



# Government of India

Ministry of Micro, Small & Medium Enterprises

## STATE INDUSTRIAL PROFILE 2014-15

MSM



PUR



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## **FOREWORD**

State Industrial Profile of Rajasthan is prepared by this institute under its action plan target for the year 2014-15. The information on human resources, material resources, overall infrastructure facilities in general and particularly for industries, existing industrial vista and state economy are embedded in this document. The Objective of this profile is to expose the resource base, studying industrial scenario and exploring the prospects of new ventures that can be established in the state, for the benefits of all budding/existing entrepreneurs and meeting academic, research and planning needs.

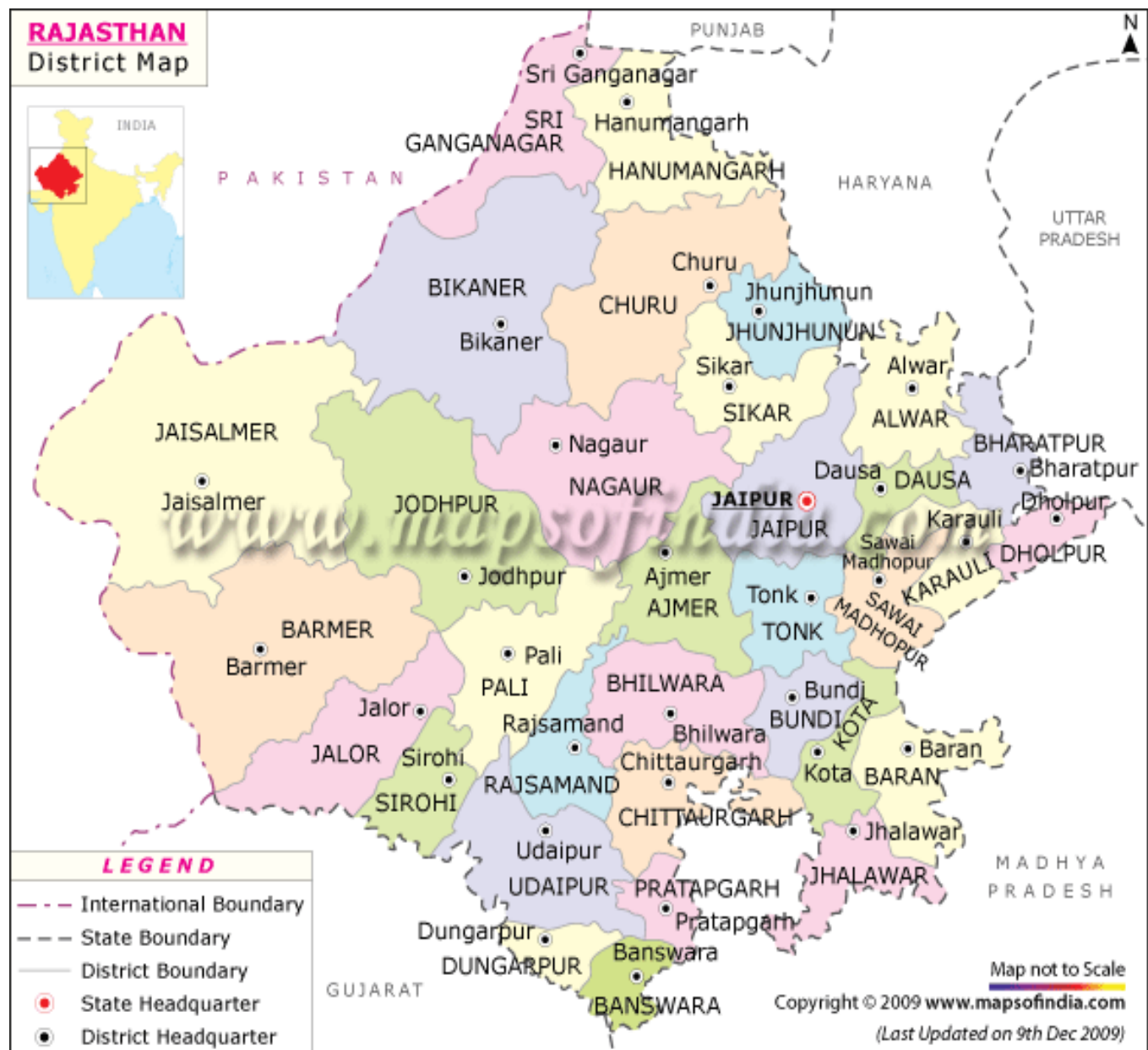
This state profile interalia includes the prospective new ventures, for the state under MSMEs; incentives / concession and facilities available to the industry, cluster concentration and banking vista in general with specific emphasis on credit flow to MSME sector in the state. This profile also dwelt on prospective industries based on agriculture and mineral produce, export scenario and prospect for export in the state.

I commend the efforts of Sh. R. K. Yadav AD (EI) and Sh. Malaram Sonwal AD (EI) under the able guidance of Smt. Sheela Kumari Choudhary DD (EI) in preparing this state profile. The state profile has been prepared on the information gathered from various Govt. departments and secondary data supplied by them. I extend my thanks to all those departments for their useful contribution in bringing out this document.

**(M.K. Saraswat)**

**Director**

**Date- 15/07/2015**



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## **RAJASTHAN AT A GLANCE**

<b>1. Area</b>	:	3.42 Lacs Sq. Kms.
<b>2. No. of District</b>	:	33
<b>3. Population (2011)</b>	:	6,85,48,437
➤ Males	:	3,55,50,997
➤ Females	:	3,29,97,440
➤ Sex Ratio	:	928
➤ Rural Population	:	5,15,00,352(75.13)
➤ Urban Population	:	1,70,48,085(24.87)
➤ Population Density	:	200 Per Sq.Km.
➤ Decadal Growth	:	21.3%
➤ Schedule Caste	:	17.8%
➤ Schedule Tribe	:	13.5%
➤ Literacy Rate	:	66.1%
➤ Workers (main & Marginal)	:	2,98,86,255
<b>4. Divisions</b>	:	7
<b>5. Districts</b>	:	33
<b>6. Sub Division</b>	:	192
<b>7. Teshils</b>	:	244
<b>8. Towns</b>	:	297
<b>9. Total Villages</b>	:	44672
<b>10. Panchyat Samiti</b>	:	295
<b>11. Gram Panchayat</b>	:	9900
<b>12. Agriculture (2011-12)</b>		
➤ Land Utilisation	:	34267000 Hect.
➤ Total cropped area	:	24505000 Hect.
➤ Area Sown more than once	:	6471000 Hect.
➤ Net area sown	:	18034000 Hect.
➤ Important Crops	:	Jowar, Bajra, Wheat, Mustard, Maize, Barley, Methi, Taramera, Linseed, Corriander, Garlic, Red Chillies, Soybean, Groundnut, Chaula, Moth, Urad
<b>13. Forest (2011-12)</b>		
➤ Reserved Area	:	12454.687 sq. Km. (38.05%)
➤ Protected Area	:	18235.5577 sq. Km (55.70%)

➤ Un Classified Area	:	2046.3970 sq. Km (6.25%)
<b>14. Live Stock (2012)</b>	:	57732000
<b>15. Important Minerals</b>	:	Gypsum, Limestone, Mica, Silica, Quartz, China Clay, Asbestos, Dolomite, Felspar, Wollestoneite, Rock Phosphate Garnet
<b>16. Technical Institutions</b>	:	
➤ Universities (Govt.& Pvt.)	:	71
➤ Engineering College	:	2364
➤ Polytechnique & ITI	:	1919
➤ Medical & Dental College	:	26
<b>17. Road Length</b>	:	2.05 lakh KMs.
<b>18. Communication Facilities (March-2014)</b>	:	
➤ Post Office	:	10330
➤ Telephone Exchange	:	2169
➤ Public Call Office	:	55344
<b>19. Bank Branches (March 2015)</b>		
➤ Commercial Banks	:	4880
➤ RRBs	:	1316
➤ Cooperative Banks	:	608
➤ Total Bank Branches	:	6804
<b>20. Electricity (Dec 2014)</b>		
➤ Total Generation of Electricity	:	5293.89 Million KWH
➤ Total Consumption	:	5012.41 Million KWH
<b>21. Industrial Areas (Nos.) (Up to March 2015)</b>		
➤ No. of Industrial Area Developed	:	324
➤ No. of Plots Planned	:	58,659
➤ No. of Plots Allotted	:	53346
➤ No. of Units in Production	:	33938
<b>22. Industries</b>		
Large Scale Industry (as on 31.3.2014)	:	316
➤ Fixed Investment	:	110320.40 Lacs
➤ Employment	:	1,62,237
Medium Scale Industry (2014-15)	:	41
➤ Investment	:	35225 lacs

➤ Employment	:	1966
Small Scale Industry (2014-15)	:	1136
➤ Investment	:	123814 Lacs
➤ Employment	:	18647
<b>23. Exports (2013-14)</b>	:	Rs. 37286.71 Crore
<b>24. Potential Industries</b>	:	
➤ Agro based Industry	:	Cattle Feed, Dal Mill, Edible Oils, Guar Gum, Rice Milling, Vanaspati Ghee, Poha Making, Maida, Suji, Biscuit, Bread
➤ Mineral based Industry	:	Cement, Glazed Tiles Marble & Tiles, Quick Lime, Stone Carving White cement, Zinc Oxide, Refractory, Cutting & polishing of Stones
➤ Electrical & Electronics	:	TV, Copper Foils, Computer Floppy, Copper Wire, Meters, Re-rolled Products, TV Picture Tubes, halogen Lamps & Bulbs, Conductors, Digital Electronic Watch
➤ Engineering Industries	:	Ball Bearing, Hand Tools, Heavy Duty Trailers, Meters, Nuts & Bolts, Steel Ingots, Railway Wagons, Machine Tools & accessories
➤ Leather & Leather	:	Cycle Seats, Fancy items, Ladies Footwear, Leather Garments, Leather Tanning, Shoes Making
➤ Chemical & Plastic Product	:	Caustic Soda, Fertilizer & Chemicals, Hawaii Chappal, HDPE Woven Sacks, NitroChloro Benzene, PVC Footwear, PVC Doors, PVC Resins, PVC Rigid Pipes, Rubber & plastic based product, Tyre retreading, Zinc Cadimum, Zinc Sulphate
➤ Textile Based Industry	:	Dying & Printing, Grey cotton cloth, woollen blanket, processing of synthetic fabrics, various types of yarns.
➤ Animal Husbandry	:	Bone Crushing, Butter, Cheese base, Bone Industry & Milk Chilling powder, Skimmed Milk

# CHAPTER I

## **INTRODUCTION**



## **INTRODUCTION**

Rajasthan, the largest state of India (3,42,239 Sq.km.) situated in the north western part of the Indian Union (23°30' and 30°12' North latitude and 69°30' and 78°17' East longitude) is largely an arid state for most of its part. The Tropic of Cancer passes through south of Banswara town. Presenting an irregular rhomboid shape, the state has a maximum length of 869 km. from west to east and 826 km. from north to south. The western boundary of the state is part of the Indo-Pak international boundary, running to an extent of 1,070 km. It touches four main districts of region, namely, Barmer, Jaisalmer, Bikaner and Ganganagar. The state is girdled by Punjab and Harayana states in the north, Uttar Pradesh in the east, Madhya Pradesh in the southeast and Gujarat in the southwest. The area of Rajasthan is nearly equivalent to some of the developed countries of the western world like Norway (3,24,200 Sq.km.) Poland (3,12,600 sq.km.) and Italy (3,01,200 sq. km.) The Administrative set up of the State is given below.

Table No.1.1.

### **Administrative Set-up of Rajasthan State**

Sl. No.	Items	Particulars
1	Area ( In Lac sq.Kms)	3.42
2	Divisions	07
3	Districts	33
4	Sub-Divisions	192
5	Tehsils	244
	Zila Parishad	33
6	Municipalities	189
7	Panchayat Samities	295
7	Gram Panchayats	9900
8	Total Villages	44,672
9	Inhabited Villages	42,664
10	Cities & Towns	297

Source: Economic Review-2014-15, Directorate of Economic & Statistics, Rajasthan.

There are 33 districts in the State; their geographical area is given below.

Table 1.2

District wise Geographical Area

S.No	Name of Districts	Area in (Sq. Kms.)	S.No	Name of Districts	Area in (Sq.Kms.)
1	Ajmer	8,481	18	Jhalawar	6,219
2	Alwar	8,380	19	Jhunjhunu	5,928
3	Banswara	4522	20	Jodhpur	22,850
4	Barmer	28,387	21	Kota	5217
5	Bharatpur	5,066	22	Karauli	5524
6	Bhilwara	10,455	23	Nagaur	17,718
7	Bikaner	27,244	24	Pali	12,387
8	Hanumangarh	9,656	25	Pratapgarh	4449
9	Bundi	5,550	26	Sawai Madhopur	4498
10	Chittorgarh	10,856	27	Sikar	7,732
11	Churu	16,830	28	Sirohi	5,136
12	Dholpur	3,033	29	Tonk	7,194
13	Dungarpur	3,771	30	Baran	6,955
14	Sri Ganga Nagar	10990	31	Dausa	3432
15	Jaipur	11,143	32	Rajsamand	4655
16	Jaisalmer	38,401	33	Udaipur	11724
17	Jalore	10,640			

Source- Some Fact About Rajasthan -2013, DES, Rajasthan

## **1.1 Climate and Rainfall**

The climate of the State in general is characterized as the driest in the country and having a large variation. The maximum temperature in the State goes up to 49°C whereas the minimum temperature falls upto -2°C. The maximum and minimum temperature recorded in 2011-12 at important centers shown in the following table 1.3 .The rainfall in the State is not only meager but also varies from year to year and creates drought condition frequently. The normal average annual rainfall in the State during 2013-14 was 46.36 cms.

Table No.1.3

## Temperature and Rainfall at important Centers in Rajasthan

S.No.	DISTRICT	Temperature		Normal rainfall (in cms)
		Maximum (in °C)	Minimum (in °C)	
1	Ajmer	46.6	3.3	66.64
2	Alwar	--	--	64.71
3	Banswara	44	8.0	108.97
4	Baran	--	--	152.63
5	Barmer	49.1	5.4	44.24
6	Bharatpur	--	--	75.18
7	Bhilwara	--	--	73.42
8	Bikaner	48.1	-2.0	39.08
9	Bundi	48.5	2.0	81.14
10	Chittorgarh	45.8	2.3	86.10
11	Churu	48.6	-1.4	65.99
12	Dausa	--	--	81.14
13	Dungarpur	--	--	63.02
14	Dholpur	49.0	0.3	96.41
15	Ganganagar	47.4	0.4	37.11
16	Hanumangarh	--	--	41.51
17	Jaipur	46.0	1.4	66.66
18	Jaisalmer	48.7	1.1	30.81
19	Jalore	47.2	5.6	68.93
20	Jhalawar	--	--	122.78
21	Jhunjhunu	--	--	67.80
22	Jodhpur	47.8	4.2	40.69
23	Karuli	--	--	69.97
24	Kota	47.4	6.1	122.87
25	Nagaur	--	--	44.09
26	Pali	45.4	1.8	64.59
27	Rajsamand	--	--	75.90
28	Sawai Madhopur	48.1	2.8	82.07
29	Sikar	--	--	63.52
30	Sirohi	--	--	108.09
31	Tonk	--	--	86.74
32	Udaipur	44.8	3.4	87.70
33	Pratapgarh	--	--	126.52

Source: Statistical Abstract, Rajasthan, 2012

## 1.2 Population.

The population of the State according to 2011 Census is 6.85 crores. Males constitute 3.55 crores (52%) and the remaining 3.3 crores (48%) are females. 75% of the total population in the State lives in rural areas and 25% live in urban areas. The sex ratio of population was 928 females per 1000 males.

The population decadal (2001-11) growth rate of the state is higher than as compared the country's decadal growth rate, whereas it shows decrease as compared to 1991-2001. The following Table depicts the population of Rajasthan since 1951 as compared to the average in India.

Table No.1.4

### Population trend in Rajasthan

S.No	Year	Total Population (in crores)		Population decadal Growth Rate (in%)	
		Rajasthan	India	Rajasthan	India
1	1951	1.60	36.01	15.2	13.3
2	1961	2.02	43.91	26.2	19.3
3	1971	2.57	54.70	27.63	24.80
4	1981	3.41	68.38	32.36	24.74
5	1991	4.40	84.40	28.44	23.50
6	2001	5.65	102.86	28.41	21.52
7	2011	6.85	121.05	21.3	17.7

Source: census 2011

## 1.3 Scheduled Caste/Scheduled Tribe Population.

As per 2011 Census 1,22,21,593 persons i.e. 17.8 % of the total population of the State belong to Scheduled Caste and 92,38,534 persons i.e. 13.5 % of the total population is belong to Scheduled Tribe community. Following table shown the comparative details of the SC/ ST population in 2001 & 2011

Table-1.5

**Total % population of Schedule caste and schedule tribe**

Category	Year		Year	
	2001		2011	
	SC	ST	SC	ST
Rajasthan	17.2	12.6	17.8	13.5

**1.4 Density of Population**

Despite the relatively high growth rate of population, the density of population in Rajasthan, as per the 2011 census is 200 persons per sq. km. The Table below reflects the trends of density of population of state as compared to the India. Population density in the state is approximately half of the national density which is 382 in 2011.

Table-1.6

**Density of Population**

	Year						
	1951	1961	1971	1981	1991	2001	2011
Rajasthan	47	59	75	100	129	165	200
India	117	142	171	221	267	324	382

**1.5 Literacy**

As per the Census 2011 state recorded literacy rate of 66.1 which is quite significant as it was only 60.4 in 2001. Rajasthan is still an educationally backward State. The situation of female literacy is particularly alarming as 52.10% of the female population is literate as compared to 79.20 % of male population of the state. A wide gap exists between the rate of literacy in urban and rural areas and among male and female.

## 1.6 Sex Ratio

The sex ratio denotes the number of females per thousand males. A high sex ratio would mean excess of females on males and a low sex ratio would mean excess of males over females.

Table-1.7

### Sex ratio in India and Rajasthan

Year	1951	1961	1971	1981	1991	2001	2011
Rajasthan	924	908	911	919	910	921	928
India	946	941	930	934	927	933	943

Rajasthan has registered a some increase in the sex ratio, which is 921 in 2001 increased to 928 in 2011. Table showing the population distribution, percentage of growth rate, sex ratio and population density (district wise) is given below.

