

GOVERNMENT OF GUJARAT
INDUSTRIES AND MINES DEPARTMENT
RESOLUTION NO.APN/ 102003/1161(5)/I
Sachivalaya, Gandhinagar
Dated 10th JUNE, 2004

Read:- Gujarat Industrial Policy 2003.
Industries and Mines Department GR No.APN/10-2001/1228/I
dated 5.3.2003.

1.0 Preamble

In Gujarat, there are over 83 industrial clusters covering different types of industries and developed in different geographic locations. This development of clusters has helped industrial units in creating common facilities, developing markets and brand name. The State Government took initiatives through an innovative approach of technology upgradation programme for strengthening these clusters and the efforts has produced a great success. The Gujarat Industrial Policy – 2003 lays emphasis towards encouraging this approach and strengthening existing clusters by providing necessary support to improve competitiveness and meet the global challenges ahead. As part of these initiatives, the State Government intends to encourage Industries Associations for creating necessary common infrastructure facilities at lower cost. These may include different activities like environmental protection measures, productivity improvement, quality upgradation, promotional activities like Trade & Export Promotion, participation in Trade Fairs, Contract Research work for member units, creating/upgradation of common infrastructure facilities and so on.

2.0 **The Scheme**

The scheme will be known as Assistance for Cluster Development and it will come into force from the date of issue of this G.R. for 5 years.

3.0 **Definition of the Cluster**

The cluster will be recognized having critical mass of a minimum 50 units, indulging in the manufacture of the same or related products and located within the radius of 10 km in a particular location. The number of units in a cluster and the distance can be relaxed by the State Level Approval Committee in respect of certain sectors/clusters having regard to the managerial and technical competence, size and nature of the industry.

4.0 **Eligible Activities**

The Government aims to empower the clusters by providing need based financial assistance for taking up activities like technology upgradation among member units with the assistance from R&D Institution/University, product design, quality improvement, common branding and marketing facilities, development of common facilities such as Raw material or product warehouse, testing laboratory, R&D Institution, tool room facilities, skill development facilities/ programmes for workers and Supervisors, capacity building and productivity improvement through different scheme. Besides, assistance will be provided for upgradation/creation of common infrastructure facilities.

The Industries Association in the cluster will be encouraged to take up following activities:

1. Creation of common facilities like R&D Laboratories/testing laboratory.

2. Technical assistance from R&D Institutions/ Technical Institutions/Universities for technology upgradation and quality improvement programmes for member units.
3. Activities towards accessing financial assistance from banks and other institutions.
4. Setting up facilities to access credit at cheaper rates.
5. Creating Information data bank for market intelligence and improvement of productivity in clusters.
6. Creating Common Branding and Marketing development activities.
7. Hiring Experts, Consultants or cluster development Agent for cluster activities.
8. Activities towards environmental protection as well as energy and water conservation initiatives.
9. Use of Cleaner Technology
10. Initiatives towards capacity enhancement programme.
11. Collective participation in national as well as international fairs and exhibitions.
12. Creating or strengthening common infrastructure facilities like strengthening of roads, water distribution system, sewage system, treatment plant, power distribution system, gas distribution system, storage/warehouses facilities, products display centre, trade centre and such other infrastructure activities.
13. Any other activities related to improvement of productivity and cost control measures among member units in the cluster.

5.0 **Quantum of Assistance**

The quantum of assistance will be need based depending on the type of the proposal and activities covered by the Association besides, technical and managerial capability of the Association, level of maturity , administrative set up, past track record, transparency in operations etc.

Normally the financial assistance will range between 25% of the project proposal in case of training expenditure component, 25% to 50% of cost component in other matters. However, the State Level Committee will take decision depending upon the activities covered in the project.

The project proposal should preferably be prepared by a recognized institution and should ensure that it contains essential features of a project document like details of the project ,the project cost and detailed break up of cost, sources of funds , financial appraisal of the project and in case of debt, the source of revenue for debt repayment and period of repayment.

The assistance will be towards capital investment and one time grant. No recurring expenditure will be considered and that have to be generated by Industries Association/Implementing Agency.

The total quantum of assistance will be normally not exceeding Rs. 5 crore per cluster during a period of five years.

If the project has been/ is granted assistance/subsidy/benefits under any other scheme of the State Government, the benefits under the present scheme shall not be made available. However, if the project has been is being assisted by the Central Government under Government of India scheme, the total benefit under both the scheme shall not exceed 80 percentage of the project cost.

6.0 The State Level Approval Committee.

A State Level Approval Committee has been constituted with following members to sanction financial assistance on the proposals received for cluster development.

Principal Secretary(I&M)	Chairman
Secretary, Finance(EA)	Member
Industries Commissioner	Member
Addl. Secretary/Dy. Secretary(I&M)	Member
Principal Chief Industrial Advisor	Member-Secretary

The State Level Approval Committee will grant the approval to the proposals received for cluster development and decide the quantum of assistance for each proposal.

The Committee will also prescribe the terms and conditions for implementation of the project and monitor the progress.

7.0 **Processing of Applications**

Applications under the Scheme for various proposals/projects from Clusters of industries at various locations will be received and processed by the Industries Commissionerate, Gandhinagar. Pending applications under the G.R No.APN/10-2001/1228/I dated 5.3.2003 will also be considered under this GR.

The expenditure on this account will be met from the sanctioned grant of the respective financial year under the following Budget-Head:

Demand No.49
Major Head; 2852-industries,
Minor Head(003), Industrial Education, Research and Training
Sub Head (2) IND(2)
Assistance for Research and Technology Development
Detailed Head -Grant-In-Aid (C)to others.

This issues with the concurrence of Finance Department dated 28/5/2004 on this department file of even number.

By order and in the name of Governor of Gujarat

R.S.Dave
Section Officer
Industries and Mines Department

copy to:-

- 1 Secretary to Hon. Governor
- 2 Secretary to Hon. Chief Minister.
- 3 Personal Secretary to all Ministers.
- 4 Advisor to chief Minister
5. Under Secretary to Chief Secretary.
6. Principal Secretary ,Finance Department.
7. Industries Commissioner, Udyog Bhavan, Gandhinagar.
8. Sales Tax Commissioner, Ashram road ,Ahmedabad.
9. Managing Director, Index -B, Udyog Bhavan, Gandhinagar.
- 10 All Board/Corporation under I&MD
11. Accountant General, Ahmedabad/Rajkot
12. All Officers I&MD
- 13 All Branches I&MD
14. Select File