs for hallmark certification, etc.
- iii) Support for setting up of laboratories for handicraft/ handloom enterprises.
- iv) Support for environment conservation by providing 50% of the capital cost of Common Effluent Treatment Plant (CETP) establishment by Industry Associations/ SPV in industrial areas/ clusters and small & medium enterprises.

Government of Rajasthan has also formulated the *Rajasthan Sick Micro & Small Enterprises (Revival and Rehabilitation) Scheme, 2015* which is a comprehensive package for revival of viable and potentially viable sick micro and small enterprises, so that the assets created could be put to productive use as well as employment could be generated. Under this scheme, following benefits are provided:

- i) Relief in outstanding dues of government departments/agencies, in terms of commercial taxes (VAT and other taxes) & electricity dues, under rehabilitation package.
- ii) Fiscal incentives to sick and small enterprises in terms of 100% exemption of payment on stamp duty on transfer of sick enterprise to new management.

Institutional Mechanism

The Departments and Agencies involved in the development of MSME and skill development in Rajasthan sub-region are as under:

- i) Micro, Small and Medium Industries Department



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- ii) District Industries Centre, Alwar
- iii) District Industries Centre, Bhiwadi
- iv) Rajasthan Industrial Infrastructure Development Corporation (RIICO)
- v) Rajasthan Financial Corporation (RFC)
- vi) Rajasthan State Industries Corporation
- vii) Rural Non-Farm Development Agency (RUDA)
- viii) National Small Industries Corporation Ltd.
- ix) MSME - Development Institute (MSME-DI), Jaipur, Ministry of MSME
- x) MSME Testing Station
- xi) National Bank for Agriculture & Rural Development



3. MICRO, SMALL AND HOUSEHOLD MANUFACTURING ENTERPRISES IN NCR

3.1 Background

The MSME sector is an important pillar of Indian economy which contributes greatly to growth of nation's economy with a vast network of about 49 million units, creating employment for nearly 111 million people, manufacturing more than 6,000 products and contributing about 37% to total manufacturing output and manufacturing sector solely accounts for 40% of the total exports of India.

As per 4thAll India Census of MSME¹ (Registered Sector), there were total 15.64 lakh registered working enterprises in India, out of which the micro, small and medium enterprises were 94.94%, 4.89% and 0.17% respectively. Among these total registered working enterprises, 10.49 lakh units (66.92%) were into manufacturing, 2.62 lakh units (16.43%) were the service enterprises and rest 2.52 lakh (15.8%) belongs to repairing & maintenance works. Out of the total registered MSMEs, 54.77% were operating in urban areas whereas the rest (45.23%) were functioning in rural areas.

As per the estimates of 4thAll India Census of MSME (Unregistered Sector), there were total 198.74 lakh micro and small enterprises in India. The proportion of micro and small enterprises were 99.83% and 0.17% respectively. Among these total unregistered enterprises, 104.50 lakh units (52.58%) were manufacturing enterprises, 81.93 lakh (41.22%) were repairing & maintenance enterprises and 12.31 lakh (6.19%) were service enterprises. Majority of the unregistered enterprises (60.22%) were operating in rural areas and the rest from urban areas.

MSME sector plays an important role in the export of India. Analysis of MSMEs indicates that there are about 46,675 enterprises which are exporting their products. Majority (68.42%) of these exporting enterprises were located in urban areas and rest 31.58% were in rural areas.

Among the MSMEs, the share of micro enterprises was substantial (85.83%), followed by small enterprises (12.75%) and medium enterprises (1.42%). As per MSME Census analysis of top ten exporting States in the country, U.P. State topped the list with 21.12% share of exports, followed by Tamil Nadu (14.80%). Besides Uttar Pradesh, the other NCR constituent States i.e. Rajasthan and Haryana ranked 5th (7.33%) and 7th (7.12%) respectively.

The rural-urban distribution of working MSMEs in the country is given in **Table 3.1**.

Table 3.1 Sector wise distribution of working enterprises in rural and urban areas, India (in lakh)

Sector	Micro	Small	Medium	Total
Rural	6.87	0.19	0.01	7.07
Urban	7.98	0.57	0.02	8.57
Total	14.85	0.76	0.03	15.64

Source: Fourth All India Census of MSME, Ministry of MSME, Govt. of India

¹Fourth All India Census of MSME conducted with reference year 2006-2007, wherein data was collected till 2009 and results published in 2011-12.



MSME sector is dominated by proprietary enterprises as out of total 15.64 lakh working enterprises, more than 90% share is occupied by the proprietary enterprises, followed by 4.01% partnership and 2.77% private enterprises. Percentage distribution of enterprises based on type of organization is given in **Table 3.2**.

Table 3.2 Percentage distribution of enterprises by type of organization and sector in India

Sector	Proprietary	Partnership	Private Comp.	Public Ltd. Comp.	Cooperative	Others
Micro	91.77	3.47	1.78	0.37	0.28	2.33
Small	59.12	14.24	21.02	3.37	0.57	1.68
Medium	38.11	9.75	34.46	13.06	1.86	2.75
Total	90.08	4.01	2.77	0.54	0.30	2.30

Source: Fourth All India Census of MSME, Ministry of MSME, Govt. of India

At national level, the registered MSME sector provides employment to about 93.09 lakh persons. The maximum share of employment was provided by the micro enterprises 65.34 lakh (70.19%). **Figure 3.1** gives the sector wise distribution of employment.

As per the MSME Census, about 408.84 lakh persons were employed in unregistered micro and small enterprises, among these 99% (405.52 lakh) were employed in micro enterprises and only 3.32 lakh (0.81%) were engaged in small enterprise.

Further, at national level, the average employment per registered micro enterprise/unit was about 4 persons, whereas it was 30 and 160 persons in small and medium enterprises respectively.

The all India average employment per micro, small and medium enterprise was around 6 persons for the registered sector and 2 persons for the unregistered sector. Details are given in **Table 3.3** below.

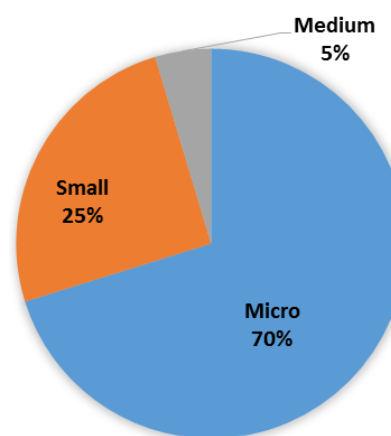


Figure 3.1 Distribution of employment by sector, India

Source: Fourth All India Census of MSME, Ministry of MSME, Govt. of India

Table 3.3 Sectoral distribution of registered & un-registered enterprises and employment per enterprise in India

Sector	No. of Working Enterprises (in lakh)		Employment (in lakh)		Average Employment per Enterprise	
	Regd.	Unregd.	Regd.	Unregd.	Regd.	Unregd.
Micro	14.85	198.39	65.34	405.52	4.40	2.04
Small	0.76	0.35	23.43	3.32	30.62	9.60
Medium	0.03	-	4.32	-	160.87	-
India	15.64	198.74	93.09	408.84	5.95	2.06

Source: Fourth All India Census of MSME, Ministry of MSME, Govt. of India



3.2 Micro & Household Manufacturing Enterprises in NCR constituent States

3.2.1 Haryana

There are 5,20,150 MSMEs in Haryana, among these majority are unregistered i.e. 93.62% (4,87,000) and only 6.38% (33,150) are registered (refer **Table 3.4**). Out of total MSMEs, nearly 54% are engaged in service sector, followed by 40% in manufacturing and 6% in repair & maintenance works (refer **Figure 3.2**).



Figure 3.2 Profile of micro, small and medium enterprises based on type of activity, Haryana

Table 3.4 Sectoral profile of registered & un-registered units based on type of activity, Haryana

Type of Unit	Activities			Total
	Manufacturing	Services	Repair & Maintenance	
Registered	26,471	1,524	5,155	33,150
Un registered	1,83,000	2,77,000	27,000	4,87,000
Total	2,09,471	2,78,524	32,155	5,20,150

Source: Fourth All India Census of MSME, Ministry of MSME, Govt. of India

Table 3.4 provides that there are a total of 33,150 registered and 4,87,000 un-registered MSMEs in the State of Haryana. As per the study on *Micro and Household Enterprises in NCR*, out of the total 33,150 registered MSMEs nearly 14,788 (44.6%) registered micro enterprises fall within Haryana sub-region of NCR. These enterprises are spread over the districts of Gurugram, Jhajjar, Sonipat, Panipat, Rohtak, Rewari, Faridabad, Palwal and Mewat. Though, the micro enterprise sector is not significantly developed in this State, major activities of involvement include basic metal industries, non-metallic mineral production, machinery & parts, transport equipments &



parts, paper products, cotton textile industries and miscellaneous products manufacturing activities.

3.2.2 Uttar Pradesh

There are 24,20,742 MSMEs in Uttar Pradesh, of which 92% are unregistered and only 8% are registered (refer **Table 3.5** and **Figure 3.3**). Out of the total MSMEs, close to 63% are the manufacturing enterprises, followed by 32% in servicing and 4.7% are repair & maintenance enterprises.

As per the study on *Micro and Household Enterprises in NCR*, out of the total 1,87,742 registered MSMEs nearly 15,595 (8.3%) registered micro enterprises fall in U.P. sub-region of NCR. These enterprises are spread over the districts of Bulandshahr, Baghpat, Gautam Budh Nagar, Meerut, Ghaziabad and Hapur. These enterprises are mainly involved in food production, cotton textiles, hosiery & garments production, basic metals, machinery parts and miscellaneous product manufacturing.

Table 3.5 Sectoral profile of registered & un-registered units based on type of activity, Uttar Pradesh

Type of Unit	Activities			Total
	Manufacturing	Services	Repair & Maintenance	
Registered	1,13,840	31,350	42,552	1,87,742
Unregistered	14,10,000	7,50,000	73,000	22,33,000
Total	15,23,840	7,81,350	1,15,552	24,20,742

Source: Fourth All India Census of MSME, Ministry of MSME, Govt. of India



Figure 3.3 Profile of micro, small and medium enterprises based on type of activity, U.P.

3.2.3 Rajasthan

There are total 9,68,885 MSMEs in Rajasthan, among which majority i.e. 94% (9,14,000) are unregistered and only 6% (54,885) are registered (refer **Table 3.6** and **Figure 3.4**). Among the total MSMEs, 58% enterprises are engaged in manufacturing, followed by 38% in servicing and



only 4% enterprises are engaged in repair & maintenance. As per the study on *Micro and Household Enterprises in NCR*, out of total 54,885 registered MSMEs nearly 2,295 (4.18%) registered micro enterprises fall in district Alwar of Rajasthan sub-region. Miscellaneous products manufacturing is the most prominent activity in these MSMEs, followed by manufacturing of leather products, transportation equipments & parts, and textile products.

Table 3.6 Sectoral profile of registered & un-registered units based on type of activity, Rajasthan

Type of Unit	Activities			Total
	Manufacturing	Services	Repair & Maintenance	
Registered	38,548	7,211	9,126	54,885
Un registered	5,26,000	3,61,000	27,000	9,14,000
Total	5,64,548	3,68,211	36,126	9,68,885

Source: Fourth All India Census of MSME, Ministry of MSME, Govt. of India



Figure 3.4 Profile of micro, small and medium enterprises based on type of activity, Rajasthan

3.2.4 NCT Delhi

There are 1,78,754 MSMEs in Delhi, out of which 97.8% (1,75,000) MSMEs are unregistered and only 2.2% (3754) are registered (refer **Table 3.7** and **Figure 3.5**). Among these, around 81% enterprises are engaged in service sector, followed by 18% in manufacturing and only 0.6% in repair & maintenance sector. As per the study on *Micro and Household Enterprises in NCR*, out of the total 3,754 registered MSMEs in NCT Delhi, about 3,203 (85.3%) units are micro enterprises. According to the statistics of *Brief Industrial Profile of NCT Delhi* prepared by MSME Development Institute, NCT Delhi has a total of 875 micro & small enterprises and artisan units (excluding repairing and servicing). Wool, silk & handmade textile manufacturing industries; and rubber & plastic manufacturing industries are the most prominent industries found in Delhi,



followed by hosiery and garments sector. Metal products and electrical machinery & parts manufacturing units are also commonly found in the Delhi.

Table 3.7 Sectoral profile of registered & un-registered units based on type of activity, NCT-Delhi

Type of Unit	Activities			Total
	Manufacturing	Services	Repair & Maintenance	
Registered	3,545	55	154	3,754
Un registered	29,000	1,45,000	1,000	1,75,000
Total	32,545	1,45,055	1,154	1,78,754

Source: Fourth All India Census of MSME, Ministry of MSME, Govt. of India



Figure 3.5 Profile of micro, small and medium enterprises based on type of activity, NCT-Delhi

3.2.5 NCR constituent State wise distribution of Working MSMEs (Registered & Unregistered)

In addition to the above illustrations of the MSMEs, a comparative distribution of Registered & Un-registered MSMEs in the NCR Constituent States is presented below:

Table 3.8 Distribution of working MSMEs (registered & unregistered) in NCR constituent states and India (in number)

NCR Constituent States	Micro			Small			Medium			Grand Total
	Regd.	Un- regd.	Total	Regd.	Un- regd.	Total	Regd	Un- regd.	Total	
Haryana	30741	486000	516741	2329	-	2329	80	-	80	519150
Delhi	3510	173000	176510	236	2000	2236	8	-	8	178754
Rajasthan	52241	912000	964241	2541	1000	3541	103	-	103	967885
Uttar Pradesh	184503	2233000	2417503	3089	-	3089	150	-	150	2420742



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NCR Constituent States	Micro			Small			Medium			Grand Total
	Regd.	Un-regd.	Total	Regd.	Un-regd.	Total	Regd.	Un-regd.	Total	
NCR Constituent States (Total)	270995	3804000	4074995	8195	3000	11195	341	-	341	4086531
% share to All India	18.25	19.17	19.11	10.70	8.57	10.03	12.70		12.70	19.06
All India (Total)	1484768	19839000	21323768	76523	35000	111523	2683	-	2683	21437974

Source: Fourth All India Census of MSME (Registered & Unregistered), Ministry of MSME, Govt. of India

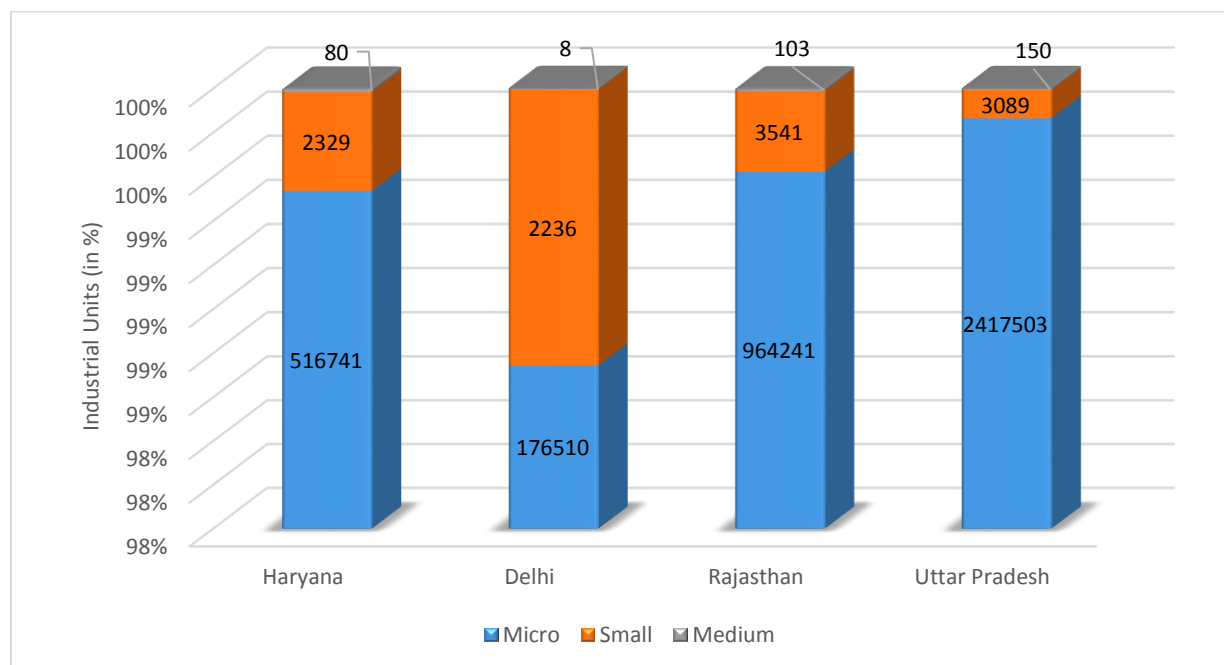


Figure 3.6 Distribution of working MSMEs in the NCR constituent States

Table 3.8 and Figure 3.6 reveals that in NCR constituent States of Haryana, Delhi, Uttar Pradesh and Rajasthan, there are a total of 2,70,995 registered micro enterprises that constitute 18.25% of the total registered micro enterprises in the country. Uttar Pradesh has the highest share of registered micro enterprises (68.08%) among the NCR constituent States, followed by Rajasthan (19.28%) and Haryana (11.34%). NCT Delhi has negligible share of registered micro enterprises i.e. 1.30%. In the case of small enterprises, out of total 8,195 registered enterprises in NCR, Uttar Pradesh holds highest share i.e. 37.69%, followed by Rajasthan (31%) and Haryana (28.42%).

3.2.6 NCR constituent State wise distribution of Registered Working MSMEs by Nature of Activities

Analysis of State-wise distribution of registered enterprises by nature of activities within NCR reveals that the manufacturing/assembly/processing enterprises have the highest concentration in NCT-Delhi i.e. 94.34%, followed by Haryana (82.91%), Rajasthan (70.43%) and U.P. (56.74%)



as against the all India average of 66.92%. The average of services; and repairing & maintenance in NCR constituent States is 8.89 % and 15.01 % as against the all India average of 16.27% and 16.82 % respectively. Details are given in **Table 3.9** and **Figure 3.7** below:

Table 3.9 Distribution of registered working enterprises by nature of activities in NCR constituent States & India

NCR Constituent States	Activities		
	Manufacturing/ Assembly/ Processing	Services	Repairing & Maintenance
Haryana	82.91 %	3.68 %	13.42 %
Delhi	94.34 %	1.47 %	4.19 %
Rajasthan	70.43 %	12.16 %	17.41 %
Uttar Pradesh	56.74 %	18.23 %	25.03 %
Average of NCR Constituent States	76.10 %	8.89 %	15.01 %
India	66.92 %	16.27 %	16.82 %

Source: Fourth All India Census of MSME (Registered), Ministry of MSME, Govt. of India

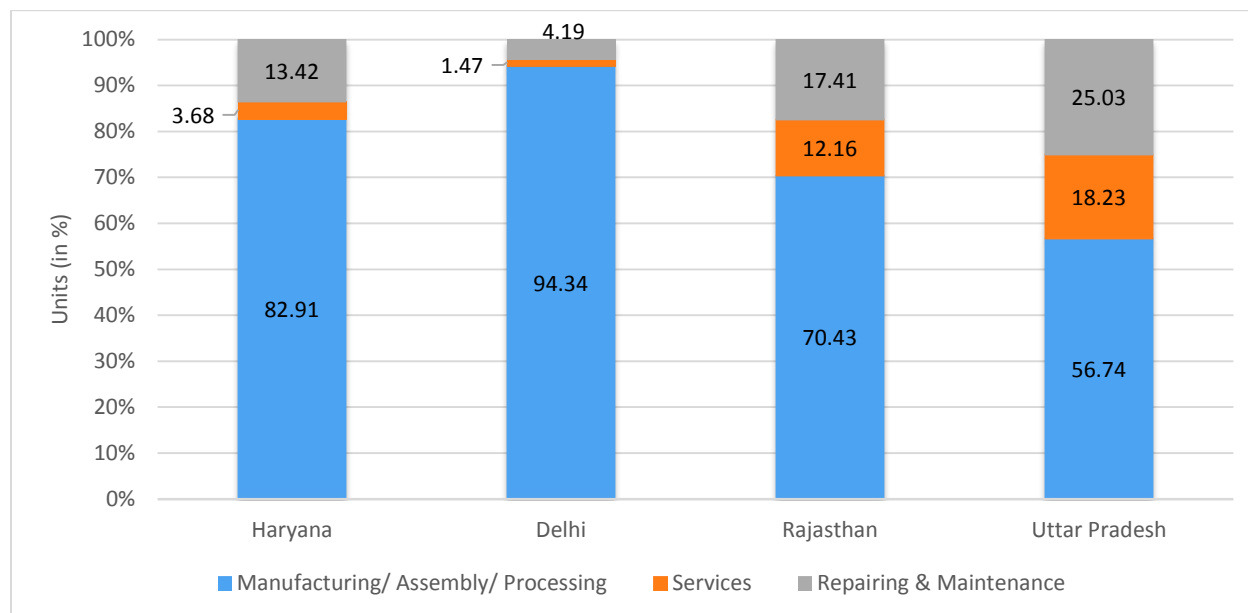


Figure 3.7 Distribution of registered working MSMEs based on type of activity in NCR constituent States

3.2.7 NCR constituent State wise distribution of MSMEs Employment (Registered)

The analysis given in **Table 3.10** indicates that out of total MSME workers in the NCR constituent States, micro enterprises employed a major share i.e. 71.85%, followed by small and medium enterprises i.e. 24.08 % and 4.07 % respectively.



Table 3.10 Distribution of employment in registered MSMEs in NCR constituent states & India

NCR Constituent States	Micro	Small	Medium	Total
Haryana	214246 (56.12%)	137399 (35.99%)	30129 (7.89%)	381774 (100%)
Delhi	41200 (70.89%)	15818 (27.21%)	1105 (1.90%)	58123 (100%)
Rajasthan	244541 (71.57%)	84673 (24.78%)	12476 (3.65%)	341690 (100%)
Uttar Pradesh	603987 (80.00%)	132071 (17.50%)	18850 (2.50%)	754908 (100%)
NCR Constituent States	1103974 (71.85%)	369962 (24.08%)	62560 (4.07%)	1536495 (100%)
% share to India	16.90	15.79	14.47	16.50
India	6534187 (70.19%)	2343033 (25.17%)	432266 (4.64%)	9309486 (100%)

Source: Fourth All India Census of MSME (Registered), Ministry of MSME, Govt. of India

3.3 Micro & Household Manufacturing Enterprises in NCR

3.3.1 Industrial Scenario of NCR

Large and medium industries play an important role in the development of micro enterprises in NCR. Micro manufacturing enterprises serve as ancillary units and as a vendor to large and medium scale industries in NCR. *Brief Industrial Profile* of various districts in NCR prepared by MSME-Development Institute(s), Ministry of MSME indicate that NCR has 2,50,671 industrial units in total, of which 1,05,673 are registered. There are 1346 registered medium and large industrial units in NCR, which are having a turnover of about Rs.70,41,569 lakh. In NCR, Gurugram district has highest number of registered medium & large units (436) followed by Gautam Budh Nagar (359), and Faridabad district (180). Details of medium and large industries in NCR is given in **Table 3.11**.

Table 3.11 Distribution of registered medium and large industrial units in NCR

S. No.	Sub-Regions/ Districts	Industrial Unit	Registered Industrial Unit	Registered Medium & Large Unit	Turnover (Rs. lakh)
Haryana Sub-Region					
1	Panipat	5,500	4,068	43	37,94,796
2	Faridabad	17186	17186	180	5691.30
3	Rohtak	1435	4761	15	--
4	Jhajjar	2500	1849	-	34000
5	Rewari	1800	1370	141	5900000
6	Palwal	380	73	40	600000
7	Mewat	57	42	16	15360
8	Sonipat	13039	13039	06	6240
9	Gurugram	24741	22491	436	354500



S. No.	Sub-Regions/ Districts	Industrial Unit	Registered Industrial Unit	Registered Medium & Large Unit	Turnover (Rs. lakh)
	Sub-Total	66638	64879	877	474613.7
U.P. Sub-Region					
1	Bulandshahr	5565	5565	5	--
2	Ghaziabad (including Hapur)	5957	1796	--	--
3	Meerut	8197	8197	13	10325
4	Baghpat	3500	2635	05	31750
5	Gautam Budh Nagar	6349	1063	359	3703
	Sub-Total	29568	19256	382	45778
Rajasthan Sub-Region					
1	Alwar	25,465	551	87	80000
	Sub-Total	25465	552	87	80000
NCT-Delhi					
1	NCT-Delhi	129000	20986	--	--
	Sub-Total	129000	20986	--	--
Grand Total		250671	105673	1346	7041569

Source: Brief Industrial Profile of District(s), MSME Development Institute at Delhi, Karnal, Jaipur and Agra; Ministry of MSME, Govt. of India

3.3.2 Existing Micro & Small Enterprises

As per the *Brief Industrial Profile* of various districts prepared by MSME Development Institute(s), Ministry of MSME, Govt. of India, NCR constitutes 85,648 micro and small enterprises in manufacturing sector with a total investment of Rs. 9492907.32 lakh and employing nearly 8.98 lakh persons (refer **Table 3.12**). Haryana sub-region has highest number of such units i.e. 36,103 which is 42.15 % of the total units, followed by Rajasthan sub-region (28.42%), U.P. sub-region (28.41) and NCT Delhi (1.02 %).

Further, distribution of micro and small enterprises at district level indicates that Alwar constitutes highest number of these units i.e. 24344, accounting 28.42 % of the total units in NCR, followed by Gurugram (15.75 %), Gautam Budh Nagar (14.77%), Faridabad (10.77%) and Sonipat (10.09%) whereas Mewat has the lowest number of micro and small enterprises i.e. 38 units. The details are given in **Table 3.12**.

Table 3.12 Existing micro & small enterprises (manufacturing) and artisan units in NCR

Sub-region/ District	Number of Units*	Units (in %)	Employment (in no.)	Investment (Rs. lakh)
NCT-Delhi Sub-Region				
Sub-Total	875	1.02	27163	32870
Haryana Sub-Region				
Panipat	721	0.84	5708	4844
Faridabad	9221	10.77	53641	1118479



Sub-region/ District	Number of Units*	Units (in %)	Employment (in no.)	Investment (Rs. lakh)
Rohtak	1105	1.29	4660	8565.5
Gurugram	13490	15.75	325946	3655475
Sonipat	8645	10.09	58339	9338.5
Jhajjar	1799	2.10	15882	29600
Rewari	1013	1.18	7708	10187
Palwal	71	0.08	2368	10578.09
Mewat	38	0.04	1120	3167.78
<i>Sub-Total</i>	<i>36103</i>	<i>42.15</i>	<i>475372</i>	<i>4850234.87</i>
U.P. Sub-Region				
Ghaziabad (including Hapur)	836	0.98	7808	3808.7
Bulandshahr	3202	3.74	16429	1774.15
Meerut	5216	6.09	30723	42616.03
Baghpat	2419	2.83	10918	13436.16
Gautam Budh Nagar	12653	14.77	223635	4343958.16
<i>Sub-Total</i>	<i>24326</i>	<i>28.41</i>	<i>289513</i>	<i>4405593.2</i>
Rajasthan Sub-Region				
Alwar	24344		106286	204209.25
<i>Sub-Total</i>	<i>24344</i>	<i>28.42</i>	<i>106286</i>	<i>204209.25</i>
Total NCR	85648	100	898334	9492907.32

Source: Brief Industrial Profile of District(s), MSME Development Institute at Delhi, Karnal, Jaipur and Agra; Ministry of MSME, Govt. of India

*Note: Number of units doesn't include Repairing and Servicing

3.4 Sub-region wise district level analysis of MSMEs (manufacturing) in NCR

Sub-region wise district level analysis of MSMEs carried out on the basis of *Brief District Industrial Profile(s)* of NCR constituent districts is given in the following paragraphs:

3.4.1 Haryana sub-region

1. Panipat district

Panipat is situated in the heart of green revolution belt of the State of Haryana. Dominant rice-wheat cropping system is resulting in marginalization of pulses and oilseed. Apart from this, horticulture crops and agro-forestry trees like eucalyptus are also grown here. The other crops grown are sugarcane, oilseeds and pulses. Buffalo and cow are the main milch animals. Horticultural and vegetable crops are also cultivated in the district.

As per the *Brief Industrial Profile of Panipat District* report (MSME-Development Institute), out of the total 5,500 industrial units, majority i.e. 4,068 (74%) are registered. Among the registered industrial units, 43 units are of medium & large scale whereas the rest are small & micro enterprises and artisan units (refer **Annexure-3**). Around, 300-400 units are working as ancillaries to large & medium scale industries in the district.



There are various types of micro & small enterprises and artisan units existing in Panipat district, details of which are given in **Table 3.13**. Analysis of existing SMEs and artisan units reveals that cotton textile, woolen, silk & artificial thread, engineering units, metal based (steel fab), electrical machinery & transport equipment, jute & jute based industry constitutes the maximum share of micro & small enterprises in Panipat district and therefore, it is a leading sector for economic growth of the district.

Table 3.13 Details of existing micro, small & artisan units in Panipat district

NIC Code No.	Type of Industry	Number of Units	Investment (Rs. lakh)	Employment (no.)
20	Agro based	36	380	357
23	Cotton textile	444	752	1315
24	Woolen, silk & artificial thread based clothes	52	352	754
25	Jute & jute based	17	112	185
26	Ready-made garments and embroidery	5	50	52
27	Wood/wooden based furniture	9	180	115
28	Paper & Paper products	4	320	214
29	Leather based	2	40	20
31	Chemical / Chemical based	18	415	687
30	Rubber, Plastic & petro based	7	254	84
32	Mineral based	3	84	30
33	Metal based (Steel Fab.)	47	900	845
35	Engineering units	54	725	913
36	Electrical Machinery and transport equipment	8	200	85
97	Repairing & servicing	275	478	1062
01	Others	15	80	52
	Total	996	5322	6770

Source: Brief Industrial Profile of Panipat District (MSME-Development Institute), Ministry of MSME, Govt. of India.

Report of Ministry of MSME reveals that cotton durries, made ups, bed covers, carpets, bath mats, rugs, curtains, terry towels, floorings, furnishing fabrics, etc. are the major items which are being exported from Panipat district to various parts of the world. In past few years, it has shown a growth of 10 to 15%. Ministry of MSME identified an excellent potential for micro, small and medium enterprises, particularly in the area of manufacturing textile machinery, and bathroom fitting items, etc. in the district.



At present, there are three major clusters of micro and small enterprises in the district which are as under:

- i) Home finishing (Floor coverings & Made Ups) Cluster
- ii) Textile Machinery Manufacturing Cluster
- iii) Foundry Cluster, Samalkha

Study on *Micro & Household Enterprises in NCR* analyzed two clusters in Panipat district, i.e. Foundry Cluster at Samalkha and Handloom Cluster at Panipat. The details are given in **Table 3.14**.

Table 3.14 Cluster analysis, Panipat district

S. No.	Name of Activity	Enterprises in Cluster (approx.)	Employment Generated (approx. nos.)	Source of Raw Material	Estimated Turnover (Rs.lakh)
1	Foundry Cluster	35	356	Delhi, Panipat, Jharkhand, Orissa, Rajasthan sub-region, Chhattisgarh, Karnataka, Goa	172
2	Handloom (Textile) Cluster	490	4,278	Panipat, Delhi	2558

Source: Study on *Micro & Household Enterprises in NCR*, NCRPB

The cluster analysis above indicates that the average employment generated in Foundry Cluster and Handloom (Textile) Cluster is about 10 and 9 employees/units respectively. The average turnover of Foundry Cluster and Handloom Cluster amounts to Rs. 4.91 and 5.22 lakh/ unit respectively.

A glimpse of MSME activities in the district is available in **Plate 3.1**



Weavers at work in a handloom unit in Panipatⁱ



Handlooms/Textiles in Panipatⁱⁱ



Foundry Unit at Samalkha, Panipatⁱⁱⁱ

Plate 3.1 MSMEs in Panipat

2. Faridabad district

Faridabad district is contiguous to NCT-Delhi. The river Yamuna separates the district boundary on eastern side with U.P. State and Delhi-Agra National highway (NH-2) passes through center of the district. The district is well connected with metro and railway network. Major broad gauge line i.e. Delhi-Mathura triple track connects the district with major towns/cities. Minerals like silica sand, building stones, ordinary clay, brick earth, ordinary sand, debris etc. are available in the district.

As per the *Brief Industrial Profile of Faridabad District* (MSME-Development Institute), there is a presence of 17,186 industrial units in the district. Among these units, only one percent (180 units) belongs to medium & large scale and rest are either SMEs or artisan units (refer **Annexure-3**). Fabrication units, repair & maintenance units are coming up as ancillary units to meet the growing need of the large & medium scale industries. Existing public sector undertakings located in the district have potential to promote a large number of micro & small ancillary units.

While analyzing the information related to existing micro & small enterprises and artisan units in the district, it is found that engineering, metal, repairing & services and agro based industries are the prominent industries which constitute the maximum share of micro & small enterprises in Faridabad (refer **Table 3.15**).



Table 3.15 Details of existing micro, small & artisan units in Faridabad district

NIC Code No.	Type of Industry	Number of Units	Investment (Rs. lakh)	Employment (in no.)
20	Agro based	450	4400	1860
22	Soda Water	2	12	12
23	Cotton textile	10	1942	60
24	Woolen, silk & artificial thread based clothes	2	24	20
25	Jute & jute based	-	-	-
26	Ready-made garments and embroidery	170	129565	850
27	Wooden/wood based furniture	210	47487	1050
28	Paper & Paper products	125	24240	625
29	Leather based	10	1825	78
31	Chemical/Chemical based	80	9280	375
30	Rubber, Plastic & petro based	310	74356	1265
32	Mineral based	375	54160	1480
33	Metal based (Steel Fab.)	2072	8956	10410
35	Engineering units	3675	638790	24956
36	Electrical machinery and transport equipment	430	56910	2140
97	Repairing & servicing	2675	417405	16340
01	Others	1300	66532	8460
	Total	11896	1535884	69981

Source: Brief Industrial Profile of Faridabad District (MSME-Development Institute, 2012-13), Ministry of MSME, Govt. of India.

As per the report of Ministry of MSME, items such as auto parts, shoes, tractor, electric fan, etc. are the major exports from the district. The report provides that the growth potential of micro and small enterprises in the district is due to the prominent existence of large and medium scale industries. New industrial estates are also being planned for setting up of micro and small enterprises in the district. Currently, in terms of number of MSME units, the two prominent manufacturing segments in Faridabad district are engineering, and metal/steel fabrication.

Study on *Micro & Household Enterprises in NCR* analyzed two clusters in Faridabad, i.e. Light Engineering cluster at Sector 58 and Automobile Components cluster at Muzassar. The details of these clusters are given in **Table 3.16**.

Table 3.16 Cluster analysis, Faridabad district

Sr. No.	Name of Activity	Enterprises in Cluster (approx.)	Employment Generated (approx. nos.)	Source of Raw Material	Estimated Turnover (Rs. lakh)
1	Light Engineering cluster	60	452	Faridabad, Delhi, Ludhiana, Gurugram, Noida	167
2	Auto Components cluster	100	315	Faridabad	672

Source: Study on Micro & Household Enterprises in NCR, NCRPB



The cluster analysis indicates that average employment generated in Light Engineering cluster and Automobile Components cluster is around 8 and 3 employees/unit with an average turnover of Rs. 2.78 and 6.72 lakh/ unit respectively.

MSME-Development Institute identified the potential for herbal beauty care products, instant fast food, nutraceuticals, specialty food, manufacturing of CD/DVD, healthcare products, toiletries, automobile spare parts, defense oriented garments, concrete furniture, etc. and therefore, these can be developed as new MSMEs in the district.



Auto-Parts manufacturing unit in Faridabad^{iv}



A Rubber Manufacturing Unit in Faridabad^v

Plate 3.2 MSMEs in Faridabad

3. Rohtak district

Rohtak is one of the agriculturally rich district in the State of Haryana. The main crops grown here are wheat, rice, gram, sugarcane & bajra. Though, there is no perennial river in the district but the underground water table is relatively high which gives good agricultural production.

Brief Industrial Profile of Rohtak District (MSME-Development Institute-Karnal) indicates that in Rohtak district, there are 4,761 registered industrial units, of which only 15 are medium & large units and rest are micro & small enterprises and artisan units (refer **Annexure-3**). Large number of micro & small scale units in the district are working as ancillary units to Laxmi Precision Tools, Rohtak. At the Industrial front, Rohtak has made remarkable growth (15 – 20%) in the last few years. An industrial town at Delhi-Rohtak Road has also been established by HSIIDC, Rohtak. Units like Amar Dairy, Nippan Carbide, Asian paints, Hi-tech Fort Wire Design Institute are coming in the district. Therefore, there is a very good scope of fastener industry in the district and the surroundings and thus, Rohtak city is also known as ‘*city of fastener*’.

Rohtak has good export linkages with Germany, New Zealand, England, Holland, South Africa, Italy, Sweden, Australia, Canada, Denmark, France, Ghana, Switzerland, Singapore etc. to where it export items like nuts & bolts, screws, shock absorber, tool & dies, industrial fastener, meta phoenix, dehydrated chlorophyriphos etc. During the year 2010-11, an export of Rs.13,500 lakh crore was recorded from the district. Details of the existing micro & small enterprises and artisan units in the district are provided in **Table 3.17**.


Table 3.17 Details of existing micro, small & artisan units in Rohtak district

NIC Code No.	Type of Industry	Number of Units	Investment (Rs. lakh)	Employment (in no.)
20	Agro based	57	1689	185
22	Soda Water	-	-	-
23	Cotton textile	23	253	21
24	Woolen, silk & artificial thread based clothes	-	-	-
25	Jute & jute based	-	-	-
26	Ready-made garments and embroidery	17	195	11
27	Wooden/wood based furniture	67	34.50	11
28	Paper & Paper products	-	-	-
29	Leather based	25	15	32
31	Chemical/Chemical based	29	209	85
30	Rubber, Plastic & petro based	-	-	-
32	Mineral based	-	-	-
33	Metal based (Steel Fab.)	-	-	-
35	Engineering units	420	5670	3800
36	Electrical Machinery and transport equipment	-	-	-
97	Repairing & servicing	350	290	560
01	Others	467	500	515
	Total	1455	8855.50	5220

Source: Brief Industrial Profile of Rohtak District (MSME-Development Institute-Karnal), Ministry of MSME, Govt. of India.

Study on *Micro & Household Enterprises in NCR* has analyzed two clusters in Rohtak district, namely, Turn Components Cluster and Auto Components Cluster (refer **Table 3.18**).

Table 3.18 Cluster analysis, Rohtak district

S. No.	Name of Activity	Enterprises in Cluster (approx.)	Employment Generated (approx. no.)	Source of Raw Material	Estimated Turnover (Rs. lakh)
1	Turned Components Cluster	140	770	Rohtak, Delhi	874
2	Auto Components Cluster	40	236	Rohtak, Delhi	234

Source: Study on *Micro & Household Enterprises in NCR*, NCRPB



The Cluster analysis indicates that average employment generated in Turned Components Cluster and Auto Components Cluster is around 6 employees/units in each of these respective cluster with an average turnover of Rs. 6.24 and 5.85 lakh/unit respectively.



Automobile manufacturing^{vi}



Manufactured Components in Rohtak

Plate 3.3 MSMEs in Rohtak

The report (MSME-Development Institute-Karnal) indicates that cluster identification has not been taken place in the State of Haryana. However, a number of units are manufacturing nut, bolts & screws, therefore a group of industry may be taken under MSE-CDP scheme of Ministry of MSME. Apart from this, there is also a good potential for new MSMEs i.e. biotech products including fastener, nut & bolts, paints & chemicals, herbal extracts for pharmaceutical products & cosmetic use, readymade garments, edible oils, auto-components, engineering products, wood based industry, basic drugs & pharmaceuticals, ready to serve food etc. In addition to this, an ample scope also exists for printing, photography, tenting, clinical and pathological laboratory, dying of fabrics, electroplating, glass designing, printing of label and stickers, wooden work, embroidery and other related units.

4. Jhajjar district

Jhajjar district is situated at a distance of about 65 km from Delhi. It is surrounded by Rohtak district in the north, Rewari district in the south and Bhiwani district in the west. In the east, it touches Tikri border of NCT-Delhi. The district falls within the classified arid and semi-arid zones. Broadly, four type of soils are available in the district viz. clay, loamy clay, and loamy sandy. Soil in the district is majorly alluvial in nature and fertile. Hot summer, cold winter and meager rainfall are the main climatic characteristics of Jhajjar district.

There are a total of 2500 industrial units in the district, out of which 1849 (73.96%) are registered. A brief industrial profile of Jhajjar district is given in **Annexure-3**.



As per the MSME Development Institute's report, small scale units in district Jhajjar are engaged in the manufacturing of fine quality products including shoes, black/galvanized steel tubes, food colors & flavors, lead pencil, petro chemicals, poly bags, auto parts, pesticides formulations, brass hardware, plywood, glass, ampoules, ultramarine blue, deep fridge, corrugated cartoons & allied packing material, plastic toys, medical disposables, mustard oils, pharmaceutical, ammunition boxes, paints & chemicals, bullet proof helmets, etc. Details of existing micro & small enterprises and artisan units in the district are given in **Table 3.19**.

There are around 250-300 ancillary units in the district showing a growth trend between 10 - 15% in the last few years. Tremendous growth in exports of pharmaceuticals, leather footwear, hollow glass wares, electronic microwave components used in aircraft, missiles & radars, ultramarine blue, ceramic glazed tiles, sanitary wares, brake lining has been observed in the district.

Table 3.19 Details of existing micro, small & artisan units in Jhajjar district

NIC Code No.	Type of Industry	Number of Units	Investment (Rs. lakh)	Employment (in no.)
20	Agro based	15	300.00	150
22	Soda Water	3	250.00	150
23	Cotton textile	5	125.00	35
24	Woolen, silk & artificial thread based clothes	-	-	-
25	Jute & jute based	3	120.00	21
26	Ready-made garments and embroidery	25	1000.00	150
27	Wooden/wood based furniture	130	1600.00	1200
28	Paper & Paper products	20	600.00	280
29	Leather based	60	1500.00	600
31	Chemical/Chemical based	70	1600.00	800
30	Rubber, Plastic & petro based	100	1800.00	800
32	Mineral based	22	400.00	220
33	Metal based (Steel Fab.)	80	2000.00	800.00
35	Engineering units	60	1000.00	600
36	Electrical Machinery and transport equipment	60	900.00	700
97	Repairing & servicing	50	500.00	200
01	Others	1146	16405.00	9376
	Total	1849	30100	16082

Source: Brief Industrial Profile of Jhajjar District (MSME-Development Institute), Ministry of MSME, Govt. of India

Study on *Micro & Household Enterprises in NCR* carried out a detailed analysis of the Footwear cluster located at Bahadurgarh of Jhajjar district (refer **Table 3.20**).

Table 3.20 Cluster analysis, Jhajjar district

S. No.	Name of Activity	Enterprises in Cluster (approx.no)	Employment Generated (approx.no.)	Source of Raw Material	Estimated Turnover (in Rs. lakh)
1	Footwear Cluster, Bahadurgarh	60	727	Delhi, Bahadurgarh	520

Source: Study on Micro & Household Enterprises in NCR, NCRPB



The Cluster analysis indicates that average employment generated in Footwear Cluster is around 12 employees/unit with an average turnover of Rs. 8.6 lakh/unit. The glimpse of certain MSME activities that are being carried out in the district is given in **Plate 3.4**.



Footwear manufacturing at Bahadurgarh, Jhajjar^{vii}

Plate 3.4 MSMEs in Jhajjar

5. Rewari district

The district comprises of varied topography including valleys, undulating lands, sand dunes and alluvial plains. Exhaustible deposits of quartzite and good quality slate occurring in shades of green, black and brown are also found in the district.

In total, there are 1800 industrial units present in the district, out of which 141 (7.8%) are registered medium & large units and the rest 92.2% are the micro & small enterprises. A brief industrial profile of Rewari district is given in **Annexure-3**.

Analysis of existing micro & small enterprises and artisan units in the district (refer **Table 3.21**), reveals that metal based (steel fab.) engineering units, wooden/wood based furniture, ready-made garments & embroidery and agro-based industries are the prominent industries, and constitutes maximum share of micro & small enterprises in Rewari district.

Table 3.21 Details of existing micro, small & artisan units in Rewari district

NIC Code No.	Type of Industry	Number of Units	Investment (Rs.lakh)	Employment (in no.)
20	Agro based	65	2190	217
22	Soda Water	05	12	44
23	Cotton textile	7	15	58
24	Woolen, silk & artificial Thread based clothes	04	116	65
25	Jute & jute based	2	20	40
26	Ready-made garments and embroidery	70	110	270



Functional Plan for Micro and Household Enterprises in NCR

NIC Code No.	Type of Industry	Number of Units	Investment (Rs.lakh)	Employment (in no.)
27	Wood/wood based furniture	77	1410	317
28	Paper & Paper products	25	350	76
29	Leather based	32	44	77
31	Chemical/Chemical based	18	110	36
30	Rubber, Plastic & petro based	24	1270	59
32	Mineral based	43	640	1442
33	Metal based (Steel Fab.)	310	2510	1380
35	Engineering units	113	1210	1410
36	Electrical Machinery and transport equipment	-	-	-
97	Repairing & servicing	317	624	1605
01	Others	218	180	2217
	Total	1330	10811	9313

Source: Brief Industrial Profile of Rewari District (MSME-Development Institute), Ministry of MSME, Govt. of India

Study on *Micro & Household Enterprises in NCR* has analyzed Brass Products Cluster of Rewari town in detail (refer **Table 3.22**). The analysis indicates that average employment generated in here is around 3 employees/units with an average turnover of Rs. 1.62 lakh/unit.