Table No.1.8

### Population distribution, Percentage decadal growth rate, Sex -ratio and population density

Sl. No.	State/ District	Population – 2011 ( in 000)			Percentage decadal growth rate.		Sex-ratio (Number of females per 1000 males		Population density per Sq. km	
		Total	Males	Females						
		91-01	01-11	2001	2011	2001	2011			
Rajasthan		68548	35550	32997	28.41	21.3	921	928	165	200
01	Ajmer	2583	1324	1258	26.2	18.6	931	251	257	305
02	Alwar	3674	1939	1735	30.3	22.8	886	895	357	438
03	Banswara	1797	907	889	29.9	26.5	974	980	298	397
04	Baran	1222	633	588	26.1	19.7	909	932	146	175
05	Barmer	2603	1369	1234	36.9	32.5	892	902	69	92
06	Bharatpur	2548	1355	1192	27.2	21.4	854	880	414	503
07	Bhilwara	2408	1220	1187	26.4	19.2	962	973	192	230
08	Bikaner	2363	1240	1123	38.2	24.3	890	905	61	78
09	Bundi	1110	577	533	25.0	15.4	907	925	173	192
10	Chittaur-garh	1544	783	261	21.5	16.1	964	972	166	197

11	Churu	2039	1051	988	24.7	20.3	948	940	114	147
12	Dausa	1634	857	776	32.4	23.5	899	905	384	476
13	Dholpur	1206	653	552	31.2	22.7	827	846	324	398
14	Dungarpur	1388	696	692	26.7	25.4	1022	994	294	368
15	Ganga Nagar	1969	1043	925	27.6	10.00	873	887	163	179
16	Hanumangarh	1774	931	843	24.4	16.9	894	906	157	184
17	Jaipur	6626	346	3157	35.1	26.2	897	910	471	595
18	Jaisalmer	6699	361	308	47.5	21.8	821	852	13	17
19	Jalore	1828	936	892	26.8	26.2	964	952	136	172
20	Jhalawar	1411	725	685	23.3	19.6	926	946	190	227
21	Jhunjhun	2137	1095	1041	20.9	11.7	946	950	323	361
22	Jodhpur	3687	1923	1763	34.0	27.7	907	916	129	161
23	Karauli	1458	783	674	30.4	20.9	855	861	218	264
24	Kota	1951	1021	929	28.5	24.4	896	911	288	374
25	Nagaur	3307	1696	1611	29.4	19.2	947	950	157	187
26	Pali	2037	1025	1012	22.5	11.9	981	987	147	164
27	Rajsamand	1156	581	575	20.0	17.7	1000	990	256	248
28	Sawai Madhopur	1335	704	631	27.6	19.6	889	897	248	297
29	Sikar	2677	1374	130	24.1	17.0	951	947	296	346
30	Sirohi	1036	534	502	30.1	21.8	943	940	166	202
31	Tonk	1421	1421	728	24.3	17.3	934	952	168	198
32	Udaipur	3068	1566	1501	27.4	23.7	971	958	196	262
33	Pratap garh	867	427	430	--	22.8	--	983	--	195

## 1.9 LAND UTILISATION

The land utilization pattern of Rajasthan during the year, 2011-12 shows that out of total geographical area of 34.26 million hectares, total cropped area accounted for 24.5 million hectares i.e. %. Net area sown accounted for 18.03 million hectare or 52.63 % Area sowed more than once constituted 6.47 million hectares or 35.88 % of the net area sown. The following Table shows the break-up of land utilization pattern of Rajasthan during the year 2011-12

Table 1.9

**Land utilization Pattern**

S.No	Classification		2011-12	
			000 Hectares	% to total area
1	Geographical area (for the land utilization purpose)		34,267	100
	i)	Forest	2,746	8.01
	ii)	Land put to non-agricultural use	1,884	5.5
	iii)	Barren & uncultivable land	2,387	6.96
	iv)	Permanent Pastures & other grazing Land	1,693	4.94
	v)	Land under Misc. trees crops & groves.	21	0.06
	vi)	Cultivable waste	4168	12.16
	vii)	Current Fallow	3331	9.72
	viii)	Other fallow land	1,854	5.41
	ix)	Net area sown	18034	52.63
2.	Area sown more than once		6471	35.88*
3.	Total cropped area		24505	71.51

\*Percentage to net area sown

Source: Some facts about Rajasthan - 2013



# CHAPTER II

## RESOURCES

## **2.0 RESOURCES**

Rajasthan has exhibited spectacular progress in several areas like agricultural production, harnessing of mineral resources, development of transport and communication, and the production of energy resources but the rate of progress and plans of economic development have been slowed to a large extent by a parallel growth of human population and livestock. Human resources are, therefore, to be geared into the channel of economic progress while taking care to arrest their future growth-rate.

### **2.1 Agriculture**

Agriculture remains the main-stay of the population of the State. A study of composition of the Net State Domestic Product indicates that the primary sector which includes agriculture, animal husbandry, forestry, fishing, mining and quarrying still continues to dominate the State's economy as nearly 20 per cent value addition is generated by this sector in the State. Further, agriculture including animal husbandry contributes near about 90 per cent value addition of primary sector.

The land utilization pattern of the State during 2011-2012 revealed that out of a total cropped area of 24.5 million hectares, 18.34 million hectares account for net area sown and 6.4 million hectares area sown more than once. Rajasthan is predominantly an agrarian State with about 55 per cent of its population depending on agriculture. Agriculture plays an important role in the State's economy. State's position can be visualized from its contribution at nation level from table inserted below.

**Table No.2.1**

**Area Status of Rajasthan compared to all India under Major Crop**  
(Area in Million Hect.)

Crops	2010-11				2011-12			
	India	Rajasthan	% share	Rank	India	Rajasthan	% share	Rank
Cereals								
Wheat	29.07	2.48	8.53	V	29.90	2.94	9.82	IV
Bajra	9.61	5.49	57.13	I	8.69	5.00	57.49	I
Maize	8.55	1.14	13.13	II	8.71	1.06	12.12	II
Pulses								
Gram	9.19	1.78	19.37	II	8.32	1.43	17.24	II
Total pulses	26.40	4.76	18.02	II	27.78	4.45	17.96	II
Oilseed								
Mustard	9.19	1.78	19.37	I	5.92	2.50	42.30	I
Groundnut	5.86	0.35	5.97	VI	5.31	0.41	7.81	V
Soyabean	9.60	0.77	8.02	III	10.18	0.90	8.81	III
Others								
Cotton	11.24	0.34	3.02	VIII	12.18	0.47	3.86	VIII

Source: Agriculture statistics , Directorate of Agriculture, Rajasthan, 2012-13

Coriander, Cumin, Guar, Moth, Bajra, Rapeseed & Mustard, these are the crops in state has got dominance in the production and hold 1st rank and became the leading producer in many other crops. The area and production of major crops for the year 2012-13 is depicted in the following table.

**Table No.2.2**

**Area, Production and Productivity of Major crops**  
**(2012-13)**

		Area in hectare	Production in Tonnes	Productivity
<b>Cereals</b>				
Kharif	Rice	125635	222514	1771
	Jowar	680375	420393	818
	Bajra	3955525	3839189	971
	Maize	978419	1847226	1888
	Millets	12295	6723	547

Rabi	Wheat	3063235	10766716	3515
	Barley	307936	957896	3111
<b>Pulses</b>				
Kharif	Tur/ Arhar	16818	14790	879
	Other Pulses	1954625	636696	326
Rabi	Gram	1252936	1277348	1019
	Other Pulses	6709	6513	971
<b>Oilseed</b>				
Kharif	Sesamum	415161	122074	294
	Groundnut	397809	616346	1549
	Castor seed	222988	341085	1530
Rabi	Rapeseed and Mustard	2724956	3759937	1380
	Linseed	1061	1023	964
	Taramesera	109785	54634	498

Sources: Directorate of Agriculture, Rajasthan, Jaipur

As bajra is the main cereals for the Kharif crop and wheat is the main crop for Rabi, having maximum area under the cultivation, as shown in the table. Total area under cereals production is 6060185 hectares during 2012-13 and total area under pulses production is 3231088 hectares in the same period. Total production of pulses for the year 2012-13 is 1935347 tones of in the Kharif and Rabi seasons.

## 2.2 Irrigation

Agriculture is major sector contributing in the state economy. 20-25 % of state GDP's is from this sector, and about 1/2 of the population is dependent on the agriculture and its related activity. Irrigation penetration is very low in the state this can be ascribed to irregular and scarce rainfall, depleting ground level water and only a few perennial rivers flow through the state and that is also in the southern part of the state.

There are four major sources of irrigation viz. Canal, tanks, wells and tube wells. The main source of irrigation in the state is Wells and tube wells, having maximum irrigated area, only a portion of the northern and southern-eastern

part of the state got irrigation facilities from rivers and canal. Due to less rain, depth of water level is decreasing day by day and wells are dry, it can also be seen from the table that the percentages of area irrigated by tanks are increasing. Due to Indira Gandhi Canal, western part of the state is also getting irrigation facility. Source-wise irrigation details for the three years are as given below;

**Table-2.3**

**Gross Irrigated Area By Source**

Type of Sources	Area Covered Under Cultivation (In Hectares)		
	2010-11	2011-12	2012-13
Canals	2463576	2729980	2885036
Tanks	57635	72124	94113
Wells & Tube wells	5718997	5999495	6347171
Others	81617	101289	129147
All Sources	8321825	8902888	9455467

Source: Economic Review-2014-15

## 2.3 Animal Husbandry

Agriculture plays an important role in Rajasthan economy and nearly one fifth of the total state income is generated by Agriculture and allied activities including Animal Husbandry. In Rajasthan, Animal Husbandry is not merely a subsidiary to Agriculture but it is a major economic activity especially in arid and semi-arid areas, thus providing the much needed insurance against prominently occurring scarcity conditions. Income from live stock accounts for 30 to 50% of the Rural households income, with wide variation in region and households.

Live Stock Sector tops in rural employment with 4.5 percent growth against 1.75 for all other Sectors and 1.1 for Agriculture. This Sector has also the highest potential for rural self-employment generation at the lowest possible investment per unit. Development of Livestock Sector therefore, is critical to rural prosperity. The Animal husbandry sector is harbouring a fabulous livestock wealth having very significant role in providing subsidiary to major

sources of income to the large numbers of cultivators, small farmers, marginal farmers, BPL families and agricultural laborers. Milk enterprise generates income on regular basis as against the crop enterprise, which is mostly seasonal and is more prone to droughts. Cattle are mainly looked after by the women folk. The provision of assured market for the milk leads to their increased participation and the availability of cash income encourages them to take up to social development Programmes.

In Rajasthan animal husbandry is major economic activity contributing 13 percent of the State's net domestic product. As against twenty five well defined breeds of cattle and seven buffaloes breeds in the country, the state is endowed with seven breeds with finest drought hardy milch breeds (Rathi, Gir and Tharparkar), dual purpose breeds (Kankrej and Haryana) and the famous draught breeds of Nagauri and Malvi. Livestock production in general and cattle and buffaloes in particular is highly women oriented as it is labour intensive. Over 95% of households chore is related to the care and management of milch animals in livestock owning households are dealt by women and 60% of all labour engaged in rural livestock production are women. Live stock sector in Rajasthan is thus extremely livelihood intensive, closely interwoven into the social economic fabric of the rural society, making investments in development of this Sector the critical pathway for rural prosperity. The details of livestock population since 1951 are given below:

Table No.2.4

**Livestock population as per livestock census of 2012**

(No. in lakhs)

Item	1951	1961	1972	1983	1992	1997	2003	2007	2012
Cattle	107.82	131.36	124.70	135.04	116.66	121.41	108.54	124.10	133.24
Buffalo	30.45	40.19	45.92	60.43	77.75	97.70	104.14	115.42	129.76
Sheep	53.87	73.60	85.56	134.31	124.91	145.85	100.54	112.83	90.797
Goat	55.62	80.52	121.62	154.80	152.85	169.71	168.09	218.81	216.65
Camel	3.41	5.70	7.45	7.56	7.46	6.69	4.98	4.30	3.25
Others	3.99	3.72	3.53	4.36	4.82	5.19	5.07	16.22	6.86
Total	255.16	335.09	388.78	496.50	484.45	546.55	491.36	591.68	577.32

Source- Deptt. Of Animal Husbandry, Live stock census-2012

Rajasthan is endowed with a rich animal husbandry resource. Livestock population at segregated level is given in ensuing table. Production of milk of various sources and wool production during last year's are as under;

#### **Milk Production**

Year	Total (Production in 000 tons)
2012-13	13946
2013-14	14573

#### **Wool production**

Year	Wool production (in lakh kg.)
2110-11	123
2011-12	140
2012-13	150

Source: Economic Review-2014-15

State produces 11% of country's milk, 35 % of goat meat and 31 % of wool.

Milk and egg production over the year is catching up considerably though the growth in wool production is almost stagnant.

### **FISHERIES**

Rajasthan possess a large area of inland water bodies which offer potential for development of both intensive and extensive system of culture based fisheries. From the available fresh water resources in the state 4.23 lakh hect. of inland water sheets in the form of reservoir (1.2 lakh ha.) tanks, and ponds (1.8 lakh ha.) and rivers (0.30 lakh ha.) have been identified for capture cum culture fishery management. Besides, there exists 0.04 lakh ha. brackish water bodies and perennial flowing system, 214 KM. Indira Gandhi Feeder Canal and about 500 KM under I.G.N.P. in north west Rajasthan. Apart from this there are many constraint in increasing production

- Uncertain and irregular monsoon.
- Draining/ pumping out of maximum stored water for Irrigation and Drinking purposes.
- Shortage of quality fish seed.

- Lack of traditional fishermen community.
- Lack of awareness among rural masses.
- Lack of technical knowhow in rural sector for fish culture.

### **Forestry**

Forests are one of the important natural resources so far as environmental protection and ecological balance are concerned. In Rajasthan only 9.5 per cent of the total geographical area of the State (4.19% of the country) is classified as forest area (32736 sq.km). Further classification of the forest is as under (2011-12):

**Table-2.5**

S.No.	Type of Area	Area (in sq.km )	% of the total
1	Reserved Area	12454.687	38.05
2	Protected Area	18235.557	55.70
3	Un Classified Area	2046.397	6.25

Source: Some Facts about Rajasthan-2013, DES, Jaipur

**Table-2.6**

### **Produces from the forest is as under**

(in Lakhs Qts.)			
S.No.	Item	2011-12	2012-13
1	Fire Wood	2.8	2.89
2	Timber (in Lakhs Qts.)	1.64	1.6
3	Bamboo (no. in lakhs)	14.01	1758
4	Tendu Patta (no. in lakhs standard Bags)	2.56	3.44

Source:- Some facts about Rajasthan-2013, DES, Jaipur

**Table-2.7**

**District-wise area under forest as on 31.03.2011 is given as under**

S. No.	Name of District	Geographical Area in Sq. Kms	Forest area in Sq. Kms
1.	Ajmer	8,481	613.10
2.	Alwar	8,380	1784.59



3.	Banswara	5,037	1008.45
4.	Barmer	28,387	627.22
5.	Bharatpur	5,066	729.69
6.	Bhilwara	10,455	779.69
7.	Bikaner	27,244	1249.06
8.	Hanumangarh	9,656	239.46
9.	Bundi	5,550	1557.63
10.	Chittorgarh	10,856	1792.90
11.	Churu	16,830	71.22
12.	Dholpur	3,084	638.39
13.	Dungarpur	3,771	692.73
14.	Sri Ganga Nagar	10990	633.44
15.	Jaipur	11,152	945.66
16.	Jaisalmer	38,401	581.52
17.	Jalore	10,640	452.61
18.	Jhalawar	6,219	1349.79
19.	Jhunjhunu	5,928	405.36
20.	Jodhpur	22,850	243.08
21.	Kota	5446	1311.33
22.	Karauli	5530	1810.05
23.	Nagaur	17,718	240.93
24.	Pali	12,387	963.58
25.	Pratapgarh	4112	1662.66
26.	Sawai Madhopur	5043	952.88
27.	Sikar	7,732	639.35
28.	Sirohi	5,136	1638.65
29.	Tonk	7,194	330.05
30.	Baran	6,955	2239.69
31.	Dausa	3429	284.49
32.	Rajsamand	3853	396.58
33.	Udaipur	13,430	4141.84
	Total	3,42,239	32710.90

Source: Statistical Abstract-2012

## MINERAL RESOURCES

Rajasthan is blessed with 79 varieties of minerals, of which 57 are being commercially exploited. Its share is 9% in the country's total mineral production. The State has virtual monopoly in the production of minerals like Lead, Zinc, Gypsum, Soapstone, Ball Clay, Calcite, Rock Phosphate, Feldspar, Kaolin, Copper, Jasper, Garnet, Wollastonite, Silver, etc. The State is proud to possess huge reserves of Lignite, Crude Oil and high quality Gas. It is also renowned for its deposits of Marble, Sand Stone and some unique decorative stones. Mining is not only a major source of employment in the rural and tribal areas of the State, but also a major source of revenue to the Government, playing an important role in the development of the State. their judicious exploitation can make the state economically self-sufficient. State's Dominance in mineral production can be understood from the statistics in the ensuing table.

MSME-DI, JAIPUR

# CHAPTER III

## **BASIC INFRASTRUCTURE FACILITIES**

## **BASIC INFRASTRUCTURE FACILITIES**

Infrastructure is an essential input for development. The prosperity of any economy depends directly upon the development of agriculture and industry. Agricultural production, however, requires power, credit, transport facilities etc. Industrial production requires not only machinery and equipment, but also skilled manpower, management, energy, banking facilities, marketing facilities, transport services, which include railways, roads, shipping and communication facilities, etc. All these facilities and services collectively constitute infrastructure of an economy and the development and expansion of these facilities are an essential pre-condition for increasing agriculture and industrial production in a country. The link between infrastructure and development is not a once for all affairs. It is a continuous process. The infrastructure facilities available in the State are discussed as under.

### **3.1 Power**

Realizing the importance of power in overall development of the state, state is trying to make self sufficient in power. This will not only attract industrial investment in the state but also provide a great support in the agriculture production.

The main source of power generation in the state are Kota and Suratgarh Thermal projects, Dholpur Gas Thermal Project, Mahi Hydel, Wind Farms, Bio-Mass, Captive power plants, Bhankra-Vyas chamber, Satpura interstate partnership projects. Apart from that the state also gets power from Rajasthan atomic power project, Singroli, Rihand, Dadri, Anta, Auriya, Dadri Gas Plants, Unchahar thermal and tanakpur, Salal, Chamera and Uri hydel projects from the central sector.

The installed capacity in the state was 7716.63 MW. The total installed capacity in the year 2009-10 was 697.45 MW. A step towards becoming self sufficient in power generation state government announced to set up six more power plants

worth 4780 MW during the upcoming XII five year plan. The power projects include three super critical plants of 1320 MW each as extension of existing power projects at suratgarh, kalisind and Banswara projects. Over the three plants would come up at keshoraipatan (330 MW), Dholpur (330 MW), and Ramgarh (160 MW). The state government would also come up with a policy on renewable energy to explore the vast potential of green energy in the state.

In the recent development the Clinton Climate Initiative (CCI), a programme of US based William J Clinton foundation, has joined hands with Rajasthan government to set up solar parks in the state. Each solar park will serve as concentrated zone of solar development in Rajasthan and will include 3000 to 5000 MW of solar generation as well as manufacturing over a period of time. "CCI will provide technical and other support to develop these parks". The project envisage an integrated solar city wherein all the raw materials including glass and panels will be produced by them, bringing down the cost substantially.

JVVNL is the prime agency for generation, transmission and distribution of electricity. The pattern of generation, purchase & consumption of electricity in the State during the current and proceeding years is given in the following Table.

