

**Ministry of Small Scale Industries
Government of India
Office of Development Commissioner (Small Scale Industries)**

**NoTM/UND/2005
Nirman Bhawan
New Delhi – 110011
Dated 14 March 2006**

Office Memorandum

**Subject: Guidelines of the Small Industries Cluster Development
Programme (SICDP)**

Introduction

1. The Ministry of Small Scale Industries (SSI), Government of India (GoI) has adopted the cluster approach as a key strategy for enhancing the productivity and competitiveness as well as capacity building of small enterprises (including small scale industries and small scale service and business entities) and their collectives in the country. Among other things, this approach also facilitates substantial economies of scale in terms of deployment of available resources for effective implementation and more sustainable results in the medium to long term.

2. In view of the large number and dispersed locations of the small enterprise clusters and varied status of collaborative self-help capabilities of these cluster-based enterprises across the country, the success of this Programme depends not only the initiatives of the cluster-based enterprises but also on the active involvement of the State Governments and other institutions engaged in the promotion of small enterprises. The following guidelines are, therefore, issued, in supersession of the existing guidelines, to assist all the stakeholders in formulating proposals for financial support from the Ministry of Small Scale Industries for implementation of cluster development initiatives under the Small Industries Cluster Development Programme (SICDP).

Implementing Agencies

3.1 **A clear legal entity with evidence of prior experience of positive collaboration among its members, whether formally or otherwise, as the applicant of the proposed cluster development initiative assures sound management. Ideally, therefore, all proposals for cluster development seeking assistance under the SICDP must emanate from special purpose vehicles (SPV), consisting of the actual/likely cluster**

beneficiaries/enterprises organised in any legally recognised form like a cooperative society, registered society, trust, company, etc.

3.2.1 Considering, however, the uneven state of development of such collaborative initiatives among small (and tiny or micro) enterprises in the country, it would be permissible for a lead Government institution to be the prime mover of a proposal for cluster development in the initial stages of its conceptualisation, design, determination of technical parameters, project preparation and documentation, etc., in consultation with the cluster beneficiaries. **It will, however, be necessary to constitute the SPV at the earliest possible, with clear indication of the time frame for completion of this essential requirement while submitting the proposal for Government assistance.**

3.2.2 In short, in addition to the SPVs of cluster beneficiaries, institutions/agencies of the following categories will, therefore, be eligible to propose and implement cluster development projects under the SICDP, with financial support of the Ministry of SSI:

- Field organisations/offices and autonomous/public sector institutions/enterprises of the Ministry of SSI, Ministry of Agro and Rural Industries (ARI) and other Ministries of the Government of India.
- State Governments and their autonomous/public sector organisations.
- National and international institutions engaged in promotion and development of the small enterprises, including SSI, sector.
- Any other institution/agency approved by the Ministry for this purpose, keeping in view the special circumstances applicable to a State or Union Territory.

Selection of Cluster(s)

4. Detailed study of the features of the clusters with due care and application are essential prerequisites for selection of a cluster of the right type. The criteria may vary to some extent depending on the type of clusters and the goals sought to be achieved through the cluster development initiatives. However, broadly, the following **illustrative aspects** should be kept in view:

- Importance of the clusters (s) in terms of number of units, employment, production, exports, etc.
- Existence of critical gaps in technology, product quality, common facilities, skill upgradation, availability of raw material, marketing support, etc.
- Viability of the cluster.
- Vibrancy of local industry association and/or interest evinced by other institutions engaged in development financing and SSI promotion in development of the cluster.
- Social and environmental considerations like gender inequalities, poverty conditions, need for employment generation, pollution scenario, etc.

5. Clusters of SSI units manufacturing products which fall under the administrative purview of other Ministries of the Government of India may also be considered for financial assistance under this Programme, with the consent of the Ministry concerned.

6. In case the implementing agency is not the Government of the State in which the cluster is located or an organisation of that State Government, the agency will also need to necessarily consult the State Government concerned and take its views into account while selecting the cluster and drawing up the strategy and/or action plan for its development.

Illustrative Steps in Cluster Development Programme

7. The main steps are:

- Selection of cluster(s)
- Selection of Cluster Development Executive(s)
- Trust building
- Diagnostic study
- Preparation of action plan
- Approval of budget and leveraging of funds from various institutions
- Implementation of the action plan
- Monitoring and evaluation
- Handing over and exit
- Self-management phase

Cluster Development Executive (CDE)

8. An officer/executive of the cluster-based SPV or the implementing agency (other than the SPV) has to be selected and trained to act as the Cluster Development Executive (CDE). The CDE is required to conduct the Diagnostic Study, prepare the Action Plan based on the former and get the Plan implemented with full participation of the Cluster Actors, so as to build up the collective capacity of the units in the Cluster to sustain and carry on the promotional as well as commercial activities in the long run even after the project comes to an end.

9. In case the selected cluster is far away from the office of the implementing agency, office space may be provided to the CDE on rent with basic equipment and furniture, etc., within or near the cluster. Funds will, however, not be provided by Ministry of SSI for construction of office building, purchase of vehicle, costly furniture and furnishing, etc. Provision for office expenditure and travelling expenses at a reasonable scale, usually ranging between 10 to 15 per cent of the total project cost, may also be considered depending on necessity.

10. The National Resources Centre (NRC) for SSI Cluster Development created at the

National Institute of Small Industry Extension and Training (NISIET), Hyderabad-500 045 and the International Centre for Cluster Competitiveness and Growth (IC³G) at the Entrepreneurship Development Institute of India, P.O. Bhat-382428, District - Gandhinagar, Gujarat have been established for providing training and related services for cluster development. They conduct courses spread over 3 to 4 weeks for training of CDEs on the tools and methodology of conducting diagnostic studies and implementing cluster development initiatives. Implementing agencies may approach the NRC or IC3G for organising training of the CDEs after their project proposals are approved by the Ministry of SSI.

Cost of Project and Government of India Contribution

11. The **project cost may vary from cluster to cluster** and will depend on parameters like the duration of the project (usually 3 years), size of the cluster, nature and scope of the proposed interventions, etc., as emerged from the diagnostic study. However, **contribution of the Ministry of SSI will not exceed 80 per cent of the total project cost, subject to a ceiling of Rs.10 crore per project including Rs. 10 lakh for “soft activities” i.e. capacity building activities in the cluster where no fixed asset is acquired or formed.**

12. The **formats of proposals** for such soft interventions are detailed in **Part I of the enclosures** to these guidelines (**Annex I to IV**). These need to be adhered to strictly.

13.1.a. Wherever required, assistance under this Programme may also be considered for setting up Common Facility Centre (CFC) in the cluster. The Detailed Project Report (DPR) for the CFC together with appraisal report prepared by a bank (if bank financing is involved) or an independent Technical Consultancy Organisation/reputed Consultant will have to be submitted in such cases.

13.1.b. **With the grant-in-aid sought from the Government, the proposed CFC must be financially and operationally as viable as any commercial project.** As a result, all CFC proposals should comply with the financial norms of appraisal that a commercial bank would seek, e.g., internal rate of return, break-even point analysis, debt-service coverage ratio, sensitivity analysis, etc., using basic templates such as projected profit & loss account and projected balance sheet for the proposed CFC. The proposed CFC must also justify its need in terms of its likely impact at the level of an individual representative enterprise of the group that it intends to benefit.

13.1.c. In keeping with the objective as stated at the beginning of paragraph 13.1.b above, CFC projects would be classified and the Central Government (viability gap funding) assistance therefor would be based on the following broad norms:

- (i) Developmental CFC projects: Central Government support of 70 per cent of the project cost and the remaining to be provided by the State Government concerned and the project beneficiaries.

- (ii) Quasi-Developmental CFC projects: Central Government support of 50 per cent of the project cost and the remaining to be provided by the State Government concerned and the project beneficiaries.
- (iii) Quasi-Commercial CFC projects: Central Government support of not more than 30 per cent of the project cost and the remaining to be provided by the State Government concerned and the project beneficiaries.
- (iv) However, in case of clusters of micro and / or village enterprises, i.e., enterprises with investment in plant and machinery (excluding land and building) in each case not exceeding Rs. 25 lakh, the extent of Central Government assistance may be raised to 80, 60 and 40 per cent of the project cost in the three types of CFCs respectively.

In all the cases stated above , the entire cost of land and building shall be met by SPV / State Government concerned.

13.2. Implementing agencies shall be responsible for setting up and commissioning of the CFC on a turn-key basis. **The CFC thus established will have to be run by the Special Purpose Vehicle (SPV) on commercial lines, with enough current revenue surplus to meet all its current expenses as well as cost of replacement/expansion of assets as and when necessary. Ministry of SSI shall not accept any financial liability arising out of operation of any CFC.**

13.3. **The formats for proposals in this regard are given in Part II of the enclosures (Annex V and VI). The guiding principles elaborated in Part II need to be gone through carefully.**

14. Contribution of the Ministry of SSI to the total cost of the project will be decided keeping in view the availability and willingness of other stakeholders and partners like State governments, industry associations, firms in the cluster etc. For further details of funding scales, reference is invited to Part I and Part II of the enclosures to these Guidelines. Implementing agencies (including State Governments, cluster beneficiaries and/or their SPVs) are expected to mobilise resources to fund the remaining cost, as detailed in Part I/II of the enclosures.

Linkages with Business Development Services (BDS)

15. Development of capacities of BDS providers to meet the needs of small enterprises and establishing linkages between them and small enterprise clusters constitute a priority area of the cluster development strategy. Therefore, the proposed cluster development activities should include establishment of linkages between the cluster units and the BDS providers in the public and private sectors capable of catering to the needs of small enterprises.

Dovetailing with Other Schemes of the Ministry of SSI/ARI and Schemes of Other Ministries of the Government of India

16. Implementing agencies will be encouraged to dovetail the cluster development initiatives with other Schemes of the Ministry of SSI/ARI. Similar schemes of other Ministries of the Government of India should also be tapped.

17. Implementing agencies may, wherever necessary, seek assistance from technical agencies like the Product and Process Development Centres and Central Tool Rooms of the Ministry of SSI as well as the Central Glass and Ceramics Research Institute, Central Leather Research Institute, Technology Information Forecasting and Assessment Council and other similar institutions of other Ministries and Departments of the Government of India engaged in technology upgradation of client enterprises, including SSIs.

Formats and Approval of Project Proposals

18.1. **The proposals for seeking financial assistance from the Ministry of SSI should be made in the formats given in Part I and Part II of the enclosures to these Guidelines.** These formats, though quite detailed, are still illustrative and necessary additions/amendments to the contents may be done by the implementing agencies, depending on the nature of the cluster and the proposed activities.

18.2. **The proposals will be considered and approved by the Steering Committee of the Small Industry Cluster Development Programme under the chairmanship of Secretary, Ministry of SSI for projects costing Rs. 1 crore and above and of the Development Commissioner (SSI) for projects costing less than Rs. 1 crore. However, projects costing Rs. 5 crore and above will be scrutinised on file by the office of DC(SSI) in consultation with FA, before putting up to the Steering Committee for approval.**

Disbursement of Funds

19.1 Funds will be released by the office of the DC (SSI) directly to the SPV/IA, under intimation to the State Government. **The disbursement schedule of the GoI grant would generally be in accordance with the annual installments requested in the proposal of the project, with justification for the said schedule to be considered and approved by the Steering Committee. However, in general, upfront contribution by the SPV or the beneficiaries share would be a prerequisite before release of the first installment of GoI assistance. Where bank finance is involved, written commitment of the bank concerned to release proportionate funds will also be necessary before release of GoI assistance. This will also apply to the State Government contribution, wherever applicable.**

19.2 Further releases of the GoI grant will be contingent on furnishing of prescribed utilisation certificate(s) and verification of release of contribution by the bank and the State Government. DC (SSI) may also require physical verification of the progress of works before release of the second and subsequent installments of GoI grants.

Monitoring and Evaluation

20.1. In case of projects implemented by the State Governments, their autonomous bodies and SPVs with the State Government as one of the stakeholders, monitoring of the projects to ensure satisfactory and time-bound implementation of the activities will be the responsibility of the State Governments concerned. Each State Government will also be required to constitute a Project Steering Committee consisting of representatives of all the stakeholders for this purpose. State Governments will send Quarterly Progress Reports (QPR) on physical and financial parameters progress as well as **utilisation certificates prescribed under the General Financial Rules of the Central Government to the Office of the Development Commissioner (Small Scale Industries)**.

20.2 In case of cluster development projects not covered by the provisions in the preceding paragraphs, the Ministry of SSI will directly monitor the progress through monitoring committees constituted at the level of the Ministry or through its State level offices.