Table 3.22 Cluster analysis, Rewari district

S. No.	Name of Activity	Enterprises in Cluster (approx. no.)	Employment Generated (approx. nos.)	Source of Raw Material	Estimated Turnover (Rs. lakh)
1	Brass Products Cluster, Rewari town	50	129	Rewari	81

Source: Study on Micro & Household Enterprises in NCR, NCRPB



Manufacturing of Brass utensil in Rewari^{viii}


 Tilla Jutti making at Rewari^{ix}
Plate 3.5 MSMEs in Rewari

6. Palwal district

Palwal is the newly created district, carved out from Faridabad and Mewat districts. As per the *Brief Industrial Profile of Palwal district*, there are about 380 industrial units in the district, out of which, 40 (10.52%) are registered medium & large units and rest (89.47%) are micro & small enterprises (refer **Annexure-3**).

As per the MSME Development Institute's report, micro & small scale units in Palwal district are majorly engineering units, chemical/chemical based, mineral based, electrical machinery & transport equipment and agro-based enterprises (refer **Table 3.23**).

Table 3.23 Details of existing micro, small & artisan units in Palwal district

Enterprises who filed EM-I (Jan.2009 to 2011-12)

NIC Code No.	Type of Industry	Units (in no.)	Investment (Rs. lakh)	Employment (in no.)
20	Agro based	6	277.00	66
22	Soda Water	-	-	-
23	Cotton textile	4	100.84	72
24	Woolen, silk & artificial thread based clothes	-	-	-
25	Jute & jute based	-	-	-
26	Ready-made garments and embroidery	3	205.00	242
27	Wood/wood based furniture	2	84.50	113
28	Paper & Paper products	3	455.90	93
29	Leather based	-	-	-
31	Chemical/Chemical based	7	238.61	63



NIC Code No.	Type of Industry	Units (in no.)	Investment (Rs. lakh)	Employment (in no.)
30	Rubber, Plastic & petro based	-	-	-
32	Mineral based	7	428.00	91
33	Metal based (Steel Fab.)	5	544.00	342
35	Engineering units	27	4126.24	902
36	Electrical Machinery and transport equipment	6	3930.00	355
97	Repairing & servicing	2	6.00	12
01	Others	1	188.00	29
	Total	73	10584.09	2380

Source: Brief Industrial Profile of Palwal District, (MSME-Development Institute), Ministry of MSME, Govt. of India

Study on *Micro & Household Enterprises in NCR* has analyzed Mixed Cluster in Palwal district. Detailed analysis of the cluster (refer **Table 3.24**) indicate that an average employment generated in the Cluster is around 3 employees/unit with an average turnover of Rs. 2.4 lakh/unit.

Table 3.24 Cluster analysis, Palwal district

S. No.	Name of Activity	Enterprises in Cluster (approx. no.)	Employment Generated (approx. no.)	Source of Raw Material	Estimated Turnover (Rs.lakh)
1	Mixed Cluster	10	25	Palwal, Faridabad, Gujarat	24

Source: Study on *Micro & Household Enterprises in NCR*, NCRPB

7. Mewat district

The Mewat district was carved out from erstwhile Gurugram and Faridabad districts. The main occupation of the people of Mewat is agriculture and allied agro-based activities. The agriculture in Mewat is mostly rain fed, except in small pockets where canal irrigation is available. Animal husbandry, particularly dairy, is the secondary source of income.

As per the MSME's *Brief Industrial Profile* of the district, there are 57 industrial units in the district of which 42 units (73.68%) are registered. Among these, 16 (38%) belongs to registered medium & large industries and the rest (61.9%) are micro & small enterprises. The major exportable items of the district are food flavors, cotton crepe bandage, auto parts, plastic toys & tanks, building stone, pet food, cooling tower, rubber parts and meat, etc. A brief industrial profile of Mewat district is given at **Annexure-3**.

Mewat district has few chemical/chemical based units, engineering units, cotton textile and agro-based micro & small enterprises (refer **Table 3.25**). Detailed analysis of existing SMEs and artisan units reveal that chemical/chemical based units constitutes highest share of investment, followed by agro-based units while engineering units employed maximum persons, followed by cotton textile units in the district.


Table 3.25 Details of existing micro, small & artisan units in Mewat district

NIC Code No.	Type of Industry	Units (in no.)	Investment (Rs. lakh)	Employment (in no.)
20	Agro based	4	706.4	89
22	Soda Water	-	-	-
23	Cotton textile	5	191	239
24	Woolen, silk & artificial Thread based clothes	-	-	-
25	Jute & jute based	-	-	-
26	Ready-made garments and embroidery	2	52	94
27	Wood/wood based furniture	2	73	61
28	Paper & Paper products	-	-	-
29	Leather based	-	-	-
31	Chemical/Chemical based	8	814.65	160
30	Rubber, Plastic & petro based	-	-	-
32	Mineral based	-	-	-
33	Metal based (Steel Fab.)	3	53.5	29
35	Engineering units	7	577.4	317
36	Electrical Machinery and transport equipment	-	-	-
97	Repairing & servicing	4	25.5	36
01	Others	7	699.83	131
	Total	42	3193.28	1156

Source: Brief Industrial Profile of Mewat District, (MSME-Development Institute), Ministry of MSME, Govt. of India.

Based on the study on *Micro & Household Enterprises in NCR*, a detailed analysis of Mixed Enterprises Cluster in Mewat district indicates that average employment generated in the cluster is around 3 employees/unit with an average turnover of Rs. 4.23 lakh/unit (refer **Table 3.26**).

Table 3.26 Cluster analysis, Mewat district

S. No.	Name of Activity	Enterprises in Cluster (approx. no.)	Approx. Employment Generated (approx. no.)	Source of Raw Material	Estimated Turnover (Rs. lakh)
1	Mixed Cluster, Nuh, Mewat	13	43	Mewat	55

Source: Study on Micro & Household Enterprises in NCR, NCRPB

8. Sonipat district

District Sonipat is known for extensive farming of crops, oilseeds, horticultural plants, vegetables and flowers.



As per the MSME Industrial Profile of the district, there are 13,039 registered industrial units in the district, wherein a negligible number of units i.e. 6 (0.04%) belongs to medium & large unit and remaining units (99.95%) are micro & small enterprises (refer **Annexure-3**). Rice, stainless steel products, utensils, paper products, electrical goods & auto parts etc. are among the major exportable items of this district. There are two existing clusters of Micro & Small Enterprises in the district, namely, Stainless Steel Cluster at Kundli and Printer & Packagers Cluster at Rai.

Detailed analysis of existing micro & small enterprises and artisan units in the district reveals that engineering units, agro-based industries, chemical/chemical based units, rubber, plastic & petro based enterprises are the prominent industries which constitutes maximum share of micro & small enterprises in the district (refer **Table 3.27**). In case of employment, maximum workers are engaged in engineering enterprises, followed by agro- based and chemical/chemical based enterprises in the district.

Table 3.27 Details of existing micro, small & artisan units in Sonipat district

NIC Code No.	Type of Industry	Units (in no.)	Investment (Rs.lakh)	Employment (in no.)
20	Agro- based	62	460.00	824
22	Soda Water	02	10.00	26
23	Cotton textile	32	160.00	329
24	Woolen, silk & artificial Thread based clothes	12	120.00	156
25	Jute & jute based	-	-	-
26	Ready-made garments and embroidery	27	1725.10	484
27	Wood/wood based furniture	35	350.25	434
28	Paper & Paper products	04	200.00	54
29	Leather based	10	560.00	124
31	Chemical/Chemical based	54	1080.00	636
30	Rubber, Plastic & petro based	42	840.00	486
32	Mineral based	-	-	-
33	Metal based (Steel Fab.)	35	380.00	378
35	Engineering units	92	1472.10	1270
36	Electrical machinery and transport equipment	32	1034.00	482
97	Repairing & servicing	98	782.00	1368
01	Others	8206	947.05	52656
	Total	8743	10120.50	59707

Source: Brief Industrial Profile of Sonipat district, (MSME-Development Institute), Ministry of MSME, Govt. of India.

Study on *Micro & Household Enterprises in NCR* has analyzed the Packaging Material Cluster in Sonipat district. The analyses indicates that the average employment in the said cluster is around 8 employees/unit and the average turnover is about Rs. 4.57 lakh/unit (refer **Table 3.28**).



Table 3.28 Cluster analysis, Sonipat district

S. No.	Name of Activity	Enterprises in Cluster (approx. no.)	Employment Generated (approx. no.)	Source of Raw Material	Estimated Turnover (Rs.lakh)
1	Packaging Material Cluster	40	210	Sonipat, Delhi	183

Source: Study on Micro & Household Enterprises in NCR, NCRPB



Packing Material Manufacturing, Rai, Sonipat^x



Wooden Work at Kharkhoda, Sonipat^{xi}

Manufacturing of Rubber parts, Sonipat^{xii}

Plate 3.6 MSMEs in Sonipat

9. Gurugram district

As per the report of MSME Institute, Gurugram district is one of the major exporters of auto parts, readymade garments, leather products, handicrafts items, etc. District has a huge potential for both manufacturing and service sector based MSMEs, particularly in the area of food processing, sheet



metal components, plastic components automobile & its parts, engineering components, leather footwear, etc.

District has 24,741 existing industrial units, out of which 436 (1.76%) are registered medium & large units and the rest (98.23%) are micro & small enterprises. A brief industrial profile of Gurugram district is given in **Annexure-3**.

In district, engineering units have the maximum number of micro & small enterprises, followed by ready-made garments & embroidery, metal based (steel fab.) and chemical/chemical based units. In terms of investment, engineering units are holding the maximum share (Rs.8,94,000 lakh), followed by chemical/chemical based units (Rs. 46,500 lakh) and agro-based units (Rs. 45,500 lakh). In case of employment, ready-made garments and embroidery units provide maximum employment i.e. 87380 workers, followed by engineering units (70,500), leather (56,400), metal (30,000) and chemical/chemical based units (11,830) in the district (refer **Table 3.29**).

Table 3.29 Details of existing micro, small & artisan units in Gurugram district

NIC Code No.	Type of Industry	Units (in no.)	Investment (Rs. lakh)	Employment (in no.)
20	Agro-based	66	45500	4500
22	Soda Water	--	--	--
23	Cotton textile	10	9000	1000
24	Woolen, silk & artificial Thread based clothes	5	60	50
25	Jute & jute based	--	--	--
26	Ready-made garments and embroidery	1255	5530	87380
27	Wood/wood based furniture	15	45	120
28	Paper & Paper products	36	3600	400
29	Leather based	145	22500	56400
31	Chemical/Chemical based	616	46500	11830
30	Rubber, Plastic & petro based	90	7000	850
32	Mineral based	85	5100	2700
33	Metal based (Steel Fab.)	1035	4200	30000
35	Engineering units	2000	894000	70500
36	Electrical machinery and transport equipment	28	6500	810
97	Repairing & servicing	760	228000	3400
01	Others	8104	554000	59400
	Total	14250	3883475	329346

Source: Brief Industrial Profile of Gurugram District, (MSME-Development Institute), Ministry of MSME, Govt. of India.

Study on *Micro & Household Enterprises in NCR* has analyzed the Readymade Garments Cluster in Gurugram district which indicates that the average employment generated in the cluster is around 14 employees/unit with an average turnover of about Rs. 36.50 lakh/unit (refer **Table 3.30**).


Table 3.30 Cluster analysis, Gurugram district

S. No.	Name of Activity	Enterprises in Cluster (approx. no.)	Employment Generated (approx. no.)	Source of Raw Material	Estimated Turnover (Rs. lakh)
1	Readymade Garments Cluster	40	540	Delhi, Faridabad, Gurugram	1460

Source: Study on Micro & Household Enterprises in NCR, NCRPB



An export-oriented Garment Factory in Gurugram^{xiii}



Piping and Fabrication Work, Surat Nagar, Gurugram^{xiv}

Plate 3.7 MSMEs in Gurugram

3.4.2 Uttar Pradesh sub-region

1. Bulandshahr district

Bulandshahr district is well known for the manufacturing of pottery & ceramic products. Khurja Pottery cluster which is one of the famous clusters in the sector is located in Bulandshahr district. As per the report of MSME-Development Institute, there are a total of 5,565 industrial units in the district wherein the share of medium and large units is negligible i.e. 5 units (0.08%) but micro and small enterprises are dominating this sector with a share of 99.91% industrial units. A brief industrial profile Bulandshahr district is given in **Annexure-3**.

In the district, agro-based units (894) has the highest share of manufacturing units, followed by wooden/wood based furniture (333), ready-made garments & embroidery (278) and metal based (184). In case of employment also, agro-based units holds the maximum share of workers, followed by wooden/wood based furniture and ready-made garments & embroidery (refer **Table 3.31**).

Table 3.31 Details of existing micro, small & artisan units in Bulandshahr district

NIC Code No.	Type of Industry	Number of Units	Investment (Rs. lakh)	Employment (in no.)
20	Agro based	894	482.3	4470



Functional Plan for Micro and Household Enterprises in NCR

NIC Code No.	Type of Industry	Number of Units	Investment (Rs. lakh)	Employment (in no.)
22	Soda Water	-	-	-
23	Cotton textile	3	1.65	15
24	Woolen, silk & artificial thread based clothes	-	-	-
25	Jute & jute based	-	-	-
26	Ready-made garments and embroidery	278	150.1	1395
27	Wood/wood based furniture	333	179.85	1660
28	Paper & paper products	49	26.45	251
29	Leather based	44	23.78	219
31	Chemical/Chemical based	43	22.22	217
30	Rubber, plastic & petro based	49	26.48	250
32	Mineral based	-	-	-
33	Metal based (Steel Fab.)	184	99.36	915
35	Engineering units	34	18.36	173
36	Electrical machinery and transport equipment	102	55.08	512
97	Repairing & servicing	2363	1276.05	11820
01	Others	1189	688.52	6352
	Total	5565	3050.2	28249

Source: Brief Industrial Profile of Bulandshahr District, (MSME-Development Institute), Ministry of MSME, Govt. of India

In Khurja pottery cluster, about 300 units are engaged in the production of various types of ceramic products such as stoneware, bone china crockery, HT (high tension) & LT (low tension) insulators, sanitary wares, decorative wares, chemical porcelain, etc. The cluster comprises dependent and independent pottery units, however, independent pottery manufacturers have integrated production facilities ranging from raw material processing to firing. Such potters have their own associations, viz. KHPA (Kutir Avam Hasth-shilp Potters Association) and KPMA (Khurja Pottery Manufacturers Association), respectively. Majority of the units at Khurja needs advancement in the technology as they are still dependent on obsolete technology i.e. use of downdraft kilns that has higher production cost & fuel consumption but yields low profits and causing pollution.

In order to strengthen the development of pottery clusters in Uttar Pradesh, Central Glass & Ceramic Research Institute (CG&RI) at Khurja is working independently and providing necessary technical support (testing and technical facilities) to such clusters. The motive of CG&RI at Khurja is to encourage the growth of ceramic industry in the State of Uttar Pradesh.

Analysis of primary survey conducted for the study on *Micro and Household Enterprises in NCR* indicate that the clusters i.e. zari/embroidery, undergarments (cotton), pottery & ceramic, can be taken up for upliftment as these have good potential for the development and their growth could be achieved through provision of necessary hard and soft interventions.



The cluster analysis reports provide that zari/embroidery cluster, under-garments (cotton) cluster and pottery & ceramics clusters generates average employment of around 3, 3 & 6 employees/unit, respectively. It is found that among other existing clusters, the zari/embroidery cluster has highest turnover of around Rs. 3.10 lakh/unit, followed by undergarments (cotton) cluster i.e. Rs. 2.2 lakh and pottery & ceramic cluster (Rs.1.81 lakh). Details are given in **Table 3.32**.

Table 3.32 Cluster analysis, Bulandshahr district

S. No.	Name of Activity	Enterprises in Cluster (approx. no.)	Approx. Employment Generated (approx. no.)	Source of Raw Material	Estimated Turnover (Rs. lakh)
1	Pottery & Ceramic Cluster, Khurja	380	2,280	Khurja	688
2	Zari/Embroidery Cluster, Jahangirabad	100	321	Bulandshahr, Jahangirabad, Sikandrabad	310
3	Under Garments (Cotton) Cluster, Shikarpur	100	330	Shikarpur, Bulandshahr	220

Source: Study on Micro & Household Enterprises in NCR, NCRPB



Pottery Making Khurja^{xv}


 Zardozi embroidery, Bulandshahr^{xvi}
Plate 3.8 MSMEs in Bulandshahr

2. Ghaziabad district (including Hapur)

As per the report of MSME-Development Institute, there were 5957 industrial units in Ghaziabad district, out of which only 1796 are registered (refer **Annexure-3**). As per this report, there were 17,221 estimated average number of daily workers employed in small scale industries in the district.

Electrical machinery and transport equipment have maximum share of units in the district, followed by ready-made garments & embroidery, and mineral based industries. In terms of investments, electrical machinery and transport equipment have the highest share of Rs. 637.40 lakh followed by soda water with 2 units (Rs.500.00 lakh), cotton textile (Rs.407.00 lakh). Electrical machinery and transport equipment enterprises provides maximum employment in the district, followed by woolen, silk & artificial thread based clothes and ready-made garments & embroidery enterprises (refer **Table 3.33**).

Table 3.33 Details of existing micro, small & artisan units in Ghaziabad district

NIC Code No.	Type of Industry	Number of Units	Investment (Rs. lakh)	Employment (in no.)
20	Agro based	24	100.90	176
22	Soda Water	2	500.00	100
23	Cotton textile	13	407.00	96
24	Woolen, silk & artificial Thread based clothes	3	110.00	1462



Functional Plan for Micro and Household Enterprises in NCR

NIC Code No.	Type of Industry	Number of Units	Investment (Rs. lakh)	Employment (in no.)
25	Jute & jute based	-	-	-
26	Ready-made garments and embroidery	85	207.90	1262
27	Wood/wood based furniture	23	58.70	218
28	Paper & Paper products	26	141.10	171
29	Leather based	--	--	--
31	Chemical / Chemical based	--	--	--
30	Rubber, Plastic & petro based	21	50.30	155
32	Mineral based	38	153.50	505
33	Metal based (Steel Fab.)	19	46.90	139
35	Engineering units	22	55.30	135
36	Electrical Machinery and transport equipment	123	637.40	1517
97	Repairing & servicing	45	105.10	781
01	Others	437	1339.70	1872
	Total	881	3913.8	8589

Source: Brief Industrial Profile of Ghaziabad district, (MSME-Development Institute), Ministry of MSME, Govt. of India

Primary survey conducted for the study organized by NCRPB, indicate that the Modha (cane & bamboo products) cluster, Bone Accessories cluster and Textile Block Printing cluster have good potential for development, only if necessary soft and hard interventions are carried out in the area.

The cluster analysis further indicate that Modha cluster, Bone Accessories cluster and Textile Block Printing cluster, generates average employment of around 4, 3 and 5 employees/unit, respectively with an average turnover of about Rs.1.61 lakh/unit, Rs.3.54 lakh/unit and Rs.5.15 lakh/unit respectively. The detail of these clusters is given in **Table 3.34** below:

Table 3.34 Cluster analysis, Ghaziabad district

S. No.	Name of Activity	Enterprises in Cluster (approx. no.)	Employment Generated (approx. no.)	Source of Raw Material	Estimated Turnover (Rs. lakh)
1	Modha (Cane & Bamboo Products) Cluster, Garh Mukteshwar	100	397	Garh Mukteshwar and adjoining areas	161
2	Bone Accessories Cluster, Loni	200	648	Loni, Delhi, Mumbai	708



S. No.	Name of Activity	Enterprises in Cluster (approx. no.)	Employment Generated (approx. no.)	Source of Raw Material	Estimated Turnover (Rs. lakh)
3	Textile Block Printing Cluster, Pilkhuwa	190	958	Pilkhuwa, Meerut, Moradabad, Delhi	979

Source: Study on Micro & Household Enterprises in NCR, NCRPB

Weaving is a traditional handicraft for large section of the rural areas of Ghaziabad district. Pilkhuwa has a large concentration of Textile Block Printing cluster. *Khes*, bed sheets, towels, *durries/ lohi*, tarpaulin, etc. are also manufactured in Pilkhuwa (refer **Plate 3.9**). There is good demand of these items in the market. Keeping this in view, MSME-Development Institute/Ministry of MSME is in the process of developing a Handloom cluster at Pilkhuawa.

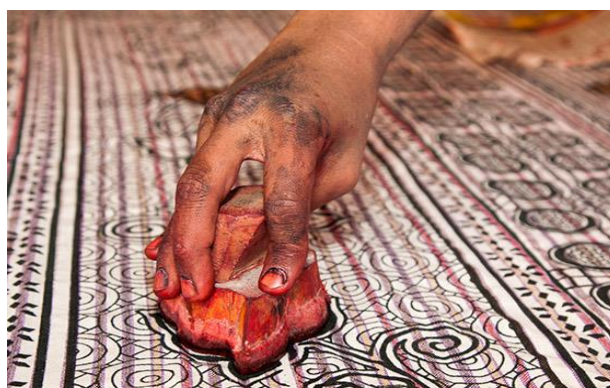
The district is famous for its exports related to home furnishing, automotive fabrics, fashion accessories, frozen meat, beer & pharmaceuticals, steel ingot, bi-cycle, ayurvedic medicines, electronics parts, polyester buttons, white crystal sugar, PU foam, automobile piston & rings, stainless steel wires & bars, high & low carbon steel wires, plastic mould furniture, steel ingots, steel blades & alloy steel, craft paper, etc.



Modha Cluster, Garh Mukteshwar^{xvii}



Bone Accessories, Loni^{xviii}



Textile Block Printing, Pilkhuwa^{xix}



Textile Block Printing, Pilkhuwa
Plate 3.9 MSMEs in Pilkhuwa, Ghaziabad

3. Meerut district

There were about 8197 registered industrial units in the district during 2010-11, out of which 13 are medium & large scale industries and rest are micro & small enterprises. Nearly, 48280 persons were employed in small scale industries in the district (refer **Annexure-3**).

Other than repairing & service industry, ready-made garments & embroidery have maximum number of units (807) in the district, followed by metal based (537) and agro-based units (304). Similarly, ready-made garments & embroidery have highest share of investment (Rs. 6593.19 lakh), followed by metal based and agro-based units (refer **Table 3.35**). In case of employment also, ready-made garments & embroidery holds maximum share of employment in the district followed by metal based and agro-based units.

Table 3.35 Details of existing micro, small & artisan units in Meerut district

NIC Code No.	Type of Industry	Number of Units	Investment (Rs. in lakh)	Employment (in no.)
20	Agro based	304	2484.95	1791
22	Soda Water	-	-	-
23	Cotton textile	76	620.92	447
24	Woolen, silk & artificial Thread based clothes	23	187.91	135
25	Jute & jute based	-	-	-
26	Ready-made garments and embroidery	807	6593.19	4753
27	Wood/wood based furniture	213	1740.21	1255
28	Paper & Paper products	63	514.71	371
29	Leather based	221	1805.57	1302
31	Chemical/Chemical based	57	465.69	336
30	Rubber, Plastic & petro based	52	424.84	306
32	Mineral based	4	32.68	24



NIC Code No.	Type of Industry	Number of Units	Investment (Rs. in lakh)	Employment (in no.)
33	Metal based (Steel Fab.)	537	4387.29	3163
35	Engineering units	103	841.51	607
36	Electrical machinery and transport equipment	67	547.39	395
97	Repairing & servicing	2981	24240.46	17557
01	Others	2689	21969.13	15838
	Total	8197	66856.49	48280

Source: Brief Industrial Profile of Meerut district, (MSME-Development Institute), Ministry of MSME, Govt. of India.

Primary survey conducted during the study organized by NCRPB, indicates that Sports Goods cluster, Artificial Ornaments cluster, Musical Instruments (band baja) cluster and Scissors cluster have good potential for development, but only after the provision of necessary soft and hard interventions (refer **Plate 3.10**).

The cluster analysis reports of Sports Goods Cluster, Artificial Ornaments Cluster, Musical Instruments (Band Baja) Cluster and Scissors Cluster provides that the average employment in respective clusters is around 7, 3, 4 and 3 employees/unit with an average turnover of Rs. 5.59, 4.28, 2.04 and 1.32 lakhs/unit, respectively. The detail of these clusters is given in **Table 3.36**.

Table 3.36 Cluster analysis, Meerut district

S. No.	Name of Activity	Enterprises in Cluster (approx. no.)	Employment Generated (approx. no.)	Source of Raw Material	Estimated Turnover (Rs. lakh)
1	Sports Goods Cluster	9,000	61,920	Meerut, Delhi, NCR	50310
2	Artificial Ornaments Cluster	1,600	4,144	Meerut	6848
3	Musical Instruments (Band Baja) Cluster	95	341	Meerut	194
4	Scissors Cluster	180	484	Meerut	238

Source: Study on Micro & Household Enterprises in NCR, NCRPB





Sport Goods manufacturing, Meerut^{xx} & ^{xxi}



Sport Goods manufacturing, Meerut^{xxii} & ^{xxiii}



Artificial Ornaments manufactured in Meerut^{xxiv}



Trumpets and drums manufacturing, Meerut^{xxv}



Scissors manufacturing, Meerut^{xxvi}

Plate 3.10 MSMEs in Meerut



4. Baghpat district

Baghpat district is located adjacent to NCT-Delhi. However, nearly 70% of the work force is still engaged in the agricultural & allied activities, and the district is predominantly agricultural. District also comprises small scale units dealing in textiles but it has minimum infrastructure that is required for setting up small-scale units. On the whole, the district has good potential for resource based and demand based industries.

Resource based industries can be agro, horticulture, forest and livestock based, however, the demand based industries can be categorized into mechanical & engineering, chemical, electrical, food based and miscellaneous industries.

Based on the available resources, manpower and demand obtaining for various consumer and industrial goods, with the change of taste, fashion and technology for such goods, a good number of small scale industrial units can be set up in Baghpat district. A brief industrial profile of the district is given in **Annexure-3**.

In the district, micro & small enterprises are largely agro-based comprising 908 units. Other important micro & small enterprises are ready-made garments & embroidery units and wood/wood based furniture. In terms of investments, agro-based units have highest share (Rs.4906.30 lakh), followed by wood/wood based furniture, metal based (steel fab.) and cotton textile. In case of employment too, agro-based units hold maximum share of employment (4040 workers) in the district, followed by readymade garments and embroidery, wood/wood based furniture, cotton textile and metal based units. The details of the existing micro & small enterprises and artisan units of Baghpat district is given in **Table 3.37** below.

Table 3.37 Details of existing micro, small & artisan units in Baghpat district

NIC Code No.	Type of Industry	Number of Units	Investment (Rs. lakh)	Employment (in no.)
20	Agro based	908	4906.30	4040
22	Soda Water	--	--	--
23	Cotton textile	125	1758.33	629
24	Woolen, silk & artificial Thread based clothes	--	--	--
25	Jute & jute based	-	-	-
26	Ready-made garments and embroidery	590	295.20	2902
27	Wood/wood based furniture	217	2956.46	1090
28	Paper & Paper products	4	56.26	70
29	Leather based	22	309.46	85
31	Chemical/Chemical based	8	112.53	82



NIC Code No.	Type of Industry	Number of Units	Investment (Rs. lakh)	Employment (in no.)
30	Rubber, Plastic & petro based	12	168.80	68
32	Mineral based	--	--	--
33	Metal based (Steel Fab.)	192	2698.16	576
35	Engineering units	114	1635.60	456
36	Electrical Machinery and transport equipment	106	1491.06	303
97	Repairing & servicing	210	2954.00	790
01	Others	121	1745.06	617
	Total	2629	16390.16	11708

Source: Brief Industrial Profile of Baghpat district, (MSME-Development Institute), Ministry of MSME, Govt. of India.

Primary survey conducted for the study organized by NCRPB, indicate that Handloom Cluster in Baghpat district has good potential for development, if necessary soft and hard interventions may be carried out in the district. Average employment generated in the cluster is around 3 employees/unit with an average turnover of about 3.12 lakhs/ unit (refer **Table 3.38**).

Table 3.38 Cluster analysis, Baghpat district

S. No.	Name of Activity	Enterprises in Cluster (approx. no.)	Employment Generated (approx. no.)	Source of Raw Material	Estimated Turnover (Rs. lakh)
1	Handloom Cluster	285	949	Khekada	892

Source: Study on Micro & Household Enterprises in NCR, NCRPB



Handloom Floor Mats, Colored Bedspreads, Pillow Covers & Curtains etc. manufacturing, Baghpat^{xxvii}



Plate 3.11 MSMEs in Baghpat

5. Gautam Budh Nagar district

As per the report of the Ministry of MSME, in 2011 there were total 6,349 industrial units in Gautam Budh Nagar, however, out of these only 1,063 were registered (refer **Annexure-3**). In the district, micro & small enterprise constitutes a larger share of industrial units.

Hosiery & garments, paper products & printings, rubber & plastic products, electrical machinery & apparatus, metal products and leather products are some of the important enterprises in the district. In terms of investments, hosiery & garments have highest share, followed by miscellaneous manufacturing industries and machinery & parts, except electrical. Also, the hosiery & garments sector constitutes maximum share of employment, followed by miscellaneous manufacturing industries, paper products & printings and rubber & plastic products (refer **Table 3.39**).

Table 3.39 Details of existing micro, small & artisan units in Gautam Budh Nagar district

NIC Code No.	Type of Industry	Number of Units	Investment (Rs. lakh)	Employment (in no.)
20-21	Food Products	229	89079.98	3622
22	Beverages, Tobacco and Tobacco products	125	66284.36	1538
23	Cotton Textiles	183	7277.70	2149
24	Wool, Silk & Synthetic Fiber, Textile	335	25346.81	3366
25	Jute, Hemp & Mesta Textile	77	1036.54	754
26	Hosiery & Garments	3249	1315938.00	76716



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NIC Code No.	Type of Industry	Number of Units	Investment (Rs. lakh)	Employment (in no.)
27	Wood Products	404	1609.38	2923
28	Paper Products & Printings	1420	265190.80	20123
29	Leather Products	427	139884.90	7220
30	Rubber & Plastic Products	1169	587140.10	17395
31	Chemical & Chemical Products	304	47162.12	4232
32	Non-Metallic Mineral Products	140	58523.90	3056
33	Basic Metal Industries	602	103047.30	5404
34	Metal Products	619	49104.79	7440
35	Machinery & Parts except Electrical	776	282140.80	11420
36	Electrical Machinery & Apparatus	892	140538.50	12110
37.	Transport Equipment & Parts	362	135543.00	5316
38	Miscellaneous Mfg. Industries	1178	1137514.00	36432
96-97	Repairing & Servicing Industries	1395	39575.84	10925
	Total	14048	4383534.00	234560

Source: Brief Industrial Profile of Gautam Budh Nagar district, (MSME-Development Institute), Ministry of MSME, Govt. of India.

Primary survey conducted for the study organized by NCRPB, indicate that Readymade Garments Cluster and Furniture Cluster have good potential for development on provision of necessary soft and hard interventions in the area (refer **Plate 3.12**). As per the cluster analysis reports of Readymade Garments Cluster and Furniture (Woodwork) Cluster, average employment in these respective cluster is 13 and 3 employees/unit, with an average turnover of about Rs. 8.45 and Rs.2.16 lakhs/unit, respectively (refer **Table 3.40**).

Table 3.40 Clusters analysis, Gautam Budh Nagar district

S. No.	Name of Activity	Enterprises in Cluster (approx. no.)	Employment Generated (approx. no.)	Source of Raw Material	Estimated Turnover (Rs. lakh)
1	Readymade Garments Cluster, Noida	60	790	Delhi, Noida	507
2	Furniture (Woodwork) Cluster, Noida	50	130	Noida	108

Source: Study on Micro & Household Enterprises in NCR, NCRPB



Readymade Garments Manufacturing, Noida, Gautam Budh Nagar^{xxviii}



Branded readymade Garments Manufacturing, Noida, Gautam Budh Nagar^{xxix}



Furniture manufacturing (Woodwork), Noida^{xxx}

Plate 3.12 MSMEs in Gautam Budh Nagar



3.4.3 Rajasthan sub-region

1. Alwar district

There are about 87 medium scale industrial units in Alwar district, located in various industrial areas. These industries are exporting wide range of products like shaving blades, hand tools, aluminum extruded product, surgical blade, synthetic blended fabrics, empty hard gelatin capsules, leather shoes, subscriber carrier system, tyre-tube, picture tube, chemicals, sanitary items, crockery, suiting, slate tile, different chemicals like calcium cyanide, alkalis salt, moped, PVC cable sanitary ware, readymade garments etc. A brief industrial profile of the district is given in **Annexure-3**.

Food products units constitutes highest number of micro & small enterprises units in the district, followed by jute, hemp & mesta textile, beverages, tobacco products and wood products. In terms of investments, the share of wool, silk & synthetic fiber, textile is highest in the district, followed by jute, hemp & mesta textile and other food products. Further, with respect to employment, paper products & printings enterprises constitutes the maximum share, followed by leather products, wool, silk & synthetic fiber, textile and jute, hemp & mesta textile enterprises (refer **Table 3.41**).

Table 3.41 Details of existing micro, small & artisan units in Alwar district

NIC Code No.	Type of Industry	Number of Units	Investment (Rs. lakh)	Employment (in no.)
20	Food Products	2500	13011	7500
21	Other Food Products	1300	15015.25	6000
22	Beverages, Tobacco Products	1980	10015	5580
23	Cotton Textiles	20	9015	600
24	Wool, Silk & Synthetic Fibre, Textile	1541	20001	8000
25	Jute, Hemp & Mesta Textile	2001	18338	8000
26	Hosiery & Garments	1260	7338	6500
27	Wood Products	1910	11538	7500
28	Paper Products & Printings	1620	9538	9800
29	Leather Products	1070	8500	9300
30	Rubber & Plastic Products	1600	7500	5750
31	Chemical & Chemical Products	1700	11300	6800
32	Non Metallic Mineral Products	1480	12600	5800



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NIC Code No.	Type of Industry	Number of Units	Investment (Rs. lakh)	Employment (in no.)
33	Basic Metal Industries	1270	14800	4000
35	Machinery & Parts except Electrical	1360	13200	4256
36	Electrical Machinery & Apparatus	1360	10200	4200
97	Repair Services	570	14200	6500
01	Others	372	12300	6700
	Total	24914	218409.25	112786

Source: *Brief Industrial Profile of Alwar District, (MSME-Development Institute), Ministry of MSME, Govt. of India.*

Processed food, auto component, edible oil, cement pipe, *jalties*, leather tanning, etc. are some of the major industrial activities in the district; however, besides these manufacturing activities the service sector cluster such as engineering workshop, beauty & herbal therapy, two & four wheeler service workshops are also present in the district. There are certain clusters identified by the State Government which includes leather *juta* & leather tanning, *moorti nirman*, pottery, *galicha*, rope making, stone cutting, *bans tokri*, oil mill, iron fabrication and terracotta (refer **Plate 3.13**).

Primary survey conducted for the study organized by NCRPB, indicates that the Terracotta Cluster, Leather Cluster and Moortikala Cluster have good potential for development, on provision of necessary soft and hard interventions in the area. The cluster analysis reports of these three clusters indicate that an average employment in these respective cluster is 4, 5 and 3 employees/unit, with an average turnover of about Rs.2.34 lakh, Rs.2.91 lakh and Rs. 2.69 lakh/ unit, respectively (refer **Table 3.42**).

Table 3.42 Cluster analysis, Alwar district

S. No.	Name of Activity	Enterprises in Cluster (approx. no.)	Employment Generated (approx. no.)	Source of Raw Material	Estimated Turnover (Rs. lakh)
1	Terracotta Cluster, Ramgarh	35	141	Ramgarh	82
2	Murtikala Cluster, Ramgarh	200	564	Alwar, Makrana, Ramgarh	538
3	Leather cluster, Ishmailpur, Kishangarh	100	481	Delhi, Rewari, Ishmailpur, Kishangarh	291

Source: *Study on Micro & Household Enterprises in NCR, NCRPB*



Terracotta Cluster, Ramgarh^{xxxii}



Leather (Shoes making) cluster, Kishangarh^{xxxii}



Murtikala Cluster, Ramgarh^{xxxiii}

Plate 3.13 MSMEs in Alwar district

3.4.4 NCT Delhi sub-region

As per the *Brief Industrial Profile of NCT of Delhi* prepared by the MSME-Development Institute, NCT Delhi has a total of 1,29,000 industrial units, out of which only 20,986 units are registered (refer **Annexure 3**). There are nearly 875 micro & small enterprises and artisan units in NCT



Delhi. The major micro & small enterprises in NCT Delhi are related to electrical machinery, transport equipment, rubber, plastic & petro based products, metal (steel fab.), engineering goods and ready-made garments & embroidery (refer **Table 3.44**).

Table 3.43 Details of existing micro, small & artisan units in NCT-Delhi

NIC Code No.	Type of Industry	Number of Units	Investment (Rs. lakh)	Employment (in no.)
20	Agro based	19	475	608
22	Soda water	--	--	--
23	Cotton textile	2	45	45
24	Woolen, silk & artificial Thread based clothes	2	36	40
25	Jute & jute based	7	210	280
26	Ready-made garments & embroidery	60	1500	1920
27	Wood/wood based furniture	17	595	595
28	Paper & paper products	55	1925	1375
29	Leather based	22	748	660
31	Chemical/chemical based	9	315	135
30	Rubber, Plastic & petro based	142	5254	2556
32	Mineral based	1	35	24
33	Metal based (steel fab.)	83	2905	2075
35	Engineering Units	73	2701	2044
36	Electrical machinery and transport equipment	151	5436	5285
97	Repairing & servicing	85	3230	2550
01	Others	232	10690	9521
	TOTAL	960	36100	29713

Source: Brief Industrial Profile of NCT Delhi District, (MSME-Development Institute), Ministry of MSME, Govt. of India.

Primary Survey analysis, carried out in the study on *Micro and Household Enterprises of NCR* indicates that various clusters including non-leather products, metal fabrication, printing, plastic, furniture, handloom, paper products, readymade garments, mixed, textile finishing, electrical engineering equipment, zari/embroidery, printing & publishing, readymade garments,



jewellery, basketware and leather products have good potential for the development (refer **Plate 3.14**).

The non-leather products cluster (North Delhi), furniture cluster, non-leather footwear cluster (West Delhi) and readymade garments (East Delhi), provides an average employment of 9, 3, 6 and 5 employees/unit with a per unit average turnover of about Rs 6.30 lakh, 5.13 lakh, 8.38 lakh and 4.34 lakh, respectively (refer **Table 3.44**). Further, in case of printing & publishing cluster, zari/embroidery cluster (South Delhi), jewellery cluster, leather products cluster (Central Delhi), an average employment generated in these are 12, 7, 5 and 5 employees/unit with a per unit average turnover of about 7.75 lakh, 3.03 lakh, 1.61 lakh and 3.46 lakh, respectively.

Table 3.44 Cluster analysis, NCT Delhi

S. No.	Name of Activity	Enterprises in Cluster (approx. no.)	Employment Generated (approx. no.)	Source of Raw Material	Estimated Turnover (Rs. lakh)
1.	Non-Leather Products Cluster, Narela	900	8,379	Delhi	5670
2.	Metal Fabrication Cluster, Dhirpur	60	194	Delhi	157
3.	Non-Leather Footwear Cluster, Madipur	500	2,920	Delhi	4190
4.	Printing Cluster, Naraina	84	1,216	Delhi	151
5.	Plastic Cluster, Udyog Nagar	36	357	Delhi	200
6.	Furniture Cluster, Kirti Nagar	495	1,698	Delhi	2544
7.	Handloom Cluster, Sunder Nagri/Nand Nagri	50	260	Delhi	197
8.	Paper Products Cluster, Pushta	30	152	Delhi	132
9.	Readymade Garments Cluster, Gandhi Nagar	9500	50,825	Delhi	41230
10.	Mixed Cluster, Karawal Nagar	50	194	Delhi	236
11.	Textile Finishing Cluster, Seelampur	48	189	Delhi	128
12.	Electrical Engineering Equipment Cluster, Okhla	8	85	Delhi, Faridabad, Gurugram	132
13.	Zari/Embroidery Cluster, Zakir Nagar	100	716	Delhi, Surat	303
14.	Packaging Material Cluster, Okhla	18	165	Delhi	114
15.	Printing and Publishing Cluster, Okhla	40	484	Delhi	310



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S. No.	Name of Activity	Enterprises in Cluster (approx. no.)	Employment Generated (approx. no.)	Source of Raw Material	Estimated Turnover (Rs. lakh)
16.	Readymade Garments Cluster, Okhla	40	250	Delhi	244
17.	Readymade Garments Cluster, Govind Puri	40	296	Delhi	130
18.	Jewellery Cluster, Dariba Kalan	300	1,458	Delhi	483
19.	Basketware Cluster, Motia Khan	50	318	Delhi	97
20.	Leather Products Cluster, Nabi Karim, Paharganj	190	961	Delhi	657

Source: Study on Micro & Household Enterprises in NCR, NCRPB



Jewelry manufacturing, Dariba kalan,^{xxxiv}



Decorative Handicraft manufacturing, Delhi^{xxxv}



Garment Manufacturing, Sangam Vihar^{xxxvi}



Handicraft items, Shakurpur^{xxxvii}



Packaging unit, Dariba Kalan^{xxxviii}



Textile (Hand Embroidery), Patel Nagar^{xxxix}



Leather Products Cluster, Nabi Karim, Delhi^{xl}



Furniture Manufacturing unit, Kirti Nagar, Delhi^{xli}



Pottery & Terracotta unit, Malviya Nagar, Delhi^{xlii}



Mixed Products Manufacturing, Okhla, Delhi^{xliii}

Plate 3.14 MSMEs in NCT-Delhi

3.5 Comparative Analysis and Constraints in Spatial Development of Various Clusters

The NCRPB's study on *Micro and Household Enterprises in NCR* reveals that NCT Delhi has a concentration of cluster in varied sectors, though, it has the highest number of micro enterprises. In terms of growth, Haryana sub-region and Uttar Pradesh sub-region of NCR have experienced growth in certain sectors of MSMEs. Spatial distribution of MSME clusters among various sub-regions of NCR is shown in **Map 3.1**. Further, sub-region wise comparative analysis and constraints in spatial development are given in the following paragraphs.



HARYANA SUB REGION: In Haryana sub-region majority of micro & household manufacturing clusters are located in Panipat and Faridabad districts. Micro & household manufacturing enterprises that are found in this sub-region are mainly light engineering enterprises or those that are ancillary to the automobile industry; for example, the light engineering and auto component clusters in Faridabad, the nuts and bolts cluster in Rohtak and textile enterprises cluster in Panipat. Industrial growth of Haryana sub-region has bent towards automobile sector; this could be because of the setting up of Maruti Udyog plant in Gurugram district and high demand for automobile components in the Central National Capital Region (CNCR).

UTTAR PRADESH SUB REGION: Meerut district has a high concentration of clusters next to NCT Delhi. It has been observed that Meerut city has more than 18 clusters. The reason for high concentration of MSME clusters in Meerut city could be the availability of ancillary enterprises in the neighboring area within the district (Sardhana, Mawana etc.). The presence of a strong market for the products within Meerut and in the neighboring urban areas of Ghaziabad, Muzaffarnagar and Delhi etc. and the concentration of trading activities are also the major factors for the development of Meerut as a manufacturing hub in the Uttar Pradesh sub-region. In addition to Meerut, other districts of Uttar Pradesh sub-region i.e. Ghaziabad and Bulandshahr districts also have a number of MSME clusters. Ghaziabad, being an industrial city provides opportunities for development of ancillary micro & household enterprises in the district. Also, Uttar Pradesh sub-region has a large concentration of other MSMEs related to handloom, readymade garments, wood products and other miscellaneous manufacturing enterprises.

The concentration of clusters in Uttar Pradesh sub-region is high as the presence of large cities like Meerut, Ghaziabad, Noida etc., & proximity to NCT Delhi (having largest market for the products) are strongly influencing the demand-supply linkages. These large cities, mainly act as a market for the products. Besides market and government policies, source & supply of raw materials and availability of common infrastructure is playing an important role in development of micro & household enterprises and attracting more entrepreneurs.

RAJASTHAN SUB REGION: Rajasthan sub-region include Alwar district, having about 10 major clusters. During the cluster's survey, it was observed that the State Government and the DIC were actively involved in development of various clusters including micro & household enterprises in the district. Also, local raw materials like marble and clay have helped in the development of artisanal clusters in the district. These clusters have an added advantage of the large tourist market at Jaipur and NCT Delhi.

The study of *Micro & Household Enterprises in NCR* reveals that the main factors for origin and development of the micro & household manufacturing enterprises in the Rajasthan sub-region is the presence of large market for their products followed by government's support. Proximity to NCT Delhi also plays an important role in the concentration of MSME clusters in the district.