Table No.- 3.1

**Power Consumption Pattern**

(Values in lakh unit)

S.No.	Type of Consumption	2008-09	2009-10	2010-11
1	Domestic / Residential	50149.24	58280.31	67357.02
2	Commercial	16319.12	17191.73	18940.98
3	Industrial	77042.31	80745.41	93965.08
4	Public Lighting	1958.96	2281.94	2551.62
5	Irrigation, Agriculture & Dewatering	97908.45	120726.01	132161.89
6	PWW	12383.00	13410.55	13711.58
7	Others	10653.91	13669.79	15801.09
8	Total	266414.99	306305.74	344489.26

Source: statistical Abstract 2012, DES, Rajasthan

In the power sector, five companies one each for generation and transmission in Jaipur and three for distribution each at Jaipur, Ajmer and Jodhpur are functioning in the State to strengthen the existing infrastructure and provide better quality of electric supply to the consumers. Under Rural Electrification Programme out of 39,810 villages, 36125 villages have been electrified

Table No.3.2

Availability of Electricity in Rajasthan (2010-11)

S. No.	Particulars		Quantity (Million unit)
1.	i)	Thermal	3615.00 Million Kwh
	ii)	Hydro	1011.80 Million Kwh
	iii)	Gas	443.50 Million Kwh
	iv)	Electricity Purchase & Central Allocation	5648.536 Million Kwh
2.	(a)	Total Electricity available	10718.836 Million Kwh

Source: Statistical Abstract-2012, Rajasthan.

### 3.2 Non-Conventional Sources of Energy

Rajasthan Energy Development Agency (REDA) is the nodal agency to disseminate useful knowledge in the field of non-conventional energy and the problems on account of rapid depletion of non-renewable energy and increasing pollution caused by the use of traditional energy sources. Rajasthan Govt. has decided that all micro /small or medium hydel projects in the State Sector would be implemented by Rajasthan State Power Corporation Ltd. (RSPCL). The existing 11 projects of Rajasthan Vidyut Vitran Nigam Ltd. With a total capacity of approx. 21 MW would be transferred to RSPCL.

### 3.3 Water

Limited availability of ground and surface water and geographical diversities make the availability of clean and safe drinking water difficult. Rajasthan is primarily a water starved state. Its dependency on external sources of water is enormous. The state's economy is heavily dependent on the rain, however ecological changes have affected the monsoon and the state cannot just depend on monsoons any more. With demand for water constantly increasing, the government is implementing a number of schemes for providing potable

water, both, in rural and urban areas. Conservation and proper utilization of water is on top priority of the state government. The state government has set aside Rs. 777.58 Crore for water related schemes in the state. It is going to announce new water policy the state government is ensuring that Bisalpur water would reach Tonk and Ajmer households soon. Fifteen districts would come under the Asian Development Bank Sponsored water improvement scheme. The government has earmarked Rs.1515 crore for providing drinking water in 61 smaller towns, 900 scheduled caste settlements and 2627 villages. Rs.80 Crore would be spent on various drinking water schemes from the calamity relief fund. The government also plans to complete 10 big drinking water projects which would directly affect rural people of Jhalawar, Udaipur and Dholpur. The Ongoing transmission system (Chambal-Bharatpur scheme) would be completed in this year that would enable the government to supply fresh water in Bharatpur. According to the State Government, the Centre has re-sanctioned the last year's Rs.508 crore under the National Rural Drinking Water Programme and with that the State Government would have an additional Rs.1,100 crore for pushing the water-related schemes in the State. Sources in the government said that over 35,000 hectares would be covered for orrigation by completing various bigger and smaller projects, including Indira Gandhi Canal project within a year. Under the Centre's Accelerated Irrigation Benefit Programme, the State Government would get Rs.952 crore which would be spent on repairing various feeder canals. Projects like Narbada Canal, Sidhmuk, Mahi and Bhainsa Singh would be completed in the next one year, providing relief to millions of farmers. Renovation of 40 existing ponds in Nagur was also announced to expand the irrigation base in the district.

### **3.4 Transport and Communication.**

If agriculture and industry are regarded as the body and bones of the economy, transport and communication constitute its nerves which help the circulation of men and material. A well developed network of transport and communications

is the demand of time for rapid economic development

### **3.4.1 Roads**

Road is a harbinger of overall development. Roads lead to progress. It is one of the most important constituents of infrastructure. It gives access to the unreachable population. For any state that to prosper, road has to be in order so that administration and opportunities can reach there. Recognizing that roads are the arteries of modern development, the government has launched several road development projects. The state government has decided to strengthen and modernize a road network in next five years. It includes state highways and district roads. The government has also decided to carry out plantations on both sides of the roads under the NREGS scheme. Under the rural Infrastructure development fund (RIDF), the state government expects to complete the renovation and modernization of 2800 km roads with an expenditure of Rs.270 crore. The state government has also identified 11 road projects to be executed under PPP model through VGF (viability Gap Funding) . it will incur a cost of Rs. 3445 crore to build a national highway network of 1378 KMs. The six laning of the 225 KMs Jaipur- Gurgaon national highway has been started. It will cost Rs. 1897 Crore to the exchequer.

Similarly the state government has put a special emphasis on the road transport as rail link is not present in remote areas. The state owned Rajasthan State Road Transport corporation (RSRTC) has managed to run a total of 4500 vehicles covering a total road length of 16 lac kms and 9.00 lac passengers..

With improved rural connectivity, the vehicle registration has also surged in past few years. Details of the registered vehicle is given separately. The density of roads per hundred sq. Kms. is 60 Km in the State on 31.03.2014 it is below the All India average of 148 KMs. Road length per lakh of population in the state is 350 KMs Details about various category of roads in the State are given in following Table.



Table No.3.3

Road lengths in the State (in KMs.)

Sl. No	Item	31.12.2014
<b>A.</b>	<b>PWD Roads</b>	
1	National Highways	7310
2	State Highways	11881
3	Major District Roads	9540
4	Other District Roads	29216
5	Rural Roads	147056
	<b>Total (A)</b>	<b>205003</b>

Source-Rajasthan, Economic Review-2014-15

Under the NABARD RIDF-XVII,XVIII & XIX, Prime Ministers Gram Sarak Yojana Rajasthan road sector modernization Project and Gram Sarak Yojana, 4459 Kms of road were modernized and upgraded.

### 3.4.2 Vehicles on Road

The total number of motor vehicles registered with the Transport Department of the State was 111.789 lakhs by the end of up to March 2014, increased to 121 lakhs in December-2014, increased by 8.3 %. Registration of vehicles in the state up to December-2014 is as under.

Table-3.4

### Registration of vehicle in the state

S.No.	Type of Vehicle	Upto March 2014	Upto December-2014
1	Motor Rickshaw	90	90
2	Two Wheelers	8327153	9060869
3	Auto Rickshaw	125621	131487
4	Tempo		
	(Loading)	56668	59535
	(Passenger)	31024	33784

5	Car	733650	790821
6	Jeep	319151	346214
7	Tractor	840914	894307
8	Trailor	74568	75226
9	Taxi	114578	120385
	Buses & Mini Buses	93857	97001
10	Truck	433980	462464
11	Other Vehicle	27692	30040
	Total	11178946	12102223

Source-Rajasthan, Economic Review-2014-15

### 3.4.3 Railways

Railways are considered the life line of an economy. In this desert State too, Railways have creped in slowly to make their presence felt and give a fillip to the State's economy. There are 3 Gauges prevalent although a plan to convert into a Unigauge system is under way. The 'Palace on Wheels' is Rajasthan's claim to fame in railways. Rajasthan has 5835 Kms. of Rail-length which was about 9 per cent of the total track of the country, of which maximum is Broad Gauge, some part is still meter and narrow gauge Due to conversion of gauge some route of meter gauge is being changed to the broad gauge. The process of gauge change is under progress.

### 3.4.4 Airways

In the modern times, where time has become a severe constraint, people want to travel at the minimum time covering the farthest of distances. It is then that the need for air-travel arises. Rajasthan has four airports namely.

Jaipur- having international airport Connecting Kuwait, Saudi Arab and other international destinations. It also connects Bombay, Delhi, Aurangabad, Kolkatta, Indore, Jodhpur, Udaipur and other domestic destinations of the country.

Jodhpur - Connected with Delhi, Jaipur, Udaipur and Bombay.

Udaipur- It is connected to Bombay, Aurangabad, Jaipur, Jodhpur and Delhi.

There are three other airports in Kota, Jaisalmer and NAL (Bikaner), but are not

open for commercial / civilian flights yet. Jaisalmer airport is open for civilians but only during season time (from august to March). One more airport at Kishangarh, Ajmer is currently being constructed by the Airport Authority of India.

#### **3.4.5 Communications**

The state offers sound infrastructure and well developed information and communication facilities. With high penetration rates in both the cellular phones and the internet market, Rajasthan today boasts a competitive business environment for both fixed network and value added carriers and service provider while providing high quality service to consumer and business. By the end of March-2014, there were 10330 Post Offices, 2169 Telephone Exchanges and 55344 Public Call Offices (including Local PCO, STD PCO and Village PTs). There are 4721530 numbers of working connections of all types and the number of connections is growing immensely with each passing day, leaving no district untouched under its network (with internet facility) howsoever remote it may be.

#### **3.5 Financial Institutions**

To accelerate the pace of development banks and other financial institutions have a very vital role to play in providing resources for generating additional economic activity and incomes for the people.

##### **3.5.1 State Financial Corporation (SFC)**

Rajasthan Financial Corporation (RFC) was constituted in the year 1956, under the SFCs Act-1951, with the prime objective to extend long term financial assistance to tiny, small and medium scale industrial units in the state. Since then RFC has come a long way, adopting and attuning its activities to the changing industrial needs and market demands. RFC provides loans to industrial concerns for the purpose of industrial land, construction of factory building and acquisition of plant and machinery, working capital, bridge loan etc.

The Rajasthan Financial Corporation (RFC) is providing term loan for establishment, expansion and renewal of industries and mining activities, transport and hotels in the State. Through simplified and more liberal procedures, the Corporation sanctioned loans and disbursed. RFC is also playing an important role as an agent on behalf of the State Govt. for providing investment subsidies and other concessional facilities to industries in the State. An important policy decision was taken to make effective recovery of loans by allowing concession on balance of loans in case of one time settlement.

RFC provide loans for specified entrepreneurs e.g. assistance to qualified professional, scheme for financing to medical practitioners for purchase of medical / diagnostic equipments, loans for hospitals/ nursing homes, scheme for financing for purchase of land & building and construction thereon, scheme for commercial complexes/ housing complexes/ flats , scheme for hotels / tourism related activities, financing for guest houses, saral scheme for SME sector.

### **3.5.2 Banking in Rajasthan**

Finance is the life line of the industry. A wide banking network and hassle-free milieu is pre requisite for fostering industrialization. Entire banking scenario is changing considerably in the today's era and banks are adapting to more customers oriented and free market approach to cope up with backdrop of globalization. Besides, State Financial Corporation nationalized scheduled commercial banks RRBs and Cooperative banks play an important role in providing credit facilities to the MSME sector. Total number of branches of all banks in the state can be seen from the following table.

**Table -3.6**

Name	Branches (up to March-2015)				Branches added during the year
	Rural	Semi-urban	Urban	Total	
Commercial Banks	1650	1558	1672	4880	436
RRBs	1025	222	69	1316	80
Cooperative Banks	184	301	123	608	19
<b>Total</b>	<b>2859</b>	<b>2081</b>	<b>1864</b>	<b>4586</b>	<b>535</b>

Source:- SLBC, Rajasthan 125<sup>th</sup> meeting 2015

**Table -3.7**

**Key Business Parameters as on 31.3.2015**

(Amount Rs. In crore)

Parameters	31.3.2015	Growth during the year	RBI bench mark
Total Deposits	254883	14.62%	
Core Deposits	242390	14.72%	
Total Advances	225313	14.96%	
C:D Ratio	92.96%		60%
Total Priority Sector advance	125050	14.87%	
% age of PS advance to total advance	55.50%		40%
Total agriculture advance	66810	16.72%	
% age of agriculture advance of total adv.	29.65%		18%
Total advance to Weaker section	39615	31.34%	
%age of weaker section advances to total advances	17.58%		10%
Total advances to minority community	10464	23.00%	
%age of minority community advances to total PS advances	8.36%		--

Source- Economic Review-2014-15, DES, Rajasthan

Aggregate Deposits and Gross Bank Credit and no. of branches of All Scheduled Commercial Banks – September- 2014 is given below

Table-3.8

			Rajasthan		India	
			2013	2014	2013	2014
1	RRBs	Banks (In No.)	1169	1262	17356	18684
		Deposit (In Crore Rs.)	12663	14189	210124	234746
		Credit (In Crore Rs.)	9571	10616	144926	161874
2	SBI & others	Banks(In No.)	1295	1375	21092	22613
		Deposit (In Crore Rs.)	67245	75727	1624373	1798919
		Credit (In Crore Rs.)	41403	46165	1281658	1349170
3	International Banks	Banks (In No.)	8	7	317	302
		Deposit (In Crore Rs.)	525	692	309975	362359
		Credit (In Crore Rs.)	778	875	275981	314495
4	Pvt. Banks	Banks(In No.)	730	784	15986	18355
		Deposit (In Crore Rs.)	27134	30944	1312956	1518266
		Credit (In Crore Rs.)	21587	24892	1083518	1264380
5	Total	Banks(In No.)	5378	5915	108994	120344
		Deposit (In Crore Rs.)	184259	207684	7226367	8114296
		Credit (In Crore Rs.)	186641	178347	5624112	6157566

State constitutes only 5% of the nations banking offices and contribution in deposit and credits stands only at 2.6 and 2.9 % which is a very meager contribution in comparison of state's size. Rural banking is in good form as compared to urban as more than 52% of offices are located in rural areas and its contribution stood at approx 5% in country figure against a low urban contribution. The salient feature of the performance of this sector can be summarized in following parameters.

Table 3.9

**Institutional Break up of Social Banking Parameters**

As on March-2015

Parameters	Com. Banks	RRBs	Cooperative Banks	Ratio for Banks
Credit Deposit Ratio	92.88	76.79	115.71	92.96
% of P. S. Advance to total advances	51.44	83.83	91.21	55.50
% of Agri. Adv.	23.69	76.90	77.18	29.65
% of Weaker Sec. Adv.	15.75	39.14	26.03	17.58
% of MSE to Total Advance	19.76	3.49	1.99	17.85

Source:- SLBC, Rajasthan, 125<sup>th</sup> meeting May-2015

A gloomy picture spring out from the above data that priority sector lending has been logged to 55.5% in the state that is at higher side from stipulated target of 40%. RRB's contribution in priority sector lending is also on high side next to the cooperative banks. Rear side of this picture is not as encouraging as Bank credit to industry in the state is not at par with the some of industrially advanced states.

**Credit flow to MSME:**

Growth of MSME sector has got utmost importance because this is only sector having feature of massive employment generic, low investment and higher productivity. Timely and adequate credit flow inter-alia is prime necessity for thriving of MSME sector. Envisaging multifaceted vulnerability of MSME sector, this sector has been made an integral part of priority sector advance and 40% of banks net credit is earmarked for P.S advance. Rajasthan performance has been satisfactory on the P.S advance though contribution of MSME sector.

Table – 3.10

**Lead Banks Districts**

<b>Bank of Baroda</b>		<b>State Bank of Bikaner and Jaipur.</b>	
1.	Ajmer.	1.	Bikaner
2.	Bhilwara	2.	Barmer
3.	Banswara	3.	Jalore

4.	Bundi	4.	Pali
5.	Churu	5.	Jaisalmer
6.	Chittorgarh	6.	Sirohi
7.	Dungarpur	7.	Hanumangarh
8.	Jhunjhunu	8.	Rajsamand
9.	Sawai Madhopur	9.	Udaipur.
10	Tonk		
11	Karauli		
12	Pratapgarh		
<b>UCO Bank</b>		<b>Central Bank of India</b>	
1.	Jaipur	1.	Baran
2.	Jodhpur	2.	Jhalawar
3.	Nagaur	3.	Kota
4.	Dausa		
<b>Punjab National Bank</b>		<b>Oriental Bank of Commerce</b>	
1.	Alwar	1.	Sriganganagar
2	Sikar		
3	Dholpur		
4	Bharatpur		

### 3.5.3 MSME-Development Institute Jaipur

MSME-development Institute (earlier SISI), Jaipur was set up in Jaipur on 14<sup>th</sup> January, 1958. The Institute is engaged in promotion and development of MSME sector in the State of Rajasthan. This is one of 30 such Institutes set up by Ministry of MSME (earlier M/o. SSI), Govt. of India, all over the country. The services provided by the Institute include techno-economic and managerial services and basic inputs in the form of technical guidance required to set up new units and to run existing units by improving quality and productivity. Technical expertise is available in various disciplines like Mechanical, Metallurgical, Chemical / Rubber, Plastics / Food, Glass & Ceramics, Electrical/Electronics and Leather/ Footwear to guide the entrepreneurs.

The Institute also coordinates and implements the policies and Programmes of the Central Govt. The Important functions and consultancy services provided by



the Institute to the MSME sector in the State are as follows.

- Consultancy to prospective entrepreneurs in identification/ selection of product, selection of appropriate technology, manufactures process, selection of suitable plant and machinery etc.
- Consultancy to existing units in quality control and standardization, new technology and assistance in marketing the products.
- Preparation of State Industrial Profile.
- Preparation of District Industrial Potential Surveys.
- Cluster Studies
- Skill Development and Computer Training Programmes.
- Awareness Programmes on Energy Conservation and Pollution Control.
- Awareness programme on CLCSS/ Bar Code/ IPR / WTO/quality control/ ISO and other specified subjects.
- Marketing and Export Promotion.
- Sample Survey of registered/ unregistered MSMEs.
- Coordination with Directorate of Industries, DICs, Banks and Departments related to industrial development in the State.
- Common Facility Services to MSMEs in Machine Shop, Heat treatment on CNC Wire Cut Machine.
- Support the entrepreneurs for participating in ITFs and other exhibition.

#### **3.5.4 MSME-Testing Station (MSME-TS)**

Government of India under sixth five year plan established field testing Station (FTS) at various places in the country with an objective to provide testing facilities to MSME (earlier SSIs) to enable them to manufacture the goods confirming to Indian or other standard specifications and also provide third party assurance to various Govt. / private agencies. In October-2006, name of the Field Testing Station changed as MSME-Testing Station. This is under the control of Regional

Testing Centre (N.R.), New Delhi for providing testing facilities to the MSME units in the State.

#### **3.5.5 MSME Technology Development Center - Hand Tools**

A Hand Tool Design Development and Training Centre, has been set up at Nagaur with a view to develop Hand Tools Industry in the State. Main functions of this Centre are Consultancy, Advisory Extension Services and Technical expertise in the field of Hand Tools from the stage of selection of product/product groups to the manufacturing stage as well as marketing, common facility service to SSI industries in the region with special emphasis on Hand Tools manufacturing industry, Testing and Quality Control of industrial products with special emphasis on Hand Tools, Tool Room Facilities for Dies, Tools, Jigs and Fixtures needed by the Hand Tool manufactured in particular, development of information and dissemination and conducting Symposia, Seminars and Workshops for the benefit of Hand Tool manufacturers, traders and exporters .

#### **3.5.6 Industrial Finance Corporation of India (IFCI)**

The IFCI was set up in July, 1948 under a special Act to provide the much needed finance for large-scale industries which were apathetic or found inadequate earlier. IFCI works together with other public sector financial institutions. Industrial Development Bank of India (IDBI) which was established in July, 1964 provides direct loans to industrial concerns, refinance of industrial loans and export credits, rediscounting of bills, underwriting of and direct subscription to shares and debentures of industrial units and direct loans for exports .

#### **3.5.7 Small Industries Development Bank of India (SIDBI).**

The SIDBI was set up by the Government of India under a special Act of the Parliament in April, 1990 as a wholly-owned subsidiary of the IDBI. SIDBI has

taken over the outstanding portfolio of IDBI relating to the small scale sector. Over the years, SIDBI has put in place financing schemes either through its direct financing mechanism or through indirect assistance mechanism and special focus Programmes under its P&D initiatives. In its approach, SIDBI has struck a good balance between financing and providing other support services.