20.3 The formats of QPR and Utilisation Certificate are enclosed in Part- I of the enclosures.

21. This issues with the concurrence of the Integrated Finance Wing vide their Dy. No. 5089 dated 07.03.2006

(SANJEEV KAUSHAL)
JOINT DEVELOPMENT COMMISSIONER (SSI)

Enclosure – Part I (pp. 8-22)
Part II (pp. 23-33)

Copy to –

- 1.) Chief Secretaries (All States/UTs)
- 2.) Secretaries of State Governments, in charge of Industries Departments
- 3.) Directors of Industries (All States/UTs)
- 4.) Directors SISIs
- 5.) General Managers (All Tool Rooms)
- 6.) Principle Director/Directors (All Autonomous Bodies under DCSSI)
- 7.) Principal Director NISIET
- 8.) Executive Director NIESBUD

- 9) IF Wing (Fin I), D/o IPP, Ministry of Commerce & Industry, New Delhi.
- 10) Joint Secretary to Govt of India, Ministry of ARI
- 11) Joint Secretary to Govt of India, DIPP, Ministry of Commerce & Industry
- 12) All members of the Steering Committee of SICDP
- 13) Director EDII
- 14) Chairman Coir Board
- 15) CEO, KVIC
- 16) Chairman, NSIC
- 17) CMD, SIDBI
- 18) Chairman/President, National Level Industry Associations
- 19) Chairman/President, State Level Industry Associations
- 20) Chairman/President, Cluster Level Industry Associations
- 21) PS to Minister (SSI&ARI)
- 22) PPS to Secretary (SSI&ARI)
- 23) PS to AS&DC (SSI)
- 24) Addl. Development Commissioners
- 25) Joint Development Commissioners
- 26) Industrial Advisers O/o DCSSI
- 27) All Divisions, O/o DCSSI
- 28) Adviser (Village & Small Industries), Planning Commission

7(a)

ENCLOSURE: PART I

Formats of Proposals for Cluster Development Project (Other than Establishment of Common Facility Centres or Similar Hard Infrastructure)

1. **Summary Details** of the proposed cluster chosen for intervention (Format at **Annex I**).
2. **Selection Criteria** used to select the above mentioned cluster in preference to any other contending cluster(s) (Possible guidelines at **Annex II**).
3. **Primary and Secondary Objectives of the Proposed Intervention:** Sustainable employment generation, poverty alleviation, faster growth of value of production of existing enterprises, productivity improvements, improved environmental compliance; all/some of the foregoing and/or any other—**specify explicitly**.
4. **Key Problem Areas and Suggested Corresponding Strategic Interventions:**
 - (a). Key problems confronting the cluster in achieving the stated objectives and corresponding strategic areas of intervention, e.g., technological and process/product quality up-gradation, improved credit flow and other types of financial linkages, improved marketing including exports, institutional capacity building including but not limited to creation of new active associations/ networks, training of individual cluster units, better environmental compliance, etc., **during each year of the project** that will help the cluster in achieving all the primary and secondary objectives.
 - (b). Reasons for choice of each strategic intervention: how do you establish the suggested priority/sequencing of each intervention?
5. **Expected Major Outputs:** At the level of (i) individual firms, (ii) cluster, (iii) inter-cluster networks and (iv) policy on cluster development, in relation to the situation described above (**illustrative output at Annex III**).
6. **Institutional Competencies:** What proven competencies does your institution have in the strategic areas of intervention described at sr. no. 4 above? Please attach a summary sheet of the results achieved in any other cluster that you may have dealt with in the past (**as per Annex III**). If there is already a development initiative underway in the cluster or likely to be taken up, state the scope for value addition/complementation by your institution.
7. **Management Structure for Proposed Cluster Project Implementation:** Draw the organisational structure for the proposed project, giving the name of each person likely to be deployed with his/her role and duration in person days across the project along with his/her CV.

8. **Proposed Project Cost:** Provide **annual estimate of cost** for the duration of the project and the **likely sources of funds including the minimum contribution of the industry association at 10% (Format in Annex IV).**

9. **Monitoring (regularly) and Evaluation (quarterly, half-yearly or yearly) Mechanism:** State clearly the proposed mechanism with emphasis on measures for involving the local beneficiaries as well as external institutions (the latter to be specified).

Note: Taking the proposed mechanism into account, reporting formats for evaluation will be provided separately upon sanction of the project proposal.

**QUARTERLY PROGRESS REPORT OF SOFT PROMOTIONAL ACTIVITIES UNDER
SMALL INDUSTRY CLUSTER DEVELOPMENT PROGRAMME(SICDP)
PART-A**

Name of the product & location of the cluster
for the quarter ending.....in the year...
Name of implementing agency.....
Status of implementation of activities

Report

S.No.	Activity/Area of Intervention	Activities scheduled to be Performed during the quarter	Activities actually performed during the quarter with dates when performed	Deliverables/Achieved(in quantifiable results as far as possible)	Remarks
1	2	3	4	5	6
1.	Diagnostic study				
2.	Market Development				
3.	Technology Upgradation				
4.	Skill Development				
5.	Capacity building of cluster actors				
6.	Others(Specify)				

**QUARTERLY PROGRESS REPORT OF ESTABLISHMENT OF COMMON
FACILITY CENTRE(CFC) UNDER SMALL INDUSTRY CLUSTER
DEVELOPMENT PROGRAMME(SICDP)
PART-B**

Name of the products & location of the cluster.....
quarter ending....in the year.....

Report for the

Name of implementing agency

Type of CFC being established

Status of progress

S.No.	Activity	Expected date of completion as per the project proposal	Targeted milestone set for end of the quarter under review	Progress as at the end of the quarter reported upon	Remarks
1	2	3	4	5	6
1.	Construction of building				
2.	Selection of machinery and its specification and floating tenders				
3.	Placement of purchase order				
4.	Supply of machinery & equipment				
5.	Installation of machinery				
6.	Commissioning of machinery				

**QUARTERLY FINANCIAL REPORT OF CLUSTERS UNDER SMALL
INDUSTRY CLUSTER DEVELOPMENT PROGRAMME(SICDP)- SOFT
PROMOTIONAL ACTIVITIES AND ESTABLISHMENT OF COMMON
FACILITY CENTRES(CFCs)
PART-C**

Name of the product & location of the cluster.....
quarter ending.....in the year.....
Name of implementing agency.....
Type of CFC being established

Report for the

**Details of fund utilization
In Rs.**

Sl.No.	Name of the activity	Funds available as on date during the financial year			Funds utilized	Cumulative funds utilized as on date during the year
		3	4	5		
1	2	3	4	5	6	7
1.	Soft promotional activities					
2.	Establishment of Common Facility centers(if a part of the project)					
	Total					

Note: All the entries must relate only to the funds released by Ministry of SSI for the project(Contribution of other partners in the project to be excluded).

FORMS

FORM GFR

19-A

{See Government of India's Decision(1) below Rule 150}

Form of Utilisation Certificate

Sl.No	Letter No. & Date	Amount	Certified that out of Rs.....of grants-in-aid sanctioned during the yearin favour of.....under this Ministry/ Department Letter No. given in the margin and Rs.....on account of unspent balance of the previous year, a sum of Rs.....has been utilized for the purpose of.....for which it was sanctioned and that the balance of Rs.....remaining unutilized at the end of the year has been surrendered to Government(vide No.....dated.....) will be adjusted towards the grants-in-aid payable during the next year.....
	Total		

2. Certified that I have satisfied myself that the conditions on which the grants-in-aid was sanctioned have been duly fulfilled/are being fulfilled and that I have exercised the following checks to see that the money was actually utilized for the purpose for which it was sanctioned.

Kinds of checks exercised

- 1.
- 2.
- 3.
- 4.
- 5.

Signature.....
Designation.....
Date.....

G.I, M.F., O.M.No.F.14(1)-E.II(A)/73, dated the 23rd April,1975

Summary Details of the Proposed Cluster

1. **Location:** State, city/town/village:
2. **Cluster Product:** Traditional artisanal or traditional industrial or modern/high tech product:
3. **Likely Age of the Cluster** and whether naturally evolved or recently induced with external policy support:
4. **Nature of the Cluster:** Vertical (one or two large firm centric)/horizontal where several small enterprises are the key cluster firms/mixed:
5. **Major Cluster Problems:** As per your perception:
6. **Key Strategic Intervention for Proposed Cluster Development:** Technology / product / market / export / quality, etc.:
7. **Extent of Competition:** With large domestic firms or other similar clusters in India or abroad:
8. **Proposed Project Duration:**
9. **Gross Project Fund Requirements and Likely Sources of Funds:** Institutional coordination and developmental expenditure separately:
10. **Key Indicators to Reflect the Outcome of the Project:** At the firm level and cluster level (attributable to the proposed project):

Current Information Requirement for Cluster Selection

Sr. No.	Parameters	Answers
1.	<p>Does the cluster have a minimum critical mass?</p> <ul style="list-style-type: none">• Number of firms, structure of firms (large/medium/small/micro across the value chain)• Presence of support firms and service providers• Estimated turnover of broad groups in cluster• Level of employment (number of men and women) and likely income levels• Contribution of cluster to exports• Importance of the product in terms of its linkages with other products/ sectors• Growth trends in the recent past (turnover, employment, investments, exports, etc.)• Special features of the cluster in terms of seasonal/mainstay activities/ dependence, if any	
2.	<p>Location of cluster and its geographical contours</p> <p>Within a city/village/linkage with nearby cities/villages (if executing agency has a specific rural/urban mandate) – Attach a geographical map, if available</p>	
3.	<p>Replicability potential</p> <ul style="list-style-type: none">• Size of the total industry at the national level, number of similar clusters with a few names• Linkage of the proposed cluster with other clusters or sectors, if any	
4.	<p>Social and environmental conditions</p> <ul style="list-style-type: none">• Summary profile of typical owners/managers and workers and their economic status• Average yearly earnings (man/woman) of workers/unit owners• Drudgery in activity, if any	

Sr. No.	Parameters	Answers
	<ul style="list-style-type: none"> • Pollution related issues in the cluster • Mandatory/legal issues related to product quality, if any 	
5.	<p>Viability</p> <ul style="list-style-type: none"> • Prospects of upgrading production technology/investments/financial off-take/quality? • Does the product have a future in current national/global settings? • Main markets of the cluster products (geographical, consumer segments) • Major threats/challenges • Stage of product in the product life cycle, if known • Where do the cluster product(s) fit into the global value chain currently? 	
6.	<p>Promotability</p> <ul style="list-style-type: none"> • Have some firms undertaken product upgrading or diversification, explored new markets, made technological innovations, invested significantly in or updated equipment, etc., in the recent past? • Does the birth rate of new firms substantially exceed the closure rate of existing ones? • How sensitive are the firms to major issues that are bothering them? • Local institutional capacities for collective developmental action in the private and public sector 	
7.	<p>Complementarity</p> <ul style="list-style-type: none"> • Other development work either already under way or likely to start in the near future • Scope of the proposed project for value addition to other developmental work, as stated above 	

Illustrative Likely Outputs

Firm/Enterprise Level

Number of direct beneficiary firms: Among the (**say**, three hundred – see **Note below**) firms in the cluster, around (**say**, eighty) firms will be targeted directly by the project, resulting in substantive improvement of their working, as per verification indicators given below:

(a) **Likely range of outputs:** The assisted cluster actors will become more competitive in terms of growth (if there is a general upswing) or will overcome the negative trend more than the others (if there is an overall decline). The likely indicators for verification, to be identified in the framework of annual action plan of the cluster, will be increased total sales (**say**, at least 30 firms), exports (**say**, at least 10 firms), investments (**say**, around 30 firms), profitability (**say**, at least 40 firms), employment generation (**say**, around 200 persons), ISO & other certifications (**say**, around 25), usage of paid Business Development Services (**say**, around 30 firms).

(b) **Indirect beneficiary firms:** More broadly, strengthening forward linkages and local institutions, provision of linkages with public & private support institutions, strengthening of local infrastructure through public-private partnerships should benefit at least half of the cluster firms (**say**, 150 firms) indirectly in, **say**, 3 to 5 years.

Cluster Level

1. **Institutional capacity building:** At least (**say**) one each among the local industry associations, universities/ technical institutions, financial institutions and/ or NGOs will undertake collaborative development initiatives for cluster development, including fund-raising. At least (**say**) one of the local industry associations and/ or NGOs and/or cooperative societies will have a strong professional secretariat of its own with demonstrated capacity to raise local funding and implement cluster activities by year 3.

2. **Extent of public-private partnerships:** More responsive dialogue between the public and the private sector leading to renewed instances of at least (**say**) 3 substantive public-private partnerships.

3. **Participatory action plans:** In the assisted cluster, annual (cluster) action plans will be prepared and validated by the cluster stakeholders.

4. **Strategically significant long-term initiatives:** By the end of the project, (**say**) at least one of the above local organisations will undertake strategic development initiatives (managing common facility services, setting up local common infrastructure, etc.,) either directly or in collaboration with public institutions.

5. **Local funding stake as an indicator of effectiveness and sustenance:** Local stakeholders will have contributed by the end of the project (say) at least 40 per cent of the financial resources directly spent on local developmental activities.

Policy/Inter-Cluster Level

Cluster will have established linkages for raw material and machinery supply with another cluster specify).

Note: The numbers/minima cited above are hypothetical and would obviously need to be altered as required for the cluster in question.

Proposed Budget for Project

1. Estimated Expenditure

(Rs. thousand)

Budget Line (BL)	Item	Year 1	Year 2	Year 3
	A. Developmental Expenditure			
1.	Diagnostic study, contained in the cluster development proposal			
2.	Services of International Experts, if any (.....person-days/weeks/months @ Rs.....)			
3.	Organising training programmes/seminars/workshops/lectures/study tours to other clusters/demonstration of technology/equipment, including expert fees, travel, lodging/boarding, etc. (.....programmes @ Rs.....)			
4.	Association/SHG/NGO/Network capacity building (exposure visits, benchmarking, brochure preparation, web-site launching, initial recruitment cost, training of executives, hand-holding support on declining basis, etc.-specify numbers and rates here)			
5.	Services of external consultants, if any (.....person-days @ Rs...)			
6.	Participation in foreign fairs (for entrepreneurs in the directly assisted clusters-specify number and rates here)			
7.	Miscellaneous developmental costs (translation, publications-lump sum, year-wise)			
8.	Technical equipment (in terms of demonstration machinery, tools for testing-lump sum, year-wise)			
	Sub-Total A			
	B. Coordination Expenditure of Implementing Agency (IA)			
9.	In-house institutional Staff: Cluster Development Executive (.....months)/ Technical Adviser (.....months)/ Support staff (.....months), each @Rs.....			