NCT DELHI SUB-REGION: NCT Delhi has high density of clusters due to better infrastructure conditions, in terms of regular supply of electricity and water, better road & rail connectivity, etc. Moreover, NCT Delhi is a stronghold of traders & trading activities for catering demand-supply, purchasing/selling raw material and marketing the products. Delhi enjoys the comparative



advantage of availability of skilled labour and training institutes. NCT Delhi, also being the seat for the Ministry of MSME has seen a number of initiatives in terms of awareness generation by various institutes, both technical and financial. Another factor for this concentration is the historical lineage of Delhi which has various cultural influences.

Complete restriction on setting up of large/heavy industries as well as hazardous, obnoxious industries (which provides opportunities for the development of micro & household enterprises) and restriction on small scale industries in terms of activity, manpower and electricity consumption are some of the major constraints for the growth of micro & household enterprises in NCT Delhi. In NCT- Delhi, there are number of regularized industrial areas, operated and managed by the DSIIDC, but there is no authority looking after the household enterprises/other clusters. It is observed that the Industries Commissionerate has no decentralized office such as District Industries Centres (DICs) to monitor the development of the enterprises at the district level.

A comparative advantage of Clusters in the Sub-regions is given in **Annexure-4**.

3.6 Potential Clusters

During the NCRPB Study on *Micro and household Enterprises in NCR*, discussions were held with various stakeholders including the entrepreneurs, artisans, associations, government officials, various technical institutions, etc. and the potential clusters which can be taken up for interventions on a priority basis have been identified. These identified Potential and Priority Clusters are recognized based on the detailed analysis of the clusters with respect to the following criteria:

1. **Growth Potential:** based on the trend in past five years and the potential for growth.
2. **Export Potential:** based on the products that are being manufactured by the respective cluster, quality of the product and scope for improvement.
3. **Congenial Environment in terms of Government Policy:** based upon the various policies of the local authority and the respective State Government. It is also relevant in terms of the spatial spread of the cluster.
4. **Existing Intervention:** In case, a cluster is already selected for intervention under any scheme by Ministry of MSME/ State Government/ DIC or other technical institutes/private institutions.
5. **Exclusive in terms of product:** Clusters which are manufacturing exclusive products (products which are not available in any other cluster) are marked as priority clusters.

The Potential and Priority Clusters identified are given in **Annexure-5**.

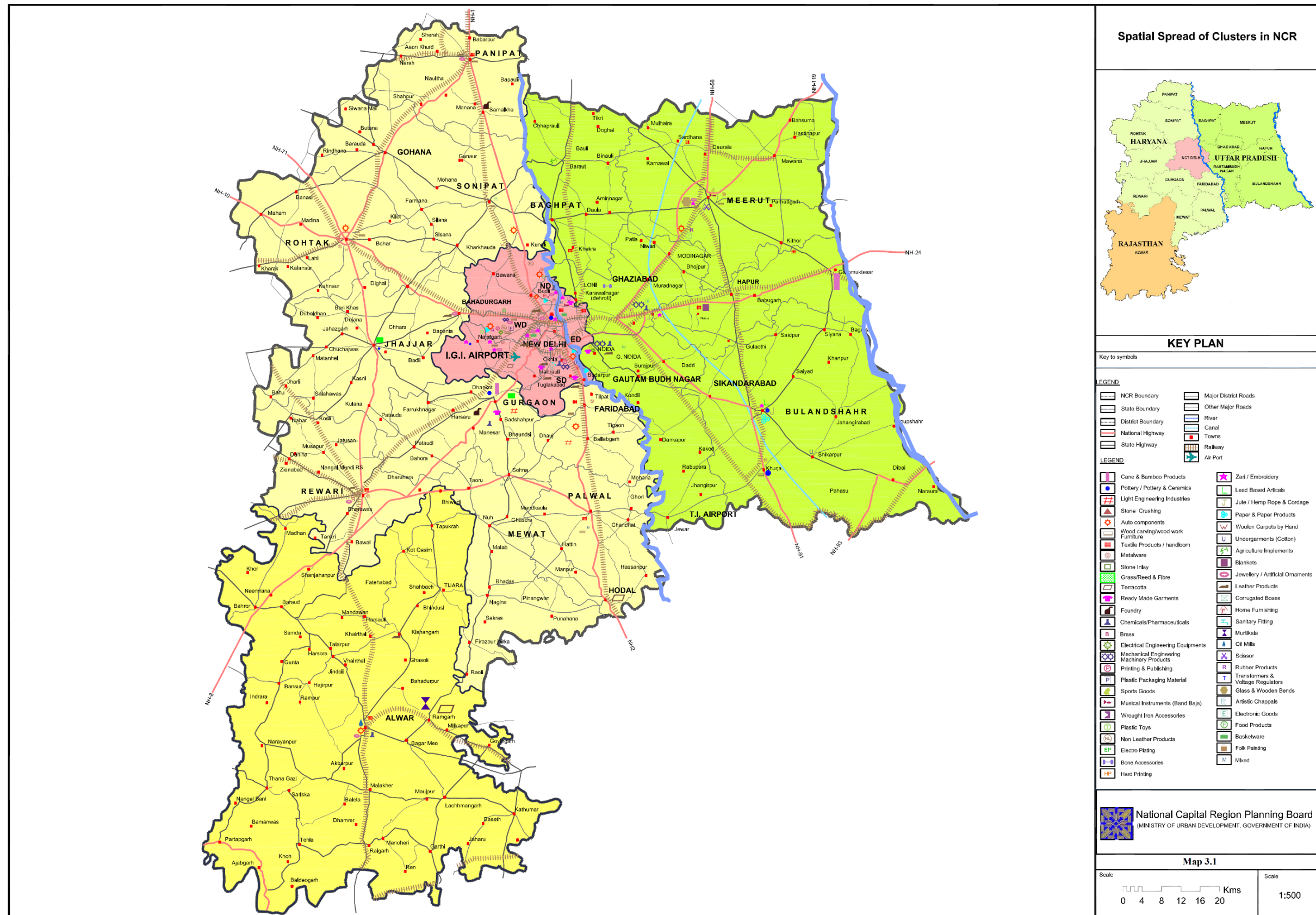
3.7 New and Potential Micro Enterprises

Based on the study on *Micro & household Enterprises in NCR* conducted by NCRPB, Brief District Profile Reports (district wise) prepared by the MSME Development Institutes, Ministry of MSME, Government of India and overall understanding of varied sectors & activity-mix, the following potential micro & household enterprises have been identified, which may be developed in NCR:



- **Food Processing Units:** Food processing units currently have negligible number of clusters in NCR, have a huge potential to be developed under MSMEs, as NCR is a part of rich agricultural belt of north India with the presence of Haryana, Uttar Pradesh and Punjab plains. In addition to this, NCT Delhi and Central NCR cities/towns are the large market for processed food items. With the help of fiscal incentives from Ministry of Food Processing Industries, a large number of such enterprises may be set up in various parts of NCR. Food items that could be manufactured/prepared includes biscuit, cakes, cookies, kulfi, confectionary items, jams, jellies, food preserves, pickles, sweets, namkeens, tomato ketchup, vermicelli, macaroni, etc. Further, it is also observed that there is a potential for dairy product (cream, ghee, paneer etc.) units in certain districts of NCR e.g. district Mewat.
- **Plastic Processing Units:** Plastic processing units currently has negligible number of clusters in NCR. The large petrochemical projects of IOC at Panipat and GAIL at Pata and large market of plastic products in NCR are some of the major factors that can boost the development of Plastic processing units in NCR. With the help of fiscal incentives from Ministry of Chemicals and Petrochemicals, a large number of such enterprises (manufacturing PVC products) may be set up in various parts of NCR.
- **Packaging Units:** Packaging units particularly paper, cloth and plastic have potential to be developed as MSMEs, as Delhi and Central NCR cities/towns provides large market for packaging materials. Wherever, there is large scale manufacturing in NCR for the retail/consumer products, packaging units/cluster could be developed to manufacture/ prepare the packaging materials for various products like hair oil, shampoos, milk, medicine, etc.

NCRPB's study on *Micro & Household Enterprises in NCR*, the district-wise *Brief Industrial Profile(s)* prepared by the MSME Development Institutes, Ministry of MSME, and Government of India has identified certain potential new MSMEs in various districts of NCR. The district-wise list of these potential new MSMEs is given in **Annexure-6**.



Map 3-1 Spatial spread of Clusters in NCR



4. CASE STUDIES

4.1 Background

Considering the importance of cluster development approach for overall growth and development of micro & small manufacturing enterprises, Ministry of MSME, other Central Ministries/Department, State Government Departments/Agencies, Local Authorities, SPVs/ Industry Associations, Export Promotion Council and various other organizations have made considerable efforts for development of MSME clusters in the country. Various Clusters have been developed through **Soft Interventions** i.e. technical assistance, capacity building, exposure visit, market development, trust building, etc. and **Hard Interventions** i.e. setting up of Common Facility Centre (CFC) like common processing centre/ production centre, design centre, testing facilities, training centre, common raw material bank and development of **Physical Infrastructure** like effluent treatment plants, roads, etc. The cluster development benefitted individual enterprises in terms of procurement of raw materials at cheap rates, skill development, design & technology up-gradation, processing of products, marketing of finished products & exports. It also improved the financial health of SMEs in the clusters. Some successful clusters/ case studies are highlighted in the following paragraphs.

4.2 Case Studies

4.2.1 Handloom Cluster, Varanasi, Uttar Pradesh

Varanasi has one of the highest weavers' concentrations in the country. In Varanasi weaving is like a local tradition since 1500 to 2000 B.C. with specialization in brocade weaving. Brocade is a textile in which pattern is created in weaving by transfixing or thrusting the pattern thread between the warp. Zari brocade entails use of gold (meaning silver thread with gold polish) and silver threads-real or imitation-thrust either as special weft or warp to create glittering raised ornamentation. The weave- rich varieties of sarees in Varanasi are *jangla*, *tanchoi*, *vaskat*, *cutwork*, *tissue* and *butidar*. Apart from the sarees, other products which were later introduced in the cluster are dress material, stoles, scarves, mufflers and home furnishing items. The Varanasi cluster comprises of around 2,00,000 weavers, of which only 40 percent are active^{xliv}.

Lessons Learned

- i) The cluster development program for Varanasi under IHCDP of DCHL was initiated in the year 2006. To start with, diagnostic study of the Handloom Cluster was conducted and cluster mapping was done. After selection of cluster pocket, baseline data was collected. The purpose of the data collection was to understand the set of interventions required for Cluster Development. Based on this survey, a report was prepared and required benchmarks were established.
- ii) Year wise action plan was prepared and various elements of the action plan were implemented in different phases. Awareness programmes and focus group discussions



with stakeholders were conducted in different parts of the Cluster to understand the real situation and to validate the action plan.

- iii) In order to organize the weavers, about 108 self-help groups (SHG), with weavers from all the sections, were formed with an average of eleven members in each. Each member of the group has to save a particular amount on monthly basis, which is to be deposited with the group. A number of capacity building programs were organized for the Groups.
- iv) Based on the initial assessment of these small SHGs, it was decided to form a bigger group which was named as “*Banaras Hathkargha Bunkar Vikas Samiti Producer Company Limited*” Altogether, there are 1,554 weavers/ master weavers associated with this company.
- v) To cater to the demand of different segments of market, need for new design development was realized. Services of NIFT designers were hired to develop new designs with the help of local designers. In the process, 96 new designs were developed on the fabric and tested in different markets like retail stores, exhibitions, buyer-seller-meet (BSM), etc. This process also helped local weavers to build their capacities in terms of creating new designs and colour combinations.
- vi) Colour fastness is one of the concern areas and to address this, two dye houses have been up-graded with required machines, under PPP, on user charge basis. To train the human resource for good dyeing practices and various types of dyeing, around 13 workshops/ trainings were organized under technical guidance of weaver service centers and other agencies. Good quality colours were also made available through National Handloom Development Corporation Ltd. (NHDC). Currently, these dye houses are catering to the requirement of the whole cluster.
- vii) To facilitate the weavers of the cluster, a Common Facility Centre (CFC) is being developed in association with the weavers’ organization i.e. “*Banaras Hathkargha Bunkar Vikas Samiti*” to cater to the requirement of the weavers on user charge basis. This CFC will be equipped with showroom-cum-display centre, meeting room, weaving shed, testing laboratory and yarn bank. This CFC will be instrumental in development of new designs, display of new/diversified products to the buyers & visitors and availability of good quality yarns received under Mill Gate Scheme of NHDC.
- viii) The weavers were given the opportunity to take part in the exhibitions organized across the country to understand the need and taste of the customers, to develop them as good marketing persons and to sell their products. As a result, they have participated in around 70 exhibitions and sold weaves worth around Rs.100.37/- lakhs so far. Organizations’ linkages with institutional buyers is one of the important requirements to sustain in the market. To achieve this, a number of Buyer-Seller Meets were organized. As a result, linkages with the reputed buyers like Lifestyles, CCIC, UP Handlooms, Fabindia, Sri Design Studio, etc. were established which have been worth of Rs. 2.58 crore so far. Also for marketing, catalogue in fabric, printed and digital



forms were developed with all the technical details. Handloom Mark was also promoted and weavers were encouraged to register for the same.

4.2.2 Knitwear Cluster, Tirupur, Tamil Nadu

Tirupur, a small town in Coimbatore district in Tamil Nadu is the hallmark of the success stories of Indian clusters and is popularly known as '*Banian City/ Knit City*'. Tirupur is famous for the cluster activities and mostly, each activity of garment making is being carried out in the town. The clusters consist of units dealing with knitting, dyeing & bleaching, fabric printing, garmenting & embroidery, compacting & calendaring and other ancillary activities. There are more than 6200 such units in the town.

Tirupur has been the centre of textile business since 1870, which catered to the mills set up by the colonial rulers to counter the high cost of labor in the European mills, especially that of Manchester. This township started with the production of low valued cotton hosiery items, mainly, the undergarments, during 1920's and exports during year 1974. Tirupur, mainly exports to European Union, the United States of America, Canada, Japan and Middle East.

Lessons Learned

- (i) Continuous business growth, outstanding performance and self-initiatives to address issues affecting growth of business, without waiting for the government support, are some of the key factors responsible for present condition of Tirupur knitwear cluster.
- (ii) Number of yarn spinners has integrated forward to set up knitting plant, textile process house and become makers of garments. Such forward integrated exporters who have grown from yarn spinners are Eastman, Centwin, Poppy's, Tube Knits Fashions, KPR, etc. and those who have grown forward from leading process houses are Victus Dyeing (Geena Garments), Reliance Dyeing, SCM, PKP, etc. These have also integrated forward to establish garment making units. Examples of backward integration are very few like Dhanam International, Kaytee Corporation, Network Clothing Company etc.
- (iii) In Tirupur, if the integration is not wholly owned by the exporter to become a vertical unit, then the exporters buy stakes or invest into a process house to become partners to ensure preference to their orders for the textile process and maintain standard quality, as desired by their buyers. The owners of the process house are regulated by stringent legislations for the environment controls. In Tirupur, the process houses must have Reverse Osmosis or Zero Effluent Discharge plant or else the existing plants (units) have to close and application of new plants will not be approved.
- (iv) The amount of investments in terms of plant & machinery and overheads in the integrated garment industry is quite high as compared to other knitwear clusters and thus requires efficient management for timely return on investment. This factor motivates them to continuously upgrade existing technology to the acceptable international levels. In spite of the fact that Tirupur town is reeling under acute infrastructural shortage, Tirupur knitwear exporters are able to make a mark in the international sourcing map of textile industry because they work as a group and help each other for a common cause.



- (v) The exporters willingly finance (fully or partly) projects related to repair or new construction of roads, culverts, drinking water supply, etc., carried out by the municipality and or panchayat.
- (vi) Tirupur Exporters' Association (TEA) was set up in 1990 with a vision to make Tirupur a vibrant knitwear cluster under global outsourcing for everything in knitwear. Currently, TEA has 668 knitwear exporters as members and performing yeoman service to the exporters.
- (vii) Tirupur Exports from a meager Rs. 10 crore in 1985 to Rs.5000 crore in 2003, and Rs.11,000 crore in 2006-07 is a performance that has no parallel anywhere in the world. As far as the export is concerned, all leading brands Nike, Cutter & Buck, Adidas, GAP, Tommy Hilfiger, Katzenberg, Van Heusen, Fila, Arrow, etc., and leading chain stores like C&A, WalMart, Target, Sears, C&A and Mothers Care, H&M are sourcing from Tirupur.
- (viii) TEA visualized the directions and dimensions of growth of knitwear sector sufficiently in advance. It also conceived, planned and executed large projects to sustain the growth and retain dominance in knitwear exports. Its major achievements are setting up of /construction of Tirupur Export Knitwear Industrial Complex, Inland Container Depot (ICD), TEAKTEX, New Tirupur Area Development Corporation Limited (NTADCL), NIFT-TEA Knitwear Fashion Institute, Trade Fair Complex of international standards, Netaji Apparel Park, JV for warehousing and distribution of garments in Europe and E-Readiness Centre. The projects details are given below:
 - a. An exclusive industrial complex for manufacturing of knitwear for export, namely, *Tirupur Export Knitwear Industrial Complex* (about 8 km from Tirupur), is a 100 acres site to relieve congestion within the city and facilitate expansion of production capacities. This is the first Industrial Complex promoted by private enterprise, consisting 189 industrial sheds with full-fledged infrastructure facilities such as power, water, roads, rain water drainage, sewerage, security post and telecommunication. The investment in this complex has crossed Rs.200 crore and value of production is estimated at Rs.800 crore per annum.
 - b. *TEA LEMUIR Container Terminals Private Limited* (about 10 km from Tirupur), arranges for loading and unloading of export and import cargo in Tirupur itself. Exporters in Tirupur are now completing the custom formalities in Tirupur itself and sending the goods in containers directly for shipment through all southern ports and Mumbai.
 - c. The processing and production complex located in Kanjikode near Palakkad is considered as one of the most modern process house which is functioning for enhancing the quality of knitwear cloth and garments to international standards. A few knitwear production units are also working in the complex. This is a joint venture project of Government of Kerala and knitwear exporters in Tirupur.



- d. A Public Limited Company promoted by TEA jointly with the Government of Tamil Nadu, Government of India and Infrastructure Leasing & Financial Services Limited (IL&FS), Mumbai supply water from Cauvery river (which is about 55 km from Tirupur) for industrial and domestic use not only by the people of Tirupur but also those in more than 30 villages, en-route the pipeline. The massive project estimated to cost Rs. 1100 crore, also envisages underground sewerage system for Tirupur, collection, treatment & disposal of sewerage and solid waste. The water project is already completed.
- e. TEA has teamed up with the Tirupur Dyers Association, collected Rs. 10.00 crore towards equity contribution of the project. This project is an outstanding example of PPP of massive scale, funded by leading international financial institutions like USAID. This is the first of its kind in the whole of Asia.
- f. NIFT – TEA Knitwear Fashion Institute has been setup to cater the manpower needs of knitwear industry and export business in all areas of designing, manufacturing, marketing and administration. Promoted at an investment of Rs. 2.5 crore with support from the Government of India (Ministry of Industry) and ICICI, the Institute has state-of-art machinery and equipment, including CAD and offered testing, training and designing services to the industry. At this institute, Bachelor Degree programs are offered in Apparel Fashion Design, Fashion Apparel Management, Garment Production and Chemical Processing, Apparel Manufacturing and Merchandising. The Institute also offers Master Degree in Apparel Business and Apparel Production.
- g. To attract buyers from all parts of the world to Tirupur knitwear industry, TEA and Apparel Export Promotion Council (AEPC) constructed a Trade Fair Complex of international standards, about 12 km from Tirupur, providing easy and fast access from Coimbatore airport to buyers, visiting the Fair. In the Trade Fair Complex, about 27 knitwear fairs have been conducted so far, which led to the substantial increase in export of autumn/winter wear from Tirupur. Indian Knit Fairs (IKF)-summer and autumn/winter- are well known globally, buyers from world over look forward to these fairs. A Convention Centre has been constructed in the IKF Complex for conducting programs, meetings etc.
- h. The Netaji Apparel Park, first of its kind in the country has been developed in a 166 acres site at a strategic location alongside the national highway in 2005. The park has 52 knitwear manufacturing facilities, with state-of-art machinery and world class infrastructure, created with an investment of Rs.300/-crore. It provides direct employment to more than 15,000 persons. The park's contribution for knitwear export turnover of Tirupur is about Rs.1500.00 crore per annum.
- i. TEA and St. John Freight Systems Ltd., have formed a JV Company (JVC) in India of 50:50 ratio, in the name of TEA – St. John Logistics Private Limited. The new JVC would float a subsidiary company in Antwerp, Belgium shortly for



warehousing and distribution of garments in Europe. The JVC will give one stop solution for end to end service with focus on Supply chain for garment distribution at Antwerp, Belgium and will also employ sales team in Antwerp. The JVC is committed to provide seamless supply chain solutions in Europe for Tirupur sellers and European buyers. This JVC is also planning to act as a trading house with exceptional logistics back-up advantages, which will add tremendous value to the relationships with existing buyers and also help to forge new partnerships. The JVC has plans to have own retail shops/showroom in major cities in Europe and own warehouse in Antwerp. Further, for the success of Venture, similar joint venture subsidiary company could be started in UK and USA also.

- j. TEA has entered into a Memorandum of Understanding with Microsoft Corporation (India) Private Ltd., to set up e-readiness centers which offer e-readiness programme, e-learning modules and enhance solution delivery capability for local system integrators, resellers and independent solution vendors. Microsoft will also develop a Tirupur cluster portal which will have a public interface and a certain person, accessible to SME community in Tirupur. Microsoft will help and provide online platform to facilitate collaborative exchange for addressing issues like regulatory compliances, environmental issues, quality and certification procedures, project management and textile design development.

4.2.3 Raisin Cluster, Sangli, Maharashtra

Raisin production is one of the important activities under taken in Sangli district. Sangli is one of the largest raisin producer districts in the country. Raisins are basically dry grapes and also known as *kishmish*, *manuka*, *bedana* or dry fruits. In the earlier days, grapes were dried on a plant only, which was a very crude method for making raisin, therefore, result in wastage. The project of converting of grapes to raisin began around 40 to 45 years ago but since last 3 to 5 years, the production has been virtually strengthening. The farmers (growers-cum-processors) undertake raisin production activity themselves and sell raisin in open market. For production of quality raisin, grapes harvested, graded, washed and dipped in solutions containing ephylotele, potassium carbonate and water for 2 to 5 minutes. These grapes then brought to drying shed and spread on shed. Drying process gets completed within 15 to 21 days depending upon weather conditions. The raisins are collected, sorted and graded before packing for marketing or sale.

Lessons Learned

- (i) Raisin Cluster at Sangli district in Maharashtra is one of the clusters in India, where MSE-CDP intervention were taken up. Diagnostic Study for raisin making cluster was conducted and the Diagnostic Study Report was approved in 2008 at the project cost of Rs.2 lakh. Govt. of India grant of Rs. 1.8 lakh was sanctioned for the same.
- (ii) Under MSE-CDP, soft intervention programme activities which leads to creation of general awareness, counseling, motivation and trust building, exposure visits, market development including exports, participation in seminars, workshops and training



- programmes on technology upgradation etc. were taken up in 2009 with a project cost of Rs.3.3 lakh wherein Govt. of India grant of Rs.2.97 lakh was provided.
- (iii) SPV was formed as M/S. Sangli Grape Processing, Marketing & Research Industries Ltd. and its website & brochures were launched/published.
 - (iv) Enquiries were received for supply of hygienic raisins from local and international market.
 - (v) Cluster enterprises participate in B2B meeting on local and national level through various exhibitions. The participants interact with national and international level buyers to know the needs of customers.
 - (vi) Workshop and seminar conducted on technology upgradation & quality aspects at various institutions like Central Food Technology Institute (CFTRI), Mysore and Development & Technical Consultancy National Research Center, Pune, etc. Information/guidance received on different varieties of grapes used for raisin making in the world and their yields, nutrient & water requirement in grapes/raisin, different types of diseases & their control, weather forecasting, method of drying of grapes, different types of chemical used for quality raisin, etc.
 - (vii) Cluster enterprises also attend seminars on management practices and interact with bankers. Through such seminars/interaction meetings, the bankers get clarity regarding the needs and scale of finance for cluster & MSME enterprises.
 - (viii) National Research Centre for Grapes, Pune and the CFTRI, Mysore were involved as Expert Technical Agencies (ETA) for development of the Raisin Cluster.
 - (ix) The Common Facility Centres (CFCs) were jointly constructed by means of finance of Govt. of India (70%), Govt. of Maharashtra (10%), SPV contribution (15%) and bank loan (5%), with the facilities like common production/ processing centre (for balancing/correcting/improving production line, which cannot be undertaken by individual units), design centre, testing centre, common packaging centre, etc. with the components given in **Table 4.1**.

Table 4.1 Components of CFC project and their cost, Raisin cluster, Sangli

S.No.	Components of CFC project	Amount (Rs. In lakh)
1.	Land	18.00
2.	Building	96.60
3.	Plant & Machinery	454.01
4.	Furniture & Fixtures	3.00
5.	Accessories & Miscellaneous Fixed Assets	74.51
6.	Total Fixed Assets (TFA)	646.12
7.	Add:-Margin Money for WC	1.78
8.	Add: - Preelli & Pre-op. exp. & 5% of TFA	32.44



S.No.	Components of CFC project	Amount (Rs. In lakh)
9.	Add: - Contingencies & 2% of Building	1.93
10.	Add: - Contingencies & 5% of Plant & Machinery and other F.A.	26.58
	Total cost of the project	708.85



A view of the Common Facility Center at Raisin Cluster, Sangli

Plate 4.1 Common Facility Center, Sangli

The benefits of the Common Facility Center at Raisin Cluster are summarized in **Table 4.2**:

Table 4.2 Benefits received after establishment of Common Facility Center at Raisin cluster

Before setting up of CFC	After setting up of CFC
Grading and Sorting was manually carried out by labour, chances of mixing of stones, impurities were more in manual sorting. Opportunities for export of manually sorted raisins were less.	Common processing Sorting and processing is done by atomized machinery, it produces hygienic and export quality raisins. MSME units are directly and indirectly exported. CFC processed raisins exported to various countries i.e. Dubai, Kuwait, Russia.
No testing and inspection facility was available in cluster area.	Common Testing Laboratory Chemical and biological testing facility for finished goods and raw material is available in CFC. Water testing, colour testing, moisture testing, soil and leaf testing facilities are also available in CFC
Packaging facility is not available in cluster area.	Common Packaging Centre Packaging facility for export quality raisins are available in CFC. Packaging facility of raisins into small pouches for domestic market is available in CFC.
Others	<ul style="list-style-type: none"> ○ Increase the efficiency and productivity of the MSMEs. ○ Reduced cost of products ○ Mfg. of the internationally competitive raisins is possible.



Before setting up of CFC	After setting up of CFC
	<ul style="list-style-type: none"> ○ Improved the quality of raisins which fulfill the need of global market. ○ Value addition increased by 10 to 20 %

4.2.4 The Footwear Cluster at Athani, Belgaum, Karnataka

A very different perspective for cluster development, named “*Group Enterprise*” and involving a private business services provider, was experimented in Athani, Karnataka. Athani is a small town of about 35,000 population wherein about 800 families are actively involved in producing handmade leather *chappals*. The entire family participates in the production process and a clear division prevails between men and women. While men cut the raw material, prepare the bottom soles and market the *chappals*, women craft the inner soles and decorative uppers and grade.

Lesson Learned

- (i) Khadi and Village Industries Commission (KVIC) initiated governmental interventions in Athani in 1968, with the opening of a training-cum-production centre, which imparted technical know-how, working capital and marketing facilities to the artisans. The initiative was a success with a sensible increase in new designs and products.
- (ii) Karnataka State government actively started to support the industry by promoting the Karnataka Leather Industries Development Corporation Ltd. (LIDKAR), which focused on increasing the demand for *chappals* through marketing. The Corporation opened a large number of outlets in the state and entered into cooperation with a governmental marketing agency of Assam, in order to also cover the northern region. It succeeded in providing employment to more than 10,000 leather artisans in the district Belgaum alone.
- (iii) The State government facilitated the process by providing house-cum-work sheds to workers at subsidized rates and interest free loans.
- (iv) The Central Leather Research Institute (CLRI) and the District Industries Centre (DIC) extended support to improve the quality of products to meet the export requirements. The CLRI observed that the provision of technical inputs alone would not suffice to enhance the artisans’ performance, training in marketing and changes in their mindsets, notably in their depreciative perception regarding work and of themselves, were other prerequisites for success. In the light of this assessment, the organisation set up training programmes in entrepreneurship aiming at transforming the artisans into entrepreneurs in 1999, this in collaboration with the Asian Centre for Entrepreneurial Initiatives (ASCENT), a Bangalore based NGO, and the National Leather Development Programme. The initiative was named ‘*Project EnterPrice*’, it involved 600 artisans and put a specific emphasis on women empowerment. Its volunteers conducted a baseline survey and interacted with artisans, governmental and developmental agencies, and also with community leaders through the Rotary Club.



- (v) Before initiating workshops, ASCENT conducted entrepreneurship awareness camps for women while interacting regularly with their families in order to build up trust.
- (vi) SHGs were created by regrouping 15 to 20 women, who started to save a certain amount regularly in order to benefit from their savings in the form of loans at a later stage.
- (vii) Various training programs were organized in the cluster for building up awareness about costing, pricing, standardization of products and timely delivery.
- (viii) A Common Facility Centre (CFC) was set-up to ensure that market requirements were met and a few women were also trained in design and for imparting training.
- (ix) Brand building became a priority and the groups promptly understood the implications of the concept, which led to creation of the Toehold brand. The Toehold Artisans Cooperative (TAC) was registered as a Trust in 1998, regrouping SHGs, ASCENT representatives and members of the Rotary Club with the aim to act as an apex marketing agency and develop sales in foreign markets. Once a buyer places an order with TAC, the order is submitted to the eleven SHGs that are registered with the Corporation, and these SHGs, bid competitively for it. On acceptance of the quotation, the SHGs members execute the order individually or together as agreed. The *chappals* are then submitted to a two-level quality control and delivered to TAC, which remunerates the artisans through the SHGs. At the end of the financial year, 40% of the net profits are redistributed to the artisans, 20% to the SHGs and 40% remain with TAC to finance productive and social investments, considered as necessary for enhancing the cluster's competitiveness and the artisans' well-being.
- (x) In the Footwear Cluster, over 60% of the artisans obtained electricity and about 10% accessed telephone during 1998 - 2003 due to the improvement in financial health of the artisans. Cooperation with the Rotary Club resulted in improved sanitation by way of organizing health camps, educational facilities, vocational training for shoe making and promotion of computer literacy.

4.2.5 Pottery & Ceramic Cluster, Khurja, Uttar Pradesh

The Khurja pottery cluster is one of the oldest pottery clusters in the country. It came into existence during the Mughal rule in the northern India when there was a demand for earthenware. Khurja cluster is located at a distance of about 100 km. from Delhi. A majority of the units are located in and around Khurja town.

There are about 750 pottery units in Khurja engaged in production of various types of ceramic products. Pottery manufacturing business has generated employment for about 25,000 persons in manufacturing sector and more than one lakh persons in trading sector. Khurja pottery cluster is engaged in the production of various types of ceramic products such as stoneware and bone china crockery, HT (high tension) and LT (low tension) insulators, electrical items, sanitary wares, decorative wares and chemical porcelain. The cluster comprises dependent and independent pottery units.



Ceramic manufacturing process broadly consists of mould preparation, body material preparation, shaping, drying and firing. Details of manufacturing process of ceramic products is as under:

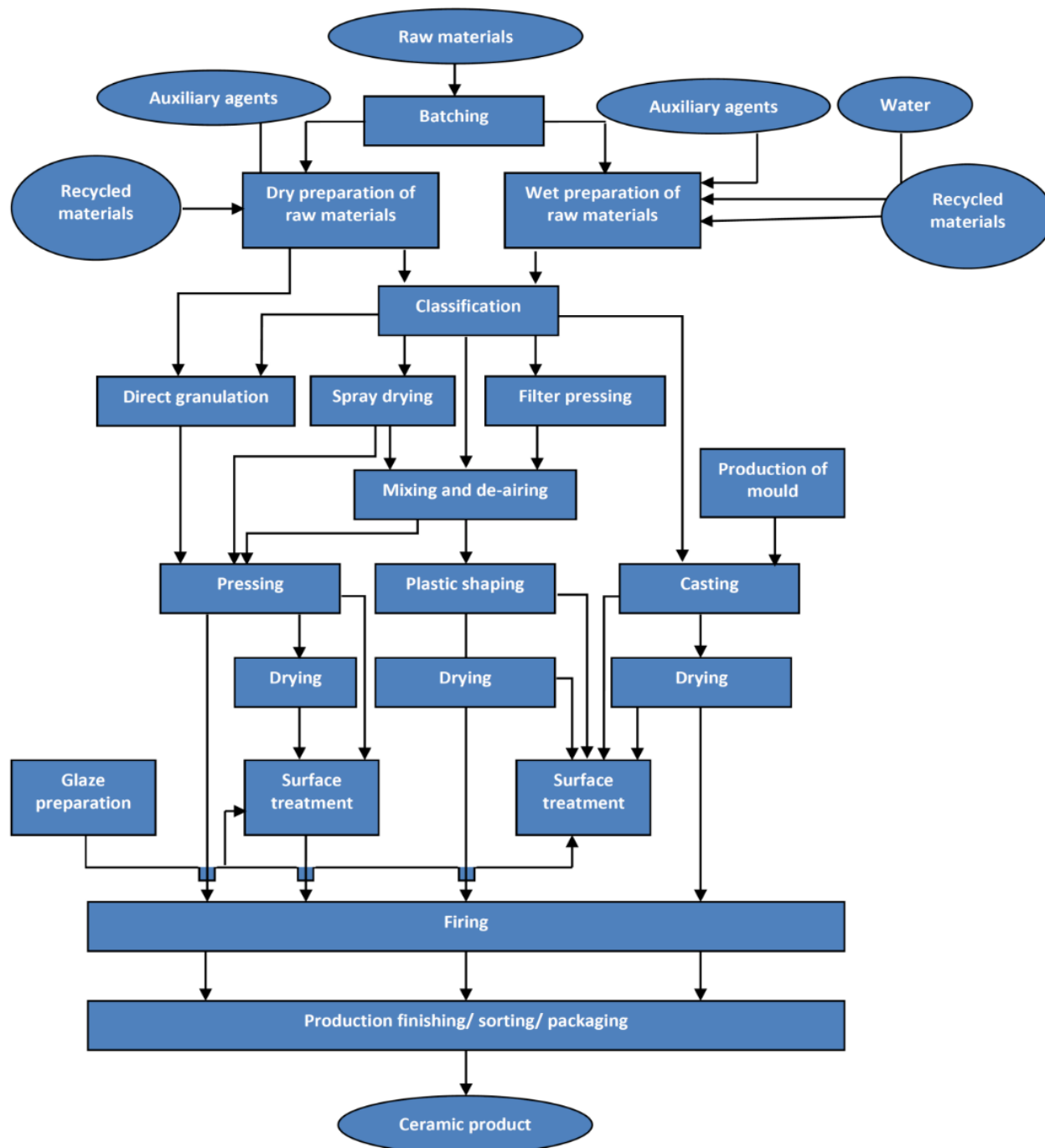


Figure 4.1 Process involved in manufacturing of ceramic products

Source: Cluster Profile Report- Khurja Potteries, TERI, 2015

Lesson learned

- (i) The independent pottery manufacturers have integrated production facilities ranging from raw material processing to firing. Both dependent and independent potters have



their own associations, viz. KHPA (*Kutir Avam Hasth-shilp Potters Association*) and KPMA (*Khurja Pottery Manufacturers Association*), respectively.

- (ii) Traditionally, Khurja pottery cluster was using downdraft kilns which were mainly using coal as fuel. However, there were number of issues related to operation of downdraft kilns which includes higher Specific Energy Consumption (SEC), lower yield and poor environmental performance. Over the years, majority of downdraft kilns have been replaced with tunnel kilns and shuttle kilns.
- (iii) The pottery units in Khurja use Light Diesel Oil (LDO), Rubber Process Oil (RPO), natural gas and electricity. Thermal energy accounts for about 80-85% share and electrical energy 15-20% share of total energy consumption in a pottery unit. Energy costs are estimated to be 25-40% in overall production costs. RPO is being increasingly used by pottery units in the cluster, which may be mainly attributed to lower costs as compared to LDO. However, the issues related to use of RPO in existing burner setup include higher un-burnt in flue gases and frequent maintenance of burner.
- (iv) The major stakeholders in Khurja pottery cluster include the following:
 - a) **Industry Associations:** The important industry association at cluster level is Khurja Pottery Manufacturers Association (KPMA). It is well represented by a large number of potteries using tunnel and shuttle kilns. Other industry associations include Khurja Pottery Raw Materials Association (KPRMA) and Khurja Kutir Udyog Associations (KKUA).
 - b) **Central Glass and Ceramics Research Institute (CGCRI):** The CGCRI, a unit of CSIR, Government of India is located within the cluster. CGCRI is equipped with a laboratory for raw material preparation and kiln firing. It conducts regular training programs on skill up-gradation.
 - c) **Indian Ceramic Society (Western Uttar Pradesh Chapter):** The Indian Ceramic Society (Western Uttar Pradesh Chapter) is located in CGCRI and is involved in conducting workshops and conferences relevant for ceramic industries in the region.

Khurja pottery cluster is one of the focus clusters in a UNIDO supported study on “*Promoting energy efficiency and renewable energy in selected MSME clusters in India*”. UNIDO is working closely with CGCRI in implementation of the project in the cluster.

- (v) The Office of the DC, SSI (Development Commissioner, Small Scale Industries) has undertaken a diagnostic study for the modernization of the pottery industry in Khurja. By conducting a review of past studies w.r.t. modernization aspects of the cluster, an assessment of problem areas at each stage of production, remedial measures to overcome the problems and formulation of detailed strategy for implementation was undertaken.



4.2.6 Auto Component Cluster, Chennai, Tamil Nadu

The Indian automotive industry has been growing at an appreciable pace with expanding domestic and export markets during the last decade. The industry has attained a turnover of Rs.1,65,000 crore with an investment of Rs.50,000 crore. Tamil Nadu State has the largest auto components industry base which alone accounts for 35% of India's auto components production. The industry, over the years, developed the capability of manufacturing all the components required for manufacturing vehicles.

As per the statistics of Automotive Component Manufacturers Association (ACMA) of India, there are about 40 medium and large enterprises in Chennai, alongwith 6 major car manufacturing industries located in and around Chennai including Ford, Hyundai, Renault, Nissan, Mitsubishi and BMW. The total capacity of these 6 car projects is 13.80 lakhs units per year. Besides this Ashok Leyland, Ashok Leyland Nissan, Wright bus manufacturing buses, trucks special application vehicle, engines, etc. During 2007-09, India's total export of automobile was about Rs.8,861 crore, of which, Chennai alone exported Rs.4,733 crore (53.41%). Chennai has over 350 tier I to III suppliers apart from more than 4000 small and medium enterprises under tier IV segment. All mother vehicle projects also have dedicated vendor's parks next to them. Chennai is now emerging as one of the top 10 Global automobile manufacturing centres. The following figure illustrates various actors in the Auto Component Cluster in Chennai.

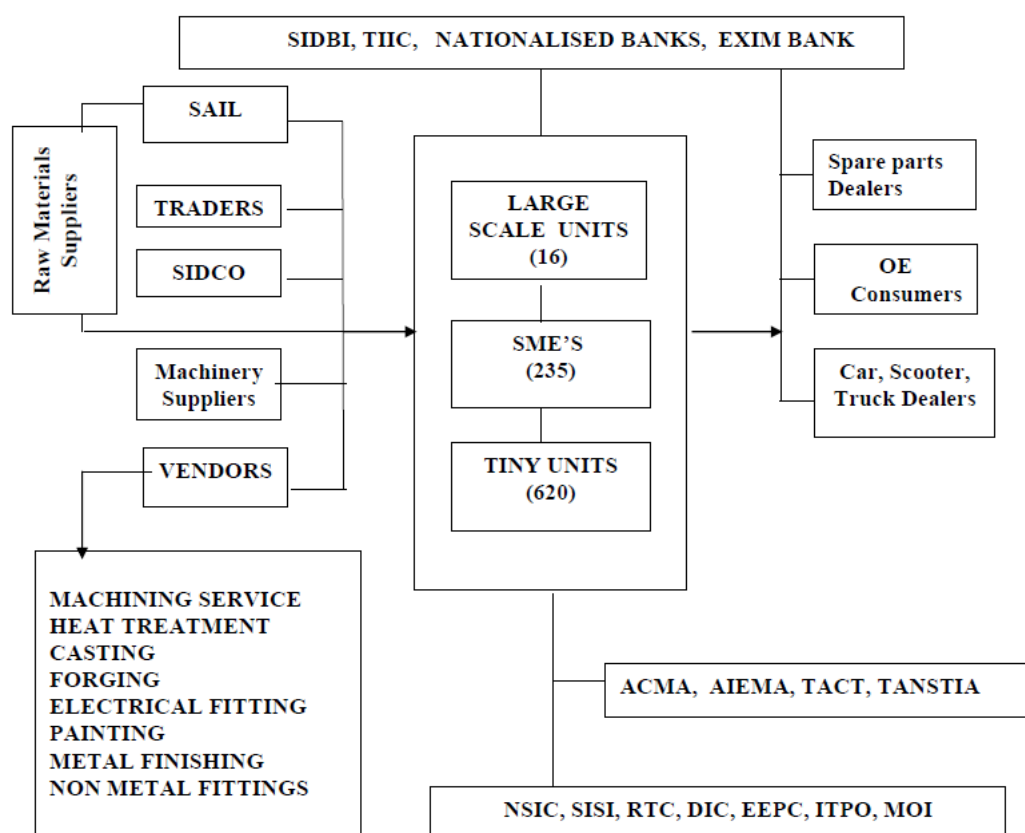


Figure 4.2 Stakeholders of Auto Component Cluster

Source: Diagnostic Study Report of Auto Component Cluster Chennai, Cluster Development Executive, Small Industries Services Institute, Govt. of India



Lessons Learned

- (i) **Raw Material:** Most of the units buy materials through dealers of large manufacturers. Raw materials like steel and Fe-alloys are principally sourced from SAIL and its suppliers. For non-ferrous alloys like aluminum, there are local re-melting units & foundries that manufacture the alloys & ranges with different composition based on the requirements of the manufacturers. The vendors of Ashok Leyland, Original Equipment Manufacturers (OEM) has a tie-up with SAIL and practices an informal consortium approach wherein the steel requirements of all its vendors are clubbed together and a price is negotiated with SAIL based on the bulk purchase. This has gone a long way in helping Ashok Leyland's vendors to reduce the raw material costs. This can be a role model for other cluster including NCR.
- (ii) In this cluster NSIC is involved in Hire Purchase and Leasing Schemes. The Hire Purchase & Leasing Scheme has a provision for supply of indigenous and imported machinery and equipment on easy financial terms and it mainly targets first generation entrepreneurs. The main aim of the leasing scheme is to facilitate SMEs to expand their capacities or diversify and/or upgrade their technology according to the needs of market. Under this scheme, the enterprises are entitled to 100% finance under a single window for indigenous/ imported machinery and tax rebates on full-year rental. This scheme is utilized by the enterprises in the cluster for technology upgradation.
- (iii) **Small Industries Development Corporation (SIDCO)** plays an important role in supplying raw material to the needy industries. SIDCO has few depots in the industrial estates to cater the needs of industries. The units get the credit for the purchases for a period ranging from one to two months. Generally minimum order quantities are not too high for the components.
- (iv) **Institutional Support:** Tamil Nadu Small and Tiny Industries Association (TANSTIA) is an apex body recognized by both State and Central Governments. Trade Associations and many small & tiny industries are its members. This association plays a promotional role, participates in the committees of State & Central Government and promotes interest of the small and tiny industries. It is trying to bring cluster development activities in major industrial estates of the State.
- (v) **Auto Components Manufacturers Association (ACMA):** It is an all India Association and has an extensive database on the auto components manufacturers and their production. It organizes buyer-seller meets, trade fairs, seminars and lectures. This body produces a comprehensive statistical report on the automobile and auto components sectors and has a number of publications.
- (vi) **Small Industries Services Institute (SISI):** This is a Central Government Organization coming under the control of the Development Commissioner, Small Scale Industries. This body disseminates information about the Central Government's policies & schemes and also conducts training programmes in various disciplines. Under the aegis of UNIDO, this organization also has a subcontracting exchange for vendors. This



- organization has been mandated to play a role as a cluster development agency in the auto component cluster at Chennai.
- (vii) NSIC is involved in Hire Purchase & Leasing Schemes and Raw Material Assistance Scheme and it operates Consortia Marketing Assistance Program. Whereas, the Raw Material Assistance Scheme is to supplement the availability of raw materials to a large number of units, the Hire Purchase & Leasing Scheme can be utilized in the cluster for technology up-gradation. The institution is keen to play an active role in the cluster development programme.
 - (viii) **Central Institute of Plastic Engineering & Technology (CIPET)** is in the forefront for imparting training, consultancy services and testing facilities. It has good linkages with the other industries and many auto component industries & automobile manufacturers avail its services. It also arranges manpower for the industries by conducting various placement programmes for the trainees.
 - (ix) **Engineering Exports Promotional Council (EEPC):** This is a Central Government organization under the Ministry of Commerce, Govt. of India, which keeps track of the exports engineering goods including auto components. This body helps the industry by organizing buyer-seller meets, exhibitions, foreign exposure trips, etc. It operates Marketing Development Assistance Scheme and provides financial assistance for preparation of publicity material and market survey on specific products.
 - (x) **Tamil Nadu Industrial Investment Corporation Ltd. (TIIC)** is the premier financial institution in the State and does project financing for medium and small scale units in the State. Apart from the conventional term loan lending, this institution also has a scheme for modernization which is being availed by the units in auto component cluster for upgrading their technology. Many industries in the cluster are availing fund for working capital.
 - (xi) **Industrial Department, Government of Tamil Nadu** has formulated '*Tamil Nadu Automobile and Auto Component Policy*', 2014 for an integrated and comprehensive development of automobile and auto component manufacturing units. The policy aims at promoting new auto clusters and facilitates backward and forward linkages to maximize value-addition in the State and to encourage small and medium enterprise vendors. It also aims to augment the talent pool to meet the long term skilled manpower requirements of this industry and to encourage PPP initiatives and Industry-Institution partnerships in skill development.
 - (xii) **National Automotive Testing and R&D Infrastructure Project (NATRiP)**, a Govt. of India project, established in Oragadam near Chennai with a test track to facilitate introduction of world-class automotive safety, emission and performance standards. It also ensures seamless integration of Indian automotive components industry with the global industry.
 - (xiii) A "**Research Valley**" in Maraimalai Nagar near Chennai has undertaken design, prototype development and testing of new vehicle models.