As an apex institution, SIDBI makes use of the network of the banks and state level financial institutions, which have retail outlets. SIDBI supplements the efforts of existing institutions through its direct assistance schemes to reach financial assistance to the ultimate borrowers in the small scale sector. Refinancing, bills rediscounting, lines of credit and resource support mechanisms have evolved over the period of time to route SIDBI's assistance through the network of other retail institutions in the financial system. SIDBI has entered into Memoranda of Understanding with many banks, governmental agencies, international agencies, research & development institutions and industry associations to facilitate a coordinated approach in dealing with the issues for development of small scale industries.

The industrial units in the State of Rajasthan get financial assistance from the national level financial institutions as IDBI, IFCI, ICICI, SIDBI, and other nationalized and private banks in a big way.

### **3.6 RIICO**

Rajasthan Industrial Development and Investment Corporation Ltd., (RIICO) is a government company, wholly owned by government of Rajasthan, India. RIICO is the apex organization for fostering growth of industrialization in Rajasthan. RIICO provides industrial lands and Variety of technical inputs, by way of technological and managerial services, like relevant technical information, project briefs, project profiles, project reports, techno-economic feasibility reports, market surveys, financial and managerial consultancy and even diagnostic studies for projects rehabilitation. RIICO also provide financial assistance in project loan, equipment finance scheme (EFS), working capital term loan, medium term multi purpose

loan. Flexi loan for hotels, hospitals and nursing homes, medium term loan against securitization of fixed assets etc.

Rajasthan Industrial Development and Investment Corporation Ltd., (RIICO) acquires land for development of industrial areas and parks at different places in the State depending upon the potential of industrial development. RIICO has so far developed 324 industrial areas where around 34000 industries are in production.

### **3.7 Bureau of Industrial Promotion (BIP)**

The Bureau of Industrial Promotion (BIP) is the Investment Promotion single window Agency of the State for clearing all medium and large scale investment. BIP is assists the investors looking at business opportunities in Rajasthan in every possible way. Through its concerted efforts, it has created a favorable environment and attractive destination for investors in the State. It has also successfully persuaded several very prestigious companies to set up manufacturing units in the State.

On the recommendation of the BIP, Economic Development Board has been formed to act as a think-tank for the State. The board will also provide direction for increasing private participation in economic development. It will support short term measures for economic transformation and advice in long term plans for increasing the competitive edge of the State. It helps in identifying investment opportunities, providing access to information that is critical to setting up of project, assisting translating of investment possibilities into concrete investment proposals, assisting site selection and obtaining infrastructural facilities and interfacing with government department for required clearances.

### **3.8 Social Infrastructure**

Infrastructure facilities are usually referred to as economic and social overheads. The economic overheads part have already been dealt under the headings of

Energy, Transport and Communications, Science and Technology, Banking, Finance and Insurance, and the social overheads include, health and hygiene, housing and education.

### **3.8.1 Human Resource Development (HRD)**

Human resource is the most important of all resources. It is very true that human beings are not only instruments of production, but also ends in themselves. Education is one of the major aspects in HRD. Rajasthan is educationally backward with 66.1% rate of literacy as per 2011 census below the all India literacy rate is 73 %. Female literacy is 52.1%.

At present, 41,525 Primary Schools, 37,573 upper primary schools and 27155 secondary and senior secondary schools in the state during 2014-15. Enrollment of students in the same period is 14.18 lakhs in pre primary and primary school and 19.57 lakhs in upper primary. State government is more concerned with the education providing more budget to this sector.

### **3.8.2 Higher Education**

Rajasthan is a growing education hub of the country. Education is the base of growth and development. Public Private Partnership (PPP) mode of education is growing. At present 71 Universities (Govt & Pvt.), 05 Deemed University are in the state. Various types of courses and institutions are taking place in the changing economic scenario. In the degree courses there are 2364 no. of total colleges in state, in 192 no of government colleges, 15 govt. law colleges, and 1385 colleges are private in sector. Total 8.50 Lakhs students enrolled in these colleges. The picture of the technical medical institutions can be seen from the following tables;

Table-3.11

**No. of institutions and seats in Technical Courses**

	Number of Institutions			Number of Seats		
	Govt College	Pvt. colleges	Total	Govt College	Pvt. colleges	Total
Engineering	12	122	134	--	---	64,552
MBA	8	78	86	570	5430	6,000
Poly technique	41	175	216	6080	51655	57735
ITI	215	1488	1703	41324	191672	232996

Source: Economic Review-2014-15, DES, Rajasthan

Table- 3.12

**Number of Institutions related with Medical Courses**

	Govt College	Pvt. colleges	Total
MBBS	8	4	12
Dental	1	13	14

Source: Economic Review-2014-15, DES, Rajasthan

**3.7.3 Medical and Health**

Medical & Health services are being provided in the State through a net work of Govt. institutions at various levels. Details of the position of Allopathic Medical institutions are shown in the following Table.

Table No.3.13

**Details of Medical Institutions**

S.No	Institutions	Numbers (Till 31.12.2014)
1.	Hospitals	113
2.	Community Health Centre	568
3.	Dispensaries	194
4.	Primary Health Centers (urban & Rural)	2139
5.	Maternity and Child Welfare Centers	118
6.	Aid Posts (Urban)	13
7.	Sub-Centers	14408
8.	Inpatient Beds	46669
9.	Doctors	6950

Source: Economic Review DES, Rajasthan-2014-15

A detail of the position of Ayurvedic / Unani / Homeopathic and Prakritik Medical institutions can be shown in the following Table.

Table No.3.14

**Details of Medical Institutions (other than Allopathic)**

S.No	Institutions	Numbers (2014-15)
1.	Hospitals	188
2.	Dispensaries	3577
3.	Mobile Units	6

Source: Economic Review DES, Rajasthan-2014-15

Medical tourism is one of the stated priorities of the government. It is looking at making the state an attractive destination for the attractive destination sector, especially those who might be interested in setting up hospitals, nursing homes and even institutes of medical education. The medical policy includes encouraging other parallel and recognized streams of medicine such as Ayurveda, Homeopathy and naturopathy. The state government is focusing on the medical sector to promote health status of the people especially for the weaker section of the society. A number of initiatives have been taken to bring them into the main stream. The state government also implemented the National Rural health mission (NHRM) effectively in Rajasthan.

As medical expenses are a major concern for most people as income sources are limited and treatment cost continues to rise, now all the population will get benefits of free medication and treatment at all government hospitals in the state. The government is also decided to set up special geriatric care centers at all district hospital. It will also expand the services under the national rural healthcare mission and Rajasthan health system development project. The government has approved training for the members of 43000 village health committees in the state. The government has also decided to outsource the facilities for diagnosis at the district hospitals under the public private partnership scheme.

# CHAPTER IV

## **INDUSTRIAL** MSME-DI, JAIPUR **SCENARIO IN** **RAJASTHAN**



## **INDUSTRIAL SCENARIO IN RAJASTHAN**

Considered a backward state in terms of industrial development Rajasthan is all set to change its image. Although agriculture continues to be the backbone of the state in the terms of economic activity; manufacturing construction and mining are fast growing activities. The economy of the state has shown a structural shift with the manufacturing sector making a considerable contribution to the net state domestic product (NSDP). In terms of production value, the textile industry, dominates the large and medium category of industries. This is followed by industries catering to agro-based, food and allied products; cement and cement products: chemical gases , lubricants and plastic; heavy machinery ; metal allied products, automobile parts and machine tools parts; electrical and electronics – related products; minerals , stones and lime; drugs and pharmaceuticals ; ceramics and glass wares; and leather and footwear. The state is almost the sole producer in the country of certain minerals like wollastonite, zinc and copper. Besides this, it is also a leading producer of crops such as mustard, bajra, barley, maize, cotton and spices. The is also a huge population of livestock that sustains the livelihoods of several communities across the state

Rajasthan is a fascinating state with an extremely rich cultural heritage. It is considered one of the top regional economies today. In recent past state was rendered as rapidly growing state of the country. With a compounded annual growth rate of over 9.0%, it ranked alongside states like Gujarat, Andhra Pradesh, Karnataka and Tamil Nadu.

It is the vision of Government of Rajasthan to be a developed state where people get many opportunities to achieve economic prosperity and happiness. The govt. has taken a firm and effective steps to provide an environment conducive to economic and social growth. These steps included formulation of investment – friendly policies; create a positive environment for investment into industrial development and to ensure prosperity of the state.

Infrastructure creation has been one of the priority areas of the government, not

only for industry but also for common person. Industrial areas with ready to use base with supportive infrastructure facilities have been set-up. In the arid and semi arid areas, water availability has been stepped up. The extension of the Indira Gandhi Nahar Pariyojana, one of the largest irrigation systems in the world, turned the desert districts of the state into the green belts of prosperity.

All parts of the state are connected by road and rail barring some areas where the broad gauge rail network is yet to be set up. There is well established inter state road network connecting all the important towns of Rajasthan with rest of the country. Jaipur, Jodhpur and Udaipur are connected by air as well as rail to Delhi, Mumbai and Ahmadabad. For cargo movement, there are inland container depots at Jaipur, Jodhpur, Kota and Udaipur. Bhiwadi near to Alwar and the textile town of Bhilwara will have their own depots. Several agencies are working in the state to achieve the goal of rapid industrialization. The Bureau of Investment Promotion provides all kinds of investment related information to medium and large scale industries as well as NRI investors and ensures quick resolution of their problems. It is the secretariat for Rajasthan Investment Promotion Board headed by the Chief Minister. Forward looking investment and industrial policy for the state is also in the process of formulation. The industrial areas developed by the Rajasthan state industrial development and investment corporation (RIICO) are self sufficient in that they have water, power, road network, shops, telephone and fax facilities, housing and recreation facilities

Rajasthan today is rapidly emerging as one of the most attractive investment destinations in the India. Doing business in Rajasthan has become an attractive and exciting proposition. Wide ranging economic reforms availability of low cost Labour, access to cheap and Variety of raw material and intermediate products, a large domestic market, a mature financial sector and political stability are some of the factors, which have increased investment flows. Rajasthan is one of the first states to move on the central government's new liberalization policies, Rajasthan have a very investor friendly climate. State aims to achieve an even higher average growth rate in the coming years. Across all sectors, and intends to launch itself as a

model state for infrastructure development where governance is citizen sensitive.

Rajasthan has been marching ahead in terms of industrialization. Due to consistent support and growth strategy adopted by the State Government, the number of MSMEs are increasing year after year.

#### **4.1 Large Scale Industries.**

As on 31.3.2014, Rajasthan had 316 Large scale units, in which Rs.110320.40 Crore were invested and 1.62 Lakhs of employment was generated from these industries.

The information about number of units, employment and investment as on 31<sup>st</sup> March 2014 region wise is given in the Table below.

Table No.4.1

S.No.	Name of the District	Registered Units (Nos.)	Employment (Nos.)	Investment (Rs.in lakhs )
<b>Ajmer Division</b>				
1	Ajmer	8	2325	5737.17
2	Tonk	5	1089	286.90
3	Bhilwara	59	32413	3510.28
4	Nagaur	5	732	466.48
<b>Bharatpur Division</b>				
1	Bharatpur	1	245	172.22
2	Dhoplur	3	877	65.58
3	Alwar	91	32791	20228.27
4	Karoli	0	0	0
<b>Bikaner Division</b>				
1	Bikaner	1	750	94.00
2	Churu	1	70	25.25
3	Hanumangarh	2	1486	82.90
4	Sriganganagar	7	4090	7448.13
<b>Jaipur division</b>				
1	Jaipur	28	14178	3197.09
2	Dausa	0	0	0
3	Jhunjhunu	0	0	0
4	Sikar	6	1903	425.52
<b>Udaipur Division</b>				
1	Udaipur	21	7549	742.91
2	Chittorgarh	11	6490	9491.24
3	Raj samand	1	1904	248.18

4	Dungarpur	3	2237	241.14
5	Banswara	7	18680	2617.40
6	Pratapgarh	0	0	0
<b>Jodhpur Division</b>				
1	Jodhpur	18	3233	1007.00
2	Pali	6	5342	7114.41
3	Sirohi	7	4306	4794.28
4	Jalore	0	0	0
5	Barmer	3	2807	28490.67
6	Jaisalmer	0	0	0
<b>Kota Division</b>				
1	Kota	12	7345	4914.37
2	Bundi	5	1352	810.31
3	Jhalawar	1	3594	353.61
4	Baran	4	4449	7755.12
5	Sawai Madhopur	0	0	0
	<b>Grand Total</b>	<b>316</b>	<b>162237</b>	<b>110320.40</b>

Source : Commissionerate of Industries, GOR, Jaipur

There are 221 Medium scale enterprises are registered from 2007-08 to 2014-15 Alwar & Bhiwadi with 91 units' accounts for 29% of large scale industries followed by Bhilwara and Jaipur district 59 and 28 respectively. 316 large units having investment of Rs. 110320.40 Lakhs, reported as on 31.3.2014. Zone (District) wise details of registered large units, employment, and investment are given in the above table 4.1

#### **4.2 Micro ,Small & Medium Enterprises**

Table No.4.2

##### **Year-wise information of MSMEs**

<b>Year</b>	<b>Registered MSMEs</b>	<b>Investment ( Rs. in Crores)</b>	<b>Employment (persons in No.)</b>
<b>2012-13</b>	<b>15363</b>	<b>2788.06</b>	<b>94562</b>
<b>2013-14</b>	<b>17601</b>	<b>2778.89</b>	<b>98791</b>
<b>2014-15</b>	<b>18655</b>	<b>2513.64</b>	<b>91831</b>

It is evident from the numbers inscribed into the table above that number of registered units; employment and investment are growing over the year. Total 18655 no of

registered MSMEs during the 2014-15 with total 91831 no of employment and Rs. 2513.64 crore of total investment in these enterprises. Jaipur district with 27069 units has maximum number of MSMEs in the state. District-wise status of MSMSs is given in the table 4.3 below.

Table-4.3

Sr.No.	Name of DIC	MSMEs (Numbers)
1.	Ajmer	5341
2.	Alwar	4035
3.	Banswara	2040
4.	Baran	990
5.	Barmer	1430
6.	Bharatpur	2653
7.	Bhilwara	5655
8.	Bhiwadi	5007
9.	Bikaner	5280
10.	Bundi	1681
11.	Chittorgarh	2513
12.	Churu	1719
13.	Dausa	2148
14.	Dholpur	1252
15.	Dungarpur	1275
16.	Hanumangarh	1359
17.	Jaipur (Urban)	21066
18.	Jaipur (Rural)	6003
19.	Jaisalmer	1851
20.	Jalore	1520
21.	Jhalawar	1719
22.	Jhunjhunu	2379
23.	Jodhour	7710
24.	Karoli	2044
25.	Kota	5427
26.	Nagaur	4061
27.	Pali	4530
28.	Pratapgarh	1074
29.	Rajsamand	3295

30	Sawai Madhopur	1878
31	Sikar	2416
32	Sirohi	1975
33	Sri Ganganagar	2586
34	Tonk	2170
35	Udaipur	5965
36	Phalodi	233
	<b>Total</b>	<b>124280</b>

#### **4.3 Mineral based industries:**

**4.3.1 General Geology:** Geologically Rajasthan comprises rocks from oldest Archean rocks to recent alluvium formations. The oldest formations are known as Banded Gneissic Complex exposed in central and southern Rajasthan. The Aravalli hill range dividing the State diagonally is made up of precambrian rocks of Aravalli and Delhi Super group comprising the metamorphosed gneisses, schists, marble, quartzite, calc silicate and ultra basic and acidic intrusive rocks, trending NE-SW and dipping 30° to 70° easterly. This is known as Delhi fold belt and is an important horizon for base metals, other metallic and non-metallic minerals. The eastern and southeastern parts of the State are occupied by rocks of Vindhyan Super group mainly forming a plateau of sandstone, shale's and limestone. In the southern part Deccan trap formation of cretaceous age are exposed.

The Aravalli metallogenic province of Rajasthan is the most important geological province for base metal and gold deposits. The province contains the world class Rampura-Agucha Lead-Zinc deposit along with several large deposits of Lead and Zinc in Rajpura-Dariba and Zawar belts. In addition, there are a number of deposits in Deri-Basantgarh belt. Since the last decade, several gold deposits have been proved in the southern part of the province in Banswara district.

**4.3.2 Mineral Potentiality:** The State is geologically so endowed that it becomes a veritable repository of minerals. Rajasthan is fortunate enough to have a wide spectrum of mineral deposits. There are about 64 different major and minor minerals produced in

the State, contributing annual revenue of more than 600 crores.

Rajasthan is the sole producer of garnet (gem variety), jasper and wollastonite. Almost entire production of zinc (concentrate), calcite, asbestos and gypsum in the country was reported from Rajasthan. Besides, Rajasthan is the leading producer of ball clay (40%), feldspar (70%), fluorite (graded) (59%), Kaolin (44%), lead concentrate (80%), ochre (72%), phosphorite (79%), silver (54%), steatite (85%), barytes (53%), copper (34%), quartzite (33%) and silica sand (21%).

The State Government welcomes new investments in the mineral sector and is pledged to provide all necessary facilities to potential investors. Given the availability of a large variety of metallic and non-metallic industrial minerals, there is a huge potential of mineral-based industries in Rajasthan. In addition, there is well-developed transport, communication and power infrastructure in the State. The mineral policy of the State has been formulated to facilitate investment in mineral-based industrial sector. The State offers an investor-friendly environment and welcomes Indian and multinational investment in mineral-based industries.

#### **4.3.3 Setting up of Mineral Based Industries:**

Looking to the availability of Limestone Asbestos, Clay, Quartz, Feldspar, and other economic minerals a large number of lime, asbestos based industries are operating in the State. Pulverizing units to grind quartz, feldspar, soapstone etc., are also operating in the state. The status of the state with regard to existing mineral-based industries is given below.

Table-4.4

Sr.No.	Industry	Number
1	Cement Plants(Major)	21
2	Cement Plants(White)	2
3	Copper Smelter	1
4	Fertilizer (Single super phosphate/urea)	8
5	Glazed Tiles and Ceramic	4
6	Granite Cutting & Polishing units	About 800 (Including 8 Gang Saw Plants)

7	Insulators (L.T. & H.T.)	1
8	Lead Zinc Beneficiation Plants	3
9	Marble Cutting & Polishing units	1500 Gang Saw 2000 Tiling Plants
10	Sanitary Ware	1
11	Sulphuric Acid	3
12	Super Zinc Smelter	1
13	Zinc Smelter	1
14	Quartz and Feldspar Grinding and Pulvarizing units	1000
15	Plaster of paris	500
16	Gitti Crusher	3000
17	Lignite based Power plants	13
18	Power plant coal based	6
19	Iron Puetisation Plants	1
20	Gas based Power thermal plants	3

Source: Department of Mines and Geology, Udaipur

A vast mineral resource provides innumerable opportunity for taking up of a variety of mineral-based industries in the state. There are 8869 mineral-based industries located in the state out of which maximum 819 units are situated in Ajmer district followed by Nagaur. 4300 units of stone granite cutting and polishing constitute the largest portion of the mineral-based units. More than 70% of the mineral based units are based on stones and related industries alone.

Following table shows the figures of various minerals production, area, sale value and total revenue earned and no. of employment generated in the sector.