Budget Line (BL)	Item	Year 1	Year 2	Year 3
10.	Local travel in the cluster of the in-house staff (.....days @Rs.....)			
11.	Telecommunications (lump sum, year-wise)			
12.	Local purchases (computer, telephone, fax- lump sum, year-wise)			
13.	Rental of space in the cluster (lump sum, year- wise)			
14.	Miscellaneous/ Institutional Overhead Costs (lump sum, year-wise)			
	Sub-Total B			
	Year-wise Total (A+B)			

2. Proposed Means of Finance

(Rs. thousand)

Budget Line (BL)	Item	Ministry of SSI/DC (SSI)	State Govt. &/or Other Public Sector Support Institutions	Cluster Stake-holders (SPV) & Other Private Partners
	A. Developmental Expenditure			
1.	Diagnostic study, contained in the cluster development proposal			
2.	Services of International Experts, if any (person-days/weeks/months)			
3.	Organising training programmes/seminars/workshops/lectures/study tours to other clusters/demonstration of technology/equipment, including expert fees, travel, lodging/boarding, etc. (.....programmes @ Rs.....)			
4.	Association/SHG/NGO/Network capacity building (exposure visits, benchmarking, brochure preparation, web-site launching, initial recruitment cost, training of executives, hand-holding support on declining basis, etc.-specify numbers and rates here)			
5.	Services of external consultants, if any (.....person-days @ Rs...)			
6.	Participation in foreign fairs (for entrepreneurs in the directly assisted clusters-specify number and rates here)			
7.	Miscellaneous developmental costs (translation, publications-lump sum, year-wise)			
8.	Technical equipment (in terms of demonstration machinery, tools for testing-lump sum, year-wise)			
	Sub-Total A			
	B. Coordination Expenditure of Implementing Agency (IA)			
9.	In-house institutional Staff:			

Budget Line (BL)	Item	Ministry of SSI/DC (SSI)	State Govt. &/or Other Public Sector Support Institutions	Cluster Stakeholders (SPV) & Other Private Partners
	Cluster Development Executive (.....months)/ Technical Adviser (.....months)/ Support staff (.....months), each @Rs.....			
10.	Local travel in the cluster of the in-house staff (.....days @Rs.....)			
11.	Telecommunications (lump sum, year-wise)			
12.	Local purchases (computer, telephone, fax-lump sum, year-wise)			
13.	Rental of space in the cluster (lump sum, year-wise)			
14.	Miscellaneous/ Institutional Overhead Costs (lump sum, year-wise)			
	Sub-Total B			
	Year -wise Total (A+B)			

ENCLOSURE: PART II

Guiding Principles and Formats of Proposals for Funding of Common Facilities Centres (CFCs) in Clusters under SICDP

1. Basic Principles

The proposed Common Facilities Centre (CFC) must fit into the broader, clearly-stated long-term vision of the cluster for which it is proposed to be set up. Stand-alone CFC proposals without ensuring adequate consistency with the broad, common vision and strategic action plan for development of the cluster/network may lead to ineffectiveness of the CFC. The measurement of its effectiveness must, therefore, be explicitly stated in the context of the economic value chain of the cluster that the proposed CFC is likely to serve.

2. Avoidance of Duplication of Facilities

Duplication of similar facility in the cluster should be avoided. It must be ensured that the proposed facilities in the CFC are currently not available in the cluster for access by the intended clientele of the cluster. It is, therefore, necessary to also provide a summary of the existing facilities and the limitations to their use by the cluster members.

3. Broad Categories of CFC

3.1. **Different types of CFC may require different types of public support.** CFCs may be categorised into the following **three broad types**, depending upon their **predominant characteristics** of being a **public good or a private good**:

(i) **Developmental (DV):** The CFCs that seek to disseminate and promote adoption of advanced technology, undertake R&D, provide new forms of training, include a common testing/standardisation facility, etc., are the ones for which private sector is less likely to invest on its own, due to perceptions of higher financial risks and/or longer gestation period for gains. Such CFCs do not demonstrate commercial viability without substantive long term public support for the target cluster members (even beyond 3 years of operationalisation of CFC).

(ii) **Quasi Developmental (QD):** The common facilities that do not necessarily demonstrate commercial viability in the short to medium term (less than 3 years) and distribution of gains to individual firms is not clearly established, e.g., common effluent treatment plant, may fall between DV and CL types.

(iii) **Commercial (CL):** The common facilities that are likely to lead to clear commercial gains for the target cluster (private sector) enterprises within up to two years of the CFC becoming operational, e.g., common production centre, common marketing facility, common raw material depot that procures raw material and/or sells common finished products will fall in this category.

Illustrative Types of CFC

3.2. Some illustrative types of CFCs in each of the three categories are given below. **The extent of benefits that a CFC is likely to provide to the individual participating client units will generally be an important determining factor in measuring the “public good” content of the proposed CFC and, hence, deciding the extent of Government financial support. However, the project authorities need to recognise that in specific situations and/or for specific reasons (to be spelt out), the CFC may have characteristics which may be a combination of two or more of the clear types mentioned above. Hence, it is necessary to clearly work out each component of the CFC, with clearly stated financial parameters, from among the following illustrative (not exhaustive) categories:**

- a. **Testing Facility** – for quality upgradation, cluster-wide (DV).
- b. **Design Centre** – for new designs not being currently used in the cluster and/or for up-gradation of existing designs (DV).
- c. **Common Production/Processing Centre** – for balancing/correcting/improving production line that cannot be undertaken by individual units (CL).
- d. **Effluent Treatment Plant** – for pollution control (QD).
- e. **Marketing Display/Selling Centre** – to organise buyer-seller meets, fairs, regular display, providing alternate outlets for marketing (CL).
- f. **Information Centre/Sub-Contracting Exchange** – to facilitate improved supply-chain linkages within and outside the cluster (QD).
- g. **Common Logistics Centre** – to improve efficiency of logistics operations as a means to cutting costs, faster supply of goods to the buyers, reducing breakages, etc. This may be a physical facility such as inland container depot or information hub (QD).
- h. **Research & Development Centre** – to either undertake indigenous R&D or just customise the technology/process techniques to suit local requirements (DV).
- i. **Training Centre** – to improve the skills and knowledge of different levels of workers, supervisors or even management structures (DV).
- j. **Common Raw Material/Sales Depot** – to improve the in-efficiencies involved in small lot buying/selling leading to higher costs and non-adherence to desired material specifications (CL).

4. CFCs as Combination of Types

The same type of a CFC for different client groups may require different treatments. Depending upon the existing economic and technical status of the units in the cluster, different norms of treatment may have to be applied to arrive at the necessary support in the form of Government grant-in-aid. To illustrate, a common production centre to be set up by economically well-off enterprises for themselves may be considered as a commercial proposition, while a similar one by a group of micro enterprises may be considered as a developmental intervention. Secondly, whether the

client group of the CFC is closed (i.e., consists only of the prime beneficiaries/promoters who discourage the use of the CFC by non-promoters) or open to usage by any cluster firm without discrimination may also help to determine the extent of public support that should be given to the proposal.

5. Special Purpose Vehicles

5.1 **A clear legal entity with evidence of prior experience of positive collaboration among its members, whether formally or otherwise, as the applicant of the proposed CFC assures sound management. Ideally, therefore, all proposals for CFCs must emerge from special purpose vehicles (SPV), consisting of the actual/likely cluster beneficiaries organised in any legally recognised form like a cooperative society, registered society, trust, company, etc.** The private sector beneficiaries, i.e., cluster units must together have majority stake in such an entity, with no single unit having financial share of more than 10 per cent in the equity capital (or equivalent capital contribution) of the SPV. Registered industry associations with a clear track record of financial records and developmental activities over the last 3 years are also eligible to seek funding support for a CFC.

5.2 **Thus, while it is necessary to form a special purpose vehicle (SPV) right at the start, considering the uneven state of development of such collaborative initiatives among small and micro enterprises in the country, it would be permissible for a lead Government institution to be the prime mover (Implementing Agency – IA) of a proposal for CFC in the initial stages of its conceptualisation, design, determination of technical parameters, project preparation and documentation, etc., in consultation with the cluster beneficiaries. It will, however, be necessary to constitute the SPV at the earliest possible, with clear indication of the time frame for completion of this essential requirement while submitting the proposal for Government assistance to the CFC.**

5.3 There should be a minimum of 20 small scale industry (SSI) or smaller (tiny/micro) cluster units serving as members of the SPV. There is no ceiling on the maximum number of members. In special cases where considerations of investments, technology or small size of the cluster warrant lesser number of units, a minimum of 10 SSI units may be considered for the SPV, giving reasons thereof. All the participating small enterprise units should be independent in terms of their financial stakes and management.

6. Government Financial Assistance

6.1 **With the grant-in-aid sought from the Government, the proposed CFC must be financially and operationally as viable as any commercial project.** As a result, all CFC proposals should comply with the financial norms of appraisal that a commercial bank would seek, e.g., internal rate of return, break-even point analysis, debt-service

coverage ratio, sensitivity analysis, etc., using basic templates such as projected profit & loss account and projected balance sheet for the proposed CFC. The proposed CFC must also justify its need in terms of its likely impact at the level of an individual representative enterprise of the group that it intends to benefit.

6.2 In keeping with the objective as stated at the beginning of the paragraph 6.1 above , CFC projects would be classified and the Central Government (viability gap funding) assistance therefor would be based on the following broad norms:

- (i) Developmental CFC projects: Central Government support of 70 per cent of the project cost and the remaining to be provided by the State Government concerned and the project beneficiaries.**
- (v) Quasi-Developmental CFC projects: Central Government support of 50 per cent of the project cost and the remaining to be provided by the State Government concerned and the project beneficiaries.**
- (vi) Quasi-Commercial CFC projects: Central Government support of not more than 30 per cent of the project cost and the remaining to be provided by the State Government concerned and the project beneficiaries.**
- (vii) However, in case of clusters of micro and / or village enterprises, i.e., enterprises with investment in plant and machinery (excluding land and building) in each case not exceeding Rs. 25 lakh, the extent of Central Government assistance may be raised to 80, 60 and 40 per cent of the project cost in the three types of CFCs respectively.**

In all the cases stated above , the entire cost of land and building shall be met by SPV /State Government concerned.

6.3 The share of the cluster beneficiaries in all the three above-mentioned cases should be as high as possible and not less than 10 per cent of the total cost of the CFC, including the cost of land and building(s). State Government contribution will be considered as the viability gap funding. Large mother manufacturing firms (whether in the public or private sector), other major buyers of the cluster SSI products, commercial machinery suppliers, raw material suppliers and business development service (BDS) providers will be eligible to contribute up to 50 per cent of the beneficiary share, provided the management remains clearly with the intended beneficiary SPV consisting of the small/micro enterprises beneficiaries of the cluster. The SPV may also raise loans from banks to take care of any shortfall, expansion, etc. on the term that the plant and machinery in the CFC purchased with Government assistance will not be given first charge of hypothecation to the bank and the first right thereto will rest with the Government funding the project through grant-in-aid.

6.4 The CFC may be utilised by the SPV members as also others in a cluster.

However, evidence should be furnished that the SPV members would utilise at least 60 per cent of the installed capacity.

7. Submission of Proposals

7.1 Before submission of a detailed proposal for Central Government assistance for a CFC, a **preliminary application in the enclosed format (Annex V)** may be sent to the office of Development Commissioner (Small Scale Industries) [DC (SSI)], Government of India to seek in-principle interest and comments on ways to ensure positive outcome of the proposal for CFC. **However, it would not be necessary to submit a preliminary application if the cluster has already been assisted by the Central Government for development of facilities other than CFC.**

7.2 Taking in to account the outcome of the preliminary application, the detailed project proposal (**Annex VI**) supported by a cluster diagnostic study and a copy of any financial appraisal that may have been undertaken by a bank or financial institution may be submitted to the DC (SSI). **All proposals need to be forwarded by the SPV (or, the lead Government institution/Implementing Agency (IA), vide para. 5.2), with recommendation of both the local Small Industries Service Institute (SISI) (or, in case of clusters of village industries or coir industries, from the State Directorate of the Khadi and Village Industries Commission (KVIC) or, as the case may be, of the Regional Office of the Coir Board) and the Department concerned of the State Government (with clear commitment of the latter in respect of its financial contribution).**

8. Appraisal and Approval of Proposals

8.1. There would be two levels of Steering Committees for appraisal and approval of proposals. The first would be chaired by DC (SSI) that would appraise and approve funding proposals for CFCs with a financial outlay of less than Rs. 1 crore. For all proposals with financial outlay of Rs. 1 crore and more, the Steering Committee would be headed by the Secretary, Ministry of SSI. However, projects costing Rs. 5 crore and above will be scrutinised on file by the office of DC(SSI) in consultation with FA, before putting up to the Steering Committee for approval.

8.2 Each Committee shall have representatives of appropriate levels drawn from the Ministries/Departments concerned, including (but not restricted to) the Ministry of Finance (Integrated Finance Wing) of the Ministry of SSI and Planning Commission, and would invite the representatives of the State Governments concerned to its meetings.

8.3. The Committees will meet as often as necessary, preferably once in three months.

8.4. The Committees may take the assistance of some experts in the technical field relevant to the cluster as well as the general field of cluster development, in the process of preliminary appraisal of proposals before formal consideration by the Committee. The suggestions emerging from such preliminary scrutiny would be conveyed in writing to the SPV/Implementing Agency as well as the State Government concerned.