- (xiv) **The Tamil Nadu Skill Development Mission**, initially implemented through a society and later it has been reorganized as a Special Purpose Vehicle (SPV) with participation from private sectors under the Companies Act, 1956 as Tamil Nadu Skill Development Corporation.



5. ISSUES & RECOMMENDATIONS

5.1 Background

Micro, Small and Medium Enterprises play a pivotal role in the economic and social development of the country. As per the fourth Census of MSMEs of India, there are a total of 3.6 crore MSMEs in the country, employing over 8.0 crore persons making it the second largest employer sector after agriculture. MSMEs contribute significantly to the GDP (37.54%) accounting for 45% of total industrial production and 40% of total exports of the country. The manufacturing segment within MSMEs contributes to 7.09% of the GDP.

NCR is one of the fast growing industrial and urban region in the country. Its resource base, industrial base (about 2.5 lakh large & medium industrial units), large urban population and huge consumer market led to the mushrooming growth of the micro and small enterprises in region. There are 85,648 micro and small scale enterprises in NCR with the total investment of Rs. 94,929 crore, employing about 9 lakh persons. The micro and small scale enterprises not only provide employment to lakh of workers including artisans and rural people in the region but also create a sound entrepreneurial base in the economy by developing and nurturing talents and skills of micro, household and small entrepreneurs.

It is observed that despite of enormous importance and potential of micro, household and small enterprises in NCR, most of these clusters/ enterprises in NCR are facing several problems relating to availability of physical infrastructure like electricity, water supply, road, shelter, storage, etc., procurement of raw material, purchase of machinery & equipment, design & technology, access to credit, marketing of their products and institutional support, etc. In this Chapter, various issues and challenges related to the micro, household & small enterprises in NCR have been discussed and recommendations are formulated to overcome these issues & challenges for fostering the growth and development of this sector in the NCR.

5.2 Micro, Household and Small Manufacturing Enterprises/ Clusters in NCR

Various micro, household & small manufacturing enterprises & clusters exist in NCR. A compendium of such clusters (*as identified by the Development Commissioner, MSME Ministry of MSME, Govt. of India; the MSME-Development Institutes report(s) on Brief Industrial Profile of the districts (2012-2015); the Cluster Observatory; the Foundation for MSME Cluster and the NCRPB's Study on Micro and Households Enterprises in NCR*), has been prepared and given at **Annexure-7**. Further, based on the MSME-Development Institutes report(s) on 'Brief Industrial Profile' of each NCR district and the inventory of Clusters as available on 'Cluster Observatory web portal', in total 81 micro, household & small enterprise's clusters, engaged in manufacturing variety of products, has been identified and proposed for priority development in NCR. The sub-region wise list of these identified clusters is given in **Table 5.1** below:



Table 5.1 Sub-region wise MSME clusters proposed for priority development in NCR

S.No.	Name & Location of the Cluster	Approx. No. of Enterprises
NCT Delhi sub-region		
1.	Pottery Cluster - Uttam Nagar	7000
2.	Readymade Garments Cluster - Okhla	2039
3.	Printing and Packaging Cluster – Naraina & Mayapuri	450
4.	Embroidery Cluster – Palam and Patel Nagar	15
5.	Hand Embroidery Cluster – Khichdipur, Nand Nagri & Darya Ganj	41
6.	Folk Painting Cluster - Hastal	9
7.	Textile Handloom Cluster - Sarai-Kale-Khan	15
8.	Leather Craft Cluster - Okhla	10
9.	Furniture Cluster – Kirti Nagar	500
10.	Cosmetic & Packaging Cluster – North West Delhi	240
11.	Dal and Besan Cluster – Central and North West Delhi	50
Haryana sub-region		
12.	Auto Parts Manufacturing Cluster- Gurugram	1478
13.	Auto Rubber Parts Cluster- Gurugram	135
14.	Readymade Garments Manufacturing Cluster- Gurugram	1310
15.	Leather goods and Garments Cluster - Manesar	205
16.	Auto Components Cluster- Gurugram	5000
17.	Chemical Cluster- Faridabad	275
18.	Fabrication and General Engineering Cluster- Faridabad	40
19.	Auto Components Cluster- Faridabad	2500
20.	Light Engineering Cluster- Faridabad	203
21.	Terracotta Handicraft Cluster - Badkhal	10
22.	Hodal Terracotta Cluster- Palwal	15
23.	Embroidery Cluster - Firozpur Zhirka, Mewat	N/A
24.	Aluminium Utensils Cluster- Rewari	35
25.	Perforated Sheets Cluster- Rewari	50
26.	Footwear Cluster- Rewari	N/A
27.	Footwear Cluster- Bahadurgarh	125
28.	Jewellery Handicraft Cluster- Bahadurgarh	15



S.No.	Name & Location of the Cluster	Approx. No. of Enterprises
29.	Cane and Bamboo Handicraft Cluster- Jhajjar	8
30.	Terracotta Cluster –Farookh Nagar	15
31.	Nut Bolts Cluster– Rohtak	N/A
32.	Embroidery Cluster– Rohtak	N/A
33.	Leather Product Cluster – Kalanaur	N/A
34.	Stainless Steel Cluster - Kundli	72
35.	Printing and Packaging Cluster - Rai, Sonipat	110
36.	Soft Toys and Embroidery Artisans Cluster- Sonipat	12
37.	Leather Products Cluster – Kharkhoda	N/A
38.	Handloom Cluster– Sonipat	N/A
39.	Home Furnishing Cluster- Panipat	3200
40.	Textile Machinery Development Cluster- Panipat	28
41.	Foundry Cluster - Samalkha	30
42.	Floor Covering Cluster– Panipat	331
43.	Made Ups (Textile Products) Cluster– Panipat	7475
44.	Handloom Cluster – Panipat	N/A
Uttar Pradesh sub-region		
45.	Scissors Clusters - Meerut	225
46.	Glass and Wooden Beads Cluster - Meerut	328
47.	Embroidery Cluster, Meerut	25025
48.	Artificial Ornament Cluster - Meerut	4447
49.	Transformers & Voltage Regulators Cluster - Meerut	100
50.	Auto Components –Meerut	4700
51.	Musical Instruments - Meerut	433
52.	Powerloom Textile Cluster – Meerut	27500
53.	Sport Goods – Meerut	3500
54.	Carpets and Durries – Meerut	N/A
55.	Handloom Cluster – Sardhana, Meerut	N/A
56.	Textile Hand Printing Cluster – Hasanpur, Meerut	N/A
57.	Footwear Cluster– Baghpat	N/A
58.	Handloom Cluster- Khekada, Baghpat	300



S.No.	Name & Location of the Cluster	Approx. No. of Enterprises
59.	Textile Printing Cluster – Pilakhua	400
60.	Bone Cluster – Loni, Ghaziabad	N/A
61.	Mechanical Engineering Cluster – Sahibabad, Ghaziabad	750
62.	Plastic Packaging- Ghaziabad	150
63.	Chemicals Cluster - Ghaziabad	N/A
64.	Earthen and Plaster Statues Cluster - Ghaziabad	N/A
65.	Grass Mats Cluster, Garhmuketshwar,	N/A
66.	Modha Cluster - Garhmuketshwar	100
67.	Wood Craft Cluster - Pilakhwa	N/A
68.	Readymade Garments and Home Furnishing Cluster -Noida	6014
69.	Engineering Cluster – Noida	12000
70.	Plastics Cluster – Noida	350
71.	Rugs and Durries Cluster – Greater Noida	10
72.	Toys Cluster – Noida	N/A
Rajasthan sub-region		
73.	Auto Component Cluster – Alwar	200
74.	Murti Kala Cluster - Gola ka bas	52
75.	Murti Kala Cluster - Ramgarh	200
76.	Leather Cluster - Bansoor & Reni	N/A
77.	Chemicals Cluster – Alwar	N/A
78.	Stone Carving Cluster – Khatumas, Alwar	20
79.	Terracotta Cluster, Ramgarh	35
80.	Carpet and Durries Cluster – Neemrana	N/A
81.	Wood Craft Cluster – Khatumar, Alwar	N/A

Note: N/A – information not available

5.3 Issues and Recommendations

The Ministry of MSMEs, other Central Government Ministries/ Agencies and the NCR participating State Governments have taken various actions towards development of micro, small & household enterprises in NCR under various programmes and schemes. However, the NCRPB ‘Study on Micro and Household Enterprises in NCR’ and the district wise ‘Brief Industrial Profile of MSMEs’ have revealed that despite various efforts/ actions of the Central Government Ministries/ Agencies and the NCR participating State Governments, the micro,



small & household enterprises/ clusters in NCR are still facing several issues/ challenges for their growth and development.

The issues/ challenges related to these enterprises in NCR have been categorized into two parts i.e. (i) *general issues* & (ii) *sector/ cluster specific issues*, and accordingly recommendations have been formulated which are as under:

I. General Issues & Recommendations

Most of the issues related to the micro, small & household enterprises/ clusters are common and general in nature. The issues related to MSMEs at unit level, cluster level, national level and global are illustrated in the following **Figure 5.1** below. Further, issues pertaining to functioning, manpower requirements, raw material, land/space & physical infrastructure availability, etc. are discussed in detail in the ensuing sections.



Figure 5.1 Issues associated with the development of MSMEs

Source: Retrieved form <<http://clusterconference.in/ppt/bindoo%20ranjan.pptx>>

1. Need for creation of a Special Purpose Vehicle

Considering the importance of micro, small & household enterprises and their development constrains, at the outset it is imperative that Special Purpose Vehicles (SPV) should be created at the level of each cluster or group of clusters and Common Facility



Centres (CFCs) should be established on priority by the NCR participating State Governments in their respective sub-region.

2. Availability of Skilled Manpower

It is observed that micro, small & household enterprises, engaged in manufacturing of various types of goods are facing difficulties in securing skilled manpower in the NCR. Further, there is a need to introduce latest technical knowledge and advanced computerised machines for product designing and development in engineering clusters alongwith skill up-gradation of labour. Some of the enterprises/ clusters such as foundry, face problem of skilled manpower due to non-availability of required courses/ training as well as further skill up-gradation opportunities. It is also seen that micro enterprises are not able to up-grade the skills of their existing manpower due to shortage of funds. The primary survey reveals that some of the micro, small & household manufacturing enterprises are not even aware of the training institutes and training programs available for skill up-gradation and practical training.

It is recommended that short-term training programs/ courses should be organised/ started by the Ministry of MSMEs/ other concerned Ministries/ Departments/ Agencies/ NCR participating State Governments/DICs, etc. in collaboration with SPVs/ Industrial associations/ ITIs, etc. as per the specifications and requirement of clusters /local workers & entrepreneurs. Various National or State level technical and design research institutes should be involved in such training programmes. Further, awareness programme should be conducted to educate entrepreneurs and workers. A stipend should be given to attract entrepreneurs and workers for attending awareness & training programmes. Entrepreneurship Development Programmer may be organized with Technical inputs from NIESBUD and by the Institute to train the youth to take up entrepreneurship as a career.

Livelihood Business Incubators at NIESBUD can serve a source and point of skill based entrepreneurship. The incubator will assist in the conception and development of household and micro enterprise in various sector such food processing and preservation, beauty and wellness, Information Technology related services and other area/resource specific through entrepreneurship development interventions.

Mentoring and Post Training support- Stand alone training programs do not serve the purpose in the long run. It is therefore suggested that a mentoring and post-training cell may be set up. The primary objective of the cell will be to assist individual in setting up micro and house hold industries. The cell will help the beneficiaries to develop viable business plans, meet with banks, to avail loan facilities from the bank and setup micro business units.

3. Procurement of Raw Material

Procurement of raw material is one of the major constraints that micro, small & household manufacturing enterprises are facing in the NCR. Most of the clusters/ enterprises depends on Delhi for procuring their respective raw material. The study conducted by NCRPB has also revealed that enterprises do not have direct access to raw material producers/producing areas. Large proportion of the required raw material for micro, small & household enterprises is being



procured through traders and dealers, resulting in higher cost of raw material and affecting the potential performance of the clusters/ enterprises.

In view of this, the followings are recommended:

- (a) **Raw material banks should be set up at district level to cater to the raw material demand of various types of enterprises or clusters. A concept of common markets should be introduced where the enterprises can procure raw material in bulk at lower cost.**
- (b) **The enterprises should be encouraged & facilitated to procure raw material directly from the first hand producers. A common data bank of various raw material producers should be created in this regard at each district or cluster level.** One of such successful examples is the Wet Grinder Cluster in Coimbatore, Tamil Nadu wherein the copper wire is being procured by the individual units directly from manufacturers rather than depending on local traders.
- (c) **As most of micro, small & household enterprises lack in terms of storage space, a common shed/ storage area should be built at cluster level where enterprises can store their raw material.**
- (d) **In case of natural resource based manufacturing clusters, 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 could be substituted and reduced.**
- (e) A cluster depends on other clusters for the supply of raw materials, machinery & equipment, technology, human resources, market etc. For example, the Wearing Apparel Clusters are dependent on the Handloom Clusters for raw materials, while the Wearing Apparel Clusters act as the main market for the Handloom Clusters. Considering the fact that there is an interdependency among the clusters/enterprises in terms of the raw materials and finished goods/products, **it is suggested that interdependency of clusters should be recognized/ established in terms of supply chain linkage, by certain interventions of the Ministry of MSME or the State Governments. Further, it is also recommended that frequent buyer-seller meets should be organized so that they can establish direct contacts for the raw materials.**

4. Land /Space for Micro and Small Enterprises

Land/space is a major problem for the growth and development of micro, small & household enterprises, particularly in the natural clusters which are located in old and congested parts of urban areas of NCR. There is an acute shortage of space for work, storage of raw materials, circulation, loading & unloading of goods, parking, etc. in the clusters. Thus, the availability of land for setting up of micro and small enterprises becomes crucial.

It is recommended that Development Authorities/ ULBs/ State Governments should identify and earmark land/space for micro, small & household enterprises and work-shed or work shed-cum-housing clusters should be developed at such land parcels with all



necessary infrastructure, in collaboration with concerned Central Ministries/ Departments and SPVs, etc.

5. Physical Infrastructure

Growth of MSME sector at a healthy rate is crucial for the overall growth of local and national economy. However, lack of proper infrastructural facilities can cause serious damages to an enterprise's value chain process like production, consumption and distribution of the products. Besides this, lack of finance, inadequate marketing facilities, technological obsolescence, etc. are also being faced by MSMEs. Poor road connectivity and wrecked roads discourage traders/exporters from visiting most of the clusters. It also affects the transportation of finished products as the instances of breakage are higher. Clusters that produce chemical effluents as a residue need to have a Common Effluent Treatment Plant (CETP) to prevent polluting the land or water bodies. Most of the enterprises are also facing problems due to inadequate physical infrastructure like water supply, power supply, sanitation, storage and packaging & product display areas, etc. Hence, there is a need of infrastructural development for the industries in general and MSMEs in particular which should include all types of infrastructural facilities like roadways, adequate supply of power, water, CETP, common storage & packaging-cum-product display areas, etc. and other supporting facilities like tool rooms, testing labs, design centers, etc. Some glimpse of inadequate physical infrastructure is given in **Plate 5.1**.



Pottery Cluster, Khurja: Poor road condition and water logging^{xlv}



Pottery Cluster, Khurja: Road side dumping of MSME solid waste^{xlvi}



Band-Baaja (Musical Instruments) Cluster, Meerut: Congested road^{xlvii}

Plate 5.1 Status of physical infrastructure



To improve the infrastructural facilities in and around the clusters, following are recommended:

- i) 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* (for balancing/correcting/ improving production line that cannot be undertaken by individual units), *Design Centres, Testing Facilities, Training Centre, R&D Centres, Effluent Treatment Plant, 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 the SPVs/industry associations in and around the Clusters.
- ii) Infrastructure development schemes for the cluster(s) should be prepared by the SPVs/ local authorities/concerned departments/agencies/ industry associations under the cluster development programme or any other prevailing policy or programme of the Central Government or the respective State Government.
- iii) Options for *alternate clean energy sources* including solar and biomass should be explored for meeting the power demand of various Clusters. SPVs/Industry Associations should take initiative in power generation for their own clusters.
- iv) State Governments/Authorities/SPVs/Industry associations should construct *CETPs* in the respective clusters based on the requirement of the area to avoid and control the environmental pollution. Respective State Governments can provide incentives to the private developers to construct the CETP and the other required infrastructure on PPP mode in the clusters.

6. Harmonize Master Plans with Micro, Small & Household Manufacturing Activities

It has been recognized that much of the manufacturing units in unorganized sector operates from the non-conforming zones (for example, plastic toy manufacturing in NCT-Delhi) of the Master Plans. Master Plan for Delhi-2021 (MPD-2021) has provided a detailed list of household industries.

It is suggested that the NCR participating State Governments, Local Authorities and concerned Departments/ Agencies should evolve a mechanisms for according priority to economic development activities, including micro, small & household manufacturing in urban areas while planning the growth of cities/towns. *Land /space for micro, small & household enterprises should be earmarked in the respective Master Plan/ Development Plan of the towns. Wherever the MSMEs are located/ concentrated in the old city areas, efforts should be made for redevelopment/rejuvenation and infrastructure development of such area/clusters.*



The ULBs and Development Authorities should be incentivized by the Central or State Governments, to accord priority to designate areas for micro, small & household manufacturing in the urban centres or emerging urban areas. Such initiatives may be advocated by the concerned Central Ministries/State Governments and should be backed by sufficient resources.

7. Finance and Credit

The Inter-Ministerial Committee for Accelerating Manufacturing in MSME sector, Ministry of MSME observed that the issues connected with credit availability-adequacy, timely availability, cost and mortgages remain a continuing concern. Further, the Working Group on MSMEs Growth for 12th Five Year Plan (2012-2017), Ministry of MSME observed that there is a huge credit gap in the MSME sector which is adversely affecting the growth of the sector. The gap is normally met through informal channels, which are often at higher cost than the institutional finance.

Further, the NCRPB's *Study on Micro and Household Enterprises in NCR* reveals that majority of micro, small & household enterprises in the region are facing problem of shortage of funds. These enterprises are also facing problem in obtaining loans from banks/ financial institutions which is affecting enterprises performance and potential. It is observed that due to high risk perception the banks/ financial institutions demand collateral arrangements from the entrepreneurs. Besides this, enterprises need to engage agents for obtaining loan from the banks/financial institutions and a substantial amount of the loan is being paid as agent's commission.

To overcome the issues of finance and credit among micro, small & household enterprises in NCR, the following are recommended:

- i) Enterprises should be made aware of various schemes related to credit which they can avail. This would reduce the menace of middlemen and agents. SPVs/ Industry Associations should set-up an effective institutional mechanism for facilitating credit flow to MSMEs.**

For example, Faridabad Small Industries Association has tied up with SIDBI which provides loan to enterprises on the basis of recommendation from this Association. Such a model could be encouraged to be adopted in other parts of NCR. The DICs need to take an initiative and encourage the entrepreneurs to form the SPVs / Industrial Associations which can take up similar initiatives.

- ii) Capacity of the MSE loan officers should be developed by the banks to provide various advisory services to MSMEs.**
- iii) Collateral free loan should be made available up to an amount of Rs.25 lakh for MSMEs in NCR. Lead bank of the district or SIDBI in collaboration with DICs may prepare project profiles of viable clusters in the district and provide support to these clusters for their development. Banks in collaboration with Industry/Enterprise Associations may adopt various clusters as per the Reserve Bank of India (RBI) instructions. *Lead bank/***



SIDBI should adopt such MSME clusters. In the first phase, one such Cluster of MSMEs in each sub-region should be taken up for development.

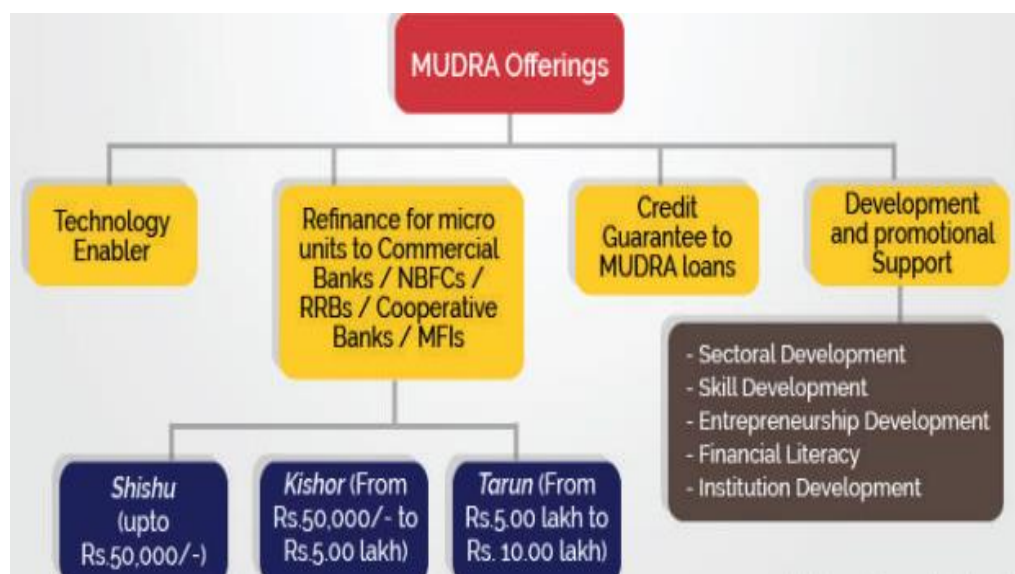


Figure 5.2 Financing pattern of MUDRA

Source: MyGov India, Weekly Newsletter, Volume 1 Issue 2, published on 14th September, 2016 retrieved from <<http://jan-sampark.nic.in/jansampark/images/campaign/2016/15-Sep/pdf/english-sample-2.2.compress.compressed.pdf>>

- iv) Micro Units Development and Refinance Agency Bank (MUDRA Bank), a public sector financial institution launched in 2015 provide loans at low rates to micro-finance institutions and non-banking financial institutions which then provide credit to micro & small enterprises engaged in manufacturing, trading and service activities. Micro and small enterprises have been classified into three categories i.e. *Shishu* (Start-ups), *Kishore* (who have started but business yet to be established) and *Tarun* (all small business) and the maximum allowed loan amount is up to Rs.50,000 for Shishu and all micro enterprises, from Rs.50,000 to Rs.5 lakh for Kishore and form Rs.5 lakh to Rs.10 lakh for Tarun category. The financing pattern of MUDRA is illustrated in the above Figure-5.2.

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. Salient features of MUDRA Loan Scheme are given at **Annexure-8**.

- v) **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.** Policy documents of PMRY and PMEGP are given at **Annexure-9** and **Annexure-10** respectively.



8. Technology, Design and Packaging

It is observed that most of the MSME clusters in NCR are lacking in terms of their respective technological and designs aspects. Especially, micro, small & household enterprises are not able to keep pace with the latest technology and design. These enterprises are also not much aware of the schemes to subsidise technology up-gradation and skill development.

For example, design and technology in handloom sector are of utmost importance which keeps changing with the market trends. To capture the market, quality of garments need to be tested and ensured. Hence, the need to set up a Design and R&D centre at each cluster or group of clusters becomes essential.

It is also found that machinery/ technology being used by most of the micro, small & household enterprises are generally obsolete. To keep pace with the changing market scenarios, there is an utmost need for technological advancement of these enterprises.

To overcome the technological and design hurdles the following are recommended:

- i) The Central Government has launched a number of programmes and schemes like the *National Manufacturing Competitiveness Programme (NMCP)* with the objective of enhancing the competitiveness of MSMEs and for assisting MSMEs in adoption of best international practices to enhance their competitiveness. Under the NMCP, *Design Clinic Scheme* (refer **Figure 5.3**) has been formulated with the purpose to increase awareness about value of design and establish design learning in MSM manufacturing enterprises and increase competitiveness of local products through continuous learning and skill development. **Awareness generation regarding these programmes and schemes need to be initiated Ministry of MSMEs/ other concerned Ministries/ Departments/ Agencies/ NCR participating State Governments/DICs/ SPVs, etc.**
- ii) **Different trainings programmes for entrepreneurs and workers should be organised by the Ministry of MSMEs/ other concerned Ministries/ Departments/ Agencies/ NCR participating State Governments/DICs etc. in collaboration with the SPVs/ Industrial association as per the specifications and requirement of the clusters.**

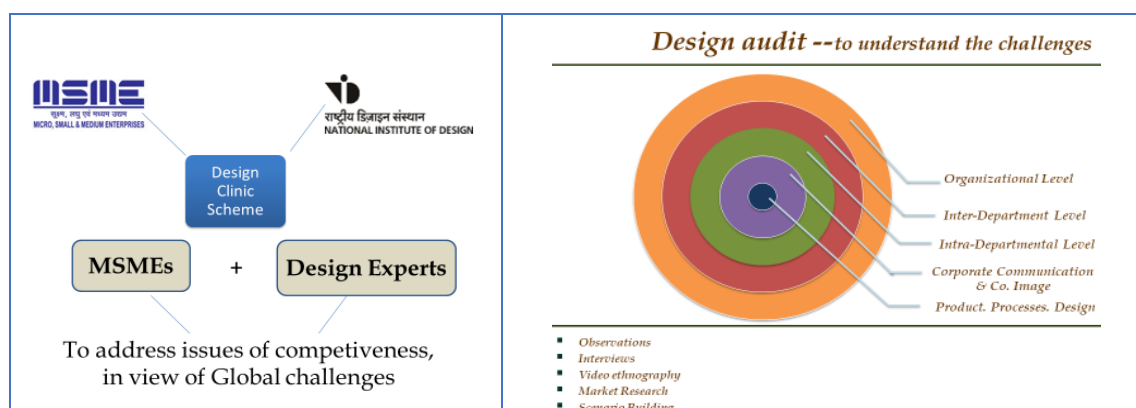


Figure 5.3 Design Clinic Scheme and the concept of Design Audit

Source: Retrieved form <<http://clusterconference.in/ppt/bindoo%20ranjan.pptx>>



Such training programmes should include practical demonstration of latest technologies and designs related to the enterprises. The entrepreneurs need to be given the know-how of required equipment/tools. A few entrepreneurs/skilled workers within cluster may also be involved/trained in the delivery of training.

Various National or State level technical and design research institutes should be involved in such training programmes.

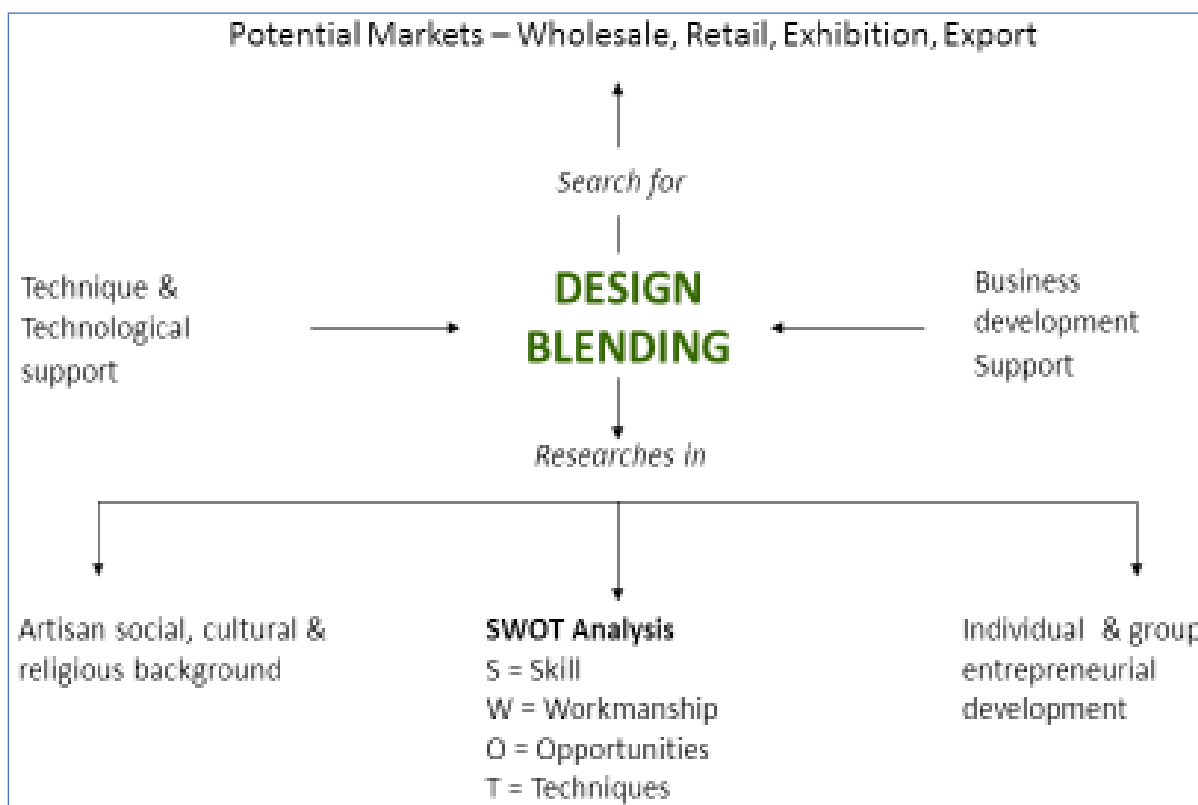


Figure 5.4 Process of design blending

Source: Retrieved from <<http://clusterconference.in/ppt/bindoo%20ranjan.pptx>>

- iii) **Design Centre** should be set up by the Ministry of MSMEs/ other concerned Ministries/Departments/Agencies/ NCR participating State Governments/DICs at cluster or district headquarter level in collaboration with the SPVs/ SHGs/ Industrial Associations. While setting up Design Centre, various design institutions such as National Institute of Design, Central Footwear Technology Institutes, etc. should be involved. *Design Audits* as illustrated in Figure 5.3 should also be conducted.
- iv) In order to ensure the quality of various products, *testing centres* as per the specifications and requirement of clusters should be set up at cluster or district level.
- v) *Common Facility Centres* should be set up by the NCR participating State Governments/DICs and/or the SPVs which can provide technology/ machinery to



enterprises for use on rental basis. Schemes like ‘*hire purchase and leasing*’ by NSIC should be initiated at cluster level.

- vi) ***New Tool Rooms and Technology Development Centres/Institutes* should be set up to provide specialised training to the existing and prospective workers of the micro, small & households manufacturing sector. These institutions may be set up in Industrial Districts/ Clusters with state-of-art machines to provide training to the youth to make them readily employable in high growth sectors like auto components, engineering, leather, garments, etc.**
- vii) There is one specialized institution i.e. Indian Institute of Packaging (IIP) in the country which imparts training in packaging and designing. In order to meet the increasing demand of MSMEs for packaging and designing, **it is recommended that more numbers of specialized institutions in packaging and designing should be set up. In addition, the awareness about these institutions should also be spread among MSMEs to avail benefits.**

9. Marketing of Products

The NCRPB’s *Study on Micro and Household Enterprises in NCR* revealed that knowledge of marketing among micro, small & household entrepreneurs in the region is extremely low and most of the enterprises and clusters are dependent on the *word-of-mouth* mode of marketing. Enterprises go through a number of agents or traders due to which products are being sold at very high cost to the consumer but this yields negligible profits to enterprises/ artisans. It is further observed that only a few enterprises display their products in exhibitions at national, state or district levels. There is a need to provide assistance to MSMEs for enabling them to showcase their products and capabilities to produce high quality products and also to sell them at spot.

There is also a lack of linkage among various micro, small & household enterprises clusters. Further, such clusters are also not well connected/ linked with various tourist places/ circuits in and outside NCR. There is a need for branding and advertisement/ publicity of the indigenous products to foster marketing.

The following are recommended to improve the marketing of MSME products:

- (i) ***Information dissemination centres, display halls, exhibition centres, etc.* should be set up in major industrial centres having concentration of MSMEs. This can be done by the Central/State Organisations, Industry Associations, Export Promotion Councils, SPVs, etc. If needed, such facilities can be developed in PPP mode. DICs/ SPVs having adequate vacant land can also support this activity.**
- (ii) ***Inter-cluster and intra-cluster linkages* should be identified to improve the supply chain within NCR.**
- (iii) NCT Delhi is the nodal point for tourist places of northern India as it falls on various tourist circuits/ corridors like Delhi-Agra-Jaipur-Delhi; Delhi-Dehradun; Delhi-Chandigarh-Shimla, etc. **The potential of such tourist circuits/corridors should be**



tapped by establishing *sales depots, display centres, etc.* in integration with government guest houses/motels or restaurants on these routes. Such centre should be set up by the respective NCR participating State Governments, in collaboration with the concerned Central Ministries/Agencies like Ministry of Tourism, NHAI, etc., at strategic locations and exhibitions need to be organised periodically, especially during tourist season. The artisans should be encouraged to display their products in these centres and the local & national media should cover/advertise such exhibition.

- (iv) Each NCR participating State should take up *branding* of their indigenous products and advertise them on a State level web-portal, major magazines, national television, etc. It is observed that most of the clusters are unaware of branding techniques and do not produce quality products. Efforts should be made by the NCR participating State towards increasing awareness regarding production of better quality products through various testing centres with the support of DICs and help branding their products or tie up with bigger brands. The Digital India programme, a flagship programme of the Government of India, having a vision to transform India into a digitally empowered society and knowledge economy, should be widely adopted and advertised.
- (v) NCR participating State should facilitate MSMEs by creating *e-commerce platforms on Business to Customer (B2C) and Business to Business (B2B)* basis to significantly upscale e-commerce and enable buyer & sellers to access the virtual market for both the niche products as well as products of mass consumption in varied quantities. This can be encouraged through programme intervention and advocacy by promotional departments of the respective NCR participating States.
- (vi) The Public Procurement Policy (2012) envisaged that Central Government Ministries, Departments, PSUs are mandatorily required to procure minimum 20% of total annual purchases of products and services rendered by micro and small enterprises. This policy is under implementation by various Ministries/ Departments. *Inter-Ministerial Committee for Accelerating Manufacturing in MSME Sector* under the Ministry of MSME in its recommendations report, 2013, observed that the various Ministries/ Departments annually procure goods worth of about Rs.80,000/- crore of which 10% is being procured from micro and small enterprises.

It is recommended that the NCR participating State Governments should formulate ‘Public Procurement Policy’ on the lines of Central Government. The effective implementation and pursuance of these policies would enhance the demand for production, strengthen vendor development mechanism and will facilitate technology development in micro and small enterprises.

- (vii) An *NCR web-portal* should be setup by the NCR participating States, containing details of their clusters. The profile of cluster, products manufactured, material used and their target market should be mentioned on the web-portal. Also, a



detailed catalogue of the products should be available on this portal along with information on locations where they are being sold. Online purchase of certain products could also be initiated/ facilitated through this portal.

10. Enterprise/ Cluster linkages and partnerships

Study on Micro & Household Enterprises in NCR reveals that each Cluster of enterprises is linked to other clusters. The clusters would function more efficiently if a stronger inter-dependence and inter-linkages/partnership is formed between them. The Clusters may be dependent on other clusters for various purposes like supply of raw materials, and machinery & equipment, technology, human resources, market, etc. The inter-relationship matrix of various Clusters is given in **Figure 5.5**.

The analysis indicates that while all the clusters are dependent on the machinery & equipment clusters and electrical machinery clusters in some way or other, however, certain Clusters also have specific dependency on other Clusters. For example, the Wearing Apparel Clusters which are dependent on the Handloom Clusters for raw materials, while the Wearing Apparel Clusters acts as the main market for the Handloom Clusters.

It is recommended that similar exercise can be carried out by the Ministry of MSME and the concerned NCR participating State Governments for establishing interdependency among various Clusters, in terms of a supply chain linkage and locational interdependency. It would benefit the Clusters and would enhance the growth and development of MSMEs. Such Enterprise/ Cluster linkages and partnerships should be managed/uploaded through the web-portal, for wider coverage and publicity.

Inter-relationship Matrix of Various Clusters																	
Enterprise/ Cluster	Food Products	Textiles	Wearing Apparel	Leather	Wood & Wood Products	Paper & Paper Products	Publishing, Printing	Chemicals & Chemical Products	Rubber & Plastic Products	Other Non-Metallic Products	Basic Metals	Fabricated Metal Products	Machinery and Equipment	Electrical Machinery	Electronic Goods	Auto Components	Furniture and other miscellaneous
Food Products	Black	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey
Textiles	Grey	Black	Orange	Grey	Orange	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Orange	Orange	Grey	Grey	Grey
Wearing Apparel	Grey	Orange	Black	Orange	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Orange	Orange	Grey	Grey	Grey
Leather	Grey	Grey	Orange	Black	Grey	Grey	Grey	Grey	Orange	Grey	Grey	Grey	Orange	Orange	Grey	Grey	Grey
Wood & Wood Products	Grey	Orange	Grey	Grey	Black	Orange	Grey	Grey	Orange	Grey	Grey	Grey	Orange	Orange	Grey	Grey	Orange
Paper & Paper Products	Grey	Grey	Grey	Grey	Orange	Black	Orange	Grey	Grey	Grey	Grey	Grey	Orange	Orange	Grey	Grey	Orange
Publishing, Printing	Grey	Grey	Grey	Grey	Grey	Orange	Black	Orange	Grey	Grey	Grey	Grey	Orange	Orange	Grey	Grey	Grey
Chemicals & Chemical Products	Orange	Orange	Grey	Orange	Grey	Orange	Black	Orange	Orange	Grey	Grey	Grey	Orange	Orange	Grey	Grey	Grey



Inter-relationship Matrix of Various Clusters																	
Enterprise/ Cluster	Food Products	Textiles	Wearing Apparel	Leather	Wood & Wood Products	Paper & Paper Products	Publishing, Printing	Chemicals & Chemical Products	Rubber & Plastic Products	Other Non-Metallic Products	Basic Metals	Fabricated Metal Products	Machinery and Equipment	Electrical Machinery	Electronic Goods	Auto Components	Furniture and other miscellaneous
Rubber & Plastic Products																	
Other Non-Metallic Products																	
Basic Metals																	
Fabricated Metal Products																	
Machinery and Equipment																	
Electrical Machinery																	
Electronic Goods																	
Auto Components																	
Furniture																	

Figure 5.5 Inter-relationship matrix of various clusters

Source: NCRPB Study on Micro and Household Enterprise in NCR

Aggregation of cluster and marketing services - Since cluster form an important part of the NCR, aggregation of cluster can further help in the development on micro industries. Once the micro industries start production, specialized online and offline marketing services can be provided for such industries to bring the product of such clusters to the rest of the country.

11. Registration/ Filing of Entrepreneurs Memorandum (EM)

As per the MSME Act, 2006, a micro or small enterprise is required to file Entrepreneurs Memorandum (EM) with the authorities specified by the State Government. As filing of EM-II is voluntary in nature and not mandatory, entrepreneurs are not filing EM-II/ registration due to lack of awareness and fear. There are numerous government schemes which have been initiated to support and assist MSME sector like the *Mill Gate Price Scheme (MGPS)* for cotton at subsidized rates for handloom weavers; the *Integrated Handloom Cluster Development Scheme (IHDS)*; the *Micro and Small Enterprise Cluster Development Programme (MSE-CDP)*, etc. Entrepreneurs who have not filed EM-II are not covered under any such government scheme/benefits.

Since filling of EM-II is a prerequisite for availing benefits from various government programmes and schemes for overall development of micro and small enterprises the following recommendations are made for encouraging enterprises in filling EM-II/registration:

- i) **NCR participating States should make aggressive intervention to increase awareness among entrepreneurs regarding various Central and State**



Government programmes and schemes along with the benefits of filing EM-II/registration with State Government/DICs. Efforts should be made by the concerned department(s) of NCR participating State Government to register all micro, small & household enterprises in a phased manner.

- ii) The Ministry of MSME/ State Governments/DICs, in collaboration with SPVs/Industrial Associations, should prepare action plan and time bound programme for registering micro, small & household enterprises/ filing EM-II.**

12. Institutional/ Governance Structure

It is observed that there are multiple Government agencies and schemes which aim at overall development of MSMEs in the country. Different Ministries have their own policies and programmes for the MSMEs in their respective sectors or functional areas. There is lack of coordinated and comprehensive institutional framework for maximizing results of the various initiatives taken by the government.

The overall development of clusters depend on continuous handholding support from concerned Central Ministries/ Departments, the concerned State Government and its line department/agencies, the regional offices, etc. However, it is more essential that the functionaries who are dealing with the government programmes are specially trained and equipped to manage the programmes effectively.

Various developmental agencies at Central and State level are working for promotion of MSMEs and are adopting cluster development approach. The main thrust of the Office of Development Commissioner (MSME) is to promote MSMEs through cluster development. Development Commissioner (Handicrafts) is also working for the development of handicraft units through cluster development approach. Broadly, the following Ministries/Departments and Agencies are involved in the development of MSMEs in NCR:

- (i) Ministry of MSME
- (ii) Development Commissioner (MSME)
- (iii) The Khadi and Village Industries Commission (KVIC)
- (iv) Development Commissioner (Handicrafts), Ministry of Textiles
- (v) Development Commissioner (Handlooms), Ministry of Textiles
- (vi) Textiles Committee, Ministry of Textiles
- (vii) Department of Industrial Policy and Promotion, Ministry of Commerce and Industry
- (viii) Department of Science and Technology, Ministry of Science and Technology
- (ix) United Nations Industrial Development Organization (UNIDO)
- (x) National Bank for Agriculture and Rural Development (NABARD)
- (xi) Small Industries Development Bank of India (SIDBI)
- (xii) State Bank of India (SBI) and other Lead Banks
- (xiii) National Manufacturing Competitiveness Council (NMCC)
- (xiv) National Small Industries Corporation (NSIC)
- (xv) Respective Governments of the NCR participating States i.e. NCT Delhi, Haryana, U.P. and Rajasthan
- (xvi) Rajasthan Chamber of Commerce and Industry (RCCI)



It is suggested that NCR participating State Governments should evolve suitable mechanism to address issues of micro and household enterprises. The 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.

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

13. Database for Micro, Small & Household Manufacturing Enterprises of NCR

It is observed that there is a lack of data/information on the micro, small & household enterprises sector at Cluster level and District level. Creation and maintenance of comprehensive database for these enterprises, including unorganized sector, is a pre-requisite for sound policy formulation, implementation and for monitoring their development. There is also a need for sectoral data research and compilation of data on government/public sector procurement from these enterprises.

It is recommended that a comprehensive database or web-portal for micro, small & household manufacturing enterprises of NCR should be created at each sub-region level wherein basic information about the clusters/ enterprises along with their requirements and products, etc. can be updated periodically.

14. Formulation of Projects for Financial Assistance

There are several programmes/ schemes of Central and State Governments, Financial Institutions and Technical Organization (e.g. MSME-CDP, IHCDS, NSIC, NPRI, SFURTI, Design Clinic Scheme, IIUS, TUFS, etc.) for infrastructure development, skill & technology up-gradation, machinery & equipment, common facility centers, etc.

Considering the variety of the programmes/ schemes, the following is recommended:

- i) Clusters should formulate projects/ proposals to avail financial assistance available through various programmes/ schemes of Central and State Governments. SPVs/ Industrial Associations and/or DICs can play a lead role in preparation/ formulation of such projects/ proposals for their respective clusters.**
- ii) Further, NCR participating States can also avail financial assistance, in terms of soft loans from NCRPB for infrastructure development in micro, small & household enterprises clusters in NCR, as per the prevailing guidelines of NCRPB.**

15. Formulation of polices/ schemes for revival and rehabilitation of the sick MSMEs

The revised guidelines for rehabilitation of sick MSEs issued on 1st November, 2012 by RBI, inter alia, provide for:

- (i) Early detection of sickness;
- (ii) A viability study to form the basis of rehabilitation package to potentially viable sick MSEs; and



(iii) A non-discretionary *One Time Settlement* (OTS) scheme for the MSE sector.