Table 4.5

S. No.	Mineral	Leases	Area	Production	Sale Value	Revenue	Employment
		( No.)	(in Hec.)	(Lac`Tons)	(Crore`Rs.)	(Lac`Rs.)	(Nos.)
Metallic Minerals							
1	Cadmium	0	0	0.002	3.989	421.320	0
2	Copper Ore	3	706.75	10.030	200.602	1365.050	1890
3	Iron ore	16	2214.73	29.832	275.830	2202.321	992
4	Lead Zinc (ROM)	8	6581.63	72.825	1724.232	95432.394	4434
5	Lead	0	0.00	1.514	0.000	1837.920	0
6	Zinc	0	0.00	13.988	0.000	0.000	0
7	Silver	0	0.00	0.003	1281.579	9365.309	0
8	Manganese	1	18.90	0.039	0.966	6.330	70



Other Minerals							
9	Asbestos	4	228.80	0	0	0	0
10	Ball Clay	105	5353.75	31.113	149.343	1245.402	700
11	Barytes	2	34.59	0.026	0.155	2.210	25
12	Calcite	43	938.05	0.935	3.393	64.453	640
13	China Clay	204	3840.43	18.812	110.050	657.191	1591
14	Dolomite	18	1707.58	3.678	17.262	231.889	404
15	Emerald	1	46.32	0.000	0.000	0s	0
16	Fire Clay	4	59.99	0.000	0.000	0.340	0
17	Fluorite	6	1084.95	0.000	0.000	0.911	15
18	Garnet (Abr.& Crude)	13	59.53	0.008	0.075	1.960	10
19	Gypsum	59	13645.20	30.878	143.926	3273.838	871
20	Jasper	7	232.88	0.015	0.162	0.840	15
21	Kyanite	3	154.00	0.000	0.000	0.408	5
22	Lignite	7	11470.00	76.857	709.842	4807.633	700
23	Limestone	37	17223.25	566.723	1219.832	36510.977	2961
24	Magnesite	3	14.40	0.000	0.000	0.430	0
25	Mica	14	116.41	0.073	0.918	4.122	106
26	Ochres	80	1553.05	27.460	47.945	514.568	607
27	Phyrophilite	6	44.71	0.083	0.207	2.488	14
28	Quartz	1304	10164.55	17.891	45.450	959.554	6497
29	Felspar	1134	6954.49	16.685	46.385	947.605	6706
30	Rock-Phosphate	5	1998.87	11.176	223.515	4160.256	1155
31	Selenite	3	920.85	0.000	0.000	8.104	1
32	Silica Sand	75	1472.29	9.965	45.239	331.123	1164
33	Siliceous Earth	19	199.71	0.272	1.856	22.469	75
34	Soapstone	206	9353.14	8.096	70.769	1405.057	3087
35	Vermiculite	2	9.33	0.000	0.000	0.100	0
36	Wollastonite	11	126.88	1.906	15.633	209.770	258
	Misc. Income	0	0.00	0.000	0.000	0.412	0
	<b>Total</b>	<b>3403</b>	<b>98529.99</b>	<b>950.883</b>	<b>6339.1558</b>		<b>34993</b>

Source: Department of Mines & Geology, Udaipur

Details of various minerals and metals available in the different region as per area production, sale value, revenue generated and total employment is given in the above table.

#### 4.4 **Exports**

Exports hold the key not only for a healthy balance of payments positions and macro economic, but also for a planned and sustained economic development. In the absence of better performance on the economic front, the balance of payments position of the country comes under strain and retards economic progress. Rajasthan has traditionally been an exporter of primary goods. The significance of exports from the state lies not only in earning foreign exchange for the country's exchequer but also in indirect benefits to the state such as ;

1. Expansion of market opportunities for its produce;
2. Improvement in product quality and subsequent handling techniques;
3. Technological up gradation in terms of plant, machinery and manufacturing process;
4. Greater employment opportunities
5. Exposure to the international marketing and technological environment etc.

The state government has identified exports as one of the thrust areas. Export promotion cell has been set up in the state commissionerate of Industries. The RSIC Ltd. has been recognized as an export house. Promotional efforts for export growth are also being made by the Bureau of Industrial Promotion and the RIICO Ltd. the manufacturer and exporter have given an excellent account of themselves in export efforts, which is evident from the sharp increase in the volume of exports in the recent years.

Government of Rajasthan has provided several incentives like over-riding priority in release of power connections to units set up in EPIP / Export processing zone, exemption from power cuts, purchase tax exemption depending on the level of investment and entry tax exemption to help promote export-oriented units. The policy of encouraging exports has already started paying rich dividend and in turn exports have led to the overall industrial development of the state. State has also declared its SEZ policy and act lot of concessions and facilities has been incorporated.

The entrepreneurs of Rajasthan are exporting a wide variety of products, which includes Handicrafts, carpets, readymade garments, printed fabrics, makeup's, leather goods, chemicals, minerals, stones viz. marble, granite, slate, sand stone, engineering goods, precious and semi precious stones and jewellery etc. the details of product wise and year wise is as below;

**Table No.4.7**

Break-up of export of various items of Rajasthan during last four years

(Rs.in crore )					
S. No.	Product	2010-11	2011-12	2012-13	2013-14
1	Textile	2500.13	3402.74	3800.08	4139.65
2	Agro & Food Products	2869.72	1078.38	14517.17	9080.75
3	Gem & Jewellery (including diamond)	2686.24	2970.03	3023.36	4564.15
4	Engineering	1920.17	2698.21	2914.81	3517.26
5	<u>Metal</u>				
	1.Ferrous	483.13	441.80	683.21	759.40
	2.Non- Ferrous	4498.52	2779.21	1124.94	923.79
6	Dimensional Stones, Marbles, Granites & articles of stone mica etc.	933.25	1812.18	2028.89	2539.42
7	Mineral fuels, Mineral oil & Products etc.	2915.90	162.29	1052.91	171.65
8	Electrical, Electronics, & computer Software	120.38	421.00	1171.82	1500.00
9	Wool & Woollen	16.92	34.26	35.25	39.75
10	Chemical & Allied	1347.43	2743.14	3779.69	4123.64
11	Drugs & Pharmaceuticals	186.52	281.22	293.76	359.90
12	Plastics & Linoleums	136.39	252.74	517.22	407.71
13	Handicrafts	1875.95	2150.65	2363.83	3029.18
14	Leather & Leather Products	81.45	83.47	98.26	137.16
15	Readymade Garments	933.25	1281.45	1288.20	1543.17
16	Carpets (Durries)	237.60	370.62	394.36	442.61
17	Handlooms	1.20	2.10	NA	NA
18	Others	9.05	77.11	18.94	7.52
	Total	23753.20	32749.60	39106.70	37286.71

#### 4.4.1 **Export Infrastructure**

RIICO plays a catalytic role in industrial development of Rajasthan. Keeping in view the specific requirements of export-oriented units, RIICO has given emphasis for development of special parks for setting up of such units. RIICO on behalf of Govt. of Rajasthan is providing and developing these basic infrastructure facilities for the exporting units.

1. Export Promotional Industrial Parks
2. Special Economic Zones
3. ASIDE Scheme (Assistance to state for developing export Infrastructure and allied activities)
4. AIR Cargo Complex (ACC) and inland container Depot (ICD)

##### **1. Export Promotional Industrial Parks**

The EIPs have been developed / are being developed under the scheme of department of Commerce, Govt. of India. In EIPs only those units that undertake to export a minimum of 33% of their production, are allotted land. Brief details of these EIPs are as under;

##### **a). EIP at Sitapura, Jaipur**

The first EIP of the state was developed by RIICO at sitapura, Jaipur over an area of 361 acres (409 plots). The park is functional since march-1997 with 208 units (230plots) under production and 62 plots (28 units) are under construction.

##### **b). EIP at Boranada, Jodhpur**

The second EIP of the state has been developed by RIICO at Boranada, Jodhpur over an area of 207 acre on which an expenditure of approximately Rs. 18 crore has already been incurred. Plots are allotted mainly to handicrafts units. All basic infrastructure facilities are available since July 2003.

##### **c). EIP at Neemrana, Alwar**

The third EIP of the state is being developed at Neemrana located on NH-8 (Delhi-

Jaipur Road). The park comprises of 218 saleable industrial plots of which 210 plots have been allotted. This EPIP is being developed with an estimated project cost of about Rs. 35 Crore and expenditure of Rs. 24 Crore has already been incurred.

## **2. Special Economic Zone (SEZs) : The wings of change**

SEZs are specially delineated duty free enclaves treated as a foreign territory for the purpose of industrial, service and trade operations, with exemption from custom duties and a more liberal regime in respect of other levies, foreign investment and other transactions. Domestic regulations, restrictions and infrastructure inadequacies are sought to be eliminated in the SEZ for creating a hassle free environment. The SEZ scheme seeks to create a transparent system by introducing simplified procedures for enhancing productivity and making it easier to do business. SEZs envisages key role for the state government in export promotion and creation of infrastructure, investment and employability. Benefits derive from investment and additional economic activity in the SEZ and the employment generated has a multiplier effect on the economy.

SEZs have been driving industrial growth in India. This is an established fact today that for a business to be globally competitive and eco system has to evolve where all the key elements like infrastructure, resources, logistics, hassle free environment etc. need to be provided. SEZs act as a catalyst in providing these benefits to business. Rajasthan government has been very proactive for the growth of industries in the state. It has network of support organization like Rajasthan state industrial development and investment corporation (RIICO), Bureau of Investment Promotion (BIP), and the Rajasthan Finance Corporation (RFC) amongst other.

The state has adopted the Public private partnership model very successfully for the implementation of the SEZ projects in the state. Presently there are four operational SEZs in Rajasthan, while three of these are state owned by Rajasthan state industrial development and investment corporation Ltd. (RIICO). The other one is joint venture between the RIICO and Mahindra & Mahindra. Among those in the pipeline are six SEZs at advanced stages of formal

approval from the Govt of India and nine that have in principal approval. The details of the these four SEZs are as below, of these three SEZs have been developed / are being developed byz RIICO, The brief details of these SEZs are as under;

a) **SEZ for Gems & Jewellery units at Sitapura, Jaipur (Phase-I)** The SEZ for Gems & jewellery units (phase I ), has been set up at sitapura, Jaipur. It is planned over 21.50 acres of land. All of the 51 Plots planned have already been allotted. Roads, drainage, boundry wall work and power supply/ street light work and other basic infrastructure facilities have been developed.

**b) SEZ for Handicrafts units at Boranada, Jodhpur**

The SEZ for handicraft units at boranada, Jodhpur has been planned over 180.94 acres of land (291) plots. Basic infrastructure facilities have been provided in this SEZ

**c). SEZ for GEMS & jewellery units at Sitapura, Jaipur (Phase-II)**

This SEZ for GEMS 7 jewellery units at sitapura (phase-II), Jaipur has been planned over 89.39 acres of land (190 plots). Basic infrastructure facilities have been provided in this SEZ.

**d) Public-Private Partnership for SEZ**

RIICO on behalf of the state government, is also promoting its first multi product SEZ in PPP mode on Jaipur-Ajmer National Highway. The SEZ shall be developed on 2500 acres of land and the domestic tariff area will be developed on 550 acres of land. In the phase-I government of India has approved IT/ITes SEZ, Handicrafts SEZ and light engineering SEZ and also accorded in principal approval for multi product SEZ. RIICO has also developed theme based parks such as special economic zones at Jaipur jodhpur & Neemrana (being developed) , IT parks at Jaipur, Jodhpur, Kota & Udaipur; EPIP at Jaipur and Jodhpur: Agro food parks at Kota, Jodhpur & Sri Ganganagar; Apparel Park at Jaipur; Bio-Tech Parks at Jaipur , Jodhpur and Bhiwadi besides growth enters and other special parks.

#### **4.5 Khadi & Village Industries**

The Khadi & Village Industries Commission (KVIC) is a statutory body established by an Act of Parliament (No. 61 of 1956, as amended by act no. 12 of 1987 and Act No.10 of 2006. In April 1957, it took over the work of former All India Khadi and Village Industries Board. The broad objectives that the KVIC has set before it, are...

- The social objective of providing employment
- The economic objective of producing saleable articles,
- The wider objective of creating self-reliance amongst the poor and building up of a strong rural community spirit.

Some of the major functions of KVIC are,

- The KVIC is charged with the planning, promotion, organisation and implementation of programs for the development of Khadi and other village industries in the rural areas in coordination with other agencies engaged in rural development wherever necessary.

Its functions also comprise building up of a reserve of raw materials and implements for supply to producers, creation of common service facilities for processing of raw materials as semi-finished goods and provisions of facilities for marketing of KVI products apart from organization of training of artisans engaged in these industries and encouragement of co-operative efforts amongst them. To promote the sale and marketing of khadi and /or products of village industries or handicrafts, the KVIC may forge linkages with established marketing agencies wherever feasible and necessary.

The KVIC is also charged with the responsibility of encouraging and promoting research in the production techniques and equipment employed in the Khadi and Village Industries sector and providing facilities for the study of the problems relating to it, including the use of non-conventional energy and electric power with a view to increasing

productivity, eliminating drudgery and otherwise enhancing their competitive capacity and arranging for dissemination of salient results obtained from such research..

- Further, the KVIC is entrusted with the task of providing financial assistance to institutions and individuals for development and operation of Khadi and village industries and guiding them through supply of designs, prototypes and other technical information.
- In implementing KVI activities, the KVIC may take such steps as to ensure genuineness of the products and to set standards of quality and ensure that the products of Khadi and village industries do conform to the standards.

The KVIC may also undertake directly or through other agencies studies concerning the problems of Khadi and/or village industries besides research or establishing pilot projects for the development of Khadi and village industries.

MSME-DI, JAIPUR



# CHAPTER V

# **CLUSTER INDUSTRIES**

## CLUSTER INDUSTRIES

Rajasthan is famous for its rich heritage – its history, the Maharajas and their palaces. But the state is more than just a tourist destination, state is now host to a number of small and medium enterprises alongside some major industrial units that have done well in the desert state are textiles, agro and food products, gems and jewellery, marble, handicrafts , readymade garments, carpet and durries and gem stones.

Most of these sectors are export oriented and have shown high levels of growth. SME across the various sectors have registered a good growth in exports during 2014-15. A number of enterprises promoted by pioneers have over the years become major industry clusters and the unprecedented growth of scattered industries has now created a need for ensuring organized development. State has specialty of having several pockets ranging from very sophisticated items to traditional products throughout its territory. These concentrations are either due to skill/craftsmanship find in that particular area or availability of particular raw material or the skills are traditionally cherished and developed there. Cluster Industries have been identified for development in the State. 44 handicraft cluster Industries have been identified for intensive credit planning & focused development by the MSMEs up to the 2013-14, out of these activities in 32 clusters are completed. For Sectoral development of handicraft industries in the State, following cluster industries have been identified by the state government and developed by various agencies, details of some of these are as given under;

Table No.5.1

<b>S.No.</b>	<b>Name of the Cluster</b>	<b>Location of the cluster</b>
1	Dying & Printing Cluster	Akola- Chittorgarh
2	Handloom Cluster	Darib- Churu
3	Murtikala Cluster	Talwara-Banswara
4	Charm Juti Cluster	Bhinmaal- Jalore
5	Gota Loom Cluster	Ajmer
6	Aari-Tari Cluster	Nayla-Jaipur
7	Murtikala Cluster	Gola Ka bas-Alwar

8	Honey Cluster	Bharatpur
9	Pottery & Terakota Cluster	Ramgarh- Alwar
10	Abharayan Utpad( Forest Product) Cluster	Baran
11	Stone Art ware cluster	Dungarpur
12	Leather Product Cluster	Jodhpur
13	Kashth kala Cluster	Bassi-Chittorgarh
14	Kashida kari Cluster	Pugal- Bikaner
15	Stone cluster	Pindwara-Sirohi
16	Terra-Cotta Cluster	Siyava-Sirohi
17	Auto-Component Cluster	Alwar
18	Handloom Cluster	Rajpura Patalwas -Jaipur
19	Marble Artizan Cluster	Chhitoli-Jaipur
20	Sand Stone Carving Cluster	Pichupada-Dausa
21	Brass ware Carving Cluster	Balahedi-Dausa
22	Embroidery and Handicraft Cluster	Shiv ,Badmer
23	Tye & dye Cluster	Jodhpur
24	Carpet Cluster	Thanagazi, Alwar
25	Glass Embroidery Cluster	Dhanau ,Badmer
26	Kota Doria Cluster	Kaithoon, Kota
27	Leather product & Leather Tannig Cluster	Bansoor, Alwar
28	Bamboo Cluster	Malikheda , Banswara
29	Leather Product Cluster	Sawarda, Dudu , -Jaipur
30	Abharayan Utpad( Forest Product) Cluster	Talchapar (Churu)
31	Lac Cluster	Jaipur
32	Terra-Cotta Cluster	Sagwara. Dungarpur
33	Terra-Cotta Cluster	Pokran , Jaisalmer
34	Terra-Cotta Cluster	Molela ,Rajsamand
35	Hand Block Cluster	Bagru -Jaipur
36	Jaisalmer Stones Cluster	Jaisalmer
37	Leather Cluster	Dhiroda ;Alwar

Source- O/o Commissioner of Ind, GOR, Jaipur

A brief detail about some of these clusters is as follows;

### **1. Gems & Jewellery**

With a history of dating back more than two and half centuries, the internationally recognized pink city of Jaipur is still a hot spot in the gems and Jewellery sector. From manual processing to value added branded products, the industry has grown, keeping pace with the changing trends. With over 2,00,000 peoples

engaged in the industry, Rajasthan accounts for Rs. 1650 Crore of the total \$17 billion worth of Indian export of gems and Jewellery. With more than 1300 exporters in the SME segment alone the sector has been witnessing a growth rate of 15-20%.

## **2. Handicrafts**

Another traditional industry that Rajasthan is well known for is the export of handicrafts. The industry that started about 25-30 years ago today boasts of an annual turnover of approximately 1400-1500 crore rupees. There are over 500 handicraft manufacturing and exporting units providing employment to about two lakhs people in Jaipur and Jodhpur, the two main handicraft centers in the state. In order to promote the industry an exclusive handicraft center is being set up in the Boranada industrial area, Jodhpur, besides setting up industrial parks at Basni & Boranada.

## **3. Garments**

Garment manufacturing and exports is yet another important industrial cluster in the state. After the end of the quota system, the garment industry witnessed a sudden spurt of growth of 25-30%. Huge export orders kept all the exporters busy even in the off season for which tailors and fashion professionals were hired from neighboring states. Over 2502 garment manufacturing and exporters today account for annual exports worth Rs. 850 Crore, of which Rs. 500 Crore is from direct exports. The industry provides employment to over two lakhs people. The industry is now eyeing the growing domestic market too. The industry needs organized textile parks and apparel centers which have sound printing and dyeing facilities of international standards.

## **4. Printing & Dyeing**

Rajasthan has long been known for its printed and dyed textiles. But lately the hand block printing and dyeing units that employing over two Lakhs people, have been in thick of controversy over creating an ecological imbalance due to excessive use of dyes. With a total turnover of Rs.500 Crore, the industry is getting orders from

exporters across the country and especially from Delhi, Mumbai and Kolkata. Over a century old the cluster is asking for industry status as it has invested about Rs.600 Crore in machinery.

## **5. Carpets**

The state is also famous for heritage carpet weaving. With over 170 manufacturing and exporting units, Jaipur is one of the largest processing centers of handmade woolen carpets after Bhadoi in UP. Providing livelihood to over 2.5 lakhs people, the industry accounts for annual exports worth Rs. 450 Crore.