Preliminary Application for CFCs in Clusters

1. Details of the Cluster – name of the cluster, its geographical spread, number of units/firms, proportion of micro/tiny units, name(s) of product(s) manufactured, annual turnover of the cluster during past five financial years, principal markets for the cluster product(s), annual exports, if any:

2.1. Whether any diagnostic study of the cluster was conducted in the past? If so, full details of the recommendations of the study (a copy of the report to be enclosed):

2.2 Does the diagnostic study recommend establishment of a CFC? If so, summary details:

3. Summary details of the proposed CFC (name and broad description of purpose and proposed facilities):

4. Financial summary of the proposed CFC:

(Rs. lakh)

Sr. No.	Elements of CFC	Investments required	Beneficiary /SPV contribution	Loans form bank, etc. (name of bank to be given)	Grant in aid expected from GoI	Grant in aid expected from State Govt.
	(1)	(2)	(3)	(4)	(5)	(6)
1.	Land and building					
(a)	Year 1					
(b)	Year 2					
(c)	Year 3					
(d)	Total					
2.	Plant and machinery					
(a)	Year 1					
(b)	Year 2					
(c)	Year 3					
(d)	Total					
3.	Working capital for year 1					
4.	Pre-operative expenses for					

Sr. No.	Elements of CFC	Investments required	Beneficiary /SPV contribution	Loans form bank, etc. (name of bank to be given)	Grant in aid expected from GoI	Grant in aid expected from State Govt.
	(1)	(2)	(3)	(4)	(5)	(6)
	year 1					
5.	Projected losses before viability					
6.	Total					

5. Broad parameters of financial viability of CFC and likely year of its becoming financially viable

(Rs. lakh)

Working expenses**		Revenues**	
1. Salaries		1. Revenue stream 1 (specify)	
2. Consumables		2. Revenue stream 2 (specify)	
3. Depreciation		3.	
4. Others (specify)		4.	
5. Total		5. Total	

**** Note: Please give year-wise projections, till attainment of viability.**

6. Likely benefits to cluster/member firms (how many firms?):

7. Is there any such similar facility available in the cluster? If yes, provide brief details of the same and justify the need for the proposed CFC

8. How the CFC fits in to common long term vision of the growth of the cluster?

9. Will an SPV be formed / has already formed for the CFC? If proposed, give likely date:

10. What will be the monitoring mechanism for reporting progress of work?

Format of Detailed Proposal for CFC

1. The basic details to be furnished for the proposed CFC would be as under:
 - (i) Name and location of the cluster:
 - (ii) Nature of activity and products; number and size (also in terms of installed capacity) of units and number of units:
 - (iii) Scale of investment (also in terms of net fixed and important current assets):
 - (iv) Information on value of output in the last 5 years (different enterprise segment-wise), including export output:
 - (v) Projected economies of scale and growth potential, expected performance of the cluster after proposed intervention (in terms of production for domestic and export markets in volumetric and nominal financial terms-export/domestic sales and direct/indirect employment, etc.):
 - (vi) Diagnostic study/comparative advantage benchmark survey (main findings); information on nature of critical gaps identified (such as poor storage facility, poor testing and quality control facilities-item-wise cost estimates):
 - (vii) Elaboration on gaps, if any, to be filled through assistance from schemes of other Ministries (e.g., technology up-gradation under TUFSS, MoFPI schemes):
 - (viii) Implementation schedule; structuring of the SPV, such as copy of certificate of incorporation, articles of association and letter of agreement with stakeholders:
 - (ix) Revenue generation mechanism for sustainability of assets (service/user charges to be levied, any other-to be specified):
 - (x) Project implementation schedule and completion period:
 - (xi) Monitorable targets in terms of year-wise number of beneficiary units, increase in employment, increase in production, domestic sales, exports, others (specify):
 - (xii) Sustainability of SPV and project highlights-total cost of project, contribution from cluster enterprises/stakeholders, average contribution by individual enterprises, grant in aid under SICDP, term loans, debt-equity ratio in this context, repayment schedule and estimated debt service coverage ratio (DSCR) (where debt finance is availed of), annual estimated income, expenditure, gross and net profit at expected/optimal levels of operations, break even (BE)/internal rate of return (IRR) calculations, payback period, etc.:
 - (xiii) An in-principle letter of sanction from a bank (for debt finance, where applicable) is required to be submitted:
 - (xiv) Previous track record of co-operative initiatives pursued by SPV members need to be highlighted with support documentation.
 - (xv) Benchmarking impact of CFC with regard to international competition (one section of the proposal should be devoted to highlight the impact of the project on beneficiary enterprises vis-à-vis exports/global competition, particularly with regard to tradables (any product that may be conventionally exported or imported):

- (xvi) CFC may be utilised by SPV members as also others in a cluster. However, evidence should be furnished with regard to SPV member ability to utilise at least 60 per cent of installed capacity.

2. Summary highlights and financial sustainability need to be presented in the following format:

Sr. No	Project elements	Total cost	Contribution by industry stakeholders (SPV members)	Grant-in-aid under SICDP	Term loan/debt equity ratio for bank loan & repayment schedule	Annual expected income/expenditure /gross profit at optimal level of operation	Utilisation of installed capacity & BE	IRR & pay back period	Employment
(1)	(2)	(3)	(4)	(5)	(6)	(7)		(9)	(10)
1.	Land & building								
2.	Machinery & equipment								
3.	Working capital (details)								
4.	Pre-operative costs (details)								
5.	Losses projected, if any, before viability of project is achieved								
6.	Total								

3. Financial appraisal tools that will be employed and considered would be as under:

- (i) **Return on Capital Employed (ROCE):** The total return generated by the project over its entire projected life will be averaged to find out the average yearly return. The simple acceptance rule for the investment is that the return should (incorporating benefit of grant-in-aid assistance) be sufficiently larger than the capital employed. Return in excess of 25% is desirable.

(ii) **Debt Service Coverage Ratio (DSCR):** *The formula is [net profit + interest (on long term loan) + depreciation] / interest (on long term loan) + principal loan. Acceptance rule will be cumulative DSCR of 3:1 during repayment period.*

(iii) **Break-Even (BE) Analysis:** Break-even, viz., (fixed costs of operation / sales realisation (user charges) - variable costs of operation) should be below 60 per cent of installed capacity.

(iv) **Sensitivity Analysis:** Sensitivity analysis will be pursued in terms of a 5-10 per cent drop in user charges or fall in capacity utilisation by 10-20 per cent.

(v) **Net Present Value (NPV):** Net Present Value of the project needs to be positive and the Internal Rate of return (IRR) should be above 10 per cent. The rate of discount to be adopted for estimation of NPV will be 10 per cent. The project life may be considered to be a maximum of 10 years. The life of the project to be considered for this purpose needs to be supported by recommendation of a technical expert/institution.

Small Industry Cluster Development Programme – clusters having substantial Muslim participation.

The Ministry of Small Scale Industries (SSI), Government of India (GoI) has laid special emphasis for development of clusters and launched a scheme known as Technology Upgradation and Management Programme called UPTECH in 1998. Although it was having cluster approach for development of the cluster but was mainly technology focused comprising of diagnostic study, setting-up of a demonstration plant and organizing workshops, seminars, etc. for quicker diffusion of technology across the cluster of small enterprises. Later, in August 2003, the scheme was renamed as Small Industry Cluster Development Programme (SICDP) and made broad based by adopting holistic pattern of development of the cluster encompassing marketing, exports, skill development, setting up of Common Facility Centre (CFC) etc., including technology upgradation of the enterprises.

2. Keeping in view the need for providing stimulating environment for innovative and competitive micro & small enterprises, the SICDP guidelines were revised in March, 2006 making the cluster programme more broad based by facilitating substantial economics of scale in terms of deployment of available resources in medium to long run. Before March, 2006, the Cluster Development Programme (CDP) implemented by the Ministry under SICDP consisted of interventions which were mainly soft in nature encompassing activities like general awareness and trust building, counseling, training and capacity building, exposure visits, credit facilitation and market development etc. The hard component on the other hand is directed towards assisting technology improvements, quality standardization and testing mainly in the form of CFC equipped with a variety of hardware facilities which individual cluster units can not afford but are necessary for technological upgradation, ensuring quality standards. After the guidelines were revised in March'06, we have adopted a holistic approach in which both hard and soft interventions are undertaken as a comprehensive package for the overall development of cluster and optimum utilization of resources.

3. 83 clusters have been taken up for development till 2005-06. During current financial year till December, 2006, two proposals of setting up CFCs have approved. In addition the diagnostic study of 104 clusters have been taken up to identify the area of interventions required in these clusters. Under SICDP, clusters with sizeable presence of women entrepreneurs, entrepreneurs belonging to disadvantaged sections of the society like the SC, ST, OBC, minorities etc. are given preference during selection of clusters under SICDP for intervention.

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4. The following clusters have substantial %age of Muslim Community in the clusters assisted by Ministry of Small Scale Industries under SICDP

1. Readymade Garment Cluster, Rayadurg (Andhra Pradesh).
2. Joinery/ Furniture Industry Cluster, Srinagar (J&K).
3. Cricket Bat Manufacturing Cluster, Anantnag (J&K).
4. Aluva Plastic Consortium, Ernakulam (Kerala).
5. Perumbavoor Plywood Consortium, Perumbavoor (Kerala).
6. Rubber Cluster, Manjeri, Malappuram (Kerala).
7. Garment Cluster, Malappuram (Kerala).
8. General Engineering Cluster, Malappuram (Kerala).
9. Wood Cluster, Malappuram (Kerala).
10. General Engineering Cluster, Kozhikode (Kerala).
11. Food Processing Cluster, Kozhikode (Kerala).
12. Brass and Bell Metal Industry Cluster, Hajo (Assam).
13. Cotton Hosiery Industry Cluster, Kanpur (UP).
14. Lock Industry Cluster, Aligarh (UP).
15. Pottery Industry Cluster, Khurja (UP).

SHORT CLARIFICATORY NOTE FACILITATING SUBMISSION OF PROPOSALS
UNDER MSE CLUSTER DEVELOPMENT PROGRAMME (MSE-CDP)

I) Definition of a Cluster:

For the purposes of MSECDP, a cluster may be 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:

- (a) Commonality in the methods of production, quality control and testing, energy conservation, pollution control, etc.;
- (b) Same level of technology and marketing strategies/practices;
- (c) Presence of active channel for communication among the members of the cluster; and
- (d) Common challenges and opportunities.

Quite often, we receive Proposals/ Diagnostic Reports which mention the total number of artisan units in the cluster in the range of 3000-4000. While, this could really be the total number of members in that cluster, the numbers which really matter for cluster based interventions are smaller numbers that are located in a compact lot (in the identified area) so that our cluster becomes a pilot within the overall locality. Questions are often asked regarding the minimum economic size of a cluster for making Soft interventions in a cluster and if this is not clear, the Diagnostic Study and the subsequent Soft Interventions will be wrongly planned. While 100 members could ideally be the minimum number per cluster, depending on the density of population and other factors, even 200-300 could be a good target group for undertaking Diagnostic Study and the subsequent Soft Interventions in a cluster. However, in difficult and backward regions the target numbers could come down to 50 or less but it should not be too small as a lot of Government expenditure is made per cluster.

II) Selection of Clusters :

We have certain practical principles/ criteria in the selection of clusters (even though the first step is only a Diagnostic Study) for which we require the following information for each proposed cluster, viz:

- (a) The exact name of the village, mohalla or taluk or tehsil of the proposed cluster — so that each cluster has a distinctive local name;
- (b) The distance of the cluster from the nearest office of the implementing agency, in kilometers and the time required to reach the cluster (in hours) — remembering that whenever the cluster is more than 1 ½ hours (or maximum of two hours), the supervision by the CDE is bound to be poor and less intensive.

III) Intervention Officials:

(a) Cluster Development Executive (CDE)

An officer of the local DIC/ Development Institutes i.e. DIs (formerly known as SISI), may be selected as the CDE. If no such official can be found, an NGO or any other suitable organization / person may be identified to become the CDE, if he fulfills other conditions of distance and experience. CDEs must necessarily be trained in Cluster development either before taking up his job or within six months.

(b) MENTOR

Though it is not necessary, it would be good if a competent senior person (even a retired officer) could be chosen as Mentor for some specific clusters that are being proposed for intervention. NIMSME, Hyderabad and Entrepreneurship Development Institute of India (EDII), Ahmedabad are supervising and guiding the work of many clusters located hundreds of miles away from their Institutes. Their role is what we can term as “Mentors”. If a cluster is located far away from a DIC or DI, the best arrangement would be to select a locally available official or an NGO/person to act as CDE, while the DIC or DI or an Institute could always act as the “Mentor” – as his involvement is not on a day to day basis.

(c) MD/CEO of SPV

Before a Common Facility Centre (CFC) of a cluster comes up the beneficiaries and users need to come together to form a registered body, i.e. an Special Purpose

Vehicle (SPV) - which could very well be a Registered Society, Cooperative Society, Trust or Company. Without such a definite body, Government of India would be unable to transmit funds. The MD or CEO of the SPV is a full-time official employed by the SPV and he is to be the overall charge of the Hard Interventions and Infrastructure Development of the Cluster. It is clarified that both the CDEs MD/CEOs of SPVs can work simultaneously, both in cooperation with each other to deliver the Soft and Hard interventions. But on the whole, it is better for the CDE to withdraw after an SPV is formed, so that the MD/CEO of the SPV also becomes responsible for the ongoing Soft interventions.

(d) LOCAL ORGANISER

Emphasis should also be given on the critical role of another interventionist who is to physically operate in the grass-roots level in the cluster— whom we may call the Network Development Agent (NDA) or Local Organizer (LO). Such a person should normally be selected carefully from within the cluster, to act as a local link between the CDE and the cluster. After all, if the CDE is a government official (as in most cases), he cannot spare more than one or two days per week for cluster intervention, whereas the NDA/LO can negotiate and network with the units in the cluster almost all the time. His skill should lie in being able to explain the objectives and task of cluster development in the local language to the local units, so that they cooperate more among themselves, as also with the CDE.

Please Note

It is not necessary that all the levels of interventionists, the Mentor, the CDE, the SPV and the NDA should be present in all the clusters all the time, or be present right from the beginning. The CDE is essential from the start as no cluster development can move without him, while others can develop or emerge at subsequent stages.

IV) Diagnostic Study

The Cluster Development Programme (CDP) envisages a Diagnostic Study to be made for each identified Cluster to identify appropriate interventions and technologies as well as their providers and phases. The Diagnostic Study should keep in mind that Cluster Development aims at enhanced competitiveness, technology improvement, adoption of best manufacturing practices, marketing of products, employment generation etc.

Normally, when a Cluster is taken up for development by the Central Government (i.e. Development Institutes formerly known as SISIs) a provision of Rs. 50,000 is made for each such study — as our DIs have many in-house resources and their expenditure is borne from our funds. When the State Government or any agency proposes that a Cluster be taken up for intervention/ Diagnostic Study, a maximum of Rs. 2.5 lakh is permissible per Report. But it should be ensure that the Institute or Organisation which is to carry out this study has adequate experience, wherewithal and a ground level/technical knowledge of the Cluster, its products, its process and its problems. It is also felt that the National Level Institutes supported by the MSME Ministry like Nimsme at Hyderabad National Institute for Small Business Development (NISBUD)at Delhi, Indian Institute of Entrepreneurship (IIE) at Guwahati, Entrepreneurship Development Institute (EDI), Ahmedabad and other EDIs are competent to carry out these studies.