Further, Ministry of MSME has issued a ‘*Framework for Revival and Rehabilitation of MSMEs*’ vide a Gazette Notification dated 29.05.2015 for the purpose of facilitating the promotion and development of MSMEs.

Also, SIDBI has introduced “*Management/Restructuring of Stressed Assets and Rehabilitation Scheme for MSMEs*”. The Scheme provides for relief and concessions (in the form of re-scheduling, reduction in rate of interest, funding of overdue/ future interest and waiver etc.) as well as need based additional financial assistance for revival of MSME sick units.

In view of the above, it is recommended that all the NCR participating State Governments should prepare policies/ schemes for revival and rehabilitation of sick MSMEs in their respective sub-regions, in accordance with the guidelines/ framework/ schemes of the Central Government.

II. Sector/Cluster-wise Issues and Recommendations

1. Handloom Enterprises/ Clusters

Issues:

- a) Handloom enterprises, during the process of dyeing and finishing, discharge hazardous chemical effluents. It is observed that most of the handloom clusters in NCR do not have Common Effluent Treatment Plant (CETP) and effluents are being discharged into storm water drains directly without any treatment which cause high level of pollution.
- b) Study of NCRPB reveals that most of the clusters in this sector face a major problem in procuring raw material at reasonable rates. It is observed that main raw material for most of the handloom enterprises is the raw cotton which they spin/ weave to produce textiles. However, price of raw cotton has increased rapidly along with the transportation cost.
- c) Garment manufacturing enterprises are the main market for handloom enterprises. However, it is observed that the garment industry is not much aware about the potential source of their raw materials and they procure most of the raw materials through dealers.
- d) Most of handloom enterprises/clusters in NCR such as Panipat, Pilakhuwa, etc. lack in terms of the necessary infrastructure i.e. space, connectivity, power, waste disposal facilities, etc., which is creating hindrance in smooth functioning of enterprises.
- e) Machinery/ technology being used by the handloom enterprises are mostly obsolete. Most of these enterprises cannot afford new technology/ machinery individually.
- f) Also, there is a lack of innovation in terms of design and technological aspects among the handloom enterprises. This aspect reduces saleability of handloom products in the competitive market.



Recommendations:

- i) **The NCR participating State Governments/ Local Authorities should construct CETPs in their respective handloom clusters. Alternatively, State Governments should provide incentives to private developers for constructing and operating CETP on a PPP mode in these Clusters.**
- ii) **It is suggested that sizeable Raw Material Banks (RMBs) should be set up at district or cluster level which can be easily accessible to handloom enterprises.**
- 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. Under the Scheme, following assistance shall be provided by the Government of India:
 - (a) Freight reimbursement for transportation of yarn (all types)
 - (b) Expenses of operating the yarn depots.
 - (c) 10% Price Subsidy on hank yarn (cotton, silk, wool)
 - (d) Service Charges to NHDC.

Out of these, 10% price subsidy will be paid by NHDC upfront in the invoice for which advance will be given to NHDC by Govt. of India. The rates for freight reimbursement, depot operating expenses and service charge of NHDC are given in the Scheme. **This Scheme should be widely disseminated and implemented to benefit the Handloom MSMEs/ Clusters.** Detail guidelines of ‘Yarn Supply Scheme’ are given in **Annexure-11.**
- iv) **To facilitate handloom enterprises, efforts should be made by the Ministry of MSME, Ministry of Textiles, NCR participating State Governments and other concerned Ministries, Departments, Agencies, etc. to create awareness amongst handloom enterprises to market their products to the garment industry or the other stakeholders. Advantages of this should also be brought out amongst handloom enterprises. Regular buyer-seller meet should be organised so that handloom enterprises (producers) and garment industry (buyers) may understand each other’s need in a better way and establish direct contact.**
- v) **Special courses and workshops for design and technological aspects, specific for handloom enterprises, needs to be designed and arranged by the Ministry of Textiles and Ministry of MSME. These special courses and workshops should be conducted periodically at district/ cluster level, in order to improve the product designs and technology.**

Khadi & Village Industries Commission (KVIC), is engaged in promoting and developing khadi and village industries for providing employment opportunities in rural areas, thereby strengthening the rural economy. KVIC undertake activities like skill improvement; transfer of technology; research & development; marketing etc. and helps in generating employment/self-employment opportunities. It also implements



cluster development activities in traditional industries of khadi and village industries under *Scheme of Fund for Regeneration of Traditional Industries (SFURTI)* as a Nodal Agency. KVIC also built/ maintain raw material reserves and creates common facilities for processing of raw material & marketing of KVI products.

KVIC may establish linkages with reputed marketing agencies to promote the sale and marketing of khadi and/or products of village industries or handicrafts. NCR participating State Governments and SPVs should jointly work with KVIC for the purpose of skill improvement; transfer of technology; research & development; marketing, building up of raw materials reserve, etc.

- vi) **Major growth centres/areas for development of handloom enterprises could be identified and developed with necessary infrastructure in NCR. Enterprises/ artisans, facing issues relating to space, congestion, pollution etc. at their present location, may be encouraged to shift into these growth centres/areas.**
- vii) **CFCs should be set up at cluster level which could provide technology/ machinery for use to micro, small & household enterprises on rental basis. At Cluster level, SPV/ Industrial Association can play a vital role in this regard. Schemes like *Hire Purchase and Leasing Scheme* by NSIC should be initiated at cluster level.**

2. Wearing Apparel/ Garment Enterprises/ Clusters

Issues:

- a) The garment market has a huge potential for development, both nationally and internationally. The industry is fed by the handloom sector, however, it generally procure raw material from dealers in the vicinity, instead of procuring from the source i.e. handloom enterprises, which also exists in the vicinity.
- b) Design and technology in handloom sector are of utmost importance which keeps changing with the market trends. To capture market, quality of garments needs to be tested and ensured. Further, markets need to be identified for selling the end products.
- c) It is observed that machinery/ technology being used by the handloom enterprises are mostly obsolete. Most of these enterprises cannot afford new technology/ machinery individually.

Followings are the recommendations:

- i) **Efforts should be made by the Ministry of MSMEs, Ministry of Textiles, NCR participating State Governments and other concerned Ministries/ Departments/ Agencies, etc. to create awareness amongst the garment manufacturers to procure raw material directly from handloom enterprises. This would help in reducing the cost of raw material. Regular buyer-seller meet should be organised so that handloom weavers (producers) and garment manufacturers (buyers) can establish direct contact.**
- ii) ***Design Centre* alongwith garments *Testing Centre* should be set up by the Ministry of MSMEs/ Ministry of Textiles and other concerned Ministries/ Departments/**



Agencies, etc. in collaboration with the NCR participating State Governments/ DICs/ SPVs at district or cluster level, in order to improve designs and ensure quality of garments.

- iii) Ministry of MSMEs/ Ministry of Textiles and other concerned Ministries, Departments/ Agencies, etc. in collaboration with the NCR participating State Governments/DICs/SPVs should identify/earmark the *major markets* where enterprises can sell their products. Enterprises should be made aware of such markets for selling their products.
- iv) It is proposed that CFCs should be set up by the NCR participating State Governments/DICs and/or SPVs which can provide *technology/ machinery* to the micro, small & household enterprises for use on a rental basis. Schemes like ‘*Hire Purchase and Leasing*’ scheme by NSIC should be initiated at cluster level.

3. Agro Based and Food Processing Enterprises/ Clusters

Agro-industry, i.e. the processing, preservation and preparation of agricultural production for intermediate and final consumption, performs a number of crucial functions that support development and income generation. Agro based food processing and allied products industry is one of the key sectors having immense potential in NCR. It is evident that various types of agro & food processing micro & small enterprises related to dairy (e.g. Bulandshahr & surrounding areas), pickle making (e.g. Panipat), poultry, potato chips, mustard oil (e.g. Alwar & surrounding areas), etc. exists in NCR. The vast urban consumer market and its growing demand is one of the key factors for the development of these enterprise in NCR. In addition, various types of fruits, vegetables, spices and other agricultural produce are also being grown in NCR and have further potential to accelerate the production.

District wise production of vegetables, fruits and spices in NCR indicates that district Bulandshahr (754 thousand MT), Mewat (535 thousand MT) and Gurugram (451 thousand MT) has maximum production of these Vegetables, Fruits and Spices. District wise details are given at **Annexure-12**. Major districts identified by the Ministry of Food Processing Industries, Government of India (Fruits and Vegetables) for setting up agro processing clusters are given below in Table 5.2.

Table 5.2 District wise Fruits and Vegetables Produced in NCR

Sl. No.	Sub-Region	Districts	Major Fruit	Major Vegetable
1.	U.P.	Meerut, Hapur, Baghpat, Ghaziabad, Gautam Budh Nagar and Bulandshahr	Mango, Guava, Peach, Litchi	Cauliflower, Okra, Turnip, Cabbage, Brinjal, & Potato
2.	Haryana	Sonipat and Mewat	Guava, Mango, Watermelon, Muskmelon	Potato, Cauliflower, Tomato, Onion, Radish, Leafy Vegetables, Cabbage, Brinjal, Carrot, Bottle Gourd
3.	Rajasthan	Alwar	Nil	Onion, Carrot

Source: Ministry of Food Processing Industries, Government of India^{xlviii}



Agricultural and dairy products are shaped by technologies of growing complexity and collective preferences regarding nutrition, health and the environment. Industrialization of agriculture and development of agro processing enterprises is a joint process which is generating an entirely new type of industrial sector. Various categories of Agro-processing enterprises are dealt in **Annexure-13**.

Issues:

Factors affecting the pace of development of agro-processing enterprises in the region can be categorized into (a) installation, (b) financial management, (c) in procurement of raw material, (d) in processing and, (e) in marketing. The broad constraints/problems^{xlix} faced by agro - processing enterprises are summarized below:

- a) **Problem faced at the time of plant installation** like difficulty in land acquisition and high price of land, lack of technical know-how, high cost of machinery, difficulty in getting power connection, difficulty in getting license, etc.
- b) **Problems related to financial arrangement** such as higher rate of interest, insufficient finance from lending institutions, lower financial limits fixed by financial institution, lack of grants and subsidies advanced by government and higher taxation on raw material purchased from market.
- c) **Problems faced in procurement of raw material** i.e. lack of assured supply of raw material, higher rates of raw material and irregular supply, higher marketing charges, lack of quality control, etc.
- d) **Problems faced in processing** w.r.t. shortage of power/electricity, under utilization of installed capacity of unit, higher rate /charges of electricity and fuel, higher working capital, lack of technical manpower, etc.
- e) **Problems faced in marketing of final products** such as lack of efficient market for final produce, competition from big players and organized sector, higher government intervention, Multiplicity of taxes/ high rate of sale tax, lack of marketing cooperatives and non availability of efficient transport by road and higher cost.

The Ministry of Food Processing Industries, Government of India has formulated the Scheme for 'Creation of Infrastructure for Agro Processing Clusters' under "*Pradhan Mantri Kisan Sampada Yojana (PMKSY)*". The scheme aims at development of modern infrastructure to encourage entrepreneurs to set up food processing units based on cluster approach. The scheme is to be implemented in area of agricultural/ horticultural production identified through a mapping exercise. These clusters will help in reducing the wastage of the surplus produce and add value to the agricultural/ horticultural produce which will result in increase of income of the farmers and create employment at the local level.

It is worthwhile to mention that the NCR participating State Governments has intentions for development of agro-food processing industries and the Governments of Rajasthan (*Rajasthan Agro-Processing and Agri-Marketing Promotion Policy-2015*), Uttar Pradesh (*The Uttar Pradesh Food Processing Industry Policy-2017*) and Haryana (*Agri-Business and Food Processing Policy-2018*) has prepared their respective policies for supporting the development of agro & food processing industries. Above mentioned policies of NCR participating States



provides roadmap and tools to address various constrains/ problems related to agro & food processing industries. The effective implementation of these policies will not only boost the growth of agro-based and food processing MSMEs in NCR but will also strengthen the economic base of the region by way of generating employment opportunities at local level.

Recommendations:

- 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 enterpsies 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.**

4. Light Engineering and Auto-Component Enterprises/ Clusters

NCR is one of the most industrialised and urbanised region with very high demand for the products related to light engineering and auto-components. Light engineering and auto



component MSMEs basically work as ancillaries/vendors of large and medium scale industries. Various challenges faced by micro, small & household enterprises of this sector in NCR are summarised as under:

Issues:

- a) Enterprises are lacking to produce quality products, to match the quality measures of large & medium scale industries and export markets.
- b) Raw material costs are by far the largest cost portions. Steel is the most important raw material for auto component manufacturers. Micro, small & household enterprises engaged in light engineering and auto component manufacturing sector in NCR are currently grappling with high raw material prices, price rise and monopoly of suppliers.
- c) A large number of enterprises does not have capabilities to design the products end-to-end. These enterprises do not have necessary infrastructure for doing R&D to match with requirements of the market. Their financial strength and size do not permit them to have a dedicated in-house designing and R&D labs and testing & product design facilities.
- d) Micro, small & household enterprises related to light engineering and auto-components sector are facing challenges in getting credit and credit at a low rate of interest. Many enterprises are finding it difficult to get necessary financial resources from banks or venture capitalists.
- e) The enterprises need to upgrade their technology in order to remain competitive in global market, however, inability of these enterprises in getting credit has restricted them from adopting/ acquiring latest machinery.
- f) A large proportion of available manpower from light engineering and auto components enterprises are going either to service industry or to new manufacturing units, due to rising wage cost. Retention of skilled manpower is proving to be a challenge.
- g) There is a need for skill development and attitudinal training of workforce for improving productivity.
- h) Availability of basic infrastructure like uninterrupted power supply, transport/ logistics facilities, etc. is also one of the major problems for the enterprises of this sector located in NCR. Poor infrastructure has led to the higher manufacturing cost and loss of market.

To overcome issues/ problems of light engineering and auto-components related clusters in NCR, the following are recommended:

- i) **Ministry of MSME/ other concerned Central Ministries and/or the NCR participating States/ DIC should plan activities for key light engineering and auto-components cluster, to create awareness about prowess of this sector and product's quality standards. SPVs/ Industry associations may be roped-in to provide necessary inputs for the same.**
- ii) **Government should take necessary steps to control prices of steel which is the main raw material for light engineering and auto-component enterprises.**



- iii) Government should facilitate and/or incentivize light engineering and auto component manufacturing enterprises/ clusters for creation & use of shared infrastructure and capacity development for R&D, testing labs, design centres, etc.

Schemes run by institutions like National Manufacturing Competitiveness Council (NMCC) and Ministry of MSME can be tapped to meet financial requirements of setting up such facilities. There is a lack of awareness about such schemes among the enterprises. Government institutions interested in encouraging light engineering & auto component sector should not only take initiatives to create awareness about various schemes but also facilitate the stakeholders' to avail benefits of such schemes.

- iv) Government of India has taken major initiatives under *National Automotive Testing and R&D Infrastructure Project* (NATRiP) and have plans to provide expensive infrastructure for developing capabilities of automotive industry. NCR participating States/ DICs/SPVs/ Industrial associations should get maximum benefits from such schemes.
- v) Government should *create awareness* among micro, small & household enterprises about the need for getting creditworthiness rating. There is also a need for creating awareness among these enterprises about availability of low cost institutional equity capital and risk capital funds for their expansion plans. Some schemes of this category includes SME Growth Fund of SIDBI Venture Capital Limited (SVCL). This can be tapped to meet the financial requirements in the auto-components clusters. EXIM bank also has several schemes for financing SMEs, firms, product export and overseas investments. *Extensive awareness programmes* should be designed and organised for micro, small & household enterprises of this sector about such schemes.
- vi) *Training* for specific skills, suiting for specific work, need to be imparted among workers and entrepreneurs to increase their productivity. Government should encourage and support institutions to collaborate with light engineering and auto-components clusters/ SPV/ associations and to come up with short term industry relevant courses. This will help the industry to meet requirements of technically qualified and trained manpower which is essential for its growth.
- vii) In order to support light engineering and auto-component enterprises, the NCR participating State Governments should ensure regular supply of quality power at a reasonable rate, efficient transportation and logistics services alongwith other required infrastructural facilities at cluster level.

5. Pottery, Terracotta & Ceramics Enterprises/ Clusters

Pottery is the ceramic act of making pottery wares, includes earthenware, stoneware and porcelain. Pottery also refers to the art or craft of a potter or the manufacturer of pottery,



terracotta, ceramics, and black pottery. Variety of pottery, terracotta, ceramics products includes cut-work lamps, pitchers money banks, flower vases, pots, kitchen wares, musical instruments, clay toys, goblets and many more items.

In NCR, several micro, small & household enterprises are engaged in various types of pottery/ terracotta/ ceramics works. Some of the clusters are at Ramgarh in district Alwar of Rajasthan sub-region; Faridabad, Bhatkal, Palwal, Farukhnagar, Bahadurgarh, Panipat, Gurugram districts in Haryana sub-region and Meerut, Khurja and Bulandshahr in U.P. sub-region and Uttam Nagar in Delhi. The Khurja pottery cluster is one of the oldest pottery clusters in the country. The issues related to enterprises/clusters engaged in pottery, terracotta and ceramic activities in NCR are summarised below.

Issues:

- a) Main product related constraint pertains to the production process itself. Artisans in clusters still resort to the traditional methods, as inherited from their forefathers, for preparing and designing the craft. Such production process warrants a high time and labour consumption per unit of an item produced and thus, affects the efficiency in production. Also, it limits the variety in product lines and product designs. There is a lack of skills and technique up-gradation.
- b) Artisans don't have proper work place, most of them are either using open shed or a place within their homes. Insufficient lighting and improper ventilation deteriorate working condition to the worst. Working inside the house, besides reducing productivity of the artisans, creates a lot of health issues, especially for children, which is a major concern for craftsmen.
- c) Many of the artisans don't have any storage place for their produces, hence, most of the time finished products are left out in nearby open space. Many of them keep their finished goods outside houses or road side due to lack of suitable space for storage. Shortage of space, as a consequence, leads to high amount of wastage by way of breakage, destruction by rain water and thunderstorm, etc.
- d) There is lack of proper place to display the finished products and their effective promotion.

To address the above issues, following are recommended:

- i) **NCR participating State Government/ SPVs/ Industrial associations and NGOs should organize *training programmes* focused on modern methods of production, use of improved tools & latest technology for fast production of goods, product designs, quality control, etc. Governments should involve premier institutions like Indian Institute of Crafts & Design (IICD, Jaipur), Central Glass and Ceramic Research Institute (CGCRI, Khurja), etc., for imparting such trainings and refinement of product designs, etc. in their respective sub-regions.**



- ii) **Government authorities should take steps for aggressive *market promotion* of the crafts which would enable better publicity and thus, revive traditional craft which has reached the edge of extinction.**
- iii) ***Proper infrastructure* facilities like good roads, transportation facilities, communication, uninterrupted power supply, water, etc. should be provided to the artisans/ clusters.**
- iv) **The *financial assistance* provided by banks should be increased so that the artisans of terracotta and pottery craft are relieved from chronic problem of insufficiency of capital.**
- v) **Government should take steps to *increase the number of showrooms/ display centres* within and outside the craft village i.e. in nearby towns for better exposure of the products.**
- vi) **Government should *promote export* to provide access to this extraordinary art and culture to international market. These enterprises /artisans clusters should be linked with *tourist circuits and international market* (through websites, fairs etc.). *Quality Control* measures should also be evolved to ensure the durability of the product.**
- vii) **Government authorities/ SPVs/ NGOs should take steps to ensure that artisans get *proper price* for their products and protect them from exploitation of traders/ middlemen.**

6. Leather & Footwear Enterprises/ Clusters

Issues:

The gaps and issues related to leather and footwear manufacturing clusters are summarized as following:

- (a) Unorganized industry structure, being a major hindrance for low-price mass production and hence, leather & footwear manufacturers lose out the business.
- (b) Lack of linkages with limited availability of key components and machinery impacting scales of production.
- (c) Increase in cost of raw-material and dependency on imports for critical non-leather components like PU sole, insole board, steel toe caps, metal fittings, etc.
- (d) Cost pressures on tanneries due to mandatory effluent treatment plant also results in increased cost of finished leather.
- (e) Inadequate testing and certifying agencies.
- (f) Lack of skilled workers related to dyeing, tailoring, cutting and decline in unskilled or semi-skilled workforce.
- (g) Lack of investments in research & design development and lack of awareness of quality norms and standards.



To address the issues related to leather & footwear enterprises, following are recommended:

- (i) *Support programs* for R&D in emerging technologies should be initiated by the Ministry of MSME and/or the NCR participating State Governments. The industry and academia linkages for conducting joint R&D should also be strengthened and a research cell with equal participation of all the industry segments (tanning, leather footwear, leather apparel & goods, etc.) & academia should be established at cluster level.
- (ii) Support for *establishing common facilities*, to enrich collaboration among micro, small & household enterprises, should be provided by the NCR participating State Governments and scheme/ programs should be introduced to support common facilities in key clusters. The cost for creation of common facilities can be shared between government and SPVs/ industrial associations. Some of the facilities that need to be provided are:
 - Marketing & Business Development Centre.
 - Shared Testing & Certification Centre.
 - R&D Centre at sub-region level.
- (iii) *Technology development & demonstration scheme/ program* should be undertaken/ initiated by the respective NCR participating State.
- (iv) *Database of industry experts*, who can be contacted by enterprises for any kind of technical support, should be created by the DICs/SPVs. For the same, profiles of experts need to be invited and kept in a repository.
- (v) Entrepreneurs need to be trained through short term or long term courses on traditional footwear (e.g. *mojari*) and other leather accessories especially on *new designs & techniques*.
- (vi) *Awareness programme* should be conducted to educate entrepreneurs and workers. A stipend should be given to attract entrepreneurs and workers for attending awareness & training programmes.
- (vii) *Raw material bank* should be set-up by SPVs/ Industrial associations/ DICs. Further, research should be initiated on new and similar material to substitute leather.
- (viii) *Linkages should be established with designers* of leather accessories and footwear who would be able to brief the entrepreneurs about market demand in terms of styles, designs, etc.

7. Packaging Enterprises/ Clusters

Packaging is a technology that encloses and protects a product in its journey from factory to its end use by the consumer including transportation, warehousing, logistics and sale. The purpose of packaging basically includes containment, protections & preservation, communication, convenience, reduction of pilferage and marketing trends. Packaging can take various shapes,



sizes, materials (used for packaging), etc. and can be broadly categorized in four groups i.e. food, material, cosmetic & pharmaceutical. The packaging industry in India is a heterogeneous mix of both organized and unorganized sectors with a large number of MSMEs and a few large integrated players. There are more than 22,000 registered packaging companies in India, more than 85 percent of which are MSMEs.

Flexible packaging is the fastest-growing sector of India's packaging industry. The shift from traditional rigid packaging to flexible packaging on an account of its attractiveness, cost-effectiveness and strength is largely aided by increasing consumer demand for processed food. The increasing awareness regarding clean water, safe food and pharmaceuticals will drive this growth.



Figure 5.6 Types of packaging

The industry is facing challenges due to lack of regulatory clarity in packaging, consumer awareness towards sustainable packaging and stress towards green packaging materials. Some of the major problems of packaging enterprises are as under:

- (a) Quality of packaging material used in India by MSMEs is not matching the world standards.
- (b) R&D facilities available with MSMEs are inadequate for development of material/systems or for carrying test on new material in order to gauge their performance. There has been a lack of R&D effort and application engineering for introducing new packaging material/concepts/systems and processing formulation for different products.
- (c) The enterprises/ clusters are facing various other challenges such as:
 - rapid changes in technology,
 - shortage and rising cost of raw material and input costs
 - highly-inadequate credit flow/ loans
 - lack of market access, marketing, distribution and branding
 - lack of exposure to best management and manufacturing practices



- lack of training facility
- lack of space for storage of products & packaging materials
- lack of end-to-end solutions, automation & integration of primary and secondary packaging machines.

(d) Non-availability of skilled manpower is also another challenge.

To address the above issues, following are recommended:

- (i) **NCR participating State Governments/ DICs and/or the SPVs/ Industrial associations in collaboration with the Packaging Industry Association of India (PIAI) should seize the opportunity to offer eco-friendly and innovative packaging solutions. Efforts should be made to offer packaging solutions with WTO/ world standards compliance, eco-friendly materials, high lifecycle cost and waste management, cost effectiveness, innovation and consumer convenience.**
- (ii) **Capital investment subsidy should be designed for the development of infrastructure, latest machineries, technology upgrade, R&D activities, etc. for the growth of packaging enterprises/ clusters in NCR. Subsidy should cover machineries for production, process control, quality assurance, research, innovation, automation, raw material import, etc. Special subsidy should be given for developing Information Technology (IT) systems and Statistical Process Control (SPC) system for enhancement of system and capacity building. This to be done because most of global companies in retail sector are outsourcing packaging to domestic MSME packagers.**
- (iii) **NCR participating State Governments should encourage the PPP in establishing Packaging Parks at places where such clusters are active in the respective sub-region.**
- (iv) **NCR participating State Governments/ DICs/ SPVs should facilitate the manufacturing & packaging enterprises by providing exposure and opportunities to establish tie-ups with each other and also with the international players, so as to get access to contemporary technologies for producing good & high-end packaging material in a reasonable price. Participation in delegations, industry specific fairs and events at national & international level needs to be stepped up substantially.**
- (v) **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. NCR participating State Governments should conduct campaigns/ workshops/ awareness programmes, etc. to ensure ISO certification of all packaging related enterprises.**
- (vi) **Training for various types of packaging works need to be imparted to the workers and entrepreneurs to enhance their skills and also to increase the productivity. Government should encourage and support institutions to collaborate with packaging clusters/ SPV/ association to come up with short and industry relevant**



- courses. This will help industry to meet the requirements of technically qualified and trained manpower, needed for its growth and realizing potential of the sector. *Training Centres* should be established by the NCR participating States and the Ministry of MSME for skill up-gradation in this sector.
- (vii) MSMEs do not have adequate resources and they need *institutional support* for providing inputs especially in the area of marketing. NCR participating States in association with the Ministry of MSME and NSIC should give special attention to the packaging enterprises/ clusters through marketing assistance scheme. The State Governments may take initiative to *create a database* of each and every industry (Directory of MSME Packaging Industries) category wise as well as sector wise to efficiently monitor the growth of MSMEs related to packaging. This will result in business growth and market expansion as it will provide them exposure to organized sector, other industries, market as well as customers.
 - (viii) NCR participating State Governments must give a fillip for organizing *exposure visits* of MSME Packaging manufacturers to different countries and market so that they may get an opportunity to understand the latest technology and trends in the international market. The national/international level fairs should be organized to enable manufacturers to understand R&D capabilities of key players, stimulate their own innovation aspirations and think in a modern & creative way.
 - (ix) *World-class centers of excellence* should be created by the Ministry of MSME and/or the NCR participating States. Existing premium institutes in the country such as the 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. Such institutions should be involved to complement the shortcomings of packaging related MSME clusters in NCR as far as qualitative requirements, knowledge base, inputs on issues like production, improvement in supplies and developing new lines are concerned.
 - (x) NCR participating State Governments should prepare a long-term roadmap with commitment on milestones for overall development of packaging enterprises/ clusters in NCR.

8. Sports Goods Enterprises/ Clusters

Meerut is one of the largest sports goods manufacturing centre, next to Jalandhar, in the country by producing about 20% of the total sports goods. Sports goods related enterprises came into existence mainly after partition, when number some families belonging to Sialkot (presently in West Pakistan) migrated & settled in Meerut & Jalandhar. These families had sufficient knowledge of manufacturing of sports items and therefore they started units to meet the local requirement. Some of these units, by virtue of their long experience in the field, have built up a good brand name of their products, thereby getting orders from domestic market as well as from other countries.



Hockey stick, wickets, football, volley ball, carom board, tennis racket/racquet, tennis ball, nets, athletic equipment, protection accessories, kit bags, sports wears, all type of indoor games, boxing gloves, health equipment, toys, etc. are the major goods which are manufactured at Meerut.

In addition to Meerut, sports goods are also being manufactured in other parts of the NCR such as district Gurugram in Haryana sub-region, however, the scale of sports goods manufacturing is very small. It is observed that sports goods manufacturing enterprises/ cluster in NCR are facing various problems which are summarised below:

- a) Sports goods manufacturers are facing problems of non-availability and high cost of raw material such as wood, rubber, cane, threads, steel, etc. for manufacturing of various sports equipment. For example, raw material required (willow wood) for bat manufacturing is procured from Jammu & Kashmir and the sale of willow as a raw material is not permissible but it can be purchased in semi-finished form. Similarly, the cane is available only in Andaman & Nicobar Islands and North-Eastern States. All such issues increase the cost of raw material and finished product.
- b) The enterprises use manual as well as old indigenous machinery thereby, restricting the quality as well as production of the products.
- c) The sports goods manufacturing enterprises/ clusters do not have adequate infrastructure facilities mainly, power supply, good road, drainage, storage, display centres etc. which is affecting the business mainly in rainy season.
- d) There is a lack of skilled and semi-skilled workers for manufacturing sports goods.
- e) Lack of branding and marketing strategies.
- f) Lack of latest technology & tools, training and R&D facilities.
- g) Lack of synergy and coordination amongst various sports goods manufacturers.
- h) Comparatively higher interest rates for loans
- i) Insensitivity to customer needs/ poor channels of customer feedback and customer complaint redressal system.

The sports goods industry is a sector with vast potential to grow in the near future. Some recommendations to turn NCR into a world-class sports goods manufacturing hub are as under:

- 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. The Central Ministries/ Departments in association with State Governments should *set-up raw material banks* to facilitate the sports goods manufacturing enterprises by way of providing regular raw material supply at reasonable rates.**



- ii) NCR participating State Governments and/or the Ministry of MSME should facilitate or provide *financial assistance for technological up gradation* of MSMEs engaged in the sports goods production in NCR.
- iii) *Capacity building and training programmes* should be organised by the NCR participating State Governments for the entrepreneurs and works, in association with the Sports Goods Export Promotion Council (SGEPC), Process and Product Development Centre, Sports Goods Associations, Sports Good Foundation of India, etc. Special capacity building and training programmes should be designed for technology & design, branding and marketing strategies, etc.
- iv) It is important to *popularize Brand India* domestically. International events which are held in India could be compulsorily required to use sports goods manufactured in India with international specifications and standards. The national sports channel, DD Sports, All India Radio, etc. should *advertise the local sports brands* at concessional rates.
- v) Participation of small and medium manufacturers at international sports fairs and exhibitions should be encouraged by the Central/State Government by subsidizing the cost of participation. Local brand should be promoted at these international fairs with publicity support from the Government.
- vi) The existing sports goods manufacturing enterprises/ clusters should be provided with *adequate infrastructure facilities* like power supply, good road, drainage, storage, display centres, etc.
- vii) The State Governments should take initiative *to create a database/ directory of sports goods enterprises* and efforts should be made to establish synergy and coordination amongst various sports goods manufacturers by organising workshops, seminars and interaction meets, etc. The database/ directory should cover all aspects such as raw material suppliers, products, buyers, etc.
- viii) *Availability of loans on cheaper rates* should be ensured by the Central/State Government and banks. Further, *special incentives*, for example, tax holiday, could be given to sport goods manufacturing enterprises who adopt automated and modern methods for manufacturing.
- ix) Only limited product groups of sports goods are being manufactured in India. There is an urgent need for *product diversification* which can be met by establishing R&D centre to conduct research on new products. NCR participating State Governments in collaboration with the Ministry of Youth Affairs and Sports; Ministry of MSME or any other concerned Central Ministry/ Department/ Institution should set-up R&D centre to conduct research on variety of sports goods.
- x) *Sports goods manufacturing complex/ parks* for MSMEs should be set-up by each of the NCR participating State Governments within their respective sub-regions. Such complex/ parks should be equipped with facilities like information centre



where latest information on raw materials, technology, specifications, etc. can be provided and **skill development centre** for the purpose of workforce training.

9. Miscellaneous Manufacturing Enterprises/ Clusters

The *Brief Industrial Profile Reports* of various districts of the NCR, prepared by MSME Development Institutes, Ministry of MSME, Govt. of India, the NCRPB's *Study on Micro and Household Enterprises in NCR* and the *Cluster Observatory* of MSMEs reveals that a larger share of NCR workers is engaged in various types of micro, small & household enterprises which contributes substantially to the regional economy. The issues and recommendations of major MSME activities/ clusters is given above, however, there are several other activities/ clusters which are location specific with a high growth potential in NCR wherein Government interventions are required to solve their various issues like raw material, infrastructure & space, skill development, credit, marketing & promotion, manpower, etc.

Some of such MSME clusters are summarised as under:

- i. **Scissor Manufacturing Cluster:** Scissors cluster in Meerut is about 360 years old. Main types of products manufactured at this Cluster are barber scissors, tailor scissors, general scissors, paper scissors, etc. NIESBUD, Ministry of MSME, Government of India has already established a Common Facility Centre for this cluster.
- ii. **Musical Instruments Cluster:** The Musical Instruments Cluster in Meerut is a unique cluster in the NCR. Also, there are a few musical instruments manufacturing enterprises scattered in other parts of NCR.
- iii. **Artificial Ornaments Cluster:** Meerut and Loni in U.P. sub-region, Pataudi in Harayna sub-region and NCT Delhi are famous for manufacturing of artificial jewellery in NCR.
- iv. **Handloom, Zari and Embroidery Cluster:** Enterprises engaged in handloom, zari and embroidery related activities are spread across the NCR, especially in NCT Delhi, Haryana and U.P. sub-regions. The sector has a high growth potential.
- v. **Brassware Manufacturing Cluster:** At Rewari, there are a large number of manufacturing units of brassware. The greater bulk consists, of course, of cooking utensils; but fancy articles involving- chasing, engraving and parcel tinning are also produced and exported.
- vi. **Modha making Cluster:** Garhmukteshwar in Hapur district of U.P. sub-region is famous for modha making or manufacturing cane furniture. This activity also exists in certain parts of Haryana sub-region on a substantial scale.
- vii. **Marble Murti Kala Cluster:** Gola ka Bass and Ramgarh in Rajasthan sub-region of NCR has emerged as hub of Marble Murti Kala.



Scissor Manufacturing Cluster at Meerut



Musical Instruments Cluster at Meerut



Handloom Zari & Embroidery Cluster in NCR



Brassware Manufacturing Cluster at Rewari



Marble Murti Kala Cluster in Rajasthan

Plate 5.2 MSMEs in NCR

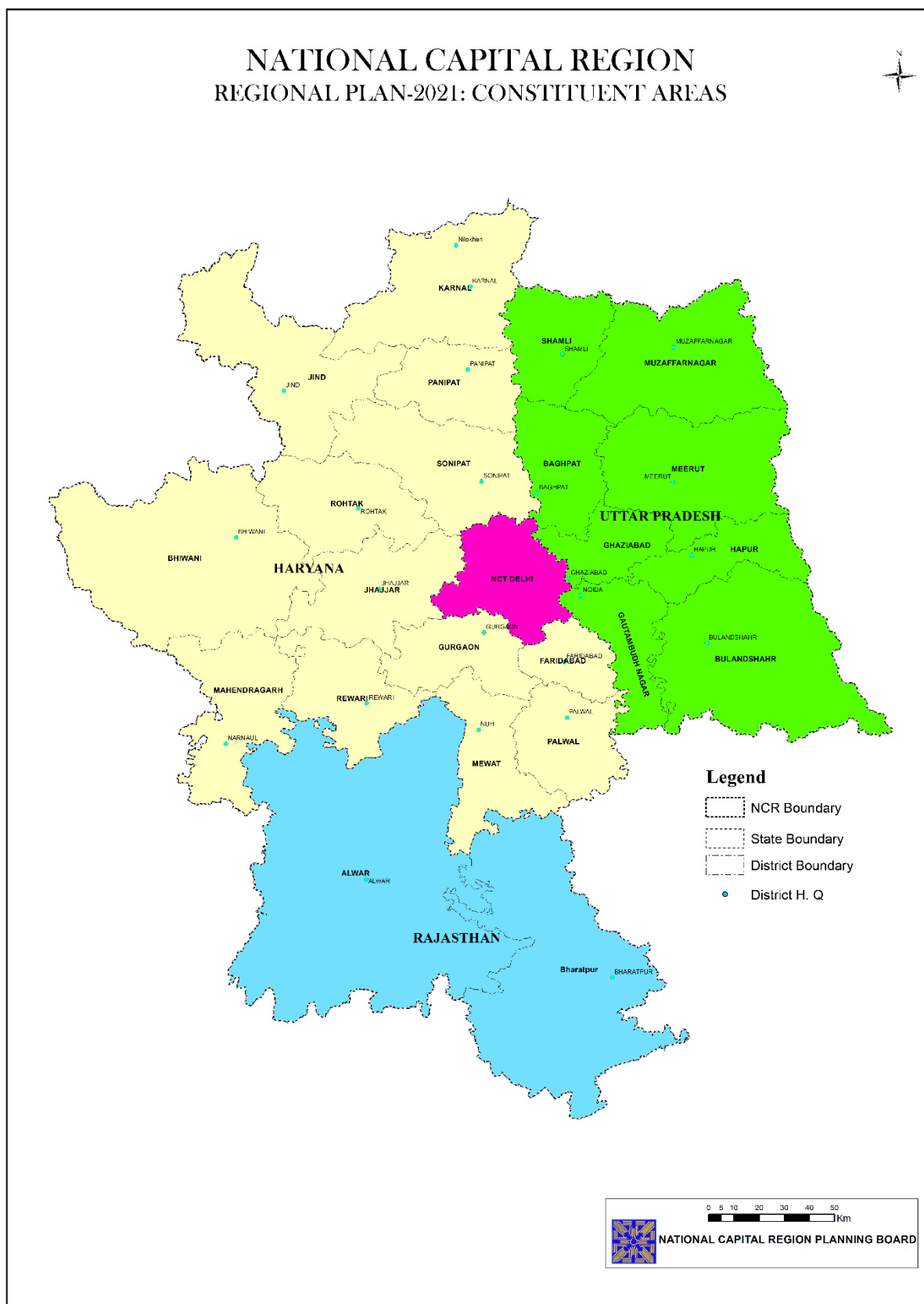
It is observed that these clusters (except Panipat Handloom) are highly unorganised and fragmented, located in small towns/ villages and/or alongside the National/ State Highways. It is recommended that the concerned NCR participating State Government should conduct a comprehensive analysis of their respective sub-regions and should



prepare a road-map/detailed plan for the overall planned development and growth of such clusters, considering the general recommendations made in this chapter.

III. Recommendations for the newly added areas/ districts in NCR

The newly added districts in NCR, namely, Bhiwani, Mahendragarh, Jind and Karnal districts of State of Haryana, Bharatpur district of State of Rajasthan and Muzaffarnagar & Shmali districts of State of Uttar Pradesh were not covered under the '*Study on Micro and Household Enterprises in NCR*', however, it is recognized that various types of MSME activities, as discussed above, exists or are being carried out in these districts too. Therefore, it is recommended that the above recommendations may also be extended to the aforesaid newly added six districts, to ensure the growth and planned development of MSMEs in all the districts of NCR as shown in the **Map 5.1**.



Map 5-1 National Capital Region (including newly added districts)



ANNEXURE-1

Appendix 1.A

DISTRICT WISE DISTRIBUTION OF CLUSTERS																			
NIC Code 04	15	17	18	19	20	21	22	24	25	26	27	28	29	31	32 & 33	34	36	Total No. of clusters	Sample Clusters as per Proportionate Sampling Method
Mewat	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	1
Baghpat	0	2	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	3	1
Jhajjar	0	0	0	1	1	0	0	0	0	1	0	0	0	0	0	0	1	4	1
Palwal	0	0	0	0	2	0	0	0	0	2	0	0	0	0	0	0	0	4	1
Sonipat	0	1	0	0	1	1	0	0	0	0	0	0	0	0	0	1	1	5	1
Rewari	0	1	0	1	0	0	0	0	0	0	1	1	0	0	0	0	1	5	1
Rohtak	0	0	0	0	1	0	0	0	0	1	0	1	1	0	0	1	1	6	2
Faridabad	0	0	1	0	1	0	0	0	0	2	0	1	0	0	1	1	0	7	2
North Delhi	1	2	0	1	0	0	0	0	0	2	0	2	0	0	0	1	1	10	2
Panipat	0	3	0	1	1	0	0	0	0	0	0	1	0	0	0	0	2	8	2
Gurugram	0	0	1	0	1	0	0	1	0	1	0	1	1	1	1	1	0	9	2
Alwar	1	2	0	2	0	0	0	1	0	2	0	0	0	0	0	1	1	10	2
Gautam Budh Nagar	0	0	1	1	0	1	0	1	2	0	0	0	1	1	1	0	1	10	2



Functional Plan for Micro and Household Enterprises in NCR

Appendix I.A

DISTRICT WISE DISTRIBUTION OF CLUSTERS

	Food Products	Textiles	Wearing Apparel	Leather	Wood & Wood Products	Paper & Paper Products	Publishing & Printing	Chemicals & Chemical Products	Rubber & Plastic Products	Other Non-Metallic Products	Basic Metals	Fabricated Metal Products	Machinery and Equipment	Electrical Machinery	Electronic Goods	Auto Components	Furniture	Total No. of clusters	Sample Clusters as per Proportionate Sampling Method
NIC Code 04	15	17	18	19	20	21	22	24	25	26	27	28	29	31	32 & 33	34	36		
Walled City & Walled City Extension	0	3	0	1	2	0	0	0	0	0	0	1	1	0	0	0	3	11	3
Bulandshahr	0	6	1	0	1	1	0	0	0	2	1	1	0	0	0	0	0	13	3
Ghaziabad	0	5	0	0	2	1	0	1	1	1	0	0	1	0	0	0	1	13	3
Meerut	0	4	0	1	0	0	0	0	1	1	1	2	0	1	0	1	6	18	4
East Delhi	0	9	1	1	4	1	0	0	0	0	1	1	0	0	0	0	4	22	5
West Delhi	0	4	0	1	1	1	2	0	4	3	0	1	1	1	1	1	3	24	5
South Delhi	0	4	2	3	2	3	1	1	2	1	0	1	1	1	1	1	2	26	6
Total																		209	49

Source: Study on Micro & Household Enterprise in NCR



Functional Plan for Micro and Household Enterprises in NCR

Appendix 1.B

SAMPLED CLUSTERS

	17				18	19	20	21	22	25	26			27	28		31	33	34	36				Total				
	Zari/ Embroidery	Hand-printed textiles	Mfg of blankets/shwals/ carpets etc. by hand	Powerloom	Wearing Apparel, Garments	Footwear	Leather Products- Handbags, luggage etc.	Grass, Leaf, Fibre and Reed	Packaging Material	Printing	Mfg. of Plastic Products	Pottery & Ceramics	Stone Crushing	Terracotta	Casting of Iron and Steel	Fabrication of Metal Products	Stainless Steel Utensils	Electrical Engg. Equipment	Electronic goods	Auto Components	Bone Accessories	Sports Goods	Jewellery		Band- Baja	Furniture & Fixtures		
	1724	1714	1725	1711	1810	1920	2029	2102	2201	2520	2691	2696	2693	2731	2899	2893	3110	3311	3430	3699	3693	3699	3692	3610				
Mewat																										1		
Baghpat			1																								1	
Jhajjar						1																					1	
Palwal																											1	
Sonepat										1																	1	
Rewari															1												1	
Rohtak																				2							2	
Faridabad																				2							2	
North Delhi						1													1								2	
Panipat			1											1													2	
Gurgaon					1															1							2	
Alwar						1						1	1														3	
Gautambudh Nagar					1																				1		2	
Central Delhi							1	1															1				3	
Bulandshahr	1				1						1																3	
Ghaziabad		1					1													1							3	
Meerut																1					1	1	1				4	
East Delhi		1		1	1			1																	1		4	
West Delhi						1			1	1								1									5	
South Delhi	1				2			1	1									1									6	
																											TOTAL	49

Source: Study on Micro & Household Enterprise in NCR



Appendix 1.C

LIST OF CLUSTERS WHERE PRIMARY SURVEY WAS CONDUCTED

Sl. No	Name of cluster	Location
1	Handloom Cluster	Khekada Town, Baghpat
2	Footwear	Footwear Park, Sector 16 & 17, Industrial Area, Bahadurgarh, Jhajjar
3	Corrugated Packaging	Rai Industrial Area, Sonipat
4	Brass	Choudhariwada, Rewari city, Rewari
5	Nuts & Bolts Cluster	Near Industrial Area, Rohtak Town
6	Auto Components	Near Industrial Area, Rohtak Town
7	Light Engg. Industries	Muzassar Village, Faridabad
8	Auto Components	Sector 58, Industrial Area, Faridabad
9	Non- Leather Footwear	Narela Industrial Estate, North Delhi
10	Metal Fabrication	Dhirpur Village, Kingsway Camp, North Delhi
11	Foundry	Samalkha, Panipat, Panipat
12	Handloom	Desiraj Colony, Noorwala, Jatav Road, Kabri Road, Kachcha Kavdi Pathak, Kishanpura, Ubra Khedi, Ujha Road, Panipat
13	Readymade Garments	Udyog Vihar, Gurugram
14	Terracotta	Krishna Colony, Ramgarh, Alwar
15	Leather Cluster	Bansoor (Ismailpur, Ghasoli, Karana and Bandhaka, Chaturpura), Alwar
16	Murti Kala	Ramgarh, Alwar
17	Readymade Garments & Home Furnishings	Sector 2,4,6,7,8,9 10,11 Noida, Gautam Budh Nagar
18	Furniture (Wood Work)	Sector 5, 8, 9, 10. Noida, Gautam Budh Nagar
19	Jewelry	Chel Puri, Dariban Kalan, Chandni Chowk; Walled City and Walled City Extension, Delhi
20	Basketware	Motia Khan to Sadar Bazar, Walled City & Walled City Extension, Delhi
21	Leather Products	Nabi Karim, Walled City & Walled City Extension, Delhi
22	Zari/ Embroidery Cluster	Jahangirabad , Bulandshahr
23	Under Garments Cluster (Cotton)	Shikarpur, Bulandshahr
24	Pottery and Ceramic Cluster,	Khurja , Bulandshahr
25	Modha (Cane and Bamboo products cluster)	Gadh Mukteshwar , Ghaziabad
26	Bone Accessories	Loni, Ghaziabad
27	Handloom Cluster	Pilakhuwa, Ghaziabad
28	Sports Goods products	SK Road, Phoolbagh Colony, Victoria Park, Lal Kurti, Meerut
29	Artificial Ornaments Cluster	Neel Goli, Sarafa Bazar, Kagzi Bazar, Ghanta ghar, Kabaoli Bazar, Meerut
30	Band Baja Cluster	Jolly Kothi, Patel Nagar, Kesar Gunj, Khair Nagar, Ahmed Nagar, Meerut
31	Scissors Cluster	Peeramal Bazar, Kanch ka pool, Khair Nagar, Karim Nagar, Kotla, Karimwala, Meerut
32	Handloom Cluster	Sundarnagari, Nandnagari, East Delhi
33	Paper Products Cluster	Karawal Nagar, East Delhi
34	Readymade Garments	Gandhinagar, Kailash Nagar, East Delhi
35	Mixed Cluster	Karawal Nagar , East Delhi
36	Readymade Garments	Seelampur, East Delhi
37	Non Leather Footwear Cluster	Madipur Village & JJ Colony; West Delhi
38	Printing Cluster	Naraina Phase I & II , West Delhi
39	Electrical Eng. Equipment Cluster	Naraina Industrial Area Phase I & II, West Delhi
40	Plastic Products	Udyog Nagar , West Delhi
41	Furniture	Block A & B, Kirti Nagar, West Delhi
42	Electrical Engineering Equipment	Okhla Phase I & II, South Delhi
43	Zari/ Embroidery Cluster	Zakirnagar, Okhla, South Delhi
44	Packaging Material	Okhla Phase I & II, South Delhi
45	Printing and Publishing	Okhla Phase I & II, South Delhi
46	Readymade Garments	Okhla Phase I, II, III, South Delhi
47	Readymade Garments	Govindpuri, South Delhi

Source: NCRPB's Study on Micro & Household Enterprise in NCR, 2015

Note: There is no formation of clusters in the districts of Mewat and Palwal, however, micro enterprises in these districts have also been surveyed.