A hand made carpet with fine quality work generally costs between \$6 and \$ 30 per sq.ft. in the international market. The labour intensive natures of the industry and frequent droughts have helped the industry flourish in the state. Carpet manufacturing needs no power or water, which have always been scarce in the state. The industry emerged as regular source of income for rural artisans and masses during drought in the state.

## **6. Agro Industry**

With about 20,000 units in the state, the agro industry has an export market of over Rs. 500 Crore. The size of the domestic market could be several times that of exports, but details are not available. There 2164 agro units in nagore, 1496 in Sawai Madhopur, 1391 in Jaipur and 1192 in jodhpur. The industry has helped bring prosperity to the villages and increase production and income as well as absorb surplus labour in the area. In a way it helped solve the problem of unemployment. The major agro products from the state include oil seeds(Ground nut , Caster seeds), horticulture(fruits & Vegetables), tobacco, spices, cotton, diary and guar gum.

## **7. Stones**

Rajasthan is home to exquisite natural stones like granite, marble stone, slate and sand stone and it has a long tradition of stone usage. Of the total exports from India, rajasthan accounts for about Rs. 800 Crore of stones, of which sandstone and marble are the main items. The kishangarh cluster about 100 KM. from Jaipur,

is a major market for stones quarried in Makarana and Rajsamand. Huge marble deposits, a well developed quarrying base, availability of cheap labour and indigenously developed machinery, a large domestic and export market and a well established distribution network are the main reasons for the business doing well in the state.

#### **8. Auto Cluster**

Auto cluster at Bhiwadi is yet another important industrial destination in the state. The presence of Honda Sael cars, at India's second manufacturing plant at the tapukara industrial area in a Bhiwadi indicates that Rajasthan could be the next big automotive destination in north India. Large numbers of auto component units have also started their operations in Bhiwadi, Chopanki and Alwar industrial areas. Having prepared a blueprint to attract investment of Rs. 5000 Crore, the RIICO has also signed MOU with the Japanese External Trade Organization (JETRO) for Japanese investment in Neemrana. Ashoka Leyland (truck chassis assembly plant), Eicher, caparo fasteners, climate system, federal Mogul, Hi-tech gears, Amtek India and Balkrishana Tyres are some of the other players operating from bhiwadi region.

#### **9. Plastic Hub**

Jaipur is the hub of the plastic industries in the state, with over 800 manufacturers. In all, there are about 1300 plastic manufacturing units in the state, providing direct employment to about 2.5-3 lakh people and indirect employment to about 4 lakh. With an annual production of 1.5 lakh tonnes, the industry has an annual market of Rs.900 crore alongside exports of Rs. 50-60 crore. Rajasthan is the seventh largest producer of plastic in the country. The entire industry runs around a profit margin of 10-12 %.

Some of the clusters is earlier selected by the state government was as under;

Sl.No	Item	Location of Cluster
1	Hand made paper	Sanganer (Jaipur)
2	Marble	Makrana, Udaipur, Rajasamand and & Kishangarh
3	Oil Mills	Alwar, Bharatpur & Sawai Madhopur.
4	Food Processing (Rasgulla, Bhujia & Papad)	Bikaner
5	Mineral Grinding	Beawar
6	Gem & Jewellery	Jaipur
7	Statue Making (Murtikala)	Jaipur
8	Welding Electrodes	Kota
9	Hand Tools	Nagaur
10	Wollen Carpets	Jaipur
11	Screen Printing	Barmer & Pali
12	Textile Hand printing	Jaipur
13	Slate Industry	Hindaun (Karauli)
14	Umbrella Assembly	Falna (Pali District)
15	Wooden Toys	Udaipur
16	Stainless Steel Re-rolling	Jodhpur
17	PVC Wires and Cables	Jaipur
18	Cement based	Beawar, Sirohi and Behror

Number of units, investment & employment in some the cluster industries taken for the developmental activities are given as follows.

#### 5.1 **Handmade Paper**

Handmade paper industries are located in Sanganer near Jaipur. There are around 13 units manufacturing handmade paper with an investment ranging from Rs.10 lacs to Rs.50 lacs per unit. Few units are 100% export oriented units and their export is to the tune of Rs.1 crore per year. These units provide employment to more than 700 persons. In Rajathan, the literacy is around 31.03% with more and more emphasis given for increasing the literacy in the State, there exists good scope for the development of Handmade paper industry in the State. The demand of handmade paper is increasing day by day in domestic as well as in intnl. market.

Kumarappa National Handmade Paper Institute, Sikarpura Road, Sanganer, Jaipur is functioning in the State to cater to the needs of Handmade Paper Industry.

#### 5.2 **Mineral Grinding**

A cluster of mineral grinding is located in Beawar. There are 150 units of mineral grinding, which include 120 of ball mills and 30 hammer mills of quartz & feldspar in the cluster and 50 new units are in pipe line. 85% of the mineral grinded goes outside the State for industrial use in glass and ceramic, rubber, paints industry. Good demand of the grinded mineral beckoning to bright future of this cluster.

#### 5.3 **Marble Cutting**

Rajasthan is richest with regard to marble deposits. It has the reserve of 1000 million tonnes of good quality marble. 17 districts in the State have so far shown presence of marble. Some important places are Makrana, Udaipur, Rajsamand, Banswara and Ajmer. Kishangarh is the main mandi for marble cutting. As per the statistics data available with department of Mines and Geology, Government of Rajasthan, the State produced 16,41,000 M.T. Marble having a sale value of Rs.202 crores. Nearly 1 lac persons are employed directly or indirectly in this industry. Annual export is estimated to be worth Rs.1075.31 crores.

#### 5.4 **Oil Mills**

Oil mill units are mainly concentrated in Sawai Madhopur, Alwar and Bharatpur. An estimated 700 number of units are manufacturing oil with an investment of Rs.1400 lacs providing employment to 2-3 persons per unit.

#### 5.5 **Food products**

Food products like manufacture of Papad, Mangori, Namkin and Rasgulla are localised in Bikaner district. There are 842 registered SSI units in the district employing 2,053 persons with a total investment of Rs.1,034 lacs. The annual export of Agro and Food product is estimated to Rs.1320.07 crore.

#### 5.6 **Cement**

Cement manufacturing units are found in Sirohi district and Behror in Alwar district. There are about 25 units in Behror and 5 units in Sirohi district. Their investment is



around Rs.1 crore per unit with a capacity of 50 TDP and the production is estimated to be 40 TDP. This industry provides employment to 60-65 persons per unit. Mineral Grinding Industry in Beawar is a good cluster having about 100 units manufacturing mineral powder.

#### 5.7 **Statue Making**

Statue making is also located in and around Jaipur. There are about 1000 units manufacturing Statue/Murti using traditional skill. Investment is Rs.50,000/- to Rs.1 lac per unit and employment 3-4 persons per unit and the production is around Rs.6 lacs per year.

#### 5.8 **Welding Electrodes**

There are about 15 units manufacturing this item in Kota district. The total production capacity of this item in the State is about 500 M.T.employing about 200 persons. The units are utilising about 60% of the production capacity.

#### 5.9 **Hand Tools**

Plier, Spanner, Hammer and Goldsmith Tools are mainly manufactured in Nagaur District. There are more than 1270 units including artisan manufacturing these items with traditional skill.

#### 5.10 **Woollen Carpets**

Manufacturing of Woollen Carpets is localized in Jaipur. Most of the units are exporting their products. The annual export of woollen carpets was Rs.273.16 crores .

#### 5.11 **Screen printing**

Screen printing industrial units in the form of clustered are in existence at Barmer and Pali of the State.

#### 5.12 **Textile hand printing**

The cluster of this industry is located at Sanganer and Bagru towns of Jaipur district. The annual export of these items was Rs.2023.16 crores.

#### 5.13 **Slate Industry**

The Slate industry as a cluster is functioning at Hindaun, District Karauli in Rajasthan State.

#### 5.14 **Umbrella Assembly**

Falna of Pali district has a good concentration of Umbrella manufacturing units.

#### 5.15 **Wooden Toys**

Udaipur has a good concentration of wooden toys units which functions as a household industry.

#### 5.16 **Stainless Steel Re-rolling**

Jodhpur has a concentration of more than 100 units engaged in the manufacture of stainless Re-rolling.

#### 5.17 **PVC Wires and Cables**

A good number of units manufacturing PVC Wires and Cables are located at Jaipur.

#### 5.18 **Other Cluster Industries**

Other cluster industries identified are lacquer craft in Jaipur, Screen Printing in Barmer and Pali, Textile Hand Printing in Jaipur, Spinning and Processing in Bhilwara and Textile Processing and White Metal Industry in Jodhpur, Plaster of Paris in Bikaner, Slate Industry in Hindaun, district Karauli, Umbrella assembly in Falna (Pali district) Electrical Transformers and ACSR conductors in Jaipur and HDPE Pipes and Sprinklers in Jaipur having 70 units in operation.

### 6. **AGRO FOOD PARKS**

Rajasthan is one of the most fascinating States in India and perhaps the richest in agriculture heritage. It is a common belief that it is a land of desert, few people know and even less is aware that Rajasthan has vast tracts of land that are irrigable. It is predominantly agrarian State where agriculture contributes 25-40% of the State's Domestic Product and 70% of its produce is engaged in agriculture and allied activities. Thar desert that runs, predominantly in the western part of the State and covers 250,000 Sq. Kms. has for centuries been a non irrigable tract of land. The district of Barmer, Bikaner, Jaisalmer and Jodhpur provide the co-ordinates of the desert to a common travels. Indira Gandhi Canal has resulted a significant increase in the State. This can covers the seven district of Rajasthan namely Barmer, Bikaner, Churu, Hanumangarh, Jaisalmer Jodhpur & Sriganganagar. Crops

of mustard, cotton and wheat now flourish in the semi-arid western region of the State where nothing but sand ruled the roost for several years. The canal is slowly but surely changing the face of Rajasthan. Government of Rajasthan is actively engaged in promoting various new techniques of modern day farming and bringing the technology to the farmer by organizing several fairs and on site demonstrations. The governments massive be evinced by the number of subsidies and financial support that it is extending to the customer.

Government of India is providing grant-in-aid for development of Agro Food Park, so that all requisite information like Common Effluent Treatment Plant, Warehousing, Testing Laboratory etc. are available at place and Agro units located in these parks can derive advantage of large scale. Congenial at place and Agro units located in these parks can derive advantage of large scale. Congenial environment, hassle free labour law and best-suited infrastructure are key-elements, on which these parks have been designed. Rajasthan being primarily an agrarian economy and leader in producing Bajra, Barely, Pulses, Coriander and host of industrial ventures of this sector, Looking to the current need of the hour, developing of Agro Food Park at Ranpur, Kota and Boranada, Jodhpur has been undertaken in the State. The details of the Parks are as under:

Description	Agro Food Park, Ranpur, Kota.	Agro Food Park, Boranada, Jodhpur	Agro Food Park, Sriganganagar.
Area Acres	136.74	192.47	81.14
No. of Plots	100	183	77
No. of Plots for Dry Process	73	146	-
No. of Plots Wet Process	18	28	-
No. of Plots for Green House	9	9	-

These parks have been approved by the Ministry of Food Processing Industries. These Parks will have requisite infrastructure including Common Effluent Treatment Plant and warehousing. The Agro Food park a Sri Ganganagar is in planning state.

# CHAPTER VI

# **POTENTIAL INDUSTRIES**

## POTENTIAL INDUSTRIES

Rajasthan State is rich in agricultural, mineral and livestock resources. Mineral resources are available abundantly in quality and quantity. Varieties of products are manufactured and exported from the State. The State Capital is connected with Broad gauge Railway line with the rest of the country. It has developed good infrastructure facilities. The State is providing about 35% of the total wool production in the country. The population of the State is growing at a faster rate as compared to the average growth rate of other States. Of the total population 44% constitutes as main workers as per 2011 Census. Potentiality and hindrance in the path of industrialization is discussed in the ensuing SWOT analysis.

Strength	Weakness
<ul style="list-style-type: none"><li>✓ Stable power availability</li><li>✓ Good air and Road linkages</li><li>✓ Good education &amp; medical care facilities</li><li>✓ Geographically within reach of India's major markets</li><li>✓ Rich in Milk, Wool, Spice and other agricultural produce.</li><li>✓ Prospects of exploration of oil and gas in the THAR desert.</li><li>✓ Tremendous tourism potential</li><li>✓ Robust demand by the vast populace.</li><li>✓ Abundance of developed industrial areas.</li></ul>	<ul style="list-style-type: none"><li>✓ Scanty and erratic rainfall and pelting underground water level.</li><li>✓ Lagging at health and education front.</li><li>✓ Inequitable growth throughout the State.</li><li>✓ Poverty, higher birth rate and low level of education.</li><li>✓ Low lending to industry</li><li>✓ Hybrid breeds of animal and seeds are not in much quantum.</li><li>✓ Poor quality of Wool</li><li>✓ Low pace of percolation of IT</li></ul>
Threat	Opportunity
<ul style="list-style-type: none"><li>✓ Raw material is getting value addition out the State</li><li>✓ Draining of technical persons to other States in lieu of lack of opportunities.</li><li>✓ Wool production is stagnant</li><li>✓ Sops offered by State Govt. are not commensurate with many other States esp. neighbouring.</li><li>✓ Slow pace of infrastructure development.</li><li>✓ Investment is not compatible with harnessing true potential.</li></ul>	<ul style="list-style-type: none"><li>✓ More research work in amelioration of breeds of livestock and enhance productivity.</li><li>✓ Advancement in irrigation system</li><li>✓ Water harvesting and exploring new water supply resources from outside the State.</li><li>✓ Scheme for reviving of sick units and prevent growing sickness.</li><li>✓ Offer more sops to make State policy competitive to other States.</li></ul>

<ul style="list-style-type: none"> <li>✓ Growing industrial sickness</li> <li>✓ Pollution challenges in tide and tide, printing industries emerging out in today time.</li> </ul>	<ul style="list-style-type: none"> <li>✓ More emphasis to promote service sector.</li> <li>✓ Encouragement to set-up pollution free units and adopting new technology without any delay</li> </ul>
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There is abundant scope for setting up of MSMEs in the State. Based on available resources and from the findings of the industrial potential surveys conducted in different districts in the State, a good number of Potential Industries have been suggested for development. A list of 110 such products could be set up in MSME sector in the State is given below.

Table-6.1

Sl. No	Name of the item	Investment in P&M (Rs.in lacs)
1	Refined Edible Oil (50 MT Per day)	100.00
2	Rice & Dali Mill	15.00
3	Bread and Biscuits	15.00
4	Confectionery (Milk & Sugar based)	10.00
5	Cattle Feed	15.00
6	Roller Flour Mill (40 MT per day)	60.00
7	Milk Chilling Plant (600 MT)	20.00
8	Egg Powder	15.00
9	Mineral Water	15.00
10	Chips and Wafers	02.00
11	Garlic Powder	10.00
12	Isabgul processing	15.00
13	Hosiery (Knitted)	5.00
14	Sewing thread Reel	04.00
15	Crape Bandage	05.00
16	Zip Fasteners (Nylon)	70.00
17	Readymade Garments	15.00
18	Woolen Jersey (for defence)	08.00
19	Surgical Cotton	15.00
20	Nylon Socks	05.00

21	Elastic Tape	15.00
22	Under Garments (Hosiery)	15.00
23	Wooden Boards	15.00
24	Wooden Panel-Doors & Windows	12.00
25	Wooden Ply	25.00
26	Cycle Chain	15.00
27	Wire Mesh & Netting	20.00
28	Agricultural Implements	10.00
29	Aluminum Furniture	05.00
30	Sanitary Fittings (metallic)	10.00
31	Building Hardware	15.00
32	Paper Pins & Gem clips	10.00
33	Ball Bearing (small)	75.00
34	Staple pins	10.00
35	Cycle Free Wheel	35.00
36	Nuts & Bolts	35.00
37	Offset Printing	20.00
38	Wooden Furniture	25.00
39	Steel furniture	05.00
40	Tin Containers	10.00
41	G.I. Wire Drawing	20.00
42	Copper Wire Drawing	15.00
43	S.S.Tubes & Pipes	100.00
44	Stainless Steel Wire	50.00
45	Aluminum Die-casting	15.00
46	Auto Leaf Spring	35.00
47	Stainless Steel Wire	15.00
48	Welding Electrodes	35.00
49	Copper Powder	20.00
50	Aluminum Powder	20.00
51	Electric Motor (1 to 10HP)	15.00
52	Ceiling Fan	10.00
53	Domestic Electric Appliances	05.00
54	PVC Wires & Cables	15.00
55	G.L.S. Bulbs	10.00
56	Compact Florescent Tubes	60.00

57	Syringe Disposable	50.00
58	Distribution Transformers	25.00
59	Synthetic Detergent Powder	03.50
60	Disposable Cups & Plates	06.00
61	Corrugated Paper Cotton	10.00
62	Zinc Sulphate	15.00
63	P.P. Films	10.00
64	Computer Stationery	50.00
65	Plastic Folders Laminated	10.00
66	Handmade paper	50.00
67	Fibre Glass products	10.00
68	Plastic Moulded items	10.00
69	Paper Envelopes	5.00
70	Phenyl	15.00
71	Plastic Containers	15.00
72	Guar Gum Powder	100.00
73	Rigid PVC Pipes	40.00
74	Waxed Paper	15.00
75	Cycle Tubes & Tyres	30.00
76	Plastic Water Storage Tank	25.00
77	PVC Doors and Windows	60.00
78	Canvass Rubber Foam	60.00
79	HDPE Woven Sacks	60.00
80	Ceramic Glazed Flooring Tiles	45.00
81	Marble Cutting & Polishing	45.00
82	S.W.G. Pipes	60.00
83	R.C.C. Pipes	40.00
84	Granite Tiles & Slabs	40.00
85	Sanitary Ware	60.00
86	Refractory Bricks	50.00
87	Bone china Crockery	30.00
88	Surgical Grade Plaster of Paris	50.00
89	Fly Ash Bricks	40.00
90	Marble Slurry Bricks	15.00
91	Marble Slabs/cutting	40.00
92	Diamond Cutting & Polishing	05.00



93	Gem Cutting & Polishing	05.00
94	Toughened Glass	20.00
95	Sodium Silicate	20.00
96	Sanitary Wares	45.00
97	Mineral Grinding	15.00
98	Plaster of Paris	15.00
99	A.C.Pipes and Fittings	10.00
100	PVC Footwear	15.00
101	Leather Shoe Upper	10.00
102	Chrome Tanned Hides & Skins	25.00
103	Vegetable Tanned Hides & Skins	25.00
104	Fancy Leather items	02.00
105	Leather Garments	05.00
106	Hand Gloves (Industrial use)	05.00
107	Safety Shoes (Industrial use)	05.00
108	Mojari Shoes	05.00
109	Leather Belt	02.00
110	Bone Crushing/Mill	10.00

#### 6.1 **Scope of Setting up of Mineral Based Industries**

Looking at the availability of Minerals in the State, there is tremendous scope for setting up of new minerals based industries. Various minerals mined in Rajasthan are being sent to other States in raw form. The State is therefore, deprived of the value addition in minerals as well as employment avenues to rural and backward classes. The endeavor therefore would be to encourage the establishment of mineral based industries in the State. While contributing 4.4% to the State's GDP, the mining sector has affected every segment of life, like improvement in infrastructure, health and medical, education, skill development, providing sustainable livelihood to a large number of people belonging to weaker sections of the society. The mining activity has benefitted in the local area development which is visible in the form of social infrastructure like school buildings, health centers, children playgrounds, availability of

drinking water etc. Greenery is an added benefit to society through mining sector. Most of the mine operators plant trees in and around their sites and also at the over-burden areas.