A check list of the six points are under preparation, which would clarify what exactly is required through a Diagnostic Study. Part of this is, of course, obvious: i.e. a definite action plan with timelines, schedules, costings, cost benefits, cost sharing and deliverables. Unless these are spelt out and Annual Action Plans drawn up, there is no meaning in having vague suggestions emanating from a Diagnostic Study. It is essential to have a study conducted by a technical expert who is well conversant with the trade/product of cluster without this suggestions carry little meaning. It has been observed, that many diagnostic study reports do not come out with definitive action plans – though it is a different matter whether all of them are accepted or not. It has also been observed that critical activities like environmental impact assessment (EIAs) are absolutely mandatory for certain products find no mention in the DSRs.

After the Diagnostic Study and Action Plan is presented, the national level Steering Committee has to decide whether to go ahead with other interventions in the Cluster namely Soft, Hard and Infrastructure.

V) Soft Interventions

In the past, assistance available for Soft interventions has varied in the range of Rs.25 – 35 lakh per Cluster depending upon the type. Currently we have an internal ceiling of Rs.10 lakh for Soft intervention under this Scheme, which we are trying to bring upwards. Clusters of women's enterprises are entitled up to 90% assistance for Soft interventions, while other Clusters may receive lesser percentages, depending on case to case.

While reviewing the progress of cluster development, it has been observed that in many of the cases, CDEs have restricted their activities to only Soft interventions for 2-3 years and thereafter closed the programme without ensuring the formation of democratic successor body in the form of an SPV, or at least an users association that could thereafter move for a proper Hard intervention or a Common Facility Centre. The attitude appears to be of carrying out a governmental programme in the name of Soft intervention, whereas the spirit of cluster development is democratic participation and organisation formation. While in the initial phase, cluster based interventions starts with Diagnostic Studies followed by Soft Interventions, the long term objective is to undertake Hard Interventions in form of setting up of common facility in the cluster, wherever feasible. Accordingly, one of the objectives of Soft Interventions should be to make cluster stakeholders realise the importance of common cluster based approach as an important strategy for making them globally competitive. It is our experience that this level of maturity in a cluster is achieved mainly when there is some kind of Hard intervention by the time Soft interventions are either over or under progress.

VI) Hard Interventions

These involve the creation of tangible “assets” like

- i. Setting up of Common Facility Centre (CFCs),
- ii. Mini Tool Rooms,
- iii. Design Centres,
- iv. Testing Facilities,
- v. Training Centre,
- vi. R&D Centres,
- vii. Common Raw Material Bank/Sales depot, etc.

There can also be other tangible assets that could be set up by the Clusters, as long as they are put to common use.

As mentioned, for Hard Interventions, it is necessary to form an Special Purpose Vehicle (SPV) prior to setting up of and running the proposed Common Facility Centre. When an SPV proposes Hard intervention, the Government of India commitments run into several lakh and often crosses crore of rupees. While the average range of Expenditure for Hard interventions under MSE-CDP so far is somewhere between Rs. 50 lakh to Rs. 260 lakh, the average expenditure comes out to approx. Rs.200 lakh. It is quite obvious that such a large amount should not be used for small groups of

beneficiaries and prior estimates should be made regarding the cost per beneficiary while submitting proposals for Hard interventions.

VII) Composition of SPV

While under the MSE-CDP guidelines, a minimum of 20 members is required to form an SPV, we normally insist on 50 active members to join the proposed SPV so as to diffuse and enlarge the benefits of the Common Facility Centre. The SPV could be constituted in the form of a Registered or a Co-operative Society, a Trust or even in the form of a Company. We have been surprised to note that even in the most backward region, MSME-DI and other agencies are insisting on formation of 'Companies', whereas a Registered Cooperative Societies could very well have been set-up to act as SPV.

In addition to the contributing members of the SPV, the organisers should obtain written commitments from as many 'users' of the proposed facility so that its benefits can be further enlarged. The SPV should have a democratic constitution with an inbuilt scope for increasing the membership in future. This will ensure that a 'coterie' does not run a government aided programme and the benefits of the scheme reaches out to the maximum number of entrepreneurs.

VIII) Assistance for Hard Interventions :

The Common Facility Centre that is set up by the SPV as a Hard intervention is entitled to the different levels of assistance (as a proportion of the total project cost) from the MSME Ministry i.e.

- | | | |
|-------|--------------------------------------|-----------|
| (i) | Quasi Commercial (QC) | up to 30% |
| (ii) | Quasi Developmental (QD) | up to 50% |
| (iii) | Developmental (DL) | up to 70% |
| (iv) | Clusters of Micro Enterprises (ME) | up to 80% |
| (v) | Clusters of Women's Enterprises (WE) | up to 90% |

This covers the cost of machinery, plant, equipment, laboratory, other tangible assets, pre-operative/ preliminary expenses, etc. The balance of the project cost, including the entire cost of land and building, would have to be contributed by the SPV or by the State government or the Local government or by some other agency.

IX) Infrastructure Assistance

This Ministry implemented the IID Scheme to provide developed sites with infrastructural facilities like power distribution network, water, telecommunications, drainage and pollution control facilities, roads, exhibition/display centres, raw materials, storage and marketing outlets, common service facilities and technological back-up services, etc. This scheme has been subsumed in the MSME-Cluster Development Programme. All the features of IID Scheme have been retained.

To create physical infrastructure in Clusters central grant upto 40% of the Project Cost, subject to a maximum of Rs.2 crore, is available. The Ministry of MSME is making efforts to enhance the quantum of grant.

Only one element of Infrastructure Assistance i.e. Display or Exhibition Centres (which could consist of show-rooms with attached stores) are entitled to a higher level of assistance in so far as Women's Clusters are concerned, i.e. 90%. This Display/Exhibition Centre could be built by the SPV of Women's Clusters within the Cluster, or near the Cluster, or even in adjoining markets of towns — as long as they exhibit and market the products manufactured by the Women's Clusters.

New Delhi 3rd April 2008

(Jawhar Sircar)
Additional Secretary & Development Commissioner (MSME)

List of Check Lists under MSE-CDP

- 1. Check List for submitting the proposal for diagnostic study**
- 2. Check List for soft interventions**
- 3. Check List for hard interventions**

1. Check List for submitting the proposal for Diagnostic Study

Summary Details of the Proposed Cluster

1. **Location** : (State, city/town/village),

2. Presence of the industrial Association/ Consortium, name of the contact person in the cluster along with his address, telephone no., fax, e-mail address, mobile, etc. :

3. **Name of Product or Products**

4. **Cluster's Age** Whether it is a historic entity or has come up recently

5. **Nature of the Cluster:**

(a) Total No. of micro and small enterprises (b) No. of enterprises of each category (i) micro, (ii) small, (iii) women-owned, (iv) owned by SC, (v) owned by ST, (vi) owned by minorities (c) Total turnover of the cluster including exports (d) Average yearly income of men/ women of workers/ unit owner (e) pollution angle, if any

6. **Major Cluster Problems:** [Preliminary perception – Give 5 or 6 short paras]

7. **Key Intervention expected under Proposed Cluster Development** : Technology Improvement / Product Quality / Marketing / Export / Quality/ Design, etc.

8. **Extent of Competition:** With large domestic firms or other similar clusters in India or abroad [Give 3 or 4 short paras]

9. Who will conduct Diagnostic Study along with the credentials of the Organisation /Institute past experience [attach 1 to 5 pages]

10. Why/ How chosen for study [If already selected]

11. Selection procedure followed [If already selected]

12. **Financial Requirement from GoI** (Max 90% of the cost of study subject to Rs.2.25 lakh)

2. Check list of the Soft Interventions

1. Who will conduct Diagnostic Study along with the credentials of the Organisation /Institute past experience [attach 1 to 5 pages]
2. Whether gap/need related to technology, quality, energy consumption pattern, pollution emission, process modification, marketing, exports, skill development, etc., for activities proposed under “soft intervention*” has clearly been worked out in diagnostic study report.
3. Whether cluster beneficiaries have made formal request for such activities. If yes, whether they have given consent to participate in the programme and make contribution. If not, who has made the request for soft intervention.
4. Expected output of such programme may be mentioned. Number of persons likely to be trained, number of persons likely to participate in the study visit, market development etc.
2. Whether expected outcome from such programme has been worked out in terms of :

Sl. No.	Particulars	No. of MSEs benefited	Before interventions	After interventions
i.	Total sales			
ii.	Exports			
iii.	Investments			
iv.	Profitability			
v.	Employment generation			
vi.	ISO& other Certification			
Vii.	Any other			

3. The firm action plan prepared for the 1st year of interventions alongwith the activities likely to be taken up during the 2nd and 3rd year of interventions

Sl. No.	Name of activities	No.	Amount needed	Sources of fund	Estimated output	Estimated outcome

** The activities under soft interventions are intangible in nature and comprise of diagnostic studies, general awareness and trust building, counselling, training, capacity building, skill development, technical training, exposure visits, credit facilitation, market development(including exports) that may need calling for or hiring the services of experts in all the above areas and in turn involve energy audit (energy conservation), process audit(process modification), mass audit (waste minimisation), environmental audit(pollution control) , etc. The process of trust building should go simultaneously during conducting of diagnostic which will manifest as to how much eagerness cluster beneficiaries have shown to participate in the programme (written request), to form consortium, to establish web-site for dissemination of information regarding the cluster, etc.*

3. Check List for Hard interventions

1. How has the need for CFC been established [in the Diagnostic Study Report or later] ? [Explain in 2 – 3 paras]
2. What is (or are) proposed as “Common Facilities”? Give benefits of each in 2-3 sentence.
3. From where these facilities are being availed at present? In absence of these facilities what problems are the MSEs facing?
4. Is there any other such facility established by Govt./NGO in the Cluster or nearby to cater the need?
5. Is the above facility being fully utilised? If no, what are the reasons?
6. Whether any preliminary application has been submitted earlier to office DC(MSME) seeking in-principle interest, and comments on ways to ensure positive outcome of the proposal. The format for preliminary application is provided in **Annex V** of the MSE-CDP guidelines.
7. How many MSEs have confirmed that they are going to join the SPV?
8. Has SPV been constituted? Whether the members of the SPV have agreed to give their contribution.(formal letter of agreeing for contribution, certificate of incorporation, articles of association etc.).
9. Nature of SPV (open or close ended) - Whether enrolment of cluster members will open at any time in future and to that extent provision has been made in the capital structure of SPV (paid up capital should not be more than 30% of the authorised capital).
10. How many other MSEs wish to avail the common facility as “users”, without joining SPV?
11. Has the suitable plant and machinery been identified, their specification and quotation invited for the purpose of DPR?
12. Name of the Agency who has prepared the DPR for the proposed CFC? An illustrative guidelines for preparation of DPR is placed at **Annex I** ..
13. Whether the proposed CFC has been categorised as per the guidelines of MSE-CDP with full justification.
14. Whether “in-principle” approval bank has been obtained, in case loan is being availed of.
15. Whether the proposal has been forwarded through the State Govt. along with confirmation for their contribution as envisaged in the DPR.

16. Name of Government Agency to whom fund will be released (letter from state government).

17. Name of committees for implementing the project, including the 'purchase committee'.

18. Management Information System (MIS) for reporting/monitoring progress of work.

19. Additional information required for proposal for CFC with project cost more than Rs 1 crore :

(i) Has DPR been prepared for the proposed CFC? , incorporating all the data on actual basis/lowest quotation basis and financial analysis done to establish viability of the CFC?

(ii) Has the capacity of plant and machinery been established on the basis of demand in the cluster? Evidence that CFC will be utilized at least 60% of their capacity.

(iii) Whether viability-gap funding has been worked out for availing GoI assistance on the basis of following:

a. Types of plant and machinery absolutely needed for the CFC.

b. The capacity of plant and machinery and their number on the basis of total demand of the services from the CFC.

(iv) Whether the "user charge" has been determined on the basis of the following:

a. Will it generate sufficient revenue to meet all its cost of production?

b. Has Depreciation been calculated on written down value?

[NPV of the total depreciations during the usable life of plant and machinery should be equal to cost of plant and machinery]

c. There will be differential user charges: one for members of SPV and other for non members . The user charges for the members may be fixed in a manner that they are suitably compensated towards the contribution made by them.

(iv) Whether the CFC proposal comply with financial norms of appraisal, i.e. internal rate of return, break-even point analysis, debt service coverage ratio, sensitivity analysis, etc, using basic templates, such as projected profit & loss account, and projected balance sheet for the proposed CFC.