ANNEXURE-2

SCHEMES, INITIATIVES AND PROGRAMMES FOR MSME DEVELOPMENT

S.No.	Name of the Ministry & Scheme
I.	Ministry of Micro, Small and Medium Enterprises <ol style="list-style-type: none"> 1. Scheme for Surveys, Studies, Policy Research and International Cooperation Scheme 2. Market Development Assistance(MDA)Scheme for MSME 3. Quality Management Standard (QMS) and Quality Technology Tools(QIT) 4. Lean Manufacturing Competitiveness Scheme under NMCP 5. Marketing Assistance and Technology Upgradation in MSMEs 6. Scheme for capacity building, strengthening of database and advocacy and for holding seminars/ symposiums/ workshops by industry/ associations 7. Support for entrepreneurial and managerial development of SMEs through Incubators 8. Design Clinic Scheme under (NMCP) 9. Technology and Quality Upgradation Support to MSMEs 10. Design Clinic for Design Expertise to MSMEs Manufacturing Sector (DESIGN) 11. Enabling Manufacturing Sector to be Competitive through Quality Management Standards and Quality Technology Tools 12. National Manufacturing Competitiveness Programme (NMCP) 13. Entrepreneurial and Managerial Development of SMEs through Incubators 14. Credit Linked Capital Subsidy (CLCS) for Technology Upgradation 15. Technology and Quality Upgradation Support to MSMEs 16. Raw Material Assistance 17. Aspire (Scheme for promotion of Innovation, Entrepreneurship and Agro- Industry) 18. Rejuvenation, modernisation and technology upgradation of coir industry 19. Building awareness on IPRs and Setting up of new mini tool rooms under PPP mode
II.	Ministry of Commerce & Industry <ol style="list-style-type: none"> 1. Assistance to States for Developing Export Infrastructure and Allied Activities 2. Indian Leather Development Programme <ol style="list-style-type: none"> a. Mega Leather Cluster b. Market Access Initiatives
III.	Ministry of Labour and Employment <ol style="list-style-type: none"> 1. Upgradation of Government ITIs through PPP 2. Apprenticeship Training 3. Craftsmen Training (ITIs) 4. Skill Development Initiative (SDI)
IV.	Ministry of AYUSH <ol style="list-style-type: none"> 1. Assistance for Exchange Programme/ Seminar/ Conference/ Workshop on AYUSH
V.	Ministry of Rural Development <ol style="list-style-type: none"> 1. Special Projects under Swanajayanti Gram Swarozgar Yojana (SGSY) 2. Aajeevika Skills Development Programme
VI.	Ministry of Textiles <ol style="list-style-type: none"> 1. Special Handicraft training Project 2. Additional Grant for Apparel Manufacturing Units for Integrated Textile Park (SITP) 3. Comprehensive Handlooms Development (CHD) 4. Yarn Supply 5. Design and Technology Upgradation 6. Human Resource Development (HRD)
VII.	Ministry of Skill Development and Entrepreneurship <ol style="list-style-type: none"> 1. Pradhan Mantri Kaushal Vikas Yojana
VIII.	Ministry of Finance <ol style="list-style-type: none"> 1. Pradhan Mantri Mudra Yojana 2. Credit Linked Capital Subsidy (CLCS) 3. Swarozgar Credit Card 4. Growth Capital and Equity Assistance scheme 5. General Refinance scheme 6. Acquisition of ISO Series Certification by MSE Units 7. Composite Loan scheme 8. Rehabilitation of Sick Industrial Units for (MSE,s) 9. Scheme for Development of Industrial Infrastructure for MSME Sector 10. Integrated Infrastructural Development (IID)



Functional Plan for Micro and Household Enterprises in NCR

S.No.	Name of the Ministry & Scheme
	11. Stand-Up India
IX.	Ministry of Youth Affairs and Sports 1. National Programme for Youth and Adolescent Development (NPYAD)
X.	Ministry of Environment, Forest and Climate Change 1. Scheme for enabling the MSEs to setup Common Effluent Treatment Plants (CETPs) 2. Grant-in-Aid for Voluntary Agencies
XI.	Ministry of Food Processing Industries 1. Mega Food Park Scheme
XII.	Ministry of Housing & Urban Poverty Alleviation 1. National Urban Livelihoods Mission
XIII.	Ministry of Science & Technology 1. Innovation and Entrepreneurship Development Centre (IEDC) 2. Entrepreneurship Development Cell (EDC) 3. Entrepreneurship Development Programme 4. Science & Technology Entrepreneurship Development (STED) 5. Science & Technology Entrepreneurs/Entrepreneurship Park (STEP) 6. Technology Business Incubators (TBI)
XIV.	Ministry of Human Resource Development 1. National scheme of Apprenticeship Training



DISTRICT-WISE INDUSTRIAL PROFILE OF NATIONAL CAPITAL REGION

Sub-region/ District	Total industrial unit	Registered industrial unit	Registered Medium & Large unit	Estimated avg. No. of Daily worker employed in SSI	Employment in large and medium industries	No. of industrial area	Turnover of SSI (Rs. in lakh)	Turnover of Medium & Large scale units (Rs. in lakh)
NCT-Delhi Sub-Region								
<i>Sub-Total</i>	129000	20986	-	975194	-	32	-	-
Haryana Sub-Region								
Panipat	5500	4068	43	80667	14192	4	2500000	3794796
Faridabad	17186	17186	180	4500	1600	22	3924.75	5691.30
Rohtak	1435	4761	15	-	2820	03	-	-
Gurugram	24741	22491	436	186040	143300	7	868504	354500
Sonipat	13039	13039	06	59707	17031	-	726530	6240
Jhajjar	2500	1849	-	16082	1000	3	13800	34000
Rewari	1800	1370	141	9313	21000	3	1431100	5900000
Palwal	380	73	40	7200	8000	2	350000	600000
Mewat	57	42	16	800	1200	1	12403.53	15360
<i>Sub-Total</i>	66638	64879	877	364309	210143	45	5906262	10710587.3
U.P. Sub-Region								
Ghaziabad (including Hapur)	5957	1796	-	17221	72749	12	-	-
Bulandshahr	5565	5565	5	80000	87	5	-	-
Meerut	8197	8197	13	48280	3325	04	66856.49	10325
Baghpat	3500	2635	05	13000	3900	01	30520	31750
Gautam Budh Nagar	6349	1063	359	77260	187572	4	1247	3703
<i>Sub-Total</i>	29568	19256	382	235761	267633	26	98623.49	45778
Rajasthan Sub-Region								
Alwar	25465	551	87	112554	8100	21	60000	80000
<i>Sub-Total</i>	25465	551	87	112554	8100	21	60000	80000
Total NCR	250671	105672	1346	1687818	485876	124	6064885.49	10836365.3

Source: Brief Industrial Profile of various districts (falling in NCR), prepared by MSME Development Institutes (Okhla, Karnal, Agra & Jaipur), Ministry of MSME, Govt. of India



ANNEXURE-4

COMPARATIVE ADVANTAGE OF CLUSTERS

Delhi	Haryana sub region	Uttar Pradesh sub region	Rajasthan sub region
NIC Code 17			
Textile Dyeing Cluster, East Delhi	Handloom Cluster, Panipat	Textile Block Printing Cluster, Ghaziabad	
Handloom Cluster, East Delhi		Zari/Embroidery Cluster, Bulandshahr	
Zari/Embroidery Cluster, South Delhi		Handloom Cluster, Baghpat	
COMPARATIVE ADVANTAGES			
Nearness to Market is the main attraction, even though there are restrictions in the activities that may be taken up within Delhi. Availability of power and good connectivity is also an advantage.	The genesis of this cluster is historical in nature when migrant artisans from Sind were allotted land here during Independence. Several interventions have since then been taken by Ministry of Textiles, SIDBI. The cluster is export driven and has an international reputation.	The State Government has made efforts to provide planned infrastructure to such enterprises, especially noticed in the Textile Block Printing Cluster of Pilakhuwa brought up by HPDA. The Central Government has also provided support wherever necessary.	
NIC Code 18			
Readymade Garments Cluster, East Delhi	Readymade Garments Cluster, Gurugram	Under Garments (Cotton) Cluster, Bulandshahr	
Readymade Garments Cluster, Okhla, South Delhi		Readymade Garments and Home Furnishings Cluster, Gautam Budh Nagar	
Readymade Garments Cluster, Govindpuri, South Delhi			
COMPARATIVE ADVANTAGES			
Nearness to market of both raw material and finished products and is the main driver. Moreover, planned infrastructure has been provided by DSIIDC to enterprises in Okhla. The readymade garments clusters in Delhi are well known nationally and internationally. Availability of power and good connectivity is also an advantage.	Planned infrastructure by HSIIDC for this sector, along with nearness to market, has been the key advantages for growth of this cluster. Exporters are also present within the cluster.	Planned infrastructure by UPSIDC for this sector, along with nearness to market, has been the key advantages for growth of this cluster. Exporters are also present within the cluster.	
NIC Code 19			
Leather Products Cluster, Delhi Walled City & Walled City Extension	Footwear Cluster, Jhajjar		Leather & Non Leather Shoes, Alwar



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Delhi	Haryana sub region	Uttar Pradesh sub region	Rajasthan sub region
Non-leather Footwear Cluster, Narela, North Delhi			
Non-leather Footwear Cluster, Madipur, West Delhi			
COMPARATIVE ADVANTAGES			
Nearness to market of both raw material and finished products is the main driver. Moreover planned infrastructure has been provided by DSIIDC to enterprises in Okhla. The readymade garments clusters in Delhi are well known nationally and internationally. Availability of power and good connectivity is also an advantage.	Planned infrastructure by HSIIDC for this sector, along with nearness to market, has been the key advantages for growth of this cluster.		Traditional craft, availability of local skill and tourist market are the key advantages of this cluster
NIC Code 20			
Basketware Cluster, Delhi Walled City & Walled City Extension		Modha (Cane & Bamboo Products) Cluster, Garh Mukteshwar, Ghaziabad	
COMPARATIVE ADVANTAGES			
Traditional craft, availability of local skill and nearness to market are the key advantages of this cluster		Availability of raw material, availability of local skills and nearness to market are the key advantages.	
NIC Code 21			
Paper & Paper Products Cluster, East Delhi	Corrugated Sheet Cluster, Rai, Sonipat		
Packaging Cluster, Okhla, South Delhi			
ADVANTAGES			
Nearness to market is the main attraction, also initiatives have been taken up by DSIIDC to provide planned infrastructure. Availability of power and good connectivity is also an advantage.	Planned infrastructure by HSIIDC for this sector, along with nearness to market has been the key advantages for growth of this cluster.		
NIC Code 26			
		Pottery and Ceramic Cluster, Bulandshahr	Terracotta Cluster, Alwar
			Murti Kala Cluster, Alwar
COMPARATIVE ADVANTAGES			
		Availability of local raw material, traditional craft, availability of local skills and tourist market are the key advantages of this cluster. Many initiatives have also been taken up by the Ministry and State Government for the development of this cluster.	Availability of local raw material, traditional craft, local skills and tourist market are the key advantages of this cluster.



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Delhi	Haryana sub region	Uttar Pradesh sub region	Rajasthan sub region
NIC Code 34			
	Light Engineering Cluster, Faridabad		
	Auto Components Cluster, Faridabad & Rohtak		
	Turning Components Cluster, Rohtak		
COMPARATIVE ADVANTAGES			
	These are basically ancillary manufacturing enterprises of the large automobile and engineering hubs established in Faridabad, Gurugram and Rewari		
NIC Code 36			
Furniture Cluster, Kirtinagar, West Delhi		Furniture Cluster, Gautam Budh Nagar	
COMPARATIVE ADVANTAGES			
Nearness to raw material and consumer market are the main attraction. Availability of power and good connectivity is also an advantage.		Planned infrastructure by Noida for this sector, along with nearness to market, has been the key advantages for growth of this cluster.	

Source: NCRPB's Study on Micro & Household Enterprise in NCR, 2015



ANNEXURE-5

POTENTIAL AND PRIORITY CLUSTERS IN NCR

S. No.	Parameters	Growth Potential	Export Potential	Congenial Environment in terms of Govt. Policy	Existing Interventions /Support	Exclusive in terms of product	Potential (Priority Clusters)
1.	Textile finishing cluster, East Delhi	N	Y	N	N	N	N (To be relocated)
2.	Textile Block Printing Cluster, Ghaziabad	Y	Y	Y	Y	N	Y (Medium Priority)
3.	Handloom Cluster, East Delhi	Y	Y	Y	Y	N	Y (Low Priority)
4.	Zari/Embroidery Cluster, Bulandshahr	Y	N	Y	N	N	Y (High Priority)
5.	Handloom Cluster, Panipat	Y	Y	Y	Y	N	Y (Low Priority)
6.	Handloom Cluster, Baghpat	Y	Y	Y	Y	N	Y (Medium Priority)
7.	Zari/Embroidery Cluster, South Delhi	N	N	N	N	N	N (To be relocated)
8.	Readymade Garments Cluster, East Delhi	M	Y	N	N	N	N
9.	Readymade Garments Cluster, Okhla, South Delhi	Y	Y	Y	Y	N	Y (Low Priority)
10.	Readymade Garments Cluster, Govindpuri, South Delhi	N	N	N	N	N	N (To be relocated)
11.	Readymade Garments Cluster, Gurugram	Y	Y	Y	N	N	Y (High Priority)
12.	Under Garments (Cotton) Cluster, Bulandshahr	Y	Y	Y	N	Y	Y (High Priority)
13.	Readymade Garments and Home Furnishings Cluster, Gautam Budh Nagar	Y	Y	Y	P	N	Y (Medium Priority)
14.	Basketware Cluster, Motia Khan	N	N	N	N		N (To be relocated)
15.	Modha (Cane & Bamboo Products) Cluster, Garh Mukteshwar	Y	Y	Y	P	Y	Y (Medium Priority)
16.	Furniture Cluster, Kirti Nagar	Y	Y	Y	N	N	Y (High Priority)



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S. No.	Parameters	Growth Potential	Export Potential	Congenial Environment in terms of Govt. Policy	Existing Interventions /Support	Exclusive in terms of product	Potential (Priority Clusters)
17.	Furniture Cluster, Gautam Budh Nagar	Y	N	N	N	N	Y (High Priority, to be relocated)
18.	Musical Instruments Cluster, Meerut	Y	Y	Y	Y	Y	Y (Medium Priority)
19.	Sports Goods Cluster, Meerut	Y	Y	Y	Y	Y	Y (Low Priority)
20.	Jewellery Cluster, Delhi Walled City & Walled City Extension	N	Y	Y	N	Y	Y (High Priority)
21.	Bone Accessories Cluster, Loni, Ghaziabad	Y	Y	Y	Y	Y	Y (Low Priority)
22.	Artificial Ornaments Cluster, Meerut	Y	Y	Y	P	Y	Y (Medium Priority)
23.	Mixed Cluster, East Delhi	Y	N	Y	N	N	Y (Medium Priority)
24.	Mixed Cluster, Palwal	Y	N	N	N	N	Y (High Priority)
25.	Mixed Cluster, Mewat	Y	N	N	N	N	Y (High Priority)
26.	Leather Products Cluster, Walled City, Delhi	N	N	N	N	N	N
27.	Non-leather Footwear Cluster, Narela, North Delhi	Y	Y	Y	N	N	Y (High Priority)
28.	Non-leather Footwear Cluster, Madipur, West Delhi	Y	N	Y	N	N	Y (High Priority)
29.	Footwear Cluster, Jhajjar	Y	Y	Y	P	N	Y (Medium Priority)
30.	Leather & Non Leather Shoes, Alwar	Y	Y	Y	Y	Y	Y (Medium Priority)
31.	Paper & Paper Products Cluster, East Delhi	Y	N	Y	Y	N	Y (Medium Priority)
32.	Packaging Cluster, Okhla, South Delhi	Y	N	Y	Y	N	Y (Medium Priority)
33.	Corrugated Sheet Cluster, Rai, Sonipat	Y	N	Y	Y	N	Y (Medium Priority)
34.	Printing and Publishing Cluster, South Delhi	Y	N	Y	P	N	Y



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S. No.	Parameters	Growth Potential	Export Potential	Congenial Environment in terms of Govt. Policy	Existing Interventions /Support	Exclusive in terms of product	Potential (Priority Clusters)
							(Medium Priority)
35.	Printing Cluster, Naraina, West Delhi	Y	N	Y	P	N	Y (Medium Priority)
36.	Plastic Cluster, West Delhi	Y	Y	Y	P	Y	Y (High Priority)
37.	Terracotta Cluster, Alwar	Y	Y	Y	Y	Y	Y (Low Priority)
38.	Murti Kala Cluster, Alwar	Y	Y	Y	Y	Y	Y (Low Priority)
39.	Pottery and Ceramic Cluster, Bulandshahr	Y	Y	Y	Y	Y	Y (Low Priority)
40.	Foundry Cluster, Samalkha, Panipat	Y	N	Y	Y	Y	Y (Low Priority)
41.	Brass Cluster, Rewari	Y	Y	Y	P	Y	Y (Medium Priority)
42.	Scissor Cluster, Meerut	Y	Y	Y	Y	Y	Y (Low Priority)
43.	Electrical Engineering Equipment Cluster, South Delhi	Y	Y	Y	Y	N	Y (Low Priority)
44.	Electrical Engineering Equipment Cluster, Naraina	Y	Y	Y	P	N	Y (Medium Priority)
45.	Metal Fabrication Cluster, North Delhi	Y	N	N	N	Y	N (To be relocated)
46.	Light Engineering Cluster, Faridabad	Y	Y	Y	Y	N	Y (Low Priority)
47.	Auto Components Cluster, Faridabad	Y	Y	Y	Y	N	Y (Low Priority)
48.	Auto Components Cluster, Rohtak	Y	Y	Y	Y	N	Y (Low Priority)
49.	Turning Components Cluster, Rohtak	Y	Y	Y	Y	N	Y (Low Priority)

Y = Yes, N = No, P = Partly, M = Medium

Source: Study on Micro & Household Enterprise in NCR, 2015



ANNEXURE-6

LIST OF IDENTIFIED POTENTIAL FOR NEW MSMES IN NCR

Sr. No.	Sub-Region / District	Potential For New MSMES
Haryana sub-region		
I.	Panipat District	1. Manufacturing of Textile machinery 2. Manufacturing of Bathroom fitting items etc.
II.	Faridabad District	1. Herbal beauty care products
		2. Instant fast food
		3. Nutraceuticals
		4. Specialty food
		5. Manufacturing of CD/DVD
		6. Healthcare products
		7. Toiletries
		8. Automobile spare parts
		9. Defence oriented garments
		10. Concrete furniture
III.	Rohtak District	1. Biotech products e.g. fastener
		2. Nut, Bolts, Paints & Chemicals
		3. Herbal extract for pharmaceutical and cosmetic use
		4. Readymade garments
		5. Edible oils
		6. Auto components
		7. Engineering products
		8. Wooden based industry
		9. Basic drug & pharmaceutical
		10. Ready to serve food stuff etc.
IV.	Jhajjar District	1. Footwear
		2. Plastic molding
		3. Paints and chemicals
		4. Auto components
		5. Engineering products
		6. Edible oils
		7. Wooden based industry
		8. Basic drugs and pharmaceutical industry
		9. Ready to serve food stuffs etc.
V.	Rewari District	1. Auto Components
		2. Fabrication works etc.
VI.	Palwal District	1. Bakery products
		2. Achar manufacturing
		3. Khoya paneer
		4. Furniture Industry
		5. Interlock tiles
		6. Papad manufacturing
		7. Knitted fabric
		8. Cold storage etc.
VII.	Mewat District	1. Auto Ancillary units
		2. Plastic
		3. Chemical based units



Functional Plan for Micro and Household Enterprises in NCR

Sr. No.	Sub-Region / District	Potential For New MSMEs
		4. Engineering units
		5. Metal based (Steel Fabrication)
		6. Apparel Industry
		7. Building Stone
		8. Fabric Dyeing
		9. Electroplating
		10. Agro based
		11. Cotton textile
		12. Sewing threads
		13. Wood based furniture etc.
VIII.	Sonipat District	1. Biotech products e.g. Biofuel, bio fertilizer, bio-pesticides
		2. Herbal extract for pharmaceutical and cosmetic use
		3. Readymade garments
		4. Edible oils
		5. Perfumery
		6. Auto components
		7. Engineering products
		8. Wood based industry
		9. Basic drug & pharmaceutical
		10. Ready to serve food stuff etc.
IX.	Gurugram District	1. Food processing
		2. Sheet metal components
		3. Plastic components automobile & its parts
		4. Engineering components
		5. Leather footwear etc.
U.P. sub-region		
I.	Bulandshahr District	1. Transformer Insulators
		2. Milk & allied Products
		3. Ceramic Handicraft Items
		4. Crockery
		5. Ceramic Tiles
		6. Bathroom/Toilet items
		7. Wash Basin
		8. Pots/Seats/Commodes
II.	Ghaziabad District (including Hapur)	1. Plastic containers –HDPE, LDPE & PP
		2. HDPE Bags
		3. Bleaching Earth (RM unit) for de-colorization in the oil sector
		4. General engineering & precision component manufacturing for defence
		5. Aviation and other sectors
		6. Oxygen plant
		7. GI pipe units
		8. Forging Unit
		9. Induction furnace based casting products
		10. Paper Industry
		11. Railways Coach and wagon parts



Functional Plan for Micro and Household Enterprises in NCR

Sr. No.	Sub-Region / District	Potential For New MSMEs
		12. Pharma Unit 13. Dying & Printing Units 14. Aluminum Extrusions 15. Packaging materials –Plastic Straps, Corrugated Boxes etc. 16. Heat Shrinking Polythene 17. Wooden crafts 18. Solvent Extraction 19. Dal Mill 20. Electrical & Telecom cables 21. Ground & Processed Spices 22. Fly Ash Bricks
III.	Meerut District	1. Fruit preservation 2. Jam & jelly 3. Pickles 4. Namkeen 5. Squash & syrup 6. Bakery & confectionery 7. Dehydration of vegetable 8. Soft drinks 9. Ice Cream & Ice Candy 10. Rice mill 11. Dal mill 12. Cattle feed 13. Poultry feed 14. Phenyl 15. Polythene Bags 16. Disposable syringe 17. Distillery Industries 18. Pesticides & Insecticides 19. Mosquito repellent coil 20. Electroplating, chromium and nickel Plating 21. Naphthalene Balls 22. Tyre retreating & vulcanizing 23. Injection moulded plastic products 24. Polythene File 25. Paper Bags, Envelops including officials 26. Bicycle, Scooter, Rickshaw seat cover 27. Mineral Water 28. Absorbent cotton 29. Surgical gloves 30. Bio fertilizer 31. Battery container & Battery plates 32. Card board 33. Wooden electrical accessories 34. Wooden musical instruments 35. Wooden pencils 36. Ayurvedic and herbal medicines 37. Inverter 38. Voltage stabilizer 39. Assembling of Computers 40. General engineering workshop 41. Steel Amirah & furniture 42. Sophisticated engineering workshop 43. File Cover, File Board & Letter Pads.



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Sr. No.	Sub-Region / District	Potential For New MSMEs
		44. Cold Storage
		45. Readymade Garments
		46. Wooden packing cases
		47. Meat Plant
		48. Sports Goods Industry
IV.	Baghpat District	1. Agro based
		2. Horticulture based
		3. Forest based
		4. Mechanical and Engineering based enterprises
		5. Chemical based
		6. Electrical based
		7. Food & Miscellaneous enterprises
V.	Gautam Budh Nagar District	1. Cattle Food
		2. By products of Milk-Cream, Butter, Paneer
		3. Spice Processing
		4. Mushroom Processing
		5. Canned Fruits & vegetables.
		6. Manufacturing of Jam, Jelly
		7. Fruit Preservation
		8. Pickles & Chutney
		9. Tomato Ketchup
		10. School Bags
		11. Scooter/Cycle Seat Cover
		12. Sports Shoes, Industrial Shoe
		13. Cooler, Fans
		14. Soaps
		15. Drugs Pharmaceuticals
		16. Surgical Bandages
		17. Cold Storage
		18. Hosiery Goods
		19. Handmade paper
		20. Hard Paper Boxes
		21. Toys making
		22. Tailoring
		23. Rakhee making
		24. Button making
		25. Candles
		26. Putty
		27. Card Board Boxes
		28. Agarbatti
		29. Naphthalene balls
		30. Phenyl
		31. Paint Brush
		32. Low cost PVC shoes and Chappals
		33. Nylon Rope
		34. Detergent
		35. Assembly & Repair of electrical goods
		36. Hand pump
		37. Steel Furniture
		38. Medical Diagnostic Centre
		39. Laundry & Dry Cleaning
		40. Voltage Stabilizer
		41. Steel Furniture
		42. Electric Motor
		43. Auto Repair, Services & Garages Gem Cutting and Polishing
		44. Beauty Parlors
		45. Photographic Lab



Functional Plan for Micro and Household Enterprises in NCR

Sr. No.	Sub-Region / District	Potential For New MSMEs
		46. Installation & Operation of Cable T.V. Network
		47. Tyre Retreating
		48. Welded Wire Netting etc.
Rajasthan sub-region		
I.	Alwar District	1. Mustard split
		2. Pulses
		3. Spice powder
		4. Flour
		5. Veg. Processing
		6. Mosaic tiles
		7. Cement pipe
		8. Cement jallies etc.
		9. Marble gang saw
		10. Leather tanning
		11. Bone mill
		12. Mineral powder
		13. Granite tiles
		14. Cotton ginning
		15. Fuel form Agri-waste
		16. Stone grit
		17. Slate stone tiles
		18. Mechanized bricks
		19. Refectory item
		20. Ayurvedic medicines
		21. Dairy product
		22. Bread & biscuits
		23. Exercise book
		24. Rubber sheets
		25. Leather shoes
		26. Leather products
		27. Disposables
		28. Engineering
		29. Rolling mill
		30. Steel furniture
		31. Girls & women bags
		32. Tin containers
		33. Plastic moulded items
		34. Plastic bottles
		35. Agri. equipment
		36. Fluorescent tube
		37. Paints
		38. Electronic item
		39. Forging
		40. C.I casting
		41. Auto lamp
		42. Auto spares
		43. Electro plating
		44. Tyre re-trading servicing
		45. Auto gear & work
		46. Engineering job work
		47. Automotive components
		48. Cement plant parts repairing
		49. Packing boxes
		50. Corrugated boxes
		51. Card board boxes
		52. Pharmaceuticals
		53. Wire & cable
		54. Granular plastic



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Sr. No.	Sub-Region / District	Potential For New MSMEs
I.	NCT-Delhi	1. Gems & Jewelry
		2. Handloom
		3. Handicrafts & Decorative Items
		4. Artificial jewelry making
		5. Khadi and Village industries
		6. Bakery Products
		7. Electrical Home Appliances
		8. Packaged Food Products
		9. Plastic Products
		10. Water purifiers
		11. Flavors, Perfumes, Fragrance & Deodorants
		12. Garments
		13. Steel Furniture & Office Furniture
		14. CFL Lamps
		15. Invertors & Batteries
		16. Hosiery & allied Products
		17. Detergent & cosmetic products
		18. Leather goods
		19. Leather Garments
		20. Packaging Units
		21. Printing
		22. Optical lenses
		23. Board & paper corrugation
		24. Non PVC Footwear
		25. Leather footwear
		26. Corrugated Boxes
		27. Leather Bags and accessories
		28. Plastic Containers
		29. Plastic films and bags
		30. Steel Fabrication

Source: Brief Industrial Profile of various districts (falling in NCR), prepared by MSME Development Institutes (Okhla, Karnal, Agra & Jaipur), Ministry of MSME, Govt. of India



ANNEXURE-7

COMPENDIUM OF MSME CLUSTERS IN NCR

S.No.	Name & Location	No. of Enterprise	Major Products	SPV/ Association	Remarks/ Interventions
NCT Delhi					
1.	Readymade Garments Industry Cluster, Okhla Delhi	2039	Readymade Garments	Association	Implementing Agency MSME-DI, New Delhi
2.	Printing and Packaging Clusters, Naraina Mayapuri, Kirti Nagar	450	Printing and Packaging	Association	Implementing Agency MSME-DI, New Delhi
3.	Pottery Cluster, Uttam Nagar	700	Platters Pot, water pitcher, decorative items and various items	NA	Implementing Agency, Govt of Delhi
4.	Handloom Cluster, Suder Nagri & Nand Nagri	50	Manufacturing textile	No Association, SPV	Industrial Department Govt of NCT Delhi
5.	Zari and Embroidery Cluster, Zakir Nagar, Delhi	100	Zari and Embroidery on sari and Kurta	NA	Govt. organization support not available.
6.	Readymade garments Cluster, Gandhi Nagar & Kailash Nagar, East, Delhi	10,000	Mfg, of garments	Association	NA
7.	Readymade garments Cluster, Govindpuri, Delhi	50	Mfg, of garments	Association/ SPV	Govt. organization support not available.
8.	Textile Finishing Cluster, Seelampur, East Delhi	50	Mfg, of Textile, and Finishing	Association/ SPV	Govt. organization support not available.
9.	Leather Products Cluster, Nabi Karim, Walled City Delhi	200	Mfg, of Leather Products	Association/ SPV	NA
10.	Non - Leather Footwear Cluster, Narela, Delhi	1500	Footwear	Association	DSIIDC
11.	Non-Leather Footwear Cluster, Madipur, Delhi	500	Ladies footwear	Association/ SPV	NA
12.	Furniture Cluster, Kirti Nagar, Tilak Nagar, Delhi	NA	Tables Chairs, beds sofas, Cupboards etc.	NA	DDA, Govt. Agencies
13.	Basketware Cluster, Motia Khan, Delhi	50	Furniture	NA	NA
14.	Paper & paper products Cluster, Pusta, East Delhi	30	Packaging material, cardboard boxes handmade products, paper envelopes etc.	NA	NA
15.	Packaging Cluster, Okhla	20	Packaging Materials	NA	NA
16.	Printing Cluster, Naraina, Phase I and II West Delhi	120	Printing	NA	NA
17.	Printing & Publishing Cluster, Okhla, South Delhi	80	Printing Publishing	NA	NA
18.	Plastic Cluster, Udyog Vihar West Delhi	40	Plastic Products	NA	DSIIDC
19.	Metal Fabrication Cluster, Dhirpur, Mayapuri, Wazirpur, Delhi	NA	Metal fabrication and manufacturing of surgical item	NA	Govt, Organization support not available.



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S.No.	Name & Location	No. of Enterprise	Major Products	SPV/ Association	Remarks/ Interventions
20.	Electrical Engineering Cluster, Okhla Phase I,II and III, Okhla Flatted factory complex	20	Manufacturing of electrical and engineering equipment and machinery	NA	Govt, organization support not available.
21.	Electrical Engineering Naraina, Phase I and II, Delhi.	60	Electrical and Engg. equipment	NA	Govt, organization support not available
22.	Jewelry Cluster, Dariba Kalan, Delhi	300	Mfg. of jewelry items	NA	
23.	Mixed Cluster, East Delhi	50	Mfg. of plastic products, electrical engg. Equipment, mechanical engg. equipment etc.	NA	
24.	Cosmetic & Packaging Cluster Delhi	240	Cosmetic items	Association	MSEs CDP
25.	Dal & Besan Cluster	50	NA	Association	MSEs CDP
26.	Embroidery Cluster Palam and Patel Nagar, Delhi	15	Bed sheet, pillow cover table cover,	NA	NA
27.	Hand Embroidery Cluster Khichdipur,	10	Hand Embroidery, bag, cushion cover kurti	NA	NA
28.	Hand Embroidery, Nand Nagari	11	Hand Embroidery	NA	NA
29.	Hand Embroidery, Darya Ganj, Sadar Paharganj, Jama Masjid	NA	Hand Embroidery	NA	NA
30.	Folk Painting Cluster, Hastal, Delhi	9	Folk Painting, chess board etc.	NA	NA
31.	Textile Handloom Cluster, Sarai-Kalen-Khan, Delhi	15	Textile Handloom	NA	NA
32.	Leather Cluster- Kirti Nagar	10	-		
33.	Leather Craft Cluster, Okhla Delhi	10	Purse, Bag, sandal, necklace	NA	NA
34.	Home Furnishing Cluster Khajoori Cluster	NA	NA	NA	NA
Haryana Sub-region					
Gurugram district					
35.	Auto Parts manufacturing cluster, Gurugram	1478	Piston, Crank, rocker arm, sleeve etc,	Association	Implementing Agency, NIESBUD, Noida
36.	Auto Components Cluster, Gurugram	5000	Auto Parts including rubber and plastic molded parts and sheet metal parts	Association	MSME-DI Okhla Delhi
37.	Readymade Garments Cluster, Village Mohammadpur, Gurugram				Implementing Agency Investment Promotion Centre, Chandigarh
38.	Leather and Leather Products Cluster, Manesar, Gurugram	205	Leather jackets, trousers, shirts and vest and saddlery	SPV	Implementing Agency Investment Promotion Centre, Chandigarh, MSME-DI, Okhla, DIC,



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S.No.	Name & Location	No. of Enterprise	Major Products	SPV/ Association	Remarks/ Interventions
					Council for Leather Exports and National Institute of Fashion Technology
39.	Readymade Garments Cluster, Gurugram	1255-1310	Trousers, lowers, track suits, T-shirts etc,	No	Implementing Agency Investment Promotion Centre, Chandigarh.
40.	Faruknagar Terracotta handicraft Cluster, Gurugram	15	Gara, Flower vase, Lamp, Container, Fish, etc		NA
41.	Auto Rubber Parts cluster, Gurugram	135	Gasket, Seals, washers & V-belts etc,	NA	
Faridabad district					
42.	Light Engg. Industries cluster. Faridabad	203	Metal bar, Rod Square Channel Sheet Casting Forging pressing Sheet pressing Ingot processing	Association	Implementing Agency, MSME-DI, Delhi -
43.	Auto Compounds Cluster, Faridabad Muzessar,	2500	Sheet metal, Rubber & Plastic components	Association	Implementing Agency Investment Promotion Centre, Chandigarh, DIC MSME-DI, Okhla, MSME TC, Okhla, Government Industrial Institute, Faridabad
44.	Light Engineering Cluster, Faridabad:-	100	Manufacture of Light Engineering Equipment Automobile Industry		
45.	Packaging Cluster, Sector- 58 Faridabad	NA	NA	NA	Implementing Agency Investment Promotion Centre, Chandigarh
46.	Bright Steel and Wire Drawing Cluster, Faridabad	NA	NA	NA	Implementing Agency Investment Promotion Centre, Department of Industries and Commerce, Govt of Haryana
47.	Terracotta Handicraft Cluster, Badkhal, Faridabad	10	Mudha Table Chair Shows	NA	NA
48.	Fabrication and General Engg. Cluster, Faridabad	40	Light Engg. Components	Association	NA
49.	Chemical Cluster, Faridabad	275	Surface Treatment	Co-operative Society	NA
Panipat district					
50.	Home Furnishing, Panipat (Textile design and testing Centre)	85	Textile designing and testing laboratory, yarn testing	Association	Implementing Agency Investment Promotion Centre, Chandigarh
51.	Made Ups (Textile Products Panipat)	7475	Throws Durries Rags Rag rugs Wash linen Table linen etc	NA	NA



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S.No.	Name & Location	No. of Enterprise	Major Products	SPV/ Association	Remarks/ Interventions
52.	Quit and Allied Products Cluster, Panipat	NA	NA	NA	Implementing Agency Investment Promotion Centre, Department of Industries and Commerce, Govt of Haryana
53.	Textile Machinery Development Centre Panipat	28	Textile Machinery	SPV	Implementing Agency Investment Promotion Centre, Department of Industries and Commerce, DIC Govt of Haryana SIDBI, MSME/DI NSIC, HSPCB
54.	Floor Covering Cluster, Panipat	331	Tufted Carpets, Shaggy Carpets and Durries	Association	- National Institute of Fashion Technology - Panipat Institute of Engineering and Technology
55.	Home Furnishing Cluster, Panipat	3200	Home Furnishing products (Cushions Curtains, Table Linen, Floor Coverings, Shaggy, Rugs Bathmats and Cushions covers etc.,)	SPV	- DIC - MSME-DI, Karnal - MSME TC, Okhla, Delhi SIDBI
56.	Textile Cluster, Panipat (700 units)	NA	NA	NA	- DIC - Northern India Textile Research Association (NITRA)
57.	Foundry Cluster, Samalkha, Panipat	30	Casting of fodder cutting machines Cane Crushers	SPV	Implementing Agency Investment Promotion Centre, Chandigarh, SIDBI MSME/DI NSIC, HSPCB, BIS
Palwal & Mewat district					
58.	Hodal Terracotta Handicraft Cluster, Palwal Hodal	15	Showpiece, pot, hanging etc,	SHGs	NA
59.	Mixed Cluster, Palwal	NA	Furniture & others woodcrafts	No SPV/ Association, SHG	NA
60.	Mixed Cluster, Mewat	NA	Machinery & Parts	No SPV/ Association, SHG	NA
61.	Embroidery Cluster, Ferozpur-Zhirk, Mewat	NA	NA	NA	NA
Rewari district					
62.	Fabrication Cluster, Rewari	NA	NA	NA	Implementing Agency Investment Promotion Centre, Department of Industries and Commerce, Govt of Haryana



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S.No.	Name & Location	No. of Enterprise	Major Products	SPV/ Association	Remarks/ Interventions
63.	Brass Cluster, Rewari	100	Manufacturing of brass utensils		Govt. organization support not available.
64.	Aluminum Utensils, Rewari	35	Aluminum utensils	No	NA
65.	Perforated Sheets Cluster, Rewari	50	Perforated Sheets	No	NA
66.	Footwear Cluster Rewari	NA	NA	NA	NA
Jhajjar district					
67.	Footwear Cluster, Bahadurgarh, Jhajjar	125	Non-leather open and closed footwear products	Association	Implementing Agency Investment Promotion Centre, Chandigarh, DIC - MSME-DI, Karnal - MSME TC, Okhla, Delhi - FDDI, Noida
68.	Cane and Bamboo handicraft Cluster, Jhajjar	8	Door Mat, Wall Hanging, Mudha, etc.	NA	NA
69.	Jewelry Handicraft Cluster, Bahadurgarh, Jhajjar	15	Ear Ring Necklaces Napking Women Pot Painting	NA	NA
70.	Terracotta Cluster Farookh Nagar, Jhajjar	15	Gara, Flower vase, Lamp, Container, Fish etc,	NA	NA
Rohtak district					
71.	Auto mobile Components, Cluster Rohtak,	200	Mfg. of Automobile components	Association	NA
72.	Turned Components, Nut Bolts Cluster Rohtak	200	Mfg. of Automobile components	Association	NA
73.	General Engg. Cluster, Rohtak	NA	NA	NA	Implementing Agency Investment Promotion Centre, Department of Industries and Commerce, Govt of Haryana
74.	Embroidery Cluster Rohtak	NA	Embroidery	NA	NA
75.	Leather Product Cluster Kalanaur, Rohtak	NA	Leather Products	NA	NA
Sonipat district					
76.	Printing and Packaging Clusters, Rai Sonipat	110	Printing and Packaging Publishing	SPV	Implementing Agency Investment Promotion Centre, Department of Industries and Commerce, Govt of Haryana
77.	Stainless Steel Cluster-Kundil, Sonipat	72	Utensils, Cutlery and Kitchen Tool etc,	SPV	DIC Bankers HSSIDC, NABARD, NSIC, EEPC, Industry Association, DGFT, SIDBI, etc,
78.	Soft toys & Embroidery Artisans Cluster, Sonipat	12	Teddy bear, Doggy, Teddy pillow, etc,	NA	NA



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S.No.	Name & Location	No. of Enterprise	Major Products	SPV/ Association	Remarks/ Interventions
79.	Corrugated Sheet Cluster, Rai Industrial Area, Rai, Sonipat,	50	Corrugated boxes for Packing of Products Medicines, Processed food products Fruits & vegetables, electronic equipment's ,etc	NA	NA
Uttar Pradesh Sub-region					
Meerut district					
80.	Scissors Clusters, Meerut	225	Manufacture of Scissors.	SPV	Implementing Agency NIESBUD, Noida - DIC
81.	Glass and Wooden Beads Cluster, Meerut	328	Brass plated items, Lamp shade, etc.	SPV	Implementing Agency- Govt of UP
82.	Embroidery Cluster, Meerut	25,025	Sari, Lehnga, Chunri, Suit, etc.	Association	Implementing Agency -Govt of UP
83.	Artificial Ornament Cluster, Meerut,	4,488	Manufacture of furniture and others n.e.c (NIC Code 46) Manufacture of Jewelry.	Association	Implementing Agency Govt of UP -DIC
84.	Sports Goods Cluster, Meerut	3500	Hockey Stick, Wickets , Football, Volly ball, carom, Tennis racquet, ball & Net, athletic equipment etc.,	Association	Implementing Agency - Govt of UP - DIC - PPDC, Meerut
85.	Musical Instruments (Band Baja) Cluster, Meerut	433	Manufacture of Sehni, Bigul Narshimbhj, Surajmukhi Carnet,,etc	Association	Implementing Agency, Govt of UP - DIC - PPDC, Meerut - KVIC, Meerut
86.	Auto Component Cluster, Meerut	4700	Rubbers parts Breaks Engine Spare parts Nuts and Bolts Spring pills etc	NA	NA
87.	Gas Cylinders Cluster, Meerut	160	Mini Cylinders	Association	NA
88.	Powerloom Textile cluster, Meerut	27500	Shirting Home Funning, Canvass	Association	NA
89.	Rubber Cluster, Meerut	130	Tyres and tubes	NA	NA
90.	Transformers & Voltage Regulators Cluster, Meerut	100	Voltage, Transformers.	NA	NA
91.	Footwear Cluster, Meerut	NA	Footwear	NA	NA
92.	Stabilizer & Inverter Cluster, Meerut	NA	Stabilizer& Inverter	NA	NA
93.	Jute, Hemp, rope and cordage Cluster, Meerut	NA	Jute, Hemp, rope and cordage	NA	NA
94.	Leather Products Cluster, Meerut	NA	Leather Products	NA	NA
95.	Carpets & Durries Cluster, Meerut	NA	Carpets & Durries	NA	NA
96.	Furniture & Fixtures Cluster, Meerut	NA	Furniture & Fixtures	NA	NA
97.	Horn & Bone Cluster, Meerut	NA	Horn & Bone	NA	NA