The State is proud to possess huge reserves of Lignite, Crude Oil and high quality Gas. It is also renowned for its deposits of Marble, Sand Stone and some unique decorative stones. Mining is not only a major source of employment in the rural and tribal areas of the State, but also a major source of revenue to the Government, playing an important role in the development of the State.

#### **6.1.1 Prospecting and Exploration:**

The Department of Mines & Geology initiated systematic Mineral Survey and Prospecting activities in the year 1967. They are being continued and cover about 57% (2,00,000 sq.km.) area of Rajasthan under Regional Mineral Survey (RMS); 22,000 sq.km. under Regional Geological Mapping (RGM); 4,500 sq.km. under Detailed Geological Mapping (DGM) and about 5,30,000 meterage of drilling. The planned efforts by the Department resulted in discovering world class mineral deposits like Jhamar Kotra Rock Phosphate, Rampura-Agucha multi metal deposits, Deri-Basantgarh base-metal, etc. Widespread deposits of SMS and Cement grade Limestone, Lignite, Gypsum, etc. have been located by the Department. A number of mineral deposits like Fluorite, Barytes, Magnesite, Wollastonite, Calcite, Granite, Marble, Slate, etc. have also been discovered by the Department. As a result, 3 Smelters, 23 Cement plants, a number of thermal power plants, a float glass manufacturing unit and thousands of mineral processing units and other mineral based industries have been set up in the State. Some notable global companies have also commenced their mining and industrial operations in the State. There is a huge potential for setting up new Cement plants, Lignite based thermal power units, glass-ceramic industries, and fertilizer industries in the State.

### 6.1.2 Mineral Concession, Production and Revenue:

The number of mineral concessions in the State in the year 1960-61 was 5,713 (500 major mineral leases, 806 minor mineral leases and 4,407 quarry licences), which has increased to 33,375 (138 major mineral leases, 15,136 minor mineral leases and 18,249 quarry licences) in 2014-15. There are 74 Prospecting Licences (PL) in operation currently. Mineral production in 1960-61 was 76.12 lakh tonnes (27.29 lakh tonnes from major minerals and 48.83 lakh tonnes from minor minerals), which increased to 5,694 lakh tonnes (958 lakh tonnes from major minerals and 4,736 lakh tonnes from minor minerals) in 2014-15. The State's revenue from minerals was Rs. 92.4 lakh in 1960-61, which increased to Rs. 3,635 crore in 2014-15. Crude Oil has emerged as an outstanding resource in the State in recent years. It contributed revenue of Rs. 20,843 crore to the State till 2014-15. Petroleum drilling operations are going on in all 4 petroliferous basins i.e. Barmer-Sanchor basin, Jaisalmer basin, Bikaner- Nagaur & Vindhyana Basin. The mining sector provides direct employment to about 7-8 lakh persons and indirect employment to about 22-25 lakh persons in the State.

Some of the industries which may come up in the State are given below.

Table-6.2

S.No.	Mineral/Metal	Industries
1.	Copper	Wire drawing and alloys, defence, die casting , railway, chemicals.
2.	Lead	White lead & Chrome lead, Storage batteries, pipe industries.
3.	Zinc	Zinc chemicals, dry batteries. Storage batteries, galvanizing Industries.
4.	Cement grade limestone	Cement
5.	Chemical grade limestone	Calcium ammonium nitrate, Calcium carbide,
		Precipitated calcium carbonate, Hydrated lime .
6.	Rock Phosphate	Single super phosphate, Triple super phosphate, Diammonium phosphate and Phosphoric acid

		,elemental phosphorous.
7.	China Clay	Ceramics,cosmetics,paint, paper,cement,pottery.
8.	Ball Clay	Ceramics,pottery,pesticides,insulators sheets, detergent,medicines.
9.	Fire clay	Refractories, sanitary ware,mortas,foundary, crucibles, insecticides.
10.	Calcite	Glazed Tiles.glass and ceramics, textiles,filter paint and mortar.
11.	Quartz and Silica	Boilers & Glass lumps and Fluorescent tubes, TV Glasses, Maruti & tata car glasses, fire glasses
12.	Bentonite & Fullers earth	Pulverizing units, Earth activation units,edible oil industries.
13.	Soapstone	Insecticides, Cosmetics, Micronizing units,kitchen sinks, electronics & insulation.
14.	Gypsum	Plaster of Paris, Gypsum Board,cement industries,fertilizers, conditioners.
15.	Fluorspar	Cryolitic, Hydro fluoric acid,Ceramic,welding electroder,glass industries, artificial teeth
16.	Garnet	Abrasive, Cutting & Polishing,gem industries,finishing glass.
17.	Lignite	Briquetting , Liquid lignite, Power plants,in all other industries as fuel.
18.	Potash	Murates of Potash, fertilizers,explosives, match box.
19.	Granite	Decorative and dimensional stone industries.
20.	Marble	Decorative industries.

## 6.2 Prospects of Agriculture based industries:

A vast agriculture produce is the encouraging factor for taking up some agro-based industries in the State. State is dominating in production of many crops like bajra, cumin, rape and mustered guar and various spices. This sector also throw plenty of opportunity for export of slew of products which includes spice, Dry roses & rose products, Medicinal plant produce etc. industries that could be set-up in the State and export potential of agriculture sector is discussed in ensuing paragraphs.

Table 6.3

Crop	Area	Possible Industries
Maize	Udaipur, Dungarpur, Banswara, Chittorgarh, Ajmer, Jhalawar and Bhilwara District	Corn Flake, Starch
Wheat	Ganganagar, Kota, Bundi, Chittor, Bhilwara, Jaipur, Tonk, Alwar, Bharatpur, Sawai Madhopur, Pali and Hanumangarh District	Flour, Noodles, Sapghetti, Sooji, Maida, Bread & Biscuits.
Barley	Jaipur, Udaipur, Alwar, Tonk, Ajmer, Bhilwara, Sikar & Nagaur	Alcohol & Processed Food
Soya-been	Kota, Bundi, Jhalawar, Chittorgarh and Baran.	Soya Meal
Mustard	Almost in all districts of the State	Oil & Solvent Extraction.
Cotton	Ganga Nagar, Bhilwara, Ajmer, Nagaur, Pali and Hanumangarh	Cotton seed oil
Guar	Hanumangarh, Churu, Nagaur, Jalore, Sikar, Jhunjhunu, Bikaner, Jaisalmer and Barmer.	Guar Gum and animal food
Moth	Churu, Nagaur, Bikaner, Jodhpur and Barmer	Papad, Bhujila
Gram	Jaipur, Ganga Nagar, Churu, Alwr and Hanumangarh	Pluse, Flour
Spices	Kota, Jaipur, Swaimadhopur, Chittorgarh, Jalore and Barmer	Spices, Spices Olerosin

### 6.2.1 Development of Export oriented spice Markets

Keeping in view the potential of spice export from the State to boost up the export of seed spices and other spices products, the following spice markets of the State are being promoted exclusively for export.

<b>Spice Market</b>	<b>Commodity</b>
Merta City	Cumin
Jodhpur	Fenugreek, Cumin and Chilies.
Sumerpur / Rani	Fenugreek
Jaipur / Sikar	Fenugreek and Cumin
Ramganj Mandi	Coriander
Pratapgarh	Dill Seed, Ajwain, poppy seed Gorlie and Fenugreek
Abu Road / Raedor	Fennel

### **6.3.2 Export potential**

The State has vast potential for export of following Agro commodities & their products.

- Seed spices, Garlic, red chilies
- Dry roses and rose products, Honey and Honey products
- Citrus fruits & their products.
- Onion & other processed vegetables.
- Basmati rice of Kota & Bundi
- Non - edible oils like castor, neem, tumba & jateropha. Sesamum seeds
- Soya-bean de-oiled cake & soya-been protein isolates.
- Medicinal plants produce e.g. Isabgol, Mehandi (Henna), Senna
- Raw Cotton, Guar-Gum, Guar - Products
- Snack foods like Bhujia, Papad, etc.

### **6.4 Tourism**

Rajasthan is a leading tourism State in the country. Its glorious heritage, colorful living traditions and vibrant culture are special attractions for both, domestic and foreign tourists. The tangible and intangible tourism products of the State offer immense potential for growth of the tourism industry. Development of tourism resources and increasing both, domestic and foreign tourist arrivals is a high priority area for the Union and State Governments. Therefore, there is a need for expanding tourist centric infrastructural facilities to keep pace with the present trends and for

potential tourism growth in the State. Department of Tourism had announced a Rajasthan Tourism Unit Policy in 2007. This Policy will now be replaced by Rajasthan Tourism Unit Policy, 2015 in order to extend more support and incentives for establishment of Tourism Units in the State. The new Policy has been framed keeping in view the guidelines under the 'Suraj Sankalp' Policy document, new emerging trends in the tourism sector, representations given by various stakeholders including the tourism and trade organisations and also the suggestions received from other departments.

The Rajasthan Tourism Unit Policy, 2015 primarily addresses issues relating to time bound conversion of land for tourism units including new hotels and heritage hotels, time bound approval of building plans, grant of Patta to heritage hotels, allotment of land for tourism units on DLC (District Level Committee) rates, applicability of Rajasthan Investment Promotion Scheme, 2014 (RIPS-2014) for tourism units and smooth and speedy implementation of the provisions of related departments like Revenue, Urban Development and Housing (UDH) & Local Self Government (LSG), Panchayati Raj, etc. It is expected that this Policy will strengthen the existing infrastructure, will foster infrastructure development, income and employment generation and increase the much needed availability of hotel rooms for the tourists. By allowing Heritage Hotels in Rural Abadi / Panchayat areas Rural Tourism is likely to increase manifold.

The definition of Tourism Unit has been expanded to cover various types of tourism units and activities including budget hotels, heritage hotels, resorts, golf courses, adventure sports, etc. It is expected that these steps will bring speedy investment in the State.

## CHAPTER VII

# **CONCESSIONS & FACILITIES**



## CONCESSIONS AND FACILITIES

### **Micro, Small and Medium Enterprises Development Act, 2006**

The Micro, small and medium Enterprises development (MSMED) Act-2006 seeks to facilitate the development of these enterprises as also enhance their competitiveness. It Provides the first-ever legal Framework for recognition of the concept of “enterprise” which comprises both manufacturing and service entities. It defines Medium enterprises for the first time and seeks to integrate the three tiers of these enterprises, namely, Micro, Small & Medium. The Act a is provides for a statutory consultative mechanism at the nation level with balanced representation of all sections of stakeholders, particularly the three classes of enterprises; and with a wide range of advisory function Establishment of specific Funds for the promotion, development and enhancing competitiveness of these enterprises, notification of schemes/ programmes for this purpose, progressive credit policies and practices, preference in Government procurement to products and services of the micro and small enterprises/ effective mechanisms for mitigating the problems of delayed payments to micro and small enterprises and assurance of a scheme for easing the closure of business by these enterprises are some of the other features of the Act.

### **II. Rajasthan Investment Promotion Scheme-2014 (RIPS-2014)**

Rajasthan is endowed with plenty of physical resources, agro-surplus and outstanding skills. These provide ample opportunities of manufacturing, beneficiation and processing activities in the micro, small and medium scale sector, which has been the strength of the State. In the Context State, this sector, particularly handicrafts and handloom have distinct identities and play a crucial role in the process of economic development by value addition, employment generation, equitable distribution of income, removal of regional disparities.

However, there remains a vast untapped potential which, through proper harnessing and nurturing, can be translated into huge gainful employment generation and manifold increase in contribution to the State's Gross Domestic Production.

It is the vision and endeavour of the State to graduate its micro, small and medium enterprises to a globally competitive competence level. For this, the weakness and the threats to be evaluated and proper strategy needs to be formulated based on appropriate level and type of inputs and policy support. To materialize this vision of the State and to achieve the desired goal, Govt of Rajasthan comes with investment policy i.e. **"Rajasthan Investment Promotion Scheme-2014"** supported by both fiscal as well as non-fiscal incentives. Some of the major features of the schemes are as under;

#### **Benefits to Manufacturing Enterprises**

An eligible manufacturing enterprise shall be granted benefits and incentives as given below:

- (i) Investment subsidy of 30% of VAT and CST which have become due and have been deposited by the enterprise for seven years.
- (ii) Employment Generation Subsidy up to 20% of VAT and CST which have become due and have been deposited by the enterprise, for seven years.
- (iii) Exemption from payment of 50% of Electricity Duty for seven years, provided that for enterprises engaged in tourism sector, it shall be restricted to 25% of the Electricity Duty;
- (iv) Exemption from payment of 50% of Land Tax for seven years;
- (v) Exemption from payment of 50% of Mandi Fee for seven years;
- (vi) Exemption from payment of 50% of Stamp Duty on purchase or lease of land and construction or improvement on such land;
- (vii) Exemption from payment of 50% of conversion charges payable for change of land use.
- (viii) 100% exemption from payment of Entry Tax, to the enterprise making investment more than Rs. 750 crores on Capital goods for setting up of plant for

new unit or for expansion of existing enterprise or for revival of sick industrial enterprise, brought into the local areas before the date of commencement of commercial production.

### **Benefits to Service Enterprises**

An eligible service enterprise shall be granted benefits and incentives as given below:

- (i) Reimbursement of 50% of amount of VAT paid on purchase of plant and machinery or equipment for a period up to seven years from the date of issuance of the entitlement certificate, provided that for enterprises engaged in providing entertainment, the reimbursement shall be restricted to 25% such amount of VAT paid;
- (ii) Exemption from payment of 50% of Entertainment Tax for seven years;
- (iii) Exemption from payment of 50% of Electricity Duty for seven years, provided that for enterprises engaged in providing entertainment, it shall be restricted to 25% of the Electricity Duty;
- (iv) Exemption from payment of 50% of Land Tax for seven years;
- (v) Exemption from payment of 50% of Stamp Duty on purchase or lease of land and construction or improvement on such land;
- (vi) Exemption from payment of 50% of conversion charges payable for change of land use.
- (vii) 100% exemption from payment of Entry Tax, to the enterprise making investment more than Rs. 750 crores on equipment required for rendering services by new enterprise or by existing enterprise under expansion, brought into the local areas before the date of commencement of commercial operation.

### **Special Provisions for Women, Scheduled Castes, Scheduled Tribes and Persons with Disability Enterprise**

Eligible Women/Schedule Caste (SC)/Schedule Tribe (ST)/Person with disability (PwD) enterprises shall in addition to the benefits specified in other clauses of the Scheme, be eligible to avail the following additional benefits:

- (i) A manufacturing enterprise shall get additional Investment subsidy to the extent of 10% of VAT and CST which have become due and have been deposited by the enterprise;
- (ii) A service enterprise shall get additional 10% reimbursement of VAT paid on the plant and machinery or equipment for a period up to seven years from date of issuance of the entitlement certificate for this purpose.

### **Benefits to Enterprises in Backward and Most Backward Areas**

7.1 An eligible enterprise, other than a cement manufacturing enterprise, making investment in a backward area or a most backward area shall be granted the same benefits as would have been applicable if the enterprise was located elsewhere in the state but the period of benefit, except for interest subsidy, shall be extended to ten years.

Provided that the State Government may, on the recommendation of the State Empowered Committee (SEC), grant to a manufacturing enterprise, other than a cement manufacturing enterprise and a service enterprise making an investment in a backward area, such benefits as mentioned in clauses 7.2 and 7.3 respectively, which are applicable for investments in most backward areas, with a view to attract investment in the backward area.

7.2 A manufacturing enterprise, other than a cement manufacturing enterprise, making investment in a most backward area shall, in addition to benefits under clause 7.1 above, get additional investment subsidy of 20% of the VAT and CST which have become due and have been deposited by the enterprise for a period of seven years.

7.3 A service enterprise making investment in a backward area shall, in addition to benefits mentioned in other clauses of the Scheme, get additional 10% reimbursement of VAT paid and a service enterprise making investment in a most backward area shall, in addition to benefits mentioned in other clauses of the Scheme, get additional 20% reimbursement of VAT paid on the plant and machinery or equipment for a period up to seven years from the date of issuance of the entitlement certificate for this purpose.

### **Power to Grant Customized Package**

8.1 Notwithstanding anything contained in the Scheme, the State Government, on the recommendation of State Empowered Committee (SEC), may grant a customized package under section 11 of the Rajasthan Enterprises Single Window Enabling and Clearance Act, 2011, to the following manufacturing enterprises, other than cement manufacturing enterprises:

- (a) Enterprises investing more than Rs500 crore or providing employment to more than 500 persons; or
- (b) Enterprises investing more than Rs100 crore and using the mineral mentioned in Annexure-III appended to the Scheme, as raw material.

8.2 Notwithstanding anything contained in the Scheme, the State Government may grant a customized package to the service enterprises investing more than Rs200 crore or providing employment to more than 500 persons.

### **9. Benefits to Manufacturing Enterprises in Thrust Sectors**

9.1. Notwithstanding anything contained in the Scheme, the State Government may grant a special package of incentives and exemptions, which may be over and above the incentives and exemptions under Clauses 4 to 7 to a manufacturing enterprise in a thrust sector in addition to the thrust sectors mentioned in sub-clauses 9.3 to 9.12

9.2. Manufacturing enterprises in the sectors mentioned hereunder shall be allowed benefits mentioned in this clause, in addition to benefits related to tax exemptions mentioned at (iii) to (vii) of clause 4 and benefits mentioned in clauses 6 and 7, if applicable, subject to conditions, mentioned against the sector: Provided that an enterprise of power loom sector and textile sector may opt for benefits provided in clause 4 to 7, if applicable, in lieu of the benefits mentioned in this clause.

#### **9.3 Ceramic and Glass sector:**

Enterprises making a minimum investment of five crore rupees in the ceramic and glass sector shall be granted the following benefits:

- (a) Investment Subsidy of 50% of VAT and CST which have become due and have been deposited by the enterprise for ten years; and
- (b) Employment Generation Subsidy up to 10% of VAT and CST which have become due and have been deposited by the enterprise, for ten years Provided that for enterprises making a minimum investment of fifty lakh rupees in the ceramic and glass sector in a ceramic hub, as notified by the Industries Department and having at least ten enterprises with a minimum investment of fifty lakh rupees each, the quantum of investment subsidy shall be 65% of VAT and CST which have become due and have been deposited by the enterprise for ten years.

#### **9.4 Dairy sector:**

Enterprises making a minimum investment of twenty five crore rupees in the dairy sector shall, be granted the following benefits:

- (a) Investment Subsidy of 50% of VAT and CST which have become due and have been deposited by the enterprise for ten years;
- (b) Employment Generation Subsidy up to 10% of VAT and CST which have become due and have been deposited by the enterprise, for ten years; and
- (c) 50% exemption from payment of Entry Tax on capital goods, for setting up of plant for new unit or for expansion of existing enterprise or for revival of sick industrial enterprise, brought into the local areas before the date of commencement of commercial production/operation.