ELEMENTS OF DETAILED PROJECT REPORT**(1) Plant and machinery**

(a) List of Plant and Machinery

Sr. No.	Particulars of plant and machinery	No.	Power requirement (HP/KW)	F.O.R. Price (Rs)	Name of proposed suppliers	Delivery Schedule (month-wise)
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Note: Add central sales tax/VAT, packing and forwarding charges, transit insurance, and freight charges to costs

(b) Capacity of plant and machinery on single shift basis

(c) Production pattern

(2) Annual requirement of raw materials and consumables at 100% capacity utilisation

Sr. No.	Particulars of raw material	Quantity required at full capacity	Unit price (Rs.)	Total value (Rs.)
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(3) Utilities and services at full capacity utilization

(a) Power for industrial purpose

Sr. No.	Particulars of the machinery	KW	No. of working hrs. per month	KW/month	Rs./KWH	Total
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(b) Power requirement for domestic purpose

(c) Water

(d) Gas/Oil

(4) Plant location, site and details of civil construction

Sr. No.	Particulars	Rate	Cost
(i)	Cost of land		
(ii)	Development cost of land		
(iii)	Cost of compound wall(Rs./sq. ft)		
(iv)	Cost of fabricated gates & grills		
(v)	Cost of shed(Rs./sq. ft)		
(vi)	Cost of laboratory having RCC roofing(Rs./sq. ft)		
(vii)	Other RCC construction(Rs./sq. ft)		
(ix)	Water tank		

Sr. No.	Particulars	Rate	Cost
(x)	Overhead water tank		

(5) Organisational set up and man power requirement

Sr. No.	Category	No. of persons	Salary per month(Rs)	Total salary(PM)
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Note: Add 25% towards fringe benefits and 5% annual increment

(6) Project cost

Sr. No.	Particulars of cost	Amount (Rs.)
(i)	Land & site development	
(ii)	Factory building	
(iii)	Plant and machinery(cost of plant and machinery, 10% installation, electrification and commissioning)	
(iv)	Misc. fixed assets (fixture, furniture, fire fighting equipment, first aid equipment, back up power supply, etc.)	
(v)	Preliminary expenses (diagnostic study, DPR, legal & administrative expenses, telephone, stationery, etc.)	
(vi)	Pre-operative expenses (establishment, travel, interest on borrowings, committed charges during construction period, start up expenses, etc.)	
(vii)	Provision for contingencies(2% building and 5% on plant and machinery)	
(viii)	Margin money for working capital	
Total		

(7) Means of finance

Sr. .No.	Agency	Amount(Rs. lakh)	% of the project cost
1.	SPV		
2.	GoS		
3.	Gol		
4.	Bank Borrowings		
5.	Others		

(8) Working capital and margin money calculation (on the basis of actual capacity utilisation year wise)

Sr.	Particulars	No. of	Margin	1st year	2 nd Year	3 rd year
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No.		months		(as per capacity utilisation)	(as per capacity utilisation)	(as per capacity utilisation)
1.	Raw material and consumables					
2.	Utilities	1				
3	Working expenses (salary of manpower)	1				
4.	Works in process (cost of raw material, utility and salary on actuals)					
5.	Stock of finished goods (cost of raw material, utility, salary, factory overheads on actuals)					
6.	Bills receivables (Sales value)					

(9) Cost of production (projection could be for a maximum of 10 years of project life)

- (i) Raw materials and consumables
- (ii) Utilities
- (iii) Wages and salary
- (iv) Repairs and maintenance
- (v) Insurance
- (vi) Administrative and factory overheads
- (vii) Selling expenses

(10) Estimation of profitability (projection for the project life)

- (i) Installed capacity
- (ii) Number of working days (single shift basis)
- (iii) Capacity utilization
- (iv) Production (in single unit)
- (v) Sales realisation
- (vi) Cost of production
- (vii) Gross profit [(v)-(vi)]
- (viii) Financial expenses
- (a) Interest on bank borrowing
- (ix) Depreciation on written down value method (as per separate schedule to be attached for different categories of fixed assets)
- (x) Preparatory expenses not written off
- (xi) Operating profit [(vii) – {(viii) + (ix) + (x)}]
- (xii) Tax vide separate schedule
- (xiii) Profit after tax [(xi) – (xii)]

(xiv) Available surplus [(xiii) + (ix)]

(11) Cash flow statement (projection for the project life)

(A) Sources of fund:

- (a) Gross profit less depreciation
- (b) Term loan
- (c) Subsidy/Grant
- (d) Promoter's contribution
- (e) Increase in bank borrowings
- (f) Depreciation

(B) Disposal of funds:

- (a) Preliminary & pre-operative expenses
- (b) Capital expenditure
- (c) Increase in working capital
- (d) Interest on term loan
- (e) Interest on bank borrowings
- (f) Decrease in term loan
- (g) Taxes

(C) Opening balance of cash in hand or at bank [sum total of {(A)-(B)}]

(D) Net surplus/Deficit

(E) Closing balance of cash in hand or at bank

(12) Debt Service coverage ratio (projection for the project life)

(i) Available surplus as per the table at Sr. No. 10(xiv)

(ii) Interest on term loan

(iii) Term loan installment

Debt Service Coverage Ratio (DSCR) = [Available surplus + interest on term loan] / [Term loan installment + interest on term loan]

(13) Balance sheet & P/L account (projection for 10 years)

(14) Break even point = Fixed cost / Contribution (= Sales-Variable cost)

LIST OF CLUSTERS TAKEN FOR DEVELOPMENT UNDER MSE-CDP

Sl.No.	State	Name of the cluster	Year	District	Implementing Agency (IA)	Nature of Intervention S (Soft)/ H(Hard)
1	Andhra Pradesh (27)	Fruits processing Industry Cluster,	1998-99	Chittoor	APTICO, Hyderabad	S
2		Bulk Drug and formulation Industry Cluster, Medak	1998-99	Medak	Indian Institute of Chemical Technology, Hyderabad	S
3		Bulk Drug and formulation Industry Cluster, Hyderabad	1998-99	Hyderabad	Indian Institute of Chemical Technology, Hyderabad	S
4		Foundry Industry Cluster, Hyderabad	1999-2000	Hyderabad	Institute of Indian Foundrymen, (IIF), Hyderabad Chapter	S
5		Mango Jelly Industry Cluster, Bhimali	2003-04 & 2006-07 (H)	Vijaynagram	APTICO, Hyderabad	S & H
6		Mango Jelly Industry Cluster, Kakinada	2003-04	East Godawari	APTICO, Hyderabad	S
7		Turmeric Processing Industry Cluster, Duggirala	2003-04	Guntur	APTICO, Hyderabad	S
8		Food Processing Industry Cluster, Vijayawada	2003-04	Krishna	APTICO, Hyderabad	S
9		Burnt Lime Industry Cluster, Piduguralla	2003-04 & 2006-07 (H)	Guntur	APTICO, Hyderabad	S & H
10		Plastic Products Industry Cluster, Adilabad	2003-04	Adilabad	CIPET, Hyderabad	S
11		Plastic Products Industry Cluster, Nalgonda	2003-04	Nalgonda	CIPET, Hyderabad	S
12		Precision Components and Machine Tools Industry Cluster, Balanagar	2003-04	Hyderabad	Andhra Pradesh Small Scale Industries Centre/Federation of AP Small Industries Assoc.	S
13		Crochet Lace Industry Cluster, Narsapur	2003-04	West Godawari	Nimsme, Hyderabad	S
14		Readymade Garments, Rayadurg	2003-04	Rayadurg	APTICO, Hyderabad	S
15		Imitation Jewellery Industry Cluster, Machilipatnam	2003-04 & 2006-07 (H)	Krishna	APTICO, Hyderabad	S & H

16		Electronics Products Industry Cluster, Kushiaguda	2003-04	Kushiaguda	NSIC, Hyderabad	S
17		Fan Industry Cluster, Hyderabad	2003-04	Hyderabad	MSME-DI, Hyderabad	S
18		Graphite Crucibles Industry Cluster, Rajahmundry	2003-04	East Godawari	APTICO, Hyderabad	S
19		Fibre Glass Reinforced Plastic Products	2006-07	(1) Kukatpally, Prasanthinagar, (1)Balanagar (M)/Ranga Reddy distt (2)Cherlapally /Ranga Reddy distt.	MSME-DI, Hyderabad	DS
20		Granite Processing Industry	2006-07	Ongole and Chimakurthi towns/Prakasham	Govt. of AP	DS
21		Lime Stone Processing Industry	2006-07	Tandur Mandal/Ranga Reddy		DS
22		Cashew nut Processing Industry	2006-07	Palasa town/Srikakulam		DS
23		Edible oil Industry	2006-07	Adoni town/ Kurnool		DS
24		Slate Manufacturing Industry	2006-07	Markapuram town/Prakasham		DS
25		Plastic Industry	2006-07	Cherlapally, Nacharam & Mallapur Industrial area/ Ranga Reddy		DS
26		Plastic Industry	2007-08	Hyderabad	Nimsme, Hyderabad	DS
27		Leather Products Cluster	2007-08	Hyderabad		DS
28	Arunachal Pradesh (2)	Tawang Carpet & Mask making cluster	2007-08	Tawang	IIE, Guwahati	DS
29		Dirang Food Processing cluster	2007-08	Dirang		DS
30	Assam (6)	Brass and Bell Metal Industry Cluster, Hajo	2003-04 & 2007-08 (H)	Kamrup	MSME-DI, Guwahati	S&H
31		Sital Pati	2007-08	Katakthal, (Distt:Hallakandi)/ Hailakandi		S
32		Knife Manufacturing	2007-08	Karanga, (Jorhat District)/Jorhat		S
33		Eri Spinning cluster	2007-08	Payranga, Kamrup	IIE, Guwahati	DS
34		Jute Craft cluster	2007-08	Bagulamari, Dhubri		DS
35		Handloom cluster	2007-08	Nalabari		DS

36	Bihar (7)	Gun Manufacturing Industry Cluster at Munger	2003-04	Munger	MSME-DI, Patna/ Indo-Danish Tool Room, Jamshedpur	S
37		Brass and Bronze Metal Utensils Industry Cluster, Pareo, Patna.	2003-04	Patna	MSME-DI, Patna/PPDC, Agra	S & H
38		Food Processing Industry Cluster, Muzaffarpur	2004-05	Muzaffarpur	MSME-DI, Muzaffarpur	S
39		Support Centre for Herbal & Aromatics Plants based on Mint, Patna (Bihar) (1999-00) – shifted from Badaun, UP	(1999-00) – shifted from Badaun, UP	Patna	FFDC, Kannauj	H
40		Leather Footwear	2006-07	Moh-Pachim Darwaja/ Noon Ka Chauraha, (Patna city)/ Patna city	MSME-DI, Patna	DS
41		GLS Lamp & Bulb	2006-07	Moh-Jhauganj, Maroofgang (Patna city)/ Patna city		DS
42		Makhana	2006-07	Located in four district (Darbhanga is the key center)/ Darbhanga	MSME-DI, Muzaffarpur	DS
43	Chattisgarh (2)	Steel Re-rolling Industry Cluster , Raipur	2004-05	Raipur	MSME-DI, Raipur	S
44		Rice Flakes	2007-08	Bhatapara, Raipur		S
45	Delhi (4)	Readymade Garments Industry Cluster, New Delhi	2003-04	New Delhi	MSME-DI, New Delhi	S
46		National Programme for Development of Indian Toy Industry	2000-01	New Delhi		S & H
47		Plastic Products	2006-07	Udyog Nagar/ Delhi		DS
48		Light Engg. Industries	2006-07	Sector-24, Faridabad/Faridabad .		DS
49	Goa (3)	Pharmaceutical Industry Cluster, Margao	2003-04	South Goa	MSME-DI, Goa	S
50		Cashew Nut Cluster	2007-08	Goa		DS
51		Jewellery Cluster	2007-08			DS
52	Gujarat (6)	The Trial Runs on Hydrogenation Process for Manufacturing of Speciality Oils & Solvents in Gujarat	1999-2000		FICCI, New Delhi	H

53		Rice Flakes Industry Cluster, Gondal, Ahmedabad	2003-04	Ahmedabad	MSME-DI, Ahmedabad	S
54		Diesel Pump and Engineering Industry Clusters, Rajkot	2003-04	Rajkot	EDII, Ahmedabad	S
55		Foundry Industry cluster, Ahmedabad	2005-06 (H) & 2007-08 (S)	Ahmedabad	GITCO, Ahmedabad/ MSME-DI, Ahmedabad	S & H
56		Dyes & Intermediates	2007-08	Indl. Areas of Odhav, Vatwa & Naroda. Ahmedabad	MSME-DI, Ahmedabad	DS
57		Bearing	2007-08	Surendranagar/ Wadhwan & Jintan , Udyognagar of Surendranagar		S
58	Haryana (3)	Rice Milling Industry Cluster, Karnal	2003-04	Karnal	MSME-DI, Karnal	S
59		Agricultural Implements Industry Cluster, Karnal	2004-05	Karnal		S
60		Auto Parts	2006-07	Gurgaon	NIESBUD	S
61	Himachal Pradesh (3)	General & Light Engineering Industry Cluster, Parwanoo	2004-05	Solan	MSME-DI, Solan	S
62		Corrugated Box	2007-08	Parwanoo, Baddi, Distt. Solan/Solan		DS
63		Furniture Cluster	2007-08	Rampur, Bushapur	Govt. of Himachal Pradesh	DS
64	Jammu & Kashmir (2)	Joinery/Furniture Industry Cluster, Srinagar	2003-04	Srinagar	Govt. of J & K	S
65		Cricket Bat Manufacturing Industry Cluster, Anantnag	2003-04	Anantnag	Govt. of J & K /PPDC Meerut	S & H
66	Jharkhand (3)	Auto Components Industry Cluster, Jamshedpur	2003-04	Jameshedpur	MSME-DI, Ranchi	S
67		Mini Cement Plant	2006-07	Ramgarh, Dist. Hazaribagh/ Hazaribagh		DS
68		Refractory products	2006-07	Chirkunda, Dist. Dhanbad/Dhanbad		DS
69	Karnataka (11)	National Programme for the Development of Indian Stone Industry Cluster focused in Karnataka	2001-02	Bangalore	UNIDO	S & H
70		National programme for development of Indian Machine Tool Industry, Bangalore, (Karnataka)	2001-02	Bangalore		S