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S.No.	Name & Location	No. of Enterprise	Major Products	SPV/ Association	Remarks/ Interventions
98.	Pottery & Clay Cluster, Meerut	NA	Pottery & Clay	NA	NA
99.	Wrought iron accessories Cluster, Meerut	NA	Wrought iron accessories	NA	NA
100.	Paper Mache Cluster, Meerut	NA	Paper Mache	NA	NA
101.	Rajpura Grass, Leaf, Read and fiber Cluster, Meerut	NA	Grass, Leaf, Read and fiber	NA	NA
102.	Handloom Cluster Sardhana, Meerut	NA	Dhoti, dress, material, saree, towel furnishing, blanket, bandage, long	NA	NA
Ghaziabad district (including Hapur)					
103.	Packaging Material (Plastic), Ghaziabad	NA	Packaging Material (Plastic)	NA	Implementing Agency- NIESBUD, Noida
104.	Bone-Horn Cluster, Loni Ghaziabad	200	Manufacture of Artificial beaded Jewelry.)	NA	Implementing Agency- NIESBUD, Noida
105.	Textile Printing Clusters, Pilakhuwa, Ghaziabad	400	Textile Printing	NA	Implementing Agency -Govt of UP. Pilakhuwa Textile Centre is being developed by HPDA
106.	Chemicals Cluster, Ghaziabad	NA	Chemicals	NA	NA
107.	Mechanical Engineering Cluster, Ghaziabad	650	Engineering Equipment	Association	Implementing Agency, Govt of UP
108.	Carpets & Durries Cluster, Ghaziabad	NA	Carpets & Durries	NA	NA
109.	Furniture & Fixtures Cluster, Ghaziabad	NA	Furniture & Fixtures	NA	NA
110.	Hand Embroidery, Cluster, Ghaziabad	NA	Hand Embroidery	NA	NA
111.	Plastic Packing Cluster, Ghaziabad	150	Rigid and flexible packaging products	Association	NA
112.	Earthen & Plaster statues Cluster, Ghaziabad	NA	Earthen & Plaster	NA	NA
113.	Garh Mukteshwar Grass Mats Cluster, Ghaziabad	NA	Garh Mukteshwar Grass Mats	NA	NA
114.	Handloom Cluster, Ghaziabad	NA	Durries dhoti, lungi dress, material, saree, towel furnishing, bed sheet gamcha.	NA	NA
115.	Modha Cluster, Garh Mukteshwar, Hapur	100	Modha, cane Furniture	NA	DIC
Gautam Budh Nagar district					
116.	Readymade Garments & Home Furnishing Cluster , Noida	6014	Readymade Garments and Home Furnishing Cluster.	SPV	Implementing Agency MSME-DI, Delhi (SI)
117.	Plastic Clusters, Noida	350	Automobile components, Household goods Electrical good, Packing Materials, PVC/HDPE, Plastic Toys, water Storage Tanks etc	Association	Implementing Agency (SI) + (DSR) CIPET, Lucknow
118.	Furnishers, Hosiery complex, Ph.- II Noida	NA	NA	NA	Implementing Agency MSME-DI, Delhi



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S.No.	Name & Location	No. of Enterprise	Major Products	SPV/ Association	Remarks/ Interventions
119.	Engineering Cluster Noida	12000	Stabilizers Motor parts, Gas Stoves Generators Home Appliance Bright bars Air Conditions watches Refrigerators Sanitary Fliting	Association	- Central Machines Tools Institute - National Metallurgical laboratory - Central Electro Chemical Research Institute - Indian Institute of foundry
120.	Furniture Cluster, Sector 8,9,10, Noida	50	Furniture	NA	NA
121.	Chemicals Cluster, Noida	NA	Chemicals	NA	NA
122.	Electronics Cluster, Noida	NA	Electronics	NA	NA
123.	Packaging Cluster, Noida	NA	packaging	NA	NA
124.	Toys Cluster, Noida	NA	Toys		
125.	Punja Durry Cluster Surajpur, Noida	NA	Punja Durry	NA	NA
126.	Rugs and Durries Cluster, Greater Noida	10	Rugs and Durries	NA	NA
Bulandshahr district					
127.	White ware/pottery Industry Cluster, Khurja, Bulandshahr	492	Hand painted flower vases and others artistic wares, low & high tension simulators, kit kat, figurines planters, knobs stoneware Crockery etc,	Association	Implementing Agency -DIC - Central Glass & Ceramic Research Institute (CGCRI) Khurja.
128.	Undergarments Cluster, Shikarpur, Bulandshahr	NA	Undergarments	NA	DIC No other support organisation
129.	Jute, Hemp, rope and cordage Cluster	NA	Jute, Hemp, rope and cordage	NA	NA
130.	Metalware Cluster, Bulandshahr	NA	Metalware, products	NA	NA
131.	Carpets & Durries Cluster, Bulandshahr	NA	Carpets & Durries	NA	NA
132.	Wooden accessories Cluster, Bulandshahr	NA	Wooden accessories	NA	NA
133.	Woodwork & Lacquerware Cluster, Bulandshahr	NA	Woodwork & Lacquerware	NA	NA
134.	Pottery & Clay Cluster, Bulandshahr	NA	Pottery & Clay	NA	NA
135.	Paper Mache Cluster, Bulandshahr	NA	Paper Mache	NA	NA
136.	Hand & Zari Embroidery Cluster, Bulandshahr	NA	Hand & Zari Embroidery	NA	NA
137.	Handloom Cluster, Bulandshahr	NA	Durries dhoti, lungi dress, material, saree, towel furnishing, bed sheet gamcha.	NA	NA
138.	Zari/Embroidery Cluster, Jahangirabad, Bulandshahr	100	Zari/Embroidery work	NA	DIC, No other supporting organization
Baghpat district					



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S.No.	Name & Location	No. of Enterprise	Major Products	SPV/ Association	Remarks/ Interventions
139.	Handloom Cluster, Khekada, Baghpat	300	Mfg of Textiles	Association	NABARD under Integrated Handloom Cluster Development Scheme (IHCDS) ASEED
Rajasthan Sub-region					
<i>Alwar district</i>					
140.	Leather Cluster, Bansoor/Alwar	NA	NA	NA	Implementing Agency, Govt of Rajasthan
141.	Murti Kala Cluster, Gola ka bas, Alwar	52	Making of marble status and handicrafts	Association	Implementing Agency, Govt of Rajasthan
142.	Automobile Component Cluster Alwar	200	Automobile Components	Association	Implementing Agency , Govt of Rajasthan
143.	Leather Cluster, Alwar	NA	Tanned Leather Embroidered Jutties Gents Jutties Shoes, Leather accessories	NA	Govt of Rajasthan Rural Non-Farm development Agency.
144.	Leather & Non Leather Footwear, Ismailpur, Kishangarh, Alwar	100	Leather and Non- Leather shoes and belts	NA	DIC Rural Non-Farm Development Agency (RUDA)
145.	Terracotta Cluster, Ramgarh, Alwar	35	Making of Carpers and pots	NA	DIC
146.	Murti Kala Cluster, Ramgarh, Alwar	200	Making of marble status and handicrafts	NA	NA
147.	Stone Carving Cluster Khatumas, Alwar	20	Shai Maharaj, Mandir, Gangama, Head Figure, etc	NA	NA
148.	Chemicals Cluster, Alwar	NA	NA	NA	NA
149.	Carpet and Durries Cluster- Neemrana, Alwar	NA	NA	NA	NA
150.	Leather Cluster- Bansoor & Reny, Alwar	NA	NA	NA	NA

Source: (i) Development Commissioner, MSME, Ministry of MSME, Govt. of India www.dcmsme.gov.in

(ii) Reports on Brief Industrial Profile of Districts, MSME-Development Institutes - Delhi, Agra, Karnal and Jaipur.

(iii) Cluster Observatory, Foundation for MSME Cluster www.clusterobservatory.in

(iv) NCRPB's Study on Micro and Household Enterprises in NCR, 2015



ANNEXURE-8

MUDRA LOAN SCHEME - SALIENT FEATURES

1. Brief background for introduction of MUDRA Loan Scheme by Govt. of India

As per NSSO survey (2013), there are around 5.77 crore small/micro units in the country, engaging around 12 crore people, mostly individual proprietorship/Own Account Enterprises. Over 60% of units are owned by persons belonging to Scheduled Caste, Scheduled Tribe or Other Backward Classes. Most of these units are outside the formal banking system, and hence are forced to borrow from informal sources or use their limited owned funds. MUDRA Loan Scheme has been proposed to bridge this gap. MUDRA Loan Scheme will aim to increase the confidence of the aspiring young person to become first generation entrepreneurs as also of existing small businesses to expand their activities.

2. Brief details of the Product

MUDRA loans are extended by banks, NBFCs, MFIs and other eligible financial intermediaries as notified by MUDRA Ltd. The Pradhan Mantri MUDRA Yojana (PMMY) announced by the Hon'ble Prime Minister on 8th April 2015, envisages providing MUDRA loan, upto Rs. 10 lakh, to income generating micro enterprises engaged in manufacturing, trading and services sectors. The overdraft amount of Rs. 5000 sanctioned under PMJDY has been also classified as MUDRA loans under Prime Minister MUDRA Yojana (PMMY). The MUDRA loans are extended under following three categories:

- Loans upto Rs. 50,000/- (Shishu)
- Loans from Rs. 50,001 to 5 lakh (Kishore)
- Loans from Rs. 5,00,001/- to 10 lakh (Tarun)

More focus would be given to Shishu.

Accordingly, all advances granted on or after 8th April 2015 falling under the above category are classified as MUDRA loans under the PMMY. The application forms for such loans shall also carry the name "Pradhan Mantri MUDRA Yojana"

Eligible borrowers

- Individuals
- Proprietary concern.
- Partnership Firm.
- Private Ltd. Company.
- Public Company.
- Any other legal forms.

The applicant should not be defaulter to any bank or financial institution and should have a satisfactory credit track record. The individual borrowers may be required to possess the necessary skills/experience/knowledge to undertake the proposed activity. The need for educational qualification, if any, needs to be assessed based on the nature of the proposed activity, and its requirement.

4. Purpose of Assistance/Nature of assistance.

Need based term loan/OD limit/composite loan to eligible borrowers for acquiring capital assets and/or working capital/marketing related requirements. The MUDRA loans are provided for income generating



small business activity in manufacturing, processing, service sector or trading. The Project cost is decided based on business plan and the investment proposed. MUDRA loan is not for consumption/ personal needs.

For the purpose of working capital limit, MUDRA has launched a new product called “**MUDRA Card**”, which is a Debit card issued on RuPay platform, and provides hassle free credit in a flexible manner.

5. Amount of assistance

Upto to Rs. 10 lakh in three categories viz. Shishu, Kishore and Tarun.

6. Margin/Promoters Contribution

Margin/Promoters Contribution is as per the policy framework of the bank, based on overall guidelines of RBI in this regard. Banks may not insist for margin for Shishu loans.

7. Interest rate

Interest rates are to be charged as per the policy decision of the bank. However, the interest rate charged to ultimate borrowers shall be reasonable. Scheduled Commercial Banks, RRBs and Cooperative Banks wishing to avail of refinance from MUDRA will have to peg their interest rates, as advised by MUDRA Ltd., from time to time.

8. Upfront fee/Processing charges.

Banks may consider charging of upfront fee as per their internal guidelines. The upfront fee/processing charges for Shishu loans are waived by most banks.

9. Security

- a) First charge on all assets created out of the loan extended to the borrower and the assets which are directly associated with the business/project for which credit has been extended.
- b) DPN (wherever applicable).
- c) CGTMSE (wherever felt desirable)/MUDRA Guarantee cover (as and when introduced).

In terms of RBI guidelines issued vide Master Circular on lending to MSME Sector (para 4.2) dated July 01, 2014, in respect of loans upto Rs. 10 lakh, banks are mandated not to accept collateral security in the case of loans upto Rs. 10 lakh extended to units in the Micro Small Enterprises (MSE) Sector. Banks are required to encourage their branch level functionaries to avail of the Credit Guarantee Scheme cover, wherever felt desirable.

10. Tenor of Assistance

Based on the economic life of the assets created and also the cash flow generated. However, MUDRA's refinance assistance will be for a maximum tenor of 36 months which will also be aligned to terms of allotment of MUDRA funds by RBI from time to time.

11. Repayment

Term Loan: - To be repaid in suitable installments with suitable moratorium period as per cash flow of the business.

OD & CC Limit:- Repayable on demand. Renewal and Annual Review as per internal guidelines of the Bank.



12. Availability of the loan

Mudra loan under PMMY is available at all bank branches across the country. Mudra loan is also issued by NBFCs / MFIs who are engaged in financing for micro enterprises in small business activities.

Source: www.mudra.org.in



ANNEXURE-9

PRIME MINISTER'S ROZGAR YOJANA (PMRY) - MAIN FEATURES

PMRY Scheme is designed to create and provide sustainable self-employment opportunities to one million educated unemployed youth in the country during the 8th Plan period. During the last 5 years of its implementation, it was felt that certain parameters of the PMRY Scheme needed modification. For example conditions of eligibility such as age, educational qualifications were coming in the way of expanding the coverage of the scheme in some cases. Similarly the total financial assistance per case was found to be insufficient in case of certain viable activities.

Modifications

Government, therefore, has decided to modify some of these parameters of the Scheme. The upper age limit has been relaxed beyond 35 years by 10 years for SCs/STs and women and the educational qualifications for eligibility under the Scheme has been relaxed from matric (passed or failed) to VIIIth passed. Similarly, the upper limit of project cost has been increased from Rs. 1 lakh to Rs. 2 lakhs (Rs. 1 lakh for business sector and Rs. 2 lakhs for other activities). The PMRY scheme would now cover all economically viable activities including agriculture and allied activities but excluding direct agricultural operations like raising crop, purchase of manure etc.

The details of the changes made in the parameters of the PMRY Scheme are given below.

The modified financial parameter of increase in the upper limit of the project cost from Rs. 1 lakh to Rs. 2 lakhs has been effective from 1.4.1999.

Relaxation of norms for North Eastern Region

The PMRY would be expanded in scope to cover areas of horticulture, piggery, poultry, fishing, small tea gardens, etc. so as to cover all economically viable activities. PMRY would have a family income ceiling of Rs. 40,000 per annum for each beneficiary along with his/her spouse and upper age limit will be relaxed to 40 years. Project costing upto Rs. 2 lakhs in other than business sectors will be eligible for assistance. No collateral will be insisted for projects costing upto Rs. 1 lakh. Group financing upto Rs. 5 lakhs will be eligible. Scheme will have a subsidy component @ 15% with an upper ceiling of Rs. 15,000/-. The margin money may vary from 5% to 12.5% of the project cost to make the subsidy and margin contribution at 20% of the project cost.

PARAMETERS OF PMRY

S.No.	Parameters	Revised
1.	Age	For all educated unemployed 18-35 years in general with a 10 years relaxation for SC/STs, ex-servicemen, physically handicapped and women.
2.	Educational Qualification	VIIIth passed. Preference will be given to those who have been trained for any trade in Government recognized approved institutions for a duration of at least six months.
3.	Family Income	Neither the income of the beneficiary along with the spouse nor the income of parents of the beneficiaries shall exceed Rs. 40,000/- p.a.
4.	Residence	Permanent resident of the area for at least 3 years.
5.	Defaulter	Should not be a defaulter to any nationalized bank/financial institution/cooperative bank. Further, a person already assisted under other subsidy linked Government schemes would not be eligible under this Scheme.
6.	Activities covered	All economically viable activities including agriculture and allied activities but excluding direct agricultural operations like raising Crop, purchase of manure etc.



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S.No.	Parameters	Revised
7.	Project Cost	Rs.1.00 lakh for business sector. Rs. 2.00 lakhs for other activities, loan to be of composite nature. If two or more eligible persons joins together in a partnership project upto Rs. 10.00 lakhs are covered. Assistance shall be limited to individual admissibility.
8.	Subsidy & Margin money	Subsidy will be limited to 15% of the project cost subject to ceiling of Rs. 7,500/- per entrepreneur. Banks will be allowed to take margin money from the entrepreneur varying from 5% to 16.25% of the project cost so as to make the total of the subsidy and the margin money equal to 20% of the project cost.
9.	Collateral	No collateral for project upto Rs.1 lakh. Exemption from collateral in case of partnership project will also be limited to an amount of Rs. 1.00 lakh per person participating in the project.
10.	Rate of interest & Repayment Schedule	Normal rate of interest shall be charged. Repayment schedule may range between 3 to 7 years after an initial moratorium as may be prescribed.
11.	Training & other assistance.	The training expenses and operational expenditure to be covered within the ceiling of Rs. 2,000/- per case. The existing system of revising the scale of expenditure in consultation with the Finance for various activities and flexibility would be available to the implementing agencies of the State and Central levels subject to condition that over all training and operating expenses remain within the ceiling of Rs. 2,000/- per case sanctioned.
12.	Implementing Agency	The District Industry Centres and the Directorates of Industries shall mainly be responsible for scheme implementation along with banks.
13.	Linkages of targets with recovery	Basic minimum targets based on the population and the number of educated unemployed. Additional targets would be linked to the recovery of loans sanctioned, past performance of sanctions or special circumstances prevailing in the State/UT.
14.	Reservation	Preference should be given to weaker sections including women. The scheme envisages 22.5% reservation for SC/ST and 27% for Other Backward Class (OBCs). In case SC/ST/OBC candidates are not available, State/UTs Govt. will be competent to consider other categories of candidates under PMRY.

Further clarifications

i) Margin/Subsidy/Project Costs:

Class sanctioned during the current year up to 31.3.99 shall continue to be sanctioned on the basis of the modalities on subsidies/margin/project costs as originally notified in the scheme in 1993. Their disbursement in the current year and thereafter till the cut off dates in the following year shall be in accordance with the sanction conditions. The changed subsidy/margin and project costs and modalities on subsidies/margins/project costs for the general as well as the seven North-Eastern States shall be applicable from 1.4.99: and to cases sanctioned thereafter.

ii) Training and other assistance:

The ceiling on training expenditure for the industrial sector shall continue to remain at the rate of Rs. 1,000/- per case inclusive of stipend and Rs. 500/- per case inclusive of the stipend for service and business sectors to be made available to States/UTs. Contingency funds at the rate of Rs. 250/- per case sanctioned to the States/UTs shall be admissible. Flexibility in expenditure shall be notified in due course.



iii) Age:

- a) Educated unemployed from the age group of 18 to 35 years are eligible under the scheme. A relaxation up to 10 years in the upper age limit shall be admissible to SCs/STs, ex-servicemen, physically handicapped and women i.e. up to the age of 45 years.
- b) In the case of the seven North Eastern States, the upper age limit has been relaxed, in general up to 40 years. For the SCs/STs, ex-servicemen, physically handicapped and women the relaxation shall be up to the age of 45 years.

Source: <http://dcmsme.gov.in/schemes/pmry.html>



ANNEXURE-10

PRIME MINISTER EMPLOYMENT GENERATION PROGRAMME (PMEGP) - MAIN FEATURES**1. The Scheme**

Government of India had in August, 2008, approved the introduction of a new credit linked subsidy programme called Prime Minister's Employment Generation Programme (PMEGP) by merging the two schemes that were in operation till 31.03.2008 namely Prime Minister's Rojgar Yojana (PMRY) and Rural Employment Generation Programme (REGP) for generation of employment opportunities through establishment of micro enterprises in rural as well as urban areas. PMEGP was in operation during XI and XII Plan and has been approved for continuation beyond XII plan for three years FY from 2017-18 to 2019-20. PMEGP is a central sector scheme being administered by the Ministry of Micro, Small and Medium Enterprises (MoMSME). The Scheme is being implemented by Khadi and Village Industries Commission (KVIC), a statutory organisation under the administrative control of the Ministry of MSME as the single nodal agency at the National level. At the State level, the Scheme is implemented through State KVIC Directorates, State Khadi and Village Industries Boards (KVIBs) and District Industries Centres (DICs) and banks. The Government subsidy under the scheme is routed by KVIC through the identified Banks for eventual distribution to the beneficiaries/entrepreneurs in their Bank accounts. The Implementing Agencies, namely, KVIC, KVIBs and DICs will associate reputed autonomous institutions in the field of Entrepreneurship development in GOI and State Govt./Self Help Groups (SHGs)/ National Small Industries Corporation (NSIC)/ Udyami Mitras empanelled under Rajiv Gandhi Udyami Mitra Yojana (RGUMY), RSETIs/RUDSETIs, Panchayati Raj institutions and other relevant bodies in the implementation of the Scheme, especially in the area of identification of beneficiaries, of area specific viable projects, and providing training in entrepreneurship development, handholding and mentoring of beneficiaries.

2. Objectives

- (i) To generate employment opportunities in rural as well as urban areas of the country through setting up of new self-employment ventures/projects/micro enterprises.
- (ii) To bring together widely dispersed traditional artisans/ rural and urban unemployed youth and give them self-employment opportunities to the extent possible, at their place.
- (iii) To provide continuous and sustainable employment to a large segment of traditional and prospective artisans and rural and urban unemployed youth in the country, so as to help arrest migration of rural youth to urban areas.
- (iv) To increase the wage earning capacity of artisans and contribute to increase in the growth rate of rural and urban employment.

3. Quantum and Nature of Financial Assistance**3.1 Fund under PMEGP Scheme will be available under two major heads:****I Margin Money Subsidy**

- (i) Funds will be allocated under annual Budget Estimates towards disbursement of Margin Money for setting up of new micro enterprises (units); and
- (ii) From the funds allocated under BE for the Margin Money subsidy, Rs. 100 cr or as approved by the competent authority will be earmarked for each FY towards disbursement of Margin Money for upgradation of existing PMEGP units.



II Backward and Forward Linkages

5% of the total allocation under BE for a Financial Year against the PMEGP shall be earmarked as funds under Backward and Forward Linkages and will be utilized for arranging awareness camps, exhibitions, bankers meeting, TA/DA, publicity, EDP, Physical verification, concurrent evaluation, etc. and settlement of other residual liabilities by the KVIC.

3.2 Levels of funding under PMEGP

(i) For setting up of new micro enterprise (units)

Categories of beneficiaries under PMEGP (for setting up of new enterprises)	Beneficiary's contribution (of project cost)	Rate of Subsidy (of project cost)	
		Urban	Rural
Area (location of project/unit)			
General Category	10%	15%	25%
Special (including SC/ ST/ OBC/ Minorities/Women, Ex-servicemen, Physically Handicapped, NER, Hill and Border areas, etc.)	05%	25%	35%

Note:

- (1) The maximum cost of the project/unit admissible under manufacturing section is Rs. 25 lakh.
- (2) The maximum cost of the project/unit admissible under business/service sector is Rs. 10 lakh.
- (3) The balance amount of the total project cost will be provided by Banks as term loan

(ii) 2nd Loan for upgradation of existing PMEGP/MUDRA units

Categories of beneficiaries under PMEGP (for upgradation of existing units)	Beneficiary's contribution (of project cost)	Rate of subsidy (of project cost)
All categories	10%	15% (20% in NER and Hill States)

Note:

- (1) The maximum cost of the project/unit admissible under manufacturing sector for upgradation is Rs. 1.00 crore. Maximum subsidy would be Rs. 15 lakh (Rs. 20 lakh for NER and hill states).
- (2) The balance amount of the total project cost will be provided by Banks as term loan
- (3) The maximum cost of the project / unit admissible under business/service sector for upgradation is Rs. 25 lakh.

4. Eligibility Conditions of Beneficiaries

4.1 For PMEGP new enterprises (Units)

- (i) Any individual, above 18 years of age
- (ii) There will be no income ceiling for assistance for setting up projects under PMEGP.



- (iii) For setting up of project costing above Rs.10 lakh in the manufacturing sector and above Rs. 5 lakh in the business /service sector, the beneficiaries should possess at least VIII standard pass educational qualification.
- (iv) Assistance under the Scheme is available only for new projects sanctioned specifically under the PMEGP.
- (v) Self Help Groups (including those belonging to BPL provided that they have not availed benefits under any other Scheme) are also eligible for assistance under PMEGP.
- (vi) Institutions registered under Societies Registration Act,1860;
- (vii) Production Co-operative Societies, and
- (viii) Charitable Trusts.
- (ix) Existing Units (under PMRY, REGP or any other scheme of Government of India or State Government) and the units that have already availed Government Subsidy under any other scheme of Government of India or State Government are **not eligible**.

Other eligibility conditions for PMEGP (New Units)

- (i) Projects without Capital Expenditure are not eligible for financing under the Scheme. Projects costing more than Rs. 5 lakh, which do not require working capital, need clearance from the Regional Office or Controller of the Bank's Branch and the claims are required to be submitted with such certified copy of approval from Regional Office or Controller, as the case may be.
- (ii) Cost of the land should not be included in the Project cost. Cost of the ready built shed as well as long lease or rental Work-shed/Workshop can be included in the project cost subject to restricting such cost of ready built as well as long lease or rental workshed/workshop to be included in the project cost calculated for a maximum period of 3 years only.
- (iii) PMEGP is applicable to all new viable micro enterprises, including Village Industries projects except activities prohibited by local Government/Authorities keeping in view environment or socio-economic factors and activities indicated in the negative list of the guidelines (Para 30 of the guidelines refers)
- (iv) **Trading activities**
 - (a) Business /trading activities in the form of sales outlets may be permitted in NER, LWE-affected districts and A&N Islands.
 - (b) Retail outlets/business – selling Khadi products, Village industry products procured from Khadi and Village Industry certified by KVIC and products manufactured by PMEGP/SFURTI units only may be permitted under PMEGP across the country.
 - (c) Retail outlets backed by manufacturing (including processing)/service facilities may be permitted (across the country).
 - (d) The maximum cost of the project for business /trading activities as above [(a) and (b)] may be Rs. 10 lakh (at par with the maximum project cost for service sector).
 - (e) Maximum 10% of the financial allocation in a year in a state may be used for business/trading activities as above [(a), (b) and (c)].



(v) **Transport activities**

Transport activities viz purchase of Cab/Van/Boat/Motor Boat/Shikara etc. for transportation of tourists or general public will be allowed. A ceiling of 10% on the extent of projects financed under transport activities will be imposed in all areas except NER, hilly region, LWE-affected districts and A&N Islands, Goa, Puducherry, Daman & Diu, Dadra Nagar Haveli, J&K, Lakshadweep or other specific areas as may be declared so by the Government.

Note:

(1) The Institutions/Production Co-operative Societies/Trusts specifically registered as such and SC/ST/ OBC/ Women/ Physically Handicapped / Ex-Servicemen and Minority Institutions with necessary provisions in the bye-laws to that effect are eligible for Margin Money (subsidy) for the special categories. However, for Institutions /Production Cooperative Societies/Trusts not registered as belonging to special categories, will be eligible for Margin Money (Subsidy) for general category.

(2) Only one person from one family is eligible for obtaining financial assistance for setting up of projects under PMEGP. The 'family' includes self and spouse.

4.2 For up-gradation of existing PMEGP/MUDRA units:

- (i) Margin Money claimed under PMEGP has been successfully adjusted,
- (ii) First loan under PMEGP/MUDRA has been successfully repaid in stipulated time.
- (iii) The unit is profit making with good turnover and having potential for growth in turnover and profit with modernization/upgrading the technology.

5. Implementing Agencies

5.1 The Scheme will be implemented by Khadi and Village Industries Commission (KVIC), Mumbai, a statutory body created by the Khadi and Village Industries Commission Act, 1956, which will be the single nodal agency at the national level. At the

State level, the scheme will be implemented through State Directorates of KVIC, State Khadi and Village Industries Boards (KVIBs) and District Industries Centres in rural areas. In urban areas, the Scheme will be implemented by the State District Industries Centres (DICs) only. KVIC will coordinate with State KVIBs/State DICs and monitor performance in rural and urban areas. KVIC and DICs will also involve NSIC, Udyami Mitras empanelled under Rajiv Gandhi Udyami Mitra Yojana (RGUMY), RSETIs/RUDSETIs, ITI and other similar institutions Panchayati Raj Institutions and other NGOs of repute in identification of beneficiaries under PMEGP.

Coir Board, will be involved in identifying the Coir Units for their setting up under PMEGP, their handholding and mentoring.

5.2 Other Agencies

The details of other agencies to be associated by nodal agencies in the implementation of PMEGP are as under:

- (i) Field Offices of KVIC and its State offices
- (ii) State KVI Boards
- (iii) District Industries Centre (DIC) of all State Governments/ Union Territories Administrations reporting to respective Commissioners /Secretaries (Industries).



- (iv) Coir Board
- (v) Banks/Financial Institutions.
- (vi) KVI Federation
- (vii) Department of Women and Child Development (DWCD), Nehru Yuva Kendra Sangathan (NYKS), The Army Wives Welfare Association of India (AWWA) and Panchayati Raj Institutions.
- (viii) NGOs having at least five years experience and expertise in Project Consultancy in Small Agro & Rural Industrial Promotion and Technical Consultancy Services, Rural Development, Social Welfare having requisite infrastructure and manpower and capable of reaching Village and Taluk level in the State or Districts. NGOs should have been funded by State or National Level Government Agency for any of its programmes in the preceding 3 years period.
- (ix) Professional Institutions/Technical Colleges recognized by Government/University and University Grants Commission (UGC)/ All India Council for Technical Education (AICTE) having department for vocational guidance or technical courses providing skill based training like ITI, Rural Polytechnic, Food Processing Training Institute, etc.
- (x) Certified KVI institutions aided by KVIC / KVIB provided these are in category A+, A or B and are having required infrastructure, manpower and expertise for the role.
- (xi) Departmental and Non-Departmental Training Centres of KVIC / KVIBs.
- (xii) Micro, Small and Medium Enterprises Development Institutes (MSME-DIs), MSME Tool Rooms and Technical Development Centres, under the administrative control of Office of Development Commissioner, MSME.
- (xiii) National Small Industries Corporation's (NSIC) offices, Technical Centres, Training Centres, Incubators and Training cum Incubation Centres (TICs) set up in PPP Mode.
- (xiv) National level Entrepreneurship Development Institutes like National Institute for Entrepreneurship and Small Business Development (NIESBUD), National Institute for Micro, Small and Medium Enterprises (NIMSME) and Indian Institute of Entrepreneurship (IIE), Guwahati under the administrative control of Ministry of MSME, their branches and the Entrepreneurship Development Centres (EDCs) set up by their Partner Institutions (PIs).
- (xv) Udyami Mitras empanelled under Rajiv Gandhi Udyami Mitra Yojana of Ministry of MSME.
- (xvi) PMEGP Federation, whenever formed.
- (xvii) RESETIs/RUDSETIs

6. Financial Institutions

- (i) 27 Public Sector Banks.
- (ii) All Regional Rural Banks.
- (iii) Co-operative Banks approved by State Level Task Force Committee headed by Principal Secretary (Industries)/Commissioner (Industries)
- (iv) Private Sector Scheduled Commercial Banks approved by State Level Task Force Committee headed by Principal Secretary (Industries)/Commissioner (Industries).



- (v) Small Industries Development Bank of India (SIDBI)

7. Identification of beneficiaries:

The identification of beneficiaries will be done at the district level by a Task Force consisting of representatives from KVIC/State KVIB and State DICs and Banks. The Task force would be headed by the District Magistrate / Deputy Commissioner / Collector concerned. The Bankers should be involved right from the beginning to ensure that bunching of applications is avoided. The applicants, who have already undergone training of at least 2 weeks under Entrepreneurship Development Programme (EDP) / Skill Development Programme (SDP) / Entrepreneurship cum Skill Development Programme (ESDP) or Vocational Training (VT) need not undergo EDP training again. Such applicants would also be given priority in selection by DLTF.

Priority will also be given to the persons affected by natural calamities/disaster in the areas which are declared as affected by “disaster” as defined under Section 2(d) of the Disaster Management Act, 2005 (53 of 2005) by the Ministry of Home Affairs.

Exaggeration in the cost of the project with a view only to availing higher amount of subsidy should not be allowed.

IBA in consultation with KVIC has devised a scoring model (score card), which is being used by Member Banks of PMEGP cases. This scoring model shall also be forwarded to the District Level Task Force and other State/District functionaries for evaluating the applications received. This scoring model will form the basis for the selection of beneficiaries to be sponsored to the Banks. This scoring model will also be displayed on the websites of KVIC and Ministry.

8. Bank Finance

8.1 The Bank will sanction 90% of the project cost in case of General Category of beneficiary/institution and 95% in case of special category of the beneficiary/institution, and disburse full amount suitably for setting up of the project.

8.2 Bank will finance Capital Expenditure in the form of Term Loan and Working Capital in the form of cash credit. Project can also be financed by the Bank in the form of Composite Loan consisting of Capital Expenditure and Working Capital.

8.3 Maximum project cost under PMEGP is Rs. 25 lakh, which include Term loan for Capital Expenditure and Working Capital. For manufacturing units, working capital component should not be more than 40% of the project cost and for units under service/trading sector, the working capital shall not be more than 60% of the project cost. However, for manufacturing units, the project cost may include maximum capital expenditure upto Rs. 25 lakh. In such cases, the working capital over and above Rs. 25 lakh will not be covered under subsidy. This is in line with the definition of Micro units under MSMEs Development Act, 2006. A Bill for amending the definition of MSMEs is before the Parliament. The guidelines of PMEGP will be changed in accordance with the amended provisions in the definition of MSMEs in the Act as and when approved by the Parliament.

8.4 Though Banks will claim Margin Money (subsidy) on the basis of projections of Capital Expenditure in the project report and sanction thereof, Margin Money (subsidy) on the actual availment of Capital Expenditure only will be retained and excess, if any, will be refunded to KVIC, immediately after the project is ready for commencement of production.



8.5 Working Capital component should be utilized in such a way that at one point of stage it touches 100% limit of Cash Credit within three years of lock in period of Margin Money and not less than 75% utilization of the sanctioned limit. If it does not touch aforesaid limit, proportionate amount of the Margin Money (subsidy) is to be recovered by the Bank/Financial Institution and refunded to the KVIC at the end of the third year.

8.6 Rate of interest and repayment schedule

Normal rate of interest shall be charged. Repayment schedule may range between 3 to 7 years after an initial moratorium as may be prescribed by the concerned bank/financial institution. It has been observed that banks have been routinely insisting on credit guarantee coverage irrespective of the merits of the proposal. This approach needs to be discouraged.

RBI will issue necessary guidelines to the Banks to accord priority in sanctioning projects under PMEGP. RBI will also issue suitable guidelines as to which RRBs and other banks will be excluded from implementing the Scheme.

9. Village Industry

(i) Any Village Industry including Coir based projects (except those mentioned in the negative list) located in the rural area which produces any goods or renders any service with or without the use of power and in which the fixed capital investment per head of a full time artisan or worker i.e. Capital Expenditure on workshop/ workshed, machinery and furniture divided by full time employment created by the project does not exceed Rs. 1 lakh in plain areas and Rs.1.50 lakh in hilly areas.

Note: Per Capita ceiling has been enhanced from Rs. 1 lakh to Rs. 4.5 lakhs as a special case for activities under PMEGP in respect of A&N Island and Lakshadweep.

(ii) **Coir Udyami Yojana (CUY)** is being implemented by Coir Board on the same pattern as PMEGP. But only coir units are set up under CUY. Under the PMEGP Scheme, coir units are also permissible. Therefore, CUY would be entirely subsumed in PMEGP. A target of 1000 coir units with maximum project cost of Rs. 25 lakh with margin money subsidy rate of 15% to 35% as applicable for different categories under PMEGP mentioned in para 3.2 (i) above.

Coir Board will assist the KVIC in identifying suitable coir units for providing assistance under PMEGP. KVIC would also provide access of PMEGP-e-portal to Coir Board.

10. Rural Area

(i) Any area classified as Village as per the revenue record of the State/Union Territory, irrespective of population.

(ii) It will also include any area even if classified as town, provided its population does not exceed 20,000 persons.

11. Modalities of on-line Process Flow of application and fund flow under the Scheme

11.1 Project proposals will be invited from potential beneficiaries at district level through press, advertisement, radio and other multi-media by KVIC, KVIBs and DICs at periodical intervals depending on the target allotted to that particular district. The scheme will also be advertised /publicized through the Panchayati Raj Institutions which will also assist in identification of beneficiaries.



- 11.2 Online applications will be mandatory and no manual applications will be allowed as PMEGP-e-Portal has been developed and put into operation by KVIC applications for new projects under PMEGP will be filled and submitted only through the said PMEGP-e-Portal.
- 11.3 There will be two separate online application forms for individuals and institutional applicants available on the portal.
- 11.4 Applicants will be provided with User ID and Password at the time of initial registration (application filing) for their use in tracking the status of their application. Applicant will be provided with application ID on final submission.
- 11.5 Applicant's Aadhaar number would be preferred and in case applications are being filed by institutions, the authorized person should furnish his Aadhaar number. Aadhaar has been mandatory wherever it is available. In other cases PAN would be asked.
- 11.6 There will be a provision to upload the Photo and documents which are necessary for screening the application, before submitting the application. These documents will include the following:
- a. Caste Certificate
 - b. Special Category Certificate, wherever required.
 - c. Rural Area certificate.
 - d. Project Report.
 - e. Education/ EDP/Skill Development training certificate
 - f. In case of Institutions self-attested copies of the following are also required;
 1. Registration certificate
 2. Authorization letter/copy of bye-laws authorizing Secretary etc. to apply.
 3. Certificate for Special Category, wherever required.
- 11.7 After filing the application and uploading the required documents on the portal, the applicant will click SUBMIT button and the application will be finally submitted. The entire set of documents and application form will be electronically forwarded to the District Representative of KVIC, District Representative of State KVIB and the District Industries Centre of the concerned District.
- 11.8 Within five working days of receipt of application, the nodal officer of KVIC, State KVIB and DIC shall interact with the applicant personally on telephone or personal meeting and confirm the receipt/ acceptance of the application for preliminary scrutiny. The nodal officer will do all the required correction in the application in consultation/cross checking with the applicant and also provide hand holding to the applicant at every stage. They will appraise the applications on same methodology as followed by Banks for approval of loan. The scoring model (card) as devised by the IBA and being used by Member Banks for PMEGP cases, will also form the basis for the selection of beneficiaries at agency and DLTFC level. Applications who do not score more than 60 marks out of 100 marks will be rejected with reasons and their score card sent to the applicant for rectification in future. Only applicants scoring 60 marks and above will be sponsored to the Banks through DLTFC. Applications which do not conform to the scheme guidelines or which remain incomplete or irrelevant even-after consultation with the applicant will also be rejected by the concerned Nodal Officer, recording reasons for rejection. Reasons for rejection will also be conveyed to the applicant. **Applicant can file grievance against such rejection to the State Director, KVIC.**



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- 11.9 A Task Force, consisting of the following members, will be set up to scrutinize the applications received by it.
- | | |
|---|-------------------|
| a. Dist Magistrate/Deputy Commissioner/Collector | - Chairman |
| b. PD – DRDA / EO - Zilla Panchayat | - Vice Chairman |
| c. Lead Bank Manager | - Member |
| d. Representative of KVIC/KVIB/DIC | - Member |
| e. Representative of NYKS/SC/ST Corporation | - Special Invitee |
| f. Representative of MSME-DI, ITI/Polytechnic | - Special Invitee |
| g. Representative from Panchayat - 3 members | |
| h. (To be nominated by Chairman/ District Magistrate / Deputy Commissioner / Collector by rotation) | |
| i. Director RSETI/RUDSETI | - Member |
| j. General Manager, DIC of the District | - Member Convener |

The District level Agencies (KVIC/KVIB/DIC) after the preliminary scrutiny will forward the finally corrected application simultaneously to the DLTFC as well as to one of the Financing Bank opted by applicant and the Lead Bank Manager (LBM).

- 11.10 General Manager, District Industries Centre (DIC) will be the Convener of DLTFC and he will place all the applications received till date before the DLTFC. DLTFC meetings will be held at-least once in every month, if possible on every first Monday of the Month, (or on the dates decided through mutual consultation by the Dir. KVIC, KVIB and GM, DIC) and if required another DLTFC meeting can be held within the same month. Dates of the meeting fixed shall be displayed on the PMEGP web portal of all Districts. DLTFC meetings will be chaired by the Collector or in his absence by the EO/PD,DRDA or Deputy Collector or in his absence the General Manager, District Industries Centre. Project Director-DRDA shall be the vice chairman of DLTFC. The Committee will consider each application and make its recommendation on-line. The decision of the DLTFC will be conveyed on-line to the District Implementing Agencies (KVIC/KVIB/DIC) within 3 working days of the meeting electronically. The minutes of the DLTFC meeting shall also be displayed on the KVIC website/PMEGP-e-Portal. The concerned Agency will within 48 hours of the receipt of decision of DLTFC forward the recommended application to the concerned Banks. This entire process has to be completed within 45 days of receipt of application on line. **There shall preferably be no interviews by the DLTFC, the basis of selection would be the scoring model (card) devised by IBA.** However, if considered necessary DLTFC may call the applicant for personal interaction/interview. **If the DLTFC does not clear within 45 days, the Banks can appraise the projects on their own.** In case of rejection by DLTFC, the reasons for rejection should be clearly conveyed to the applicant.
- 11.11 There shall be an On-line Grievance Portal and a Grievance Cell to be setup by the KVIC, HQ. The Grievance Cell will act upon the on-line complaints within 48 hours and direct the concerned State Officers to take necessary action. Applicant, if not satisfied with the recommendations of the Committee, can file grievance against such rejection to the GM, DIC or State Director, KVIC of the concerned State, whoever is senior. CEO, KVIC, CEO, KVIB and Pr. Secretary (Industry) will be appellat authority for respective cases.