71		Foundry Industry Cluster, Belgaum	2003-04	Belgaum	MSME-DI, Bangalore	S	
72		Readymade Garments, Bangalore	2004-05	Bangalore		S	
73		Granite cutting & polishing	2006-07	Bannerghatta Road, Hosur Road/Bangalore		DS	
74		Printing Press	2006-07	Chickpet, Chamrajpet/Bangalore		DS	
75		Automobile Components	2006-07	Peenya, HMT Industrial Estate/Bangalore		DS	
76		Kerala (37)	Automobile Components	2007-08	Gokul Industrial Estate/Hubli	MSME-DI, Hubli	S&H
77			Jaggery	2007-08	Belgaon/Hubli		DS
78			Food Processing Cluster	2007-08	Gulbarga		S&H
79			Lacquer and Wooden Toy Cluster	2007-08	Channapatnam	MSME-DI, Bangalore	DS
80			Tiles Industry cluster along west coast	1998-99	Thrissur	MSME-DI, Thrissur	S
81	Rubber Cluster Development Programme at Kottayam		2002-03	Kottayam	MSME-DI, Thrissur/Govtof Kerala	S & H	
82	Gold Ornaments Industry Cluster, Thrissur		2004-05	Thrissur	MSME-DI, Thrissur	S	
83	Rice Mill Cluster, Kalady		2005-06	Ernakulam	Kalady Rice Millers Consortium Pvt. Ltd. (Kerala)	H	
84	Plastic industries cluster, Perambavoor		2005-06	Ernakulam	Aluva Plastics Consortium Pvt. Ltd, Ernakulam	H	
85	Plywood Manufacturing Cluster, Perumbavoor		2005-06	Perumbavoor	Perambavoor Plywood Manufacturers Consortium Pvt. Ltd., Perambavoor	H	
86	Setting up of common facility centre for Clay processing and Testing, Thrissur		2006-07	Thrissur	KBIP	H	
87	Light Engineering		2006-07	Perinjanam Grama Panchayat/Thrissur	MSME-DI, Thrissur	DS	
88	Agricultural Implements		2006-07	Kulappully (Near Shoranur)/Shornaur		DS	

89		Synthetic Diamond	2006-07	Spread over Kaiparambu, Choondal, Tholur and Avannur Grams Panchayats/Thrissur		DS
90		Rice Milling	2006-07	Palakkad town (within radius of 25 km)/Palakkad		DS
91		Note Book	2006-07	Kunnamkulam Municipality area/Kunnamkulam		DS
92		Dies & Moulds	2006-07	Thrissur Corporation area and Avannur Grama Panchayat/Thrissur		DS
93		Food Processing	2006-07	Kollam	K-BIP	DS + Training
94		General Engineering	2006-07	Pathanamthitta		DS + Training
95		Food Processing	2006-07	Pathanamthitta		DS + Training
96		Garments	2006-07	Alappuzha		DS + Training
97		Food Processing	2006-07	Alappuzha		DS + Training
98		Food Processing	2006-07	Kottayam		DS + Training
99		Soft Toy	2006-07	Kottayam		DS + Training
100		General Engineering	2006-07	Ernakulam		DS + Training
101		Home Furnishing	2006-07	Ernakulam		DS + Training
102		Rubber	2006-07	Ernakulam		DS + Training
103		Garments	2006-07	Ernakulam		DS + Training
104		Agricultural Implements	2006-07	Palakkad		DS + Training
105		Rubber	2006-07	Malappuram		DS + Training
106		Garments	2006-07	Malappuram		DS + Training
107		General Engineering	2006-07	Malappuram	DS + Training	
108		Wood	2006-07	Malappuram	DS + Training	
109		General Engineering	2006-07	Kozhikode	DS + Training	
110		Food Processing	2006-07	Kozhikode	DS + Training	
111		Soft Wood	2006-07	Kannur	DS + Training	

112		General Engineering	2006-07	Kannur		DS + Training
113		CFC for Offset Printer Cluster	2007-08	Kozhikode		H
114		CFC for Wood working cluster	2007-08	Malappuram		H
115		CFC for Wood Furniture cluster	2007-08	Ernakulam		H
116		Tuna Fish Processing cluster	2007-08	Lakshadweep	MSME-DI, Thrissur	DS
117	Maharashtra (20)	Basic Drugs Industry Cluster, Thane, Navi Mumbai	2003-04	Thane	MSME-DI, Mumbai	S
118		Readymade Garments	2007-08	Itwari and Gandhibagh/ Tah	MSME-DI, Nagpur	S
119		Auto Components	2007-08	Waluj (Distt. Aurangabad)	MSME-DI, Mumbai	S
120		Herbal, Ayurvedic & Cosmetic products	2007-08	Vasal (Distt. Thane)		S
121		Toy Cluster Mumbai	2007-08	Mumbai	TAITMA, (through MSME-DI, Mumbai)	DS
122		Leather Goods & allied products	2007-08	Mumbai	Govt. of Maharashtra	DS
123		Mango Processing	2007-08	Ratnagiri		DS
124		Readymade Garments	2007-08	Mumbai		DS
125		Mango Processing	2007-08	Sindhudurg		DS
126		Kolhapuri Chappel	2007-08	Kolhapur		DS
127		Paint, Enamel & Varnish	2007-08	Thane		DS
128		Grapes Cluster	2007-08	Sangli		DS
129		Fly Ash based cluster	2007-08	Chandrapur		DS
130		Silver ornament Cluster	2007-08	Kolhapur		DS
131		Auto cluster	2007-08	Ahmednagar		DS
132		Textile cluster	2007-08	Kolhapur		DS

133		Textile cluster	2007-08	Sangli		DS
134		Raisin Making	2007-08	Nasik		DS
135		Rolling Mills	2007-08	Jalna		DS
136		Ganesh Idols	2007-08	Pen, Raigad		DS
137	Madhya Pradesh (4)	Pharmaceutical Industry Cluster, Indore	2003-04	Indore	MSME-DI, Indore	S
138		Readymade Garments Industry Cluster, Indore	2004-05	Indore		S
139		Rechargeable Torch	2007-08	Jawahar Marg, Siyaganj, Sanwer Road/ Indore		S
140		Namkeen and Other Snacks	2007-08	Rajwada, Chawani, Dhar Road/Jabalpur		S
141	Manipur (3)	Food Processing Industries	2007-08	Imphal City	MSME-DI, Imphal	S
142		Khangabok Kouna cluster	2007-08	Thoubal	IIE, Guwahati	DS
143		Greater Imphal Jewellery cluster	2007-08	Palace Compund, Imphal		DS
144	Mizoram (2)	Bairabi Bamboo cluster	2007-08	Bairabi, Kolasib	IIE, Guwahati	DS
145		Baktong Carpentry cluster	2007-08	Baktawng, Serchip		DS
146	Meghalaya (2)	Black Smithy	2007-08	Myllem	Br. MSME-DI, Shillong	S
147		Eri Silk cluster	2007-08	Nongpu Ri Bhoi	IIE, Guwahati	DS
148	Nagaland (2)	Cane and Bamboo Industry Cluster, Dimapur	2004-05	Dimapur	IIE, Guwahati	S
149		Food Processing Industries	2007-08	Dimapur City	Br. MSME-DI, Dimapur	DS
150	Orissa (18)	Herbal cluster based on Kewra, Ganjam	1999-2000	Ganjam	FFDC, Kannauj	H
151		Brass & Bell Metal Industry Cluster, Khurda	2004-05	Khurda	MSME-DI, Cuttack	S
152		Rice Mill Cluster including setting up of common facility centre at Bargarh	2006-07	Sambalpur	Govt. of Orissa	S&H
153		Engineering cluster, Cuttack	2005-06	Cuttack		DS
154		Spice	2007-08	Cuttack (within 15 kms radius)	MSME-DI, Cuttack	S
155		Cashew	2006-07	Gajapati	CSREM	DS
156		Cashew	2006-07	Palasa (Srikakulam)		DS

157		Sabai Grass	2006-07	Baripada		DS
158		Turmeric	2006-07	Phulbani		DS
159		Siali Leaf	2006-07	Phulbani		DS
160		Fly Ash	2006-07	Rayagada/ KBK		DS
161		Cottage Boi/ Rice Cluster	2006-07	KBK		DS
162		Pottery	2006-07	Gajapati		DS
163		Brass & Bell Metal	2006-07	Buditi (Srikakulam)		DS
164		Wooden toys and Handicrafts	2006-07	Kalahandi		DS
165		Stabilizer, UPS and Inverter Cluster	2007-08	Bhubaneswar	MSME-DI, Cuttack	DS
166		Plastic Cluster	2007-08	Balasore	Govt. of Orissa.	DS
167		CFC for Pharmaceutical Cluster	2007-08	Cuttack		H
168	Punjab (13)	The Forging Industry Cluster at Jalandhar	1998-99	Jalandhar	MSME-DI, Ludhiana	S & H
169		The Forging Industry Cluster at Ludhiana	1998-99	Ludhiana		S & H
170		National Programme for promoting Energy Efficiency in Hand Tool SSI sector, Jalandhar, (Punjab)	2002-03	Jalandhar	UNIDO	S & H
171		Sewing Machine & Parts Industry Cluster , Ludhiana	2003-04	Ludhiana	MSME-DI, Ludhiana	S
172		Auto Part Industry Clusters, Phagwara	2004-05	Kapurthala	EDII, Ahmedabad	S
173		Auto Part Industry Clusters, Jalandhar	2004-05	Jalandhar		S
174		Auto Part Industry Clusters, Ludhiana	2004-05	Jalandhar		S
175		Agricultural Implements Industry Cluster, Moga	2004-05	Moga	MSME-DI, Ludhiana	S
176		Fastners	2006-07	Focal Point,/ Ludhiana		DS
177		Electroplating	2006-07	Industrial Estate and Focal Point/Ludhiana		DS
178		Volves & Cocks	2006-07	Jalandhar		DS

179		Knitted outer wears	2007-08	Spread over the whole city/ Ludhiana		S	
180		Building Hardwares	2006-07	Local City/ Ludhiana		DS	
181	Rajasthan (21)	Cluster based on Neem, Jhalawar	1999-2000	Jhalawar	FFDC, Kannauj	S & H	
182		Cluster based on Vetiver, Dholpur	1999-2000	Dholpur		S & H	
183		National Programme for the Development of Indian Stone Industry Cluster focused in Rajasthan	2000-01	Kishangarh, Udaipur, Jaipur	UNIDO	S & H	
184		National Programme for promoting Energy Efficiency in Hand Tool SSI sector, Nagaur	2001-02	Nagaur	UNIDO	S & H	
185		Ball Bearing Industry Cluster, Jaipur	2004-05	Jaipur	MSME-DI, Jaipur	S	
186		Wires & Cables	2007-08	VKI Area/Jaipur		S	
187		C.I Castings	2006-07	VKI Area/Jaipur		DS	
188		Readymade Garments	2007-08	Sanganer, Mansarovar/ Jaipur		S	
189		Packaging Material	2007-08	22, Godam Area/ Jaipur		S	
190		Rolling Mills and Induction Furnace	2007-08	VKI Area/ Jaipur		DS	
191		Gem Cutting	2007-08	Ramganj Area/ Jaipur		S	
192		HDPE & PVC Pipes & Fitting	2006-07	Vishwakarma Industrial Area/ Jaipur		DS	
193		Kota Doria Saree Cluster	2007-08	Kaithun/ Kota		Govt. of Rajasthan	S
194		Dyeing & Printing Cluster	2007-08	Akola,/ Chittoragrh			S
195		Leather Juti Cluster	2007-08	Bhimali/ Jalore	S		
196		Leather Cluster	2007-08	Bansoor/ Alwar	S		
197		Murti kala Cluster	2007-08	Gola ka bas / Alwar	S		
198		Murti Kala Cluster	2007-08	Talware/ Banswara	S		
199		Hathkarga Cluster	2007-08	Dariba/ Churu	S		
200		Gota Loom Cluster	2007-08	Ajmer/ Ajmer	S		
201		Murti Kala Cluster	2007-08	Chittoli/ Jaipur	S		

202	Tamilnadu (36)	Auto Components Industry Cluster Development Programme, Chennai	2002-03	Chennai	UNIDO	S
203		Wet Grinder Industry Cluster, Coimbatore, Chennai	2003-04	Chennai	MSME-DI, Chennai	S&H
204		CFC for Starch and Sago Cluster at Salem and Namakkal	2006-07	Namakkal	Govt. of Tamilnadu	H
205		Engineering	2006-07	Ekkattuthangal Ambattur (Distt: Chennai)	MSME-DI, Chennai	DS
206		Plastics	2006-07	Guindy, Ekkattuthangal, Ambattur (Distt: Chennai)		DS
207		Printing	2006-07	Chennai	Govt. of Tamilnadu	DS
208		Readymade Garments	2006-07	Chennai		DS
209		Printing	2006-07	Sivakasi/ Virudunagar		DS
210		Mango Pulp	2006-07	Krishnagiri/ Krishnagiri		DS
211		Rice Mill	2006-07	Kancheepuram		DS
212		Rubber Products	2006-07	Madurai		DS
213		Rice Mill	2006-07	Cheyyar/ Tiruvannamalai		DS
214		Lime Based Industries	2006-07	Manur & Alankulam/ Tirunelveli		DS
215		Bricks (Fly Ash)	2006-07	Tirunelveli		DS
216		S.S. Utensils	2006-07	Kumbakonam/ Tanjore	DS	
217		Ceramic	2006-07	Vridhachalam/ Cuddalore	DS	
218		Pumps (KOPMA)	2006-07	Coimbatore	DS	
219		Agarbathi	2006-07	Vellore	DS	

220		Readymade Garments	2006-07	Erode		DS
221		Food Processing	2006-07	Theni		DS
222		Engg. Cluster	2007-08	Ranipet/Vellore		DS
223		Jewellery Cluster	2007-08	Karaikudi	SIDBI	DS
224		Ciment Pipes	2007-08	Chinadharapuram	Govt. of Tamilnadu	DS
225		Essential Oils	2007-08	Kothagiri, Ooty		DS
226		Wire Products	2007-08	Mathur & Pudukottai		DS
227		Fish Pickles and dry fish processing	2007-08	Tharanganpadi, Nagapattinam		DS
228		Rubber Products	2007-08	Nagercoil, Kanyakumari		DS
229		Rice Mills	2007-08	Paduvoyal & Pallathur, Sivagangai		DS
230		Rice Mills	2007-08	Alangulam, Tirunelveli		DS
231		CFC for Saftey Match Industries Cluster	2007-08	Gudiyatham		H
232		CFC for Saftey Match Industries Cluster	2007-08	Sattur		H
233		CFC for Saftey Match Industries Cluster	2007-08	Srivilliputhur		H
234		CFC for Saftey Match Industries Cluster	2007-08	Virdhunagar		H
235		CFC for Saftey Match Industries Cluster	2007-08	Kalugumalai		H
236		CFC for Saftey Match Industries Cluster	2007-08	Kovilpatti		H
237		Pharma Cluster	2007-08	Chennai	MSME-DI, Chennai	S
238	Tripura (2)	Bamboo Agarbatti Sticks	2006-07	Bagabasa, Block-Melagarh, Sub Div: Sonamura, West Tripura/Agartala	MSME-DI, Agratala	DS

239		Paper Bags	2006-07	Subhas Nagar, Agartala City, West Tripura/ Agartala		DS
240	Uttar Pradesh(114)	Pottery Industry Cluster , Khurja	1999-00	Bulandsahar	CGCRI, Khurja	S
241		The Neem and Perfumery Industry Cluster, Kannauj	1998-99	Kannauj	FFDC, Kannauj	S & H
242		National Programme for the Development of Indian Lock Industry Cluster focused in Aligarh, (Uttar Pradesh)	2001-02	Aligarh	UNIDO	S & H
243		Pottery Industry Cluster, Chunnar	2003-04	Mirzapur	MSME-DI, Allahabad	S
244		Low Cost Gas Fired Cupola for Grey Iron Foundry Industry Cluster, Agra	2003-04	Agra	PPDC, Agra	H
245		Cotton Hosiery Industry Cluster , Kanpur	2003-04	Kanpur	MSME-DI, Kanpur	S
246		White ware Industry Cluster, Khurja	2004-05	Bulandsahar	CGCRI, Khurja	S
247		Leather Footwear Industry Cluster, Agra	2004-05	Agra	MSME-DI, Agra	S
248		Plastic Industry cluster, Kanpur	2005-06	Kanpur	CIPET, Lucknow	S
249		Brass Utensils	2007-08	In heart of city Mirzapur/ Naini	MSME-DI, Allahabad	S
250		Amla (Food Product)	2007-08	Sandwa, Chandika, Mangrora, (Block of Distt. Pratapgarh (7 km from Distt. Hqrs.)/Pratapgarh		S
251		Soap & Detergents	2007-08	Panki Indl. Estate, Dada Nagar/ Kanpur	MSME-DI, Kanpur	S
252		Paint & Allied Products	2007-08	Fazalganj, Dada Nagar Indl.Estate/ Kanpur		S
253		Corrugated & Conversion Products	2007-08	Dada Nagar & Fazalganj Indl. Area/ Kanpur		S
254		Readymade Garments	2007-08	Bans Mandi, Chamanganj, Colonelganj/ Kanpur		S
255		Cold Storage	2007-08	South West of Kanpur Nagar and Kanpur Dehat on G T Road and surrounding area/ Kanpur		S

256	Glass Beads	2006-07	Purdilnagar, Hathrash/ Agra	MSME-DI, Agra	DS	
257	Steel Furniture	2006-07	Lucknow	Govt. of UP	DS	
258	Sport Goods	2006-07	Meerut City & around		DS	
259	ADV Axle Wheels	2006-07	shamli Muzaffarnagar		S	
260	Textile Printing	2006-07	Pilkhuwa, Ghaziabad		DS	
261	Loom Cluster	2006-07	Ranipur/Mouranipur/ Jhansi		DS	
262	Glass Beads & Art Jewellery	2006-07	Varanasi		S	
263	Woolen Carpet & Dari.	2006-07	Sant Ravidas Nagar/ Bhadohi		DS	
264	Black Pottery	2006-07	Nizamabad/ Azamgarh		DS	
265	Chikan Embroidery	2006-07	Lucknow		S	
266	Scissors	2006-07	Meerut		NIESBUD	DS
267	Packaging Material(Plastic)	2006-07	Ghaziabad			DS
268	Facility for Leather Purse, Bags and travel bags and training	2006-07	Agra		NSIC & NIMSME	H
269	Mechanical Engineering & Machinery Products	2007-08	Sahibabad, Gaziabad		Govt. of Uttar Pradesh	DS
270	Stationary Cluster	2007-08	Gorakhpur City			DS
271	Ready made Garment	2007-08	Gorakhpur City	S		
272	Power Loom Cluster	2007-08	Gorakhpur City	DS		
273	Zari & Zardozi Cluster	2007-08	Bareilly	DS		
274	Gaura Stone	2007-08	Mohaba,	DS		
275	Rice and Rice Bran	2007-08	Bareilly	DS		
276	Jute Yorn/Rope Industry	2007-08	Rani ki Sarai, Azamgarh	DS		
277	Jute Yorn/Rope Industry	2007-08	Koelsa, Azamgarh	DS		
278	Fan/Engineering	2007-08	Varanasi	DS		
279	Silk furnishing and Yarn dyeing	2007-08	Varanasi	DS		
280	Zari and Karchobi Vastra	2007-08	Shahjahpur	DS		
281	Cane and Bamboo	2007-08	Bareilly	DS		
282	Woolen Carpet and Durri	2007-08	Shahjahpur	DS		

283	Powerloom	2007-08	Mau	DS
284	Glass & Wooden Beads Cluster	2007-08	Meerut	DS
285	Artificial Ornaments Cluster	2007-08	Meerut	DS
286	Stone Carving Cluster	2007-08	Varanasi	DS
287	Silk Brocade Cluster	2007-08	Varanasi	DS
288	Woolen Drugets	2007-08	Maryahaun	DS
289	Jute Wall Hanging Cluster	2007-08	Ghazipur	DS
290	Food Processing of Tomato Cluster	2007-08	Sonebhadra	DS
291	Chikankari Cluster	2007-08	Barabanki	DS
292	Brassware Cluster	2007-08	Sant Karirnagar, Bhakira	DS
293	Lock & Building Hardware Cluster	2007-08	Aligarh	DS
294	Horn & Bone Artware Cluster	2007-08	Moradabad	S
295	Guava Canning & Processing Cluster	2007-08	Allahabad	DS
296	Rice Milling Cluster	2007-08	Chandoli	DS
297	Hand Knotted Woolen Carpet.	2007-08	Allahabad	DS
298	Artificial Ornaments Cluster	2007-08	Sant Ravidas Nagar, Badhoi	DS
299	Patch Work Cluster	2007-08	Rampur	DS
300	Flute Making Cluster	2007-08	Pilibhit	DS
301	Testing & Quality Certification for Mint cluster	2007-08	Badaun	DS
302	Food Processing Cluster	2007-08	Banda	DS
303	Sazar Stone	2007-08	Banda	DS
304	Terra Kota Toys	2007-08	Lucknow	DS
305	Leather & Leather Products.	2007-08	Kanpur	DS
306	Marble Handicraft Cluster	2007-08	Agra	DS
307	Zari Handicraft Cluster	2007-08	Agra	DS
308	Rice Milling Cluster	2007-08	Shahzahanpur	DS
309	Wooden Toys Cluster	2007-08	Chitrakut	DS
310	Zari & Zardozi Art Cluster	2007-08	Farrukhabad	DS
311	Rice Milling Cluster	2007-08	Kanput Dehat	DS

312	Plastic Industry Cluster	2007-08	Lucknow		DS
313	Screen Printing Cluster	2007-08	Farrukhabad		DS
314	Banarsi Saree Cluster	2007-08	Raibareilly		DS
315	Wooden Handicraft & Musical Instrument Cluster	2007-08	J.P. Nagar		S
316	Harness & Saddlery	2007-08	Kanpur	MSME-DI, Kanpur	DS
317	Sandals & Chappals	2007-08	Kanpur		DS
318	Bakery & Namken Industry	2007-08	Kanpur		DS
319	Steel Furniture & Almirah	2007-08	Kanpur		DS
320	Rice Milling	2007-08	Raibareilly		DS
321	Stone craft Industry	2007-08	Agra	MSME-DI, Agra	DS
322	Carpet Cluster	2007-08	Agra		DS
323	Glass Cluster	2007-08	Firozabad	MSME, Technology Development Centre, Firozabad.	DS
324	Wooden Furniture	2007-08	Saharanpur	NIESBUD	DS
325	Bone-Horn Cluster	2007-08	Saharanpur		DS
326	Petha Cluster	2007-08	Agra		DS
327	Brass Cluster	2007-08	Moradabad		DS
328	CFC for Leather Cluster	2007-08	Chaura Chauri	MSME-DI, Kanpur	S&H
329	Zari & Zardozi	2007-08	Unnao	Govt. of Uttar Pradesh	DS
330	Perfume & Fragrance Industry	2007-08	Kannauj		DS
331	Block Printing of Lihaf and Chhapai.	2007-08	Bijnor		DS
332	Cotton waste cluster	2007-08	J.P. Nagar		DS
333	Chanderi Sare Cluster	2007-08	Lalitpur		DS
334	Powerloom Cluster, Khairabad.	2007-08	Adari, Mau		DS
335	Powerloom Cluster, Khairabad.	2007-08	Ghosi, Mau		DS
336	Powerloom Cluster, Khairabad.	2007-08	Jahanganj, Azamgarh	DS	
337	Zari zardozi	2007-08	Hardoi	DS	
338	Chandi paper work	2007-08	Moradabad	DS	
339	Nagina Wood Handicraft	2007-08	Bijnour	DS	

340		Textile Waste/Cotton waste, recycling	2007-08	J.P Nagar		DS
341		Rice Cluster	2007-08	Rampur		DS
342		Battery Inverter Cluster	2007-08	J.P. Nagar		DS
343		Essential oil/Aromatic	2007-08	Bareilly		DS
344		Rice Milling Cluster	2007-08	Pilibhit		DS
345		Band Baja Cluster	2007-08	Meerut		DS
346		Embroidery Cluster	2007-08	Meerut		DS
347		Minakari (Chandi)	2007-08	Varanasi		DS
348		Leather Cluster	2007-08	Sultanpur		DS
349		Utensils Cluster	2007-08	Bahraich		DS
350		Plastics Cluster	2007-08	Gorakhpur	CIPET, Lucknow	DS
351		Plastics Cluster	2007-08	Agra		DS
352		Plastics Cluster	2007-08	Noida		DS
353		Readymade Garments & Home Furnishers	2007-08	Hosiery complex, Ph-II Noida/ G B Nagar	MSME-DI, New Delhi	S
354	Uttaranchal (3)	Cluster based on Herbal & Aromatics Plants(Geranium), Jeolikote	1999-2000	Nainital	FFDC, Kannauj	S
355		Setting up of Support Service Centre for quality evaluation/assessment, Selaqui,Dehradun	2004-05	Dehradun	Herbal Research & Development Institute(HRDI), Selaqui, Dehradun	H
356		Surveying Instruments Industry Cluster ,Roorkee	2003-04	Hardwar	MSME-DI, Haldwani	S
357	West Bengal (28)	Brass and Bronze Metal Utensils Industry Cluster, Kenjakura	2003-04	Benkura	PPDC, Agra	S
358		Surgical Instruments Industry Cluster, Baruipur,	2003-04	24- Parganas	MSME-DI, Kolkata/ Tool Room and Training Centre, Kolkata	S & H
359		Leather Goods Industry Cluster, Shantiniketan	2004-05	Birbhum	MSME-DI, Kolkata	S
360		Re-rolling	2007-08	Liluah/Howrah		S
361		Leather Gloves Industrial	2007-08	Bellaghata/Kolkata		S
362		Rubber Moulded Items	2007-08	Tiljala/ Kolkata		S

363	Lead Acid Battery	2007-08	Siliguri	Govt. of WB	S
364	Cashew Processing	2007-08	Dulalpur, Raipur, Mahisagote, Kalapunga, Kantabani GPs. Contai 1 (DEV Block)/Purba Midnapur		S
365	Rice Milling	2007-08	Burdwan Town, Galsi, Raina, Khandaghosh/ Burdwan		S
366	Foundry	2007-08	Howrah Municipal Area/ Howrah		S
367	Wood Curving	2007-08	Natungram/ Howrah		S
368	Silver Ornaments	2007-08	Champasari, Rajarhat, Gopalpur Panchayat area/North 24-Parganas		S
369	Shuttlecock manufacturing	2007-08	Banitabla, Joduberia (Uluberia Dev. Block)/Howrah		S
370	HDPE/PP Rope & Twine	2007-08	Chanditala 1&2/ Hooghly		S
371	Agricultural Implements Mfg.	2007-08	Dantan, Jhargram, Shalbani/Paschim Midnapur		S
372	Fan Manufacturing	2007-08	Naktala, Bansdroni, Garia, Wellington Sq. Khanpur, KMC area/ Kolkata		S
373	Murlu Roofing Tiles	2007-08	Murlu, Saltora/Bankura		S
374	Honey Processing	2007-08	Old Malda/ Malda		S
375	Rice Milling	2007-08	Bansihari & Gangarampur/Dakshin Dinajpur		S
376	Zari Embroidery	2007-08	Borotola, Bojboz/ South 24-Parganas		S
377	Sital Pati	2007-08	Coochbehar		S
378	Manufacturing of metal spare parts	2007-08	Bargachia, Manshinapur, Sadatpur, Pantihal & Hantal/Howrah		S
379	Plasting Processing Units	2007-08	Vill. Omarpur, Banipur, Mangaljor, Ghorsala (Raghunathpur-1, Dev. Block/Murshibabad	S	

380		Brass & Bell Metal	2007-08	Village Sadhan Para, Dharmada, Muragacha-Kisnagar & Nakashi para Dev. Block/Nadia		S
381		Shellac	2007-08	Balarampur & Jhalda villages/Purulia		S
382		Silver Filigree	2007-08	Gopinathpur, Ratna, Uttar Bangur, Moukhali, Panchpara, Madhabati, South Bangur, Monirampur/South 24-Parganas		S
383		Gold & Silver Jewellery	2007-08	Ranaghat/		S
384		Jam, Jelly, Pickle Cluster	2007-08	Bankura	MSME-DI, Kolkata	DS