- 11.12 The Bank will appraise the projects and take their own credit decision on the basis of viability of each project. **No collateral security will be insisted upon by Banks in line with the guidelines of RBI for projects involving loan upto Rs.10 lakh in respect of the projects cleared by the Task Force.** However, they will appraise projects both technically and economically after ensuring that each project fulfills *inter alia* the criteria of
- i. Industry
 - ii. Per Capita Investment
 - iii. Own Contribution
 - iv. Rural Areas (projects sponsored by KVIC/ KVIBs/DICs) and
 - v. Negative List (Para 30 of the guidelines)
 - vi. It is essential that the applications cleared by the District Task Force also fulfill these requirements at that stage itself so as to avoid delays in approval of loans in Banks.
- 11.13 The Banks will either sanction or reject the loan application within a stipulated period. Sanction will be issued based on the online sanction letter and copies of the sanction order will be sent to the applicant (by e-mail/hard copy) as well as to KVIC/ KVIB/ DIC within 30 days from the receipt of DLTFC recommended application from the District Agencies. The sanction letter will also be automatically forwarded to the concerned RSETI, or where there is no RESTI the authorized training centre, for conduct of EDP training in case where the applicant has not undergone the training. The prescribed EDP training is mandatory before releasing of loan by the Banks.
- 11.14 Applicants need not wait for sanction of loan but can undertake EDP training at any time after submission of the application form in consultation with State office of KVIC on payment of EDP charges. EDP will be run on self-financing basis by KVIC.
- 11.15 The applicant will deposit his own contribution and copy of EDP training certificate with photo and aadhaar number to the financing bank within 10 working days, of receiving the communication of his sanction of loan. EDP certificate shall also be uploaded by the training institute.
- 11.16 Bank will release the first installment of the loan either in full or partly and submit the claim for Margin Money subsidy online through the on-line portal of Nodal Bank/KVIC Portal.
- 11.17 The online claim form will be automatically checked for the fulfillment of two conditions (i) the date of release of first installment is prior to the date of filing of Margin Money subsidy claim and (ii) the amount of first installment released is more than the Margin Money subsidy amount claimed. KVIC will validate the subsidy claim and upload on to the Nodal Bank portal within 3 working days.
- 11.18 Nodal Bank will transfer the Margin Money subsidy claim amount validated by KVIC to the respective financing bank branch within 24 hours of the receipt of validation.
- If the financing bank branch certifies that all the facts furnished in the claim are true and the above activity of the unit is not under the negative list of PMEGP scheme and is as per the norms and guidelines of PMEGP, validation of KVIC could be dispensed with and the MM claim will be sent directly to Corporation Bank Portal for disbursement online by the financing bank branches.
- 11.19 Once the Margin Money (subsidy) is received in the Bank in favour of the loanee, within 24 hours it should be kept in the Term Deposit Receipt (TDR) of **three years** at branch level in the name of the beneficiary/Institution. **No interest will be paid on the TDR and no interest will be charged on loan disbursed to the corresponding amount of TDR.**



- 11.20 SMS/e-mail alerts to the applicant will be automatically sent by the system at each of the above stages.
- 11.21 In case the Bank's advance goes "bad" before the **three year** period, due to reasons, beyond the control of the beneficiary, the Margin Money (subsidy) will be returned to the KVIC along with the interest. In case any recovery is effected subsequently by the Bank from any source whatsoever, such recovery will be utilized by the Bank for liquidating their outstanding dues.
- 11.22 **Margin Money (subsidy) will be 'one time assistance'**, from Government. For any enhancement of credit limit or for expansion/modernization of the project, margin money (subsidy) assistance is **not** available except in case of units selected for upgradation through 2nd loan under this Scheme.
- 11.23 Projects financed jointly i.e. financed from two different sources (Banks / Financial institutions), are **not** eligible for Margin Money (subsidy) assistance.
- 11.24 Bank has to obtain an undertaking from the beneficiary before the release of Bank Finance that, in the event of objection (recorded and communicated in writing) by KVIC /KVIB/State DIC, the beneficiary will refund the Margin Money (subsidy) kept in the TDR or released to him after **three years** period.
- 11.25 Banks / KVIC / KVIBs / DICs have to ensure that each beneficiary prominently displays the following sign-board at the main entrance of his project site:-

.....(Unit Name)

Financed by.....(Bank), District Name under Prime Minister Employment Generation Programme (PMEGP)

Ministry of Micro, Small and Medium Enterprises

- 11.26 PMEGP portal should be enabled to capture the re-payment of loans by the PMEGP beneficiary. Nodal offices of concerned agencies viz. KVIC/KVIB/DIC will also visit the units at-least once in every 3 months after their setting-up in order to check their status and provide necessary guidance/handholding & mentoring. PMEGP MIS portal should also be able to capture details of such visits by the concerned officer. PMEGP MIS portal should be able to capture details of the physical verification of the unit done by the third party agency as well as disbursements of Margin Money adjustment into the loan account of the beneficiary.
- 11.27 The portal should have MIS which will ensure that there is no overlap between the loan sanctioned and disbursement through the financial year and enable generation of various reports including category wise, rural, urban, bank wise, district wise, state wise, year wise, industry sector wise, size of project wise etc.
- 11.28 Subsidy for upgrading of existing units (new provision)**
- a. An additional component namely Expanding/Upgrading the existing unit set up under PMEGP/MUDRA has been added, wherein the units already set up under PMEGP/MUDRA and performing very well in terms of turnover, profit making and loan repayment will be selected for providing further financial assistance of upto Rs. 1.00 crore for manufacturing units, through Banks with uniform subsidy of 15% by the government for all categories. For service/trading units the financial assistance would be upto Rs. 25 lakhs only.



b. Units would be selected uniformly from all over the country, about 10 from each district based on the population density, industrial development, availability of traditional skill/raw material etc. The selection of existing units for upgradation will be done by the State Level Bankers Committee (SLBC).

c. KVIC will make relevant provision in the PMEGP-e-Portal alongwith simplified application form for submitting application by the existing units for up-gradation.

d. The District level Agencies (KVIC/KVIB/DIC) after the preliminary scrutiny will forward the applications to SLBC, which will appraise the project both economically and technically and recommend the project to financing Banks for 2nd loan. The financing banks will claim the margin money subsidy as per the procedure prevalent for PMEGP units. The MM subsidy will be kept as TDR for three years. **No interest will be paid on the TDR and no interest will be charged on loan disbursed to the corresponding amount of TDR.**

e. TDRs will be adjusted in the loan account after installation of the machinery to be included on the basis of positive report of joint physical verification by the implementing agency and bank.

12. Entrepreneurship Development Programme (EDP)

12.1 The objective of EDP is to provide orientation and awareness pertaining to various managerial and operational functions like finance, production, marketing, enterprise management, banking formalities, bookkeeping, etc. The duration of the training would be for atleast 5 days for projects with project cost upto Rs. 10 lakh and for project with cost above 10 lakh, the duration of EDP would be at least 10 days. The training will include interaction with successful rural entrepreneur, banks as well as orientation through field visits. The EDP will be conducted through KVIC, KVIB Training Centers as well as Accredited Training Centers run by Central Government, NSIC, the three national level Entrepreneurship Development Institutes (EDIs), i.e., NIESBUD, NIMSME and IIE, and their partner institutions under the administrative control of Ministry of MSME, State Governments, Banks, Rural Development and Self Employment Training Institutes (RUDSETI) reputed NGOs, and other organizations / institutions, identified by the Government from time to time. EDP will be mandatory for all the PMEGP beneficiaries. However, the beneficiaries who have undergone EDP earlier of duration not less than two weeks through KVIC/KVIB or reputed Govt. training centers will be exempted from undergoing fresh EDP. The training centres / institutes will be identified by KVIC and extensive publicity will be provided about the training centres / institutes, content of courses available, duration, etc. by circulating the same to all the Implementing Agencies.

12.2 Budget for EDP Charges to the Training Centers

An amount of Rs. 2500/- to Rs.4000/- per trainee for a period of two to three weeks towards course material, honorarium to guest speakers, lodging, boarding expenses, etc. is admissible under the Scheme. KVIC will reimburse the expenditure to the training centres / institutes chosen for the purpose, in accordance with the procedures to be separately devised by it and circulated to KVIBs and DICs.

13. Physical verification of PMEGP Units

100% physical verification of the actual establishment and working status of each of the units, set up under PMEGP, including those set up through KVIBs and DICs, will be done by KVIC, through the agencies of State Government and/or, if necessary by outsourcing the work to professional institutes having expertise in this area, following the prescribed procedures as per General Financial Rules (GFR) of Government of India. Banks, DICs and KVIBs will coordinate and assist KVIC in



ensuring 100 % physical verification. A suitable proforma will be designed by KVIC for such physical verification of units. Quarterly reports, in the prescribed format will be submitted by KVIC to the Ministry of MSME.

Physical verification process should start after two years of unit establishment. The State Office may engage two-three agencies to complete the process on time so that margin money adjustment should be done on completion of prescribed period of three years.

14. Awareness Camps

14.1 KVIC and State DICs will organize awareness camps, in close coordination with each other and KVIBs, throughout the country to popularize PMEGP and to educate potential beneficiaries in rural, semi-rural and urban areas about the Scheme. The awareness camps will involve participation from the unemployed men and women with special focus on special category, i.e., SC, ST, OBC, Physically challenged, Ex-servicemen, Minorities, Women, etc. and transgender. The requisite information/details in this regard will be obtained by KVIC/KVIBs/DICs from State level organizations like SC/ST Corporations, AWWA, NYKS, reputed NGOs and Employment exchanges. There will be two camps permissible for a district, one by KVIC in coordination with concerned KVIB and another by DIC. KVIC and DIC should preferably consider organizing these camps jointly for a specific district. A Committee consisting of Lead Bank, KVIC/KVIB/DIC and Principal, Multi-Disciplinary Training Centres (MDTC) of KVIC will shortlist the beneficiaries and send them for training as well as Rural Industrial Serves Centres (RICS) for project formulation and to Bank for project sanction. The amount specified can be spent on publicity, arrangement and other necessary expenses for organizing such camps, which will be communicated by KVIC in their guidelines separately.

14.2 Mandatory activities to be undertaken in the awareness camps:

- (i) Publicity through banners, posters, hoardings and press advertisements in local newspapers.
- (ii) Presentation on the scheme by KVIC/KVIB/DIC officials.
- (iii) Presentation by Lead Bank of the area.
- (iv) Presentation by successful PMEGP/REGP Entrepreneurs.
- (v) Distribution of sanction letters to PMEGP entrepreneurs who have been sanctioned the project by Bank.
- (vi) Press conference
- (vii) Collection of data (in the prescribed format) from the potential beneficiaries, which will include information like profile of beneficiaries, skills possessed, background and qualifications, experience, project interested in, etc. For ascertaining the training (as described in para 13 of the guidelines) a committee consisting of representatives of Lead Bank, KVIC, KVIB, DIC and Principal, MDTC will shortlist the beneficiaries and send them for orientation and training. They will also be sent to RICS and Banks for project formulation and project sanction, respectively.
- (viii) **A Shelf of Projects** for consideration under PMEGP, prepared by KVIC has already been circulated by KVIC/Ministry to some of the prominent State Industries Secretaries and Banks including State Bank of India, Central Bank of India, Canara Bank, Allahabad Bank and Union Bank of India. For any further inclusion of projects in the shelf already prepared, KVIBs and



DICs shall forward the details of such projects to KVIC. KVIC will in turn, expand the Shelf of Projects, in due course, in consultation with Banks, KVIBs and DICs, by utilizing the provisions in 'Training and Orientation' under forward and backward linkages.

(ix) **Marketing Support**

- (a) Marketing support for the products, produced by the units under PMEGP may be provided through KVIC's Marketing Sales outlets, as far as possible. KVIC will reserve the right to provide such a support based on quality, pricing and other parameters to be separately circulated by KVIC to KVIBs/DICs.
- (b) Besides the above, Exhibitions, Workshops at District/State Zonal/National and International levels, Buyer-Seller Meets, etc., will be arranged for the benefit of PMEGP beneficiaries by KVIC.

15. Workshops

a) **Objectives**

- (i) To brief potential beneficiaries about benefits under the PMEGP Scheme and other KVIC Schemes like PRODIP, SFURTI, etc.
- (ii) To create a Data Bank of PMEGP units regarding products produced, services /business activity details, production, supply capacity, present marketing set up employment and project cost, etc.
- (iii) To interact with PMEGP entrepreneurs to obtain feedback about the units, their problems, support required, success stories etc.
- (iv) To involve experts in marketing and export to support PMEGP units in these areas.

Note:

- (i) It should be ensured that a minimum number of 200 prospective entrepreneurs participate in the Workshop.
 - (ii) One State level Workshop for KVIC and one for DIC are permissible.
 - (iii) KVIC and DIC may consider organizing these Workshops jointly in a specific State
 - (iv) One representative of KVIC and DIC will participate in each Workshop.
- b) The State Level Workshop will include the following activities:
- (i) Presentation of PMEGP Scenario of the State.
 - (ii) Presentation of views of Banks on PMEGP by senior officials of lead Bank in the State.
 - (iii) Sharing of experience and success stories by PMEGP/REGP entrepreneurs, providing special emphasis to entrepreneurs belonging to special categories.
 - (iv) Briefing about support Schemes of KVIC like Product Development, Design Intervention and Packaging (PRODIP), Rural Industrial Service Centres (RISC), Scheme of Fund for Regeneration of Traditional Industries (SFURTI), Micro and Small Enterprises Cluster Development Programme (MSECDP), Credit Linked Capital Subsidy Scheme for Technology Upgradation (CLCSS), Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTSME), etc.
 - (v) Briefing about support schemes related to cluster and marketing by NABARD and SIDBI.
 - (vi) Utilizing the services of NYKS, MWCD, AWWA for involving the rural youth, weaker sections, women, minorities, ex-servicemen, physically challenged, war widows in PMEGP.



- (vii) Presentation on Domestic and Export Market Potential available, by Marketing experts.
 - (viii) Open house discussion with PMEGP entrepreneurs on implementation issues, constraints encountered, further supports required, etc., and arriving at possible solutions.
 - (ix) Data collection of PMEGP entrepreneurs in the prescribed format.
 - (x) Arranging the exhibition cum sale of PMEGP products.
 - (xi) Formation of PMEGP Federation.
 - (xii) Press conference.
- c) KVIC will be coordinating these workshops and will get the annual calendar of workshops approved by the Ministry, in advance.

16. Exhibitions

PMEGP Exhibitions will be organized by KVIC at National, Zonal, State and District Levels and special exhibitions for North Eastern Zone in coordination with KVIBs and DICs, to promote products produced by PMEGP units. KVIC will get the annual calendar of exhibitions to be conducted at various parts of the country, approved by the Ministry in advance. Separate pavilions will be provided for display of products produced by units set up through KVIBs/DICs. Separate logos and nomenclature for rural entrepreneurs and urban entrepreneurs will be worked out by KVIC/KVIBs/DICs. For example, for rural PMEGP exhibitions nomenclatures like GRAMEXPO, GRAMUSTAV, GRAM MELA, etc., may be used. KVIC, in coordination with KVIBs and DICs will be organizing one district level exhibition (per district), one State level exhibition and one Zonal level exhibition, annually.

17. Participation in International Exhibitions

Participation by PMEGP units is envisaged in International Exhibitions like India International Trade Fair (IITF), etc., for developing their export market. KVIC will organize participation in the international exhibitions in coordination with KVIBs and DICs and will seek the list of willing units from KVIBs and DICs. KVIC will ensure that the units desirous of participating in the fair, set up through KVIBs and DICs are considered judiciously on the basis of merit, variety and quality of the products. A maximum amount of Rs. 20 lakh will be provided to meet expenditure on rental charges for pavilion, fabrication of stalls and towards display, demonstration etc. KVIC may meet the rest of the expenditure out of its regular marketing budget provisions.

18. Bankers Review Meetings

PMEGP is a bank driven scheme and the final sanction of project and release of loan is done at the level of concerned Bank. It is therefore imperative that KVIC, KVIBs and DICs interact regularly with the higher officials of Bankers at District/ State/National level to ensure that the bottle necks, if any, in implementation, are resolved, outcomes are effectively achieved and targets are met. Bankers Review Meeting at following levels shall be organized as below:

- (i) **Lead District Managers Meet (LDM):** This will be organized by State Office and Divisional Office of KVIC jointly with KVIB and DIC. The focus of the meeting will be to inform and educate the bank officials at LDM level about PMEGP and regularly monitor and review the implementation of the scheme. The meeting will be held on quarterly basis.
- (ii) **Zonal review meeting:** To review and monitor the PMEGP scheme, zonal review will be conducted quarterly by KVIC in 6 zones where representatives of KVIC, KVIB and DIC will participate in the review. Concerned Bank officers will also be invited.



- (iii) **Top level Bankers Meeting:** KVIC will organize the Top Level Bankers meeting half yearly (in June and December) so that proper monitoring can be done at the beginning and towards the end of the financial year. CMDs/Senior Executives of nationalized Banks, representatives from Ministry of MSME, State DICs and KVIBs will participate in the National level Bankers meeting which will be chaired by CEO, KVIC. All the States/UTs will be invited in two groups and KVIC will ensure that around half of the States/UTs' representatives (of KVIBs and DICs) participate in each of these half yearly review meetings. The meeting will focus on reviewing the targets and will examine the issues related to policy decisions relating to banks for the implementation of PMEGP.

19. Orientation and Training under PMEGP

The staff and officers of KVIC, KVIB, DIC and concerned agencies have to be sensitized on the operational modalities of PMEGP which can be imparted in the 'one day training workshops' to be conducted throughout the country at State / District levels by KVIC (in coordination with KVIBs) and DICs. 40 such programmes per year will be organized by KVIC and DICs (each). KVIC and DICs may organize such training workshops jointly, wherever feasible, on the basis of guidelines to be issued by KVIC separately, for this purpose.

20. TA/DA of Staff and Officers

The officers of KVIC, KVIBs and DICs will carry out relevant field visits and monitoring activities of PMEGP. A provision of Rs. 1 crore per year is proposed towards TA/DA of staff and officers for monitoring and reviewing PMEGP, which includes administrative expenses like stationery, documentation, contingencies, etc., and around 40% of this amount can be earmarked for DICs. KVIC will issue separate guidelines incorporating the detailed modalities of certification of the expenditure, laying down the norms for such field visits so as to optimally utilize the assistance and ensure economy in expenditure.

21. Publicity and promotional activities

21.1 PMEGP should be popularized through aggressive publicity campaigns including posters, banners, hoardings, radio jingles, television messages, advertisements in local papers, press conferences, also involving VVIPs and distinguished guests in major events of PMEGP.

21.2 Release of advertisement/publicity for PMEGP.

Advertisement will be issued /published in English, Hindi and local language newspapers. For District level events, quarter page advertisement will be released and for State level events, half a page advertisement will be released.

Keeping in view the significance of publicity and promotional activities required to be undertaken for PMEGP, an amount of Rs.16 Crore will be allocated during the four years period. 25 % of funds will be earmarked by KVIC to DICs for release of advertisement/ publicity of the Scheme, in accordance with the guidelines framed by KVIC while ensuring maximum coordination and synergy of efforts with KVIBs and DICs.

22. MIS Package, Application Tracking System, E-Portal and other supporting packages

22.1 E-governance is a vital requirement for effective monitoring and reviewing of the scheme. In addition, data base of existing REGP beneficiaries as well as PMRY have also to be documented. A separate PMEGP website will be constructed by KVIC, including all the relevant linkages with Ministry of MSME, State KVIBs, DICs, NIC and Banks, providing all the necessary information. Application tracking system will also be introduced by KVIC in coordination with KVIBs / DICs for PMEGP beneficiaries. In addition Rural Industrial Consultancy Services (RICS) software package for project preparation of KVIC will be extended to all training centers in the country for assisting potential beneficiaries to prepare project under



PMEGP. A separate provision is available under forward-backward linkages for the purposes for use by KVIC.

22.2 KVIC will issue further guidelines in regard to utilization of funds for the purposes outlined in the backward and forward linkages by ensuring proper documentation etc., from KVIBs and DICs. Proper account of the expenditure in this regard will be maintained by State/KVIBs/DICs and monitored by KVIC regularly.

23. Criteria for distribution of targets under PMEGP

The following are the broad suggested criteria for distribution of state-wise targets:

- (i) Extent of backwardness of State;
- (ii) Extent of unemployment;
- (iii) Extent of fulfillment of previous years targets;
- (iv) Population of State/Union Territory; and
- (v) Availability of traditional skills and raw material.
- (vi) Special focus shall be made on 115 backward districts identified by NITI Ayog.

23.1 KVIC will assign targets to State KVIC Directorates/ KVIBs and State Governments. Target at District levels will be decided by State Level Bankers Coordination Committee. SLBCC will ensure that targets are evenly distributed within each district. The State-wise targets in respect of KVIC/KVIBs will be made available by KVIC to SLBCC where overall allocation of district-wise targets will be decided. Any modification of the targets for which KVIC is directly responsible will be permitted only with the concurrence of the Ministry. For assigning the targets of subsidy and other parameters (number of units, employment opportunities, etc.) to KVIC Directorates / KVIBs, KVIC will adopt the criteria of rural population of the State, backwardness of the State (based on 250 backward districts identified by Planning Commission) and past performance of the State under REGP Scheme for deciding the targets as per weightages given below. Similarly, for assigning the targets to DICs, KVIC will adopt the criteria of backwardness of the State (based on 115 backward districts identified by Niti Ayog), urban unemployment level (as reflected in the Planning Commission's report (2002) on 'Special Group on targeting ten million employment opportunities per year' and rural population of the State. The performance of PMEGP during the previous year(s) will also be given appropriate weightage, for deciding the targets. The approximate weightages to be assigned for determining the targets to the implementing agencies are given below:

	Criteria	Weight-age for determining targets	
		KVIC/KVIBs	DICs
1.	Rural Population of the State	40%	30%
2.	Backwardness of the State	30%	40%
3.	Urban Employment level	-	30%
4.	Past Performance under PMEGP	30%	-

24. Rehabilitation of Sick Units

Sick units under PMEGP for their rehabilitation will be linked with RBI's Guidelines for rehabilitation of sick small scale industrial units issued to all Scheduled Commercial Banks vide their letter RPCD.No.PLNFS.BC.57/06.04.01/2001-2002 dated 16th January, 2002.



25. Registration

(a) **Registration** with the KVIC/KVIBs/State DICs under the Scheme is voluntary. However, all the PMEGP units should be encouraged to register under UAM and MSME data bank. No registration fee will be charged from the beneficiaries and the funds available under Forward and Backward linkage will be utilized to meet expenses on documentation cost, etc.

Beneficiary will submit quarterly report about production, sales, employment, wages paid etc. to the State/Regional Director of the KVIC/KVIB/State DIC, and KVIC will in turn analyze and submit a consolidated report to the Ministry of MSME, every six months.

(b) **Geo-tagging of units:** All the microenterprises already setup and to be set up under PMEGP will be Geo-tagged, which will facilitate maintaining contact with the units.

26. Role of Private Sector (Scheduled, Commercial / Co-operative) Banks in the implementation of PMEGP

The Scheme will also be implemented through the Private Sector Scheduled Commercial Banks/Co-operative Banks on selective basis, after verification of intending Banks last 3 years Balance Sheet and ascertaining quantum of lending portfolio. Margin Money (subsidy) portion will be paid on actual reimbursement basis to the Banks by KVIC.

27. Monitoring and evaluation of PMEGP

27.1 Role of Ministry of MSME

Ministry of MSME will be the controlling and monitoring agency for implementation of the scheme. It will allocate target, sanction and release required funds to KVIC. Quarterly review meeting will be held in the Ministry on the performance of PMEGP. CEO, KVIC, Principal Secretaries / Commissioners (Industries) responsible for implementation of the Scheme in States through DICs, Representatives of State KVIBs and Senior officials of Banks will attend the meeting.

27.2 Role of KVIC

KVIC will be the single Nodal Implementing Agency of the Scheme at the National level. CEO, KVIC will review the performance with State KVIBs, DICs and Banks every month and submit a monthly performance report to the Ministry. The report will include the component wise details of beneficiaries indicating the amount of the Margin Money (subsidy) allotted, employment generated and the projects set up. KVIC will ensure that the margin money (subsidy) is utilized as per the sub component plans approved for SC, ST, Women, etc. The targets and achievement will also be monitored at the Zonal, State and District levels by the Dy. CEOs, Directors of KVIC and the Commissioner /Secretary of Industries (DIC), of the States concerned. The existing REGP units will continue to be monitored by the KVIC as hitherto fore, and separate monthly report submitted directly to Ministry of MSME.

27.2 (ii) **Coir Board** through its field offices will monitor the coir units setup under PMEGP. Board will regularly review the performance of such units and sent a monthly report to the KVIC.

27.3 Role of State Governments / Union Territories

The Scheme will be reviewed half yearly by Chief Secretary of the State. Representatives KVIC, Ministry of MSME, State Director (KVIC) CEO, KVIB, Secretary / Commissioner (Industries) of the State, Senior Officials of the Banks and other officials concerned will attend the meeting. State Governments {Commissioners / Secretaries (Industries)} will forward their monthly reports to KVIC, specifying the component wise details of beneficiaries indicating the amount of the Margin Money (subsidy) allotted,



employment generated and the projects set up, which will be analyzed, compiled and consolidated by KVIC and a comprehensive report forwarded to Ministry every month. The existing PMRY units will continue to be monitored by the State DICs, as hitherto fore, and report submitted directly to Ministry of MSME.

28. Evaluation of the Scheme

- (a) A comprehensive, independent and rigorous evaluation of the scheme will be got done after two years of its implementation. Based on the findings of the evaluation study the scheme would be reviewed.
- (b) Concurrent monitoring and evaluation: To further strengthen the system, a system of concurrent monitoring and evaluation (CME) of the PMEGP would be put in place to get simultaneous feedback and to enable corrective action. It would be a two way process, the nodal officers from the implementing agencies viz. KVIC, KVIB and DIC would visit the units every three month and provide necessary handholding and get feedbacks, secondly a third party agency would constantly evaluate the units through electronic means and provide necessary feedbacks to enable taking corrective actions from time to time.

29. Negative List of Activities

The following list of activities will not be permitted under PMEGP for setting up of micro enterprises/projects /units.

- a) Any industry/ business connected with Meat(slaughtered), i.e. processing, canning and/or serving items made of it as food, production/manufacturing or sale of intoxicant items like Beedi/Pan/ Cigar/Cigarette etc., any Hotel or Dhaba or sales outlet serving liquor, preparation/producing tobacco as raw materials, tapping of toddy for sale. Serving / selling non-vegetarian food at Hotels/Dhabas will be allowed.
- b) Any industry/business connected with cultivation of crops/plantation like Tea, Coffee, Rubber etc. sericulture (Cocoon rearing), Horticulture, Floriculture. Value addition under these will be allowed under PMEGP. Off Farm/Farm Linked activities in connection with sericulture, horticulture, floriculture, etc. will also be allowed.
- c) Any industry/business connected with Animal Husbandry like Pisciculture, Piggery, Poultry, etc.
- d) Manufacturing of Polythene carry bags of less than 20 microns thickness and manufacture of carry bags or containers made of recycled plastic for storing, carrying, dispensing or packaging of food stuff and any other item which causes environmental problems.



ANNEXURE-11

YARN SUPPLY SCHEME - MAIN FEATURES**1. Introduction**

1.1 Handloom weaving is a labour intensive occupation spread throughout the country, mostly in villages. The handloom sector employs over 43 lakh persons in weaving and allied activities (as per handlooms census of India 2009-10). The main raw material used by this sector is yarn, which is being produced by spinning mills. The yarn trade was controlled by the traders and most of the handloom weavers were dependent on the traders for their yarn requirement. This had resulted in unchecked escalation in yarn prices and shortage in its availability.

1.2 Government of India felt the need for formation of a national level apex body to overcome these problems by effective intervention in the yarn market and in 1983, set up the National Handloom Development Corporation (NHDC) Ltd. The main objective of NHDC is to make available to weavers throughout the country, yarn of the appropriate quality, through a well-ordered system. The yarn manufactured in a particular place is based on the quality of cotton available in and around that place, while the yarn consumed by the weavers in a particular area is based on the consumption pattern prevailing in that area. Therefore, in most of the cases, weavers have to depend on the yarn produced in other areas. The transportation of yarn from one place to another, increases the cost of yarn considerably putting the weavers at a disadvantageous position. Keeping the above in view, Government of India introduced the scheme 1992 for Supply of yarn at the price in which it is available at the Mill Gate. Under the scheme, transportation expenses involved in supply of yarn are reimbursed by the Government of India.

1.3 To mitigate the cost disadvantage of handloom sector, Government of India in the past exempted cotton hank yarn used by the handloom sector from excise duty, whereas cotton cone yarn had 9.2% CENVAT levied on it. Subsequently, in 2004, CENVAT on cotton cone yarn was removed. As a result, the price differential between the two vanished and handlooms no longer enjoyed price advantage in the crucial raw material. Since handloom products are inherently more expensive due to long lead time in weaving due to complex and exquisite designs, and lower productivity as compared to powerloom it is essential to provide explicit subsidy on hank yarn. In view of this, 10% price subsidy on cotton yarn, domestic silk yarn and woolen yarn in hank form is provided upfront to the beneficiary. Accordingly, Yarn Supply Scheme was approved for implementation during 12th Plan having components namely, (i) Supply of yarn at Mill Gate Price and; (ii) 10% Price Subsidy on cotton, domestic silk and woolen yarn in hank form.

1.4 For the protection of handloom sector by ensuring that the yarn in hank form is available in adequate quantity at reasonable price to the handloom sector, Hank Yarn Packing Notification dated 17.04.2003 was promulgated under Essential Commodities Act, 1955. Notification prescribes that every producer of yarn (yarn made/spun wholly out of cotton and/or its waste) who packs yarn for civil consumption, shall pack at least 40% of yarn packed for civil consumption in hank form on quarterly basis and not less than 80% of the hank yarn packed shall be of counts 80s and below.

1.5 It is experienced that Linen Cloth has gained popularity amongst all age and class since the Linen fabric is very absorbent and garments made of Linen are valued for their coolness and freshness in hot weather. Some States have also requested to include linen in 10% price subsidy component. In view of this, it is decided to include linen yarn under 10% price subsidy component. The products made from linen will enable handloom weavers in getting more work, resulting in higher earnings.

1.6 Accordingly, Yarn Supply Scheme has been approved for implementing during period from 2017-18 to 2019-20 with following components:



1. Supply of yarn at Mill Gate Price
 2. 10% Price Subsidy on Hank Yarn
- 1.7 The reimbursement of 10% price subsidy will be available through DBT to the beneficiaries instead of upfront subsidy. 10% price subsidy will be available on cotton, domestic silk, woolen and linen yarn in hank form with quantity restrictions.
- 2. Supply of yarn at mill gate price:**
- 2.1 The purpose of this component of the scheme is to make available all types of yarn at Mill Gate Price to the beneficiaries for production of handloom items, so as to facilitate regular supply of basic raw material to the handloom sector and help utilize the full employment potential of the sector.
 - 2.2 The mill gate price means the price at which the yarn is procured from the registered license holders of silk exchange in case of Indian silk yarn, ex-warehouse price for DGFT registered importer and landed price (inclusive of C&F and any other applicable port charges) at Indian ports for import by NHDC in case of imported silk yarn, state bodies engaged in manufacturing / supplying silk yarn, reelers /twisters registered with SERIFED, manufacturers of domestic silk/coir/jute yarn and pashmina fiber, processors /dye houses in the case of dyed /processed yarn and the spinning mills covered under the Hank Yarn Packing Obligation in case of cotton and other types of yarn.
 - 2.3 For supply of cotton yarn, the supply will be taken from the mills producing hank yarn under Hank Yarn Packing Obligation as per the records of the office of the Textile Commissioner. For supply of other types of yarn, NHDC will empanel the supplier mills in adequate number in a transparent manner, after due diligence and following the GFR and the CVC guidelines.
 - 2.4 Suitable steps will be taken by the NHDC to ensure that supply of yarn under the scheme is ensured in a transparent and competitive manner leaving no room for cartelization or creation of a monopolistic situation, so as to supply yarn at the cheapest price to the beneficiaries. The NHDC would be procuring yarn in large bulk, so the mill gate price should generally be lower than that paid by wholesale purchasers at the mill gate.
 - 2.5 As the Government of India is bearing the transportation cost, the transportation rates will be fixed by the NHDC in a transparent and competitive manner following GFR and CVC guidelines.
 - 2.6 Gradually, only GPS enabled vehicles should be deployed for transportation of yarn. This should be completed within one year of issue of the guidelines. GPS data should be integrated with e-Dhaga app so as to enable the beneficiaries to determine precise location of vehicle which is carrying yarn against the indents placed by them. GPS system should also have the facility of recording position of the vehicle at regular intervals.
 - 2.7 To facilitate regular and timely supply of yarn, yarn depots will be opened in handloom concentrated areas. To begin with, each sanctioned Block level handloom cluster shall have at least a yarn depot. Gradually, yarn depots will be opened in all handloom pockets. The beneficiaries covered under para 4 will be eligible to operate yarn depots.
 - 2.8 The following charges will be provided towards freight reimbursement, depot operating expenses and service charges:



2.8.1 For supply plains: (% of value of yarn supplied)

Type of Yarn	Maximum freight reimbursement	Depot operating expenses	Service charge to implementing agency
Silk Yarn	1.0 %	2.0 %	1.25 %
Jute/ Coir Yarn	10.0 %	2.0 %	1.25 %
Other than Silk and Jute/ Coir Yarn	2.5 %	2.0 %	1.25 %

- 2.9 In order to reduce the delivery period and supply the yarn in smaller quantities, the NHDC will open more warehouses at different locations to store a reasonable quantity of the yarn to meet future requirements. NHDC must open at least one warehouse in every State having weavers' presence. The warehouse should be located in or near the most populous cluster or pocket. NHDC will be given depot operation charges @ 1.0% (one percent) of the value of yarn supplied directly to the individual weavers from the warehouse.
- 2.10 To facilitate easy accounting of the transportation cost, the NHDC shall forward the goods on freight "to pay" basis and the amount paid by the depot operating agencies shall be reimbursed to them in full by the NHDC, on submission of claim bills supported with LR/GR etc. The actual cost of transportation or the freight admissible under Paragraph 2.8, whichever is less, will be reimbursed to NHDC by the Government of India on Bi-monthly basis. The payment for transportation charges to the user agencies by the NHDC shall be made through the RTGS/NEFT within 10 days.
- 2.11 Data recorded by GPS system regarding position of the vehicle at regular intervals should be annexed by the NHDC along with freight reimbursement claim.
- 2.12 The NHDC should draw up a procurement and transportation plan much in advance, in order to ensure that the supplies are made without interruption from the nearest mills situated in the same or nearby areas.
- 2.13 A dashboard is to be created by the NHDC in ERP system which will have the facility to check the details viz. indents places, PO issued, mill, transporter and vehicle details, real time movement of material, subsidy payment to weavers, type and count wise yarn supplied etc. on real time basis by all stake holders.
- 2.14 Availability of yarn of various types and varieties at each yarn depot should be displayed at yarn depot and also through a dashboard on ERP and e-Dhaga app.

3. 10% price subsidy hank yarn:

- 3.1 The objective of this component of the scheme is to make available yarn in hank form at subsidized price to the eligible beneficiaries so as to facilitate handloom sector to compete with mill sector.
- 3.2 Cotton, Domestic Silk, Woolen and Linen yarn required for production of handloom items will be covered under the 10% price subsidy.
- 3.3 For the purposes of yarn subsidy, the maximum quantity of hank yarn to be supplied to a weaver will be as below:

Cotton (upto 40sa counts)

30 Kgs./loom/month



Cotton (above 40s counts)	10 Kgs./loom/month
Silk Yarn	4 Kgs./loom/month
Woolen Yarn (below 10s NM)	50 Kgs./loom/month
Woolen Yarn (10s to 39.99s NM)	10 Kgs./loom/month
Woolen Yarn (40s NM and above)	4 Kgs./loom/month
Linen Yarn (5 Lea to 10 Lea)	20 Kgs./loom/month
Linen Yarn above 10 Lea	7 Kgs./loom/month

- 3.4 In case weaver requires more quantity than given at per para 3.3 above, he will not be denied the additional requirement. However, 10% subsidy will not given for the additional quantity meaning thereby weaver will get additional yarn at mill gate price. Subsidy will be available only for the quantity mentioned in para 3.3 above.
- 3.5 The subsidized yarn will be supplied either to the individual weaver or to a body of which he is a member (i.e. self-help group, joint liability group, cooperative society), but never to both. Unique loom number should be mentioned in the yarn pass book and ERP system. The ERP should have an in-built system to capture unique loom number in more than one yarn pass book and reject both until the correction is made.
- 3.6 Individual weaver shall get the type of yarn based on his requirement subject to overall quota per loom per month. He can indent one or more than one type of yarn. In case he opts for more types of yarn, his entitlement will be determined on the basis of usage percentage indicated by him for each type and maximum quantity indicated in para 3.3 above. (Illustration: A weaver who desires 40% cotton yarn (above 40s counts) and 60% silk yarn in a particular month, shall get 4 kgs cotton yarn (above 40s counts) (i.e. $10\text{kgs.} \times 0.4$) and 2.4 kgs. Silk yarn (i.e. $4\text{kgs.} \times 0.6$) in that month].
- 3.7 The agencies other than individual weavers can get the quota allocation for different type /varieties of yarn for different looms for getting the supply under 10% prices subsidy component at the time of issue of yarn pass book.
- 3.8 In case of doubled yarn, the resultant count will be considered for deciding the eligible quantity.

4. Eligible beneficiaries:

- 4.1 The benefits of the yarn supply scheme would be available to the following in order of priority:
- (i) Individual weavers
 - (ii) Agencies in which weavers are members i.e. Self-Help Groups (SHGs), Joint Liability Groups (JLGs) and Cooperative Societies.
- 4.2 States can also undertake to supply yarn through the Department/Cooperatives/Corporations dealing with handlooms to eligible beneficiaries. In such cases, they will follow the procedure prescribed through these guidelines.

5. Implementing agency:

- 5.1 The National Handloom Development Corporation (NHDC) will be the implementing agency. As implementation agency, the NHDC will be responsible for issue of yarn passbook to all the weavers, opening of adequate number of new yarn depots, obtaining the requirements of yarn, action plan for distribution of hank yarn based on hank yarn production by mills as per the Hank Yarn Packing Obligation order, placing purchase order to mills and ensuring supply to eligible beneficiaries.



- 5.2 In order to provide 10% price subsidy on hank yarn to the eligible beneficiaries, National Handloom Development Corporation (NHDC) will be provided corpus fund to the tune of 40% of the B.E. of the scheme by the Central Government at the beginning of each financial year. The advance will include the unutilized amount of the previous year.
- 5.3 State wise indicative targets for supply of yarn should be assigned by the DC (Handlooms) based on the number of looms in the State.
- 5.4 The targets for supply of yarn to individual weavers within State wise targets as mentioned at para 5.3 will be assigned WSC/handloom cluster wise.
- 5.5 The corpus fund given to NHDC will be recouped on utilization of 70% fund and on submission of progress report & audited expenditure statement. Recoupment of corpus fund to the NHDC will be linked to the progress made against the targets assigned.
- 5.6 The NHDC will ensure that the yarn supplied to the Department /Cooperative/Corporation /SHG/JLG ultimately reaches the member weavers.

6. Yarn passbook

- 6.1 Yarn Passbook as the basic document of the yarn supply, should be issued to all the individual handloom weavers in a proactive time bound manner without asking application from the weaver. Yarn passbook should contain the total number of looms available with the beneficiary along with the unique number of each loom.
- 6.2 The NHDC will issue the Yarn Passbook to all the weavers at the time of distribution of weavers' identity card.
- 6.3 In case, weaver missed the handloom census or joins the handloom weaving at a later stage, the NHDC will verify the looms and collect the relevant data and issue the Yarn Passbook to the weaver within 5 days of the verification.
- 6.4 In case of Cooperative Societies, SHGs and JLGs, the verification and collection of data will be carried out by the State Governments. The State Government will forward the data to the NHDC. The NHDC will issue the Yarn Passbook to the Cooperative Societies, SHGs and JLGs within 5 days of the receipt of data from State Government.
- 6.5 In some States, Apex Society/Corporation/Department are supplying the yarn to Cooperative Societies/SHGs/JLGs attached with them. In such cases, Apex Society/Corporation/Department will verify and collect the relevant data and forward the same to the NHDC. The NHDC will issue the Yarn Passbook to Apex Society/Corporation/Department within 5 days of the receipt of data.
- 6.6 In case of Apex Societies/Corporations/Department /Cooperative Societies/SHGs/JLGs, the number of weavers working with them will be indicated in the Yarn Passbook. Demographic details of the weavers along with the Aadhaar number, mobile number, and bank account number of each weaver should be available with the NHDC.
- 6.7 The yarn passbook serial number will have 9 digits to denote the following information:
- | | |
|--------------------|------------------------|
| First two digits | -State |
| Next two digits | -District |
| Remaining 6 digits | -running serial number |



6.8 Each individual handloom weaver will be tagged with the nearest yarn depot for placing the indent and getting the yarn. Name of the yarn depot will be indicated on the yarn passbook issued to him. Cooperative Societies /SHGs/JLGs on request may be designated as yarn depots.

6.9 Entries in the Yarn Passbook should be made separately for the yarn supplied with (i) transport subsidy only and; (ii) yarn supplied with price subsidy along with transport subsidy.

7. Supply mechanism

7.1 The beneficiaries can place the indent for their requirement of yarn for one month at a time.

7.2 List of weavers to whom yarn is given against previous indent should be submitted by Cooperative Societies, SHGs and JLGs while placing the new indent.

7.3 The indent may be placed through e-Dhaga app or through yarn depot as mentioned in the Yarn Passbook.

7.4 Indent placed through e-Dhaga will be directly placed to the NHDC while the indent placed at yarn depot will be forwarded to the NHDC by the depot operating agency. The yarn depot will mention the yarn passbook number of each beneficiary in the indent. Indents will be accepted along with 10% advance and balance payment will be collected against delivery.

7.5 The NHDC will tie-up the supplies from the suppliers as per the demand specifications.

7.6 Purchase order & sale invoice will be raised separately by the NHDC. The NHDC will provide sales invoice to yarn depot for collecting the balance payment.

7.7 The beneficiaries should use the yarn under the scheme for the production of cloth on their own handloom.

7.8 Department/ Corporations/ Apex Societies/ Cooperative Societies/ SHGs/ JLGs should supply the yarn under the scheme to their member societies/ weavers directly enrolled under them by passing on the benefits of the scheme to them in full.

7.9 Each beneficiary will furnish to the NHDC an undertaking to this effect in the format prescribed as applicable.

8. Reimbursement of 10% price subsidy:

8.1 When yarn is readily available at the yarn depot/ warehouse:

Beneficiary will be issued yarn against full payment and the 10% price subsidy will be transferred by the NHDC in to the beneficiary' account within 48 hours.

8.2 When yarn is not readily available at the yarn depot/ warehouse:

Beneficiary will place the requirement of yarn along with 10% advance payment to Depot operating agency which in turn will place indent to the NHDC along with 10% advance payment. 10% price subsidy amount will be transferred by the NHDC to the beneficiary' account within 48 hours or receipt of 10% advance amount from depot operating agency. If beneficiary does not lift the yarn within one month of receipt of yarn at the yarn depot, the subsidy amount will be recovered from the weaver.



9. Quality assurance:

- 9.1 The yarn specification (type, count, weight etc.) shall be mentioned by the suppliers on the yarn bundles.
- 9.2 Pre-dispatch inspection at the mill site³ shall be carried out by the MNHDC for at least 10% of the yarn quantity.
- 9.3 Office of Development Commissioner for Handlooms will randomly check quality of the yarn supplied under the scheme through Textile Research Associations or any other agency(ies). The quality check will be carried out by collecting samples randomly and testing of the various parameters such as:
- Single yarn strength
 - Lea strength
 - CSP
 - Moisture regain
 - Hairiness
 - Friction
 - Abrasion
 - Twist measurement
 - U%
 - Count
 - Yarn elongation

10. Violation and its consequence:

In case of misuse of benefit by the beneficiaries for the first time, the Office of Development Commissioner for Handlooms shall be competent to recover the benefit amount with 10% interest. In case of misuse, besides recovery he shall be deprived from receiving supply for one year. On third misuse, besides recovery and debarment for life, he shall be liable for criminal action under IPC and other criminal laws.

11. Monitoring:

Managing Director will be responsible for monthly monitoring of the scheme and will send report to the Office of Development of Commissioner for Handlooms indicating the progress under various component viz. yarn type- cotton, silk, jute/ coir, linen, wool and others; hank yarn and cone yarn; and highlighting the progress made in hilly and North Eastern regions. Implementation of the scheme will be monitored by the Office of the Development Commissioner for Handlooms will submit a comprehensive progress report along with his observations on the important aspects of the scheme to the Secretary, Textiles every quarter which will be reviewed by a Central Committee to be constituted within the Ministry.

12. Publicity:

The NHDC should widely publicize the Yarn Supply Scheme. Focused publicity of the scheme will be done through print and electronic media in vernacular languages, social media, printing and distribution of pamphlets and hand bills, posters, wall paintings and Buyers-Sellers Meets etc. for this purpose, the NHDC will get the annual media plan approved for the Development Commissioner for Handlooms.



ANNEXURE-12

District wise production of Vegetables, Fruits and Spices in NCR (in 1000 MT), 2015-2016

Sr. No.	District	Total (F&V)	Vegetables	Fruits	Spices
Haryana Sub-Region					
1.	Panipat	493.617	474.935	15.992	2.69
2.	Sonapat	717.294	665.065	47.959	4.27
3.	Faridabad	211.995	195.057	15.728	1.21
4.	Rohtak	326.081	298.844	24.392	2.845
5.	Jhajjar	169.957	143.381	26.122	0.454
6.	Gurgaon	451.703	418.815	30.758	2.13
7.	Rewari	82.159	76.016	5.612	0.531
8.	Mewat	535.009	502.591	31.628	0.79
9.	Palwal	155.646	144.408	10.906	0.332
Rajasthan Sub-Region					
10.	Alwar	97.563	95.392	0.966	1.205
U.P. Sub-Region					
11.	Meerut	542.164	376.052	166.059	0.053
12.	Baghpat	157.449	120.528	36.904	0.017
13.	Hapur	221.233	156.873	64.353	0.007
14.	Gautam Buddha Nagar	21.915	20.367	1.543	0.005
15.	Bulandshahr	754.057	434.88	318.568	0.609
16.	Ghaziabad	200.816	193.079	7.674	0.063

Source: Geo-Sampada Portal, Ministry of Food Processing Industries, Government of India



ANNEXURE-13

Raw Material based Agro & Food Processing Enterprises in NCR

Sl. No.	Category (Based on Raw Material)	Finished Products
1.	Cereals Based Enterprises	a) Wheat Flour b) Wheat Bread c) Biscuit Manufacturing d) Confectionary and Bakery Items e) Rice Flour, Rice flakes, Rice Bran Oil f) Corn flakes g) Canned Baby Corn h) Starch Material i) Suji
2.	Pulses Based Enterprises	a) Gram Flour (Basen) b) Namkeens (ready to eat snacks) c) Papad d) Whole or Split Dal
3.	Dairy Based Enterprises	a) Skimmed Milk Powder b) Butter & Ghee c) Curd
4.	Fruits & Vegetables Based Enterprises	a) Frozen fruits & Vegetables b) Potato Chips & Wafers (Ready to Eat snacks) c) French Fries (Ready to Eat snacks) d) Dehydrated Vegetables e) Ketchups, Purees & Concentrates f) Juices g) Pickles
5.	Oilseed Based Enterprises	a) Edible Oil b) Animal Feed c) Seed Processing
6.	Spices Based Enterprises	a) Pastes & Powders b) Oleoresins c) Aromatic Extractions
7.	Floriculture Based Enterprises	a) Fresh & Dried Flowers
8.	Livestock & Poultry	a) Processed Poultry Products b) Meat Processing
9.	Medicinal Herbs Based Enterprises	a) Medicinal Products
10.	Cotton & Jute Based Enterprises	a) Making of Cotton & Jute Based items
11.	Sugarcane Based Enterprises	a) Jaggery b) Confectionary & Bakery Products
12.	Others Enterprises	a) Honey b) Mushrooms



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