#### **9.5 ESDM sector:**

9.5.1 Enterprises, making an investment equal to or above twenty five lakh rupees but below two hundred fifty crore in the ESDM sector, shall be granted the following benefits:

- (a) Investment Subsidy of 75% for first four years, 60% for next three years and 50% for last three years, of VAT and CST which have become due and have been deposited by the enterprise;
- (b) Employment Generation Subsidy up to 10% of VAT and CST which have become due and have been deposited by the enterprise, for ten years; and

(c) 50% exemption from payment of Entry Tax on capital goods, for setting up of plant for new unit or for expansion of existing enterprise or for revival of sick industrial enterprise, brought into the local area before the date of commencement of commercial production/operation.

9.5.2 Enterprises, making an investment equal to or above two hundred fifty crore but below five hundred crore rupees in the ESDM sector, shall be granted the following benefits:

(a) Investment Subsidy of 90% of VAT and CST which have become due and have been deposited by the enterprise, for seven years;

(b) Employment Generation Subsidy up to 10% of VAT and CST which have become due and have been deposited by the enterprise, for seven years; and

(c) 50% exemption from payment of Entry Tax on capital goods, for setting up of plant for new unit or for expansion of existing enterprises or for revival of sick industrial enterprises, brought into the local area before the date of commencement of commercial production/operation.

9.5.3 Enterprises, making an investment equal to or above five hundred crore rupees in the ESDM sector, shall be granted the following benefits:

(a) Investment Subsidy of 90% of VAT and CST which have become due and have been deposited by the enterprise, for ten years;

(b) Employment Generation Subsidy up to 10% of VAT and CST which have become due and have been deposited by the enterprise, for ten years; and

(c) 50% exemption from payment of Entry Tax on capital goods, for setting up of plant for new unit or for expansion of existing enterprises or for revival of sick industrial enterprises, brought into the local area before the date of commencement of commercial production/operation.

#### **9.6 Industrial Gases sector:**

Enterprises making a minimum investment of fifty crore rupees in the industrial gases sector shall be granted the following benefits:

(a) Investment Subsidy of 60% of VAT and CST which have become due and have been deposited by the enterprise for seven years; and

(b) Employment Generation Subsidy up to 10% of VAT and CST which have become due and have been deposited by the enterprise, for seven years.

**9.7 MSME sector:**

Manufacturing enterprises in the MSME sector shall, in addition to benefits mentioned in clause 4, if applicable, be granted the following benefits:

(a) For micro and small enterprises in rural areas 75% exemption from payment of electricity duty in place of 50% exemption from payment of electricity duty under sub-clause (ii) of clause 4, as provided in notification number F.12(99)FD/Tax/07-56 of 15.10.2009, as amended from time to time;

(b) Reduced CST of 1%, against C form, on sale of goods for a period of ten years, for micro and small enterprises as provided in notification number F.12(99)FD/Tax/07-66 of 14.02.2008 as amended from time to time;

(c) 50% exemption from payment of Entry Tax on raw and processing materials and packaging materials excluding fuel as provided in notification number F.12(99)FD/Tax/07-65 of 14.02.2008 as amended from time to time; and

(d) Reduced stamp duty of Rs100 per document in case of loan agreements and deposit of title deed and lease contract and Rs500 per document in case of simple mortgage with or without transfer of possession of property executed for taking loan for setting up of micro, small or medium enterprises or enhancing credit facilities or transfer of loan account from one bank to another by MSME as provided in notification number F.2 (97)FD/Tax/2010-11 of 25.04.2011.

**9.8 Pharmaceutical sector:**

Enterprises making a minimum investment of fifty crore rupees in the pharmaceutical sector and providing a minimum employment of 200 persons shall be granted the following benefits:

(a) Investment Subsidy of 50% of VAT and CST which have become due and have been deposited by the enterprise for seven years;

(b) Employment Generation Subsidy up to 10% of VAT and CST which have become due and have been deposited by the enterprise, for seven years; and



(c) 50% exemption from payment of Entry Tax on capital goods, for setting up of plant for new unit or for expansion of existing enterprise or for revival of sick industrial enterprise, brought into the local areas before the date of commencement of commercial production/operation.

**9.9 Plastic to Oil manufacturing sector:**

Enterprises making a minimum investment of one crore rupees in the plastic to petrol manufacturing sector shall be granted the following benefits:

(a) Investment Subsidy of 60% of VAT and CST which have become due and have been deposited by the enterprise for ten years;

(b) Employment Generation Subsidy up to 10% of VAT and CST which have become due and have been deposited by the enterprise, for ten years; and

(c) 50% exemption from payment of Entry Tax on capital goods, for setting up of plant for new unit or for expansion of existing enterprise or for revival of sick industrial enterprise, brought into the local areas before the date of commencement of commercial production/operation.

**9.10 Power Loom sector:**

Enterprises making a minimum investment of twenty five lakh rupees in the power loom sector and giving employment to minimum ten persons in an area specified by an order for this purpose by the Industries Department in the districts of Jodhpur, Pali and Barmer shall be granted the same benefits as provided to the textile sector. Such enterprise shall get 30% additional reimbursement of VAT on purchase of yarn for seven years in addition to the reimbursement of VAT under clause 9.11(e).

**9.11 Textile sector:**

Enterprises making a minimum investment of twenty five lakh rupees in the textile sector shall be granted the following benefits for the period as mentioned in clause 10.7 of the Scheme:

(a) 5% interest subsidy;

(b) additional 1% interest subsidy for enterprises making investment more than Rs25 crore;

- (c) 7% interest subsidy for Technical Textile Sector;
- (d) Capital Subsidy on zero liquid discharge based effluent treatment plant equivalent to 20% of amount paid to the suppliers for the plant excluding civil work, subject to a maximum of Rs1crore;
- (e) 50% reimbursement of VAT on purchase of yarn, fibre, recycled fibre yarn, cotton and pet bottles for use in manufacture of goods within the State, for sale by him; and
- (f) 50% exemption from payment of Entry Tax on capital goods, for setting up of plant for new unit or for expansion of existing enterprise or for revival of sick industrial enterprise, brought into the local areas before the date of commencement of commercial production/operation.

#### **9.12 Tourism Sector:**

9.12.1 Enterprises of the tourism sector covered under sub-clause (a) and (b) of clause 2 (xxxviii) of the Scheme shall be granted the following benefits:

- (a) Investment Subsidy of 50% of VAT and CST which have become due and have been deposited by the enterprise for seven years;
- (b) Employment Generation Subsidy up to 10% of VAT and CST which have become due and have been deposited by the enterprise, for seven years;
- (c) Reimbursement of 25% of amount of VAT paid on purchase of plant and machinery or equipment for a period up to seven years from the date of issuance of the entitlement certificate;
- (d) Exemption from payment of 50% of Entertainment Tax for seven years;
- (e) Exemption from payment of 100% of Luxury Tax for seven years;
- (f) Land allotment in urban and rural areas at DLC rates;
- (g) 25% additional exemption from payment of stamp duty chargeable on the instrument of purchase or lease of more than 100 years old heritage property in the State, for the purpose of hotel development under the Scheme declared by the Tourism Department as provided in notification no. F.12 (20) FD /Tax / 2005 - 219 of 24.03.2005;
- (h) 50% additional exemption from payment of conversion charges; and

(i) 100% exemption from payment of development charges.

9.12.2 Notwithstanding anything contained in the Scheme, an enterprise making investment in the tourism sub-sector defined under sub-clause (c) of clause 2 (xxxviii) of the Scheme shall be granted the benefits, as may be provided to it by the State Empowered Committee.

9.13 Kota stone, Marble and Granite Sector: Enterprises making a minimum investment of twenty five lakh rupees in the sector shall be granted the following benefits:

(i) Investment Subsidy of 55% of VAT and CST which have become due and have been deposited by the enterprise for seven years; and

(ii) Employment Generation Subsidy up to 10% of VAT and CST which have become due and have been deposited by the enterprise, for seven years.

#### **10. Provisions Related to Benefits**

10.1. Maximum Extent of Subsidy: The maximum amount of subsidy (investment subsidy + employment generation subsidy + additional Investment subsidy) in any period shall not exceed the amount of VAT and CST due and paid in that period. Moreover, the total amount of subsidy paid shall not exceed the eligible fix capital investment as approved by the appropriate Screening Committee.

10.2. Period of Benefit: The period of benefit, wherever applicable, shall be counted from the date of the issuance of the Entitlement Certificate issued under the Scheme.

#### **10.3. Employment Generation Subsidy:**

10.3.1 The amount of employment generation subsidy per employee per year for the year 2014-15 shall be Rs 30,000 for Women/SC/ST/Person with disability (PwD) categories of employees and Rs 25,000 for others, and shall be calculated on monthly basis.

10.3.2 The amount of employment generation subsidy per employee per year shall be increased by 5% on 1st April of every year.

10.3.3 The enterprise shall be eligible to avail employment generation subsidy only if it has made contribution for EPF/ESI and in case it is not liable to contribute the EPF/ESI, the enterprise shall get all employees insured for treatment of medical illness, at its cost.

10.4. Subsidy in case of expansion and revival of sick industrial enterprises:

10.4.1 In case of expansion and revival of sick industrial enterprises, the subsidy shall be calculated on the amount of additional tax (VAT+CST) payable and deposited after Expansion or revival, as the case may be, over and above the maximum annual tax (VAT+CST) payable for any of the three years immediately preceding the year of the commencement of commercial production/operation or revival of sick industrial enterprise, as the case may be. Where the tax rate differs in the three years immediately preceding the year of the commencement of commercial production/or revival of sick industrial enterprise, the maximum annual tax payable shall be rationalized by considering the highest tax rate in these three years. In case of change in the rate of tax of any goods, the maximum annual tax, in the three years immediately preceding the year of the commencement of commercial production/or revival of sick industrial enterprise, as the case may be, shall be calculated at the new tax rate(s).

10.4.2 In case of expansion, employment generation subsidy for a month shall be allowed only for the employees appointed under expansion over and above the existing employees.

10.4.3 In case of revival of sick industrial enterprises, employment generation subsidy for a month shall be allowed only for the employees appointed over and above the maximum employment level attained in any month during the preceding three years from the date of its declaration as a sick industrial enterprise.

10.4.4 In case of expansion and revival of sick industrial enterprises, the employment generation subsidy shall not exceed 20% of VAT and CST deposited over and above the maximum annual tax (VAT+CST) payable for

any of the three years immediately preceding the year of the commencement of commercial production/operation or revival of sick industrial enterprise, as the case may be, calculated as per clause 10.4.1.

10.5. Maximum Extent of Exemption of Mandi Fee: The total amount of exemption of Mandi Fee shall not exceed the Eligible Fixed Capital Investment (EFCI) as approved by the appropriate Screening Committee.

10.6. Exemption in cases of expansion and revival of sick industrial enterprises:

10.6.1 The exemption of luxury tax, electricity duty, entertainment tax and mandi fee shall be allowed only on the additional volume of turnover or additional consumption of electricity, as the case may be, achieved/made by the enterprise after expansion or revival of the sick industrial enterprise, as the case may be, over and above the maximum annual turnover/maximum annual consumption of electricity, in any of the three years immediately preceding to the year of the commencement of commercial

Production /operation or revival of sick industrial enterprise, as the case may be, on which such tax/duty/fee was payable and has been deposited (unless exempted under RIPS 2003 or RIPS 2010 or under this Scheme) into the Government exchequer. This exemption in any year shall be allowed only after attainment of the maximum annual turnover or maximum annual consumption of electricity, as the case may be, of the three years immediately preceding to the year of the commencement of commercial production/operation or revival of sick industrial enterprise, as the case may be, in that year.

10.6.2 The exemption from land tax shall be provided only on the additional area of land on which land tax is payable after expansion or revival of the sick industrial enterprise, as the case may be, over and above the area of land on which such tax was payable and deposited (unless exempted under RIPS 2003 or RIPS 2010 or under this Scheme) into the government exchequer before expansion or revival of the sick industrial enterprise, as the case may be.

## **10.7 Textile Sector**

10.7.1 Interest Subsidy:

(a) The interest subsidy shall be in addition to any other incentive available under any other scheme of Government of India. The enterprise availing the benefit or incentives or subsidy under any other scheme/package of State Government shall not be eligible to get benefit under the Scheme.

(b) The interest subsidy shall be allowed on the term loan taken from State Financial Institutions/Financial Institution/Bank recognized by Reserve Bank of India for making investment in plant & machinery as specified under the TUF Scheme of Government of India. Interest subsidy shall be provided to the extent that effective subsidy including subsidy/reimbursement provided by Government of India under any scheme shall not exceed the amount of interest paid by enterprise to the financial institution(s)/bank(s) and disbursement of the loan is made within the operative period of the Scheme.

(bb) The interest subsidy shall be allowed on the term loan as mentioned in sub-clause (b) above on the condition that the loan has been sanctioned on or after 22.07.2013.

(c) The interest subsidy shall be available only for interest levied by the Financial Institution/Bank. Penal interest or other charges shall not be reimbursed.

(d) The interest subsidy shall be allowed for a period of five years or up to the period of repayment of loan, whichever is earlier, from the date of commencement of commercial production in case of first repayment of term loan has taken place before the commencement of commercial production, otherwise from the date of first repayment of term loan.

(e) The interest subsidy shall be given to the enterprise which pays regular installments and interest to the Financial Institution/bank. If the enterprise becomes a defaulter, it will not get interest subsidy for the default period and such defaulting period will be deducted from five years period as mentioned at (d) above. Action against defaulter shall be taken as per the RBI guidelines/approved terms & conditions of the Financial Institutions/bank.

(f) The enterprise shall obtain acknowledgement of filing Entrepreneur's Memorandum (EM) with the concerned District Industries Center (DIC) or Industrial Entrepreneur's Memorandum (IEM) with Government of India.

(g) Interest subsidy shall be available for plant and machinery as specified under the TUF Scheme of Government of India and in case of manufacturing of recycled fibre, for plant and machinery as may be specified by the State Government in Finance Department, duly certified by the competent authority like Chartered Engineer.

#### **10.7.2 Reimbursement of VAT:**

(a) Reimbursement of VAT shall be made only to the enterprise manufacturing such goods, for sale by him, which are exempted from tax under Rajasthan Value Added Tax Act, 2003.

(b) The enterprise shall get registration under Rajasthan Value Added Tax Act, 2003 and shall purchase yarn, fibre, recycled fibre yarn, cotton and pet bottles from a dealer registered under Rajasthan Value Added Tax Act, 2003 on VAT invoice.

(c) The enterprise shall furnish information regarding purchase of yarn, fibre, recycled fibre yarn, cotton and pet bottles made by him against VAT invoice, for use in manufacturing of goods within the State, for sale by him through the official website of the Commercial Taxes Department in the manner as provided therein.

(d) Reimbursement of VAT shall be made to the enterprise eligible under the Scheme for five years from the date of issuance of the Entitlement Certificate issued under the Scheme.

(e) Enterprise shall not be eligible for reimbursement of VAT if the enterprise has claimed Input Tax Credit under Rajasthan Value Added Tax Act, 2003 on the purchase of yarn, fibre, recycled fibre yarn, cotton and pet bottles.

(f) In case of expansion, the benefit of reimbursement of VAT shall be allowed only on the purchase of yarn, fibre, recycled fibre yarn, cotton and pet bottles,

over and above the maximum amount of purchases of said goods in any of the three consecutive years immediately preceding to the year of expansion. This reimbursement in any year shall be allowed only after attainment of the maximum annual turnover of the three consecutive years immediately preceding to the year of the commencement of commercial production /operation or revival of sick industrial enterprise, as the case may be, in that year.

**10.7.3 Capital Subsidy on Zero Liquid Discharge based Treatment Plant:**

- (a) The enterprise shall produce a certificate to the effect that the effluent treatment plant set up by it is a zero liquid discharge based effluent treatment plant from the Rajasthan State Pollution Control Board.
- (b) The capital subsidy shall be allowed where the zero liquid discharge based effluent treatment plant has been set up by the enterprise along with the plant for manufacturing of textile by the enterprise. No subsidy shall be allowed where zero liquid discharge based effluent treatment plant has been set up at a site other than the site of plant for manufacturing of textile by the enterprise.
- (c) The zero liquid discharge based effluent treatment plant shall be set up by the enterprise during the operative period of the Scheme.
- (d) The enterprise availing capital subsidy under any other scheme/package of the State Government shall not be eligible for capital subsidy under this Scheme.

### **III. ENTREPRENEURSHIP AND MANAGEMENT INSTITUTE**

Entrepreneurship and Management Development Institute, Rajasthan (EMI) has been established by the Government of Rajasthan and Government of India in association with National and State level Financial Institutions. The Institute's activities focus on :-

- i) Organizing EDPs (Entrepreneurship Development Programmes)
- ii) Conducting Trainers Training Programmes



- iii) Holding Seminars
- iv) Up-grading Management Skills for practicing entrepreneurs
- v) Running Post graduate course for developing professionals in the area of entrepreneurship Small Business Management Development
- vi) Evolving effective training strategies, manuals, training tools and instruction materials
- vii) Building an entrepreneurial culture in the State.

#### IV. SPECIAL PURPOSE INDUSTRIAL COMPLEXES

Special Industrial Complexes are being developed in the State by RIICO to meet the requirements of specific industries, particularly of thrust sectors, at the locations in the box.

S.No	Sector	Location
1	Gems & Jewellery	EPIP & Gem Park, Jaipur
2	Hosiery	Chopanki, Bhiwadi
3	Auto ancillary	Ghatal (Bhiwadi) & Sitapura (Jaipur)
4	Ceramics	Khara (Bikaner)
5	Soft-ware technology	EPIP (Jaipur)
6	Electronics & Telecom	Kukas (Jaipur)
7	Textiles	Bhilwara, Sanganer, Sitapura, Pali, Jodhpur, Balotra
8	Agro Industries	IGNP Area
9	Leather	Manpur – Macheri
10	Wool Industries	Beawar, Bikaner
11	Handicrafts	Shilpgram (Jodhpur & Jaisalmer)
12	Dimensional Stones	Kishangarh, Udaipur, Chittorgarh.

Availability of gold at international prices in industry clusters will be facilitated by approaching the authorized Agencies in this regard for Gems & Jewellery Industry. Establishment of a custom bonded warehouse at an appropriate location to make available at an appropriate location to make available gold,

Silver and precious stone would be supported. RIICO will provide land for setting up an Artisan School in the Private/NGO sector for gemstone/diamond polishing and studding.

## **V. Pollution Boards**

Rajasthan pollution control board will set-up regional offices in major industrial Areas and Growth centre in a phase manner. However, where such regional offices are not set up a nodal officer- With requisite authority for environment related issues will be deputed To each district Industries Centre (DIC) to help entrepreneurs in securing Requisite clearances. The pollution control board has reviewed the exiting list of small scale Industries which are exempted from the requirement of securing NOCs/Consents. The list has now been enlarged to include 150, instead of earlier 115 industries. Details of such industry are available with RIICO. In case of SSI and Tiny unity, nodal officers will be authorized to issue no Objection certificate (NOCS) with 7 days provided the units belong to Other Industries' category, and are located in an Industrial Area. Apart from these facilities there are many facilities in the state provided from MSME-DI, on behalf of Govt. of India, pertaining to MSME sector. Some of them are as under

## **VI. WORKSHOP FACILITIES**

MSME – Development Institute Jaipur has a common facility workshop located in the close vicinity and is equipped with following machines. Job Work charges for various machines installed in Central Work Shop Jaipur, for MSME Units are given as under. Small Scale Industries are invited to make use of these machinery for making dies, moulds, jigs fixtures, tooling etc.

S.No	Name of the Machine	Job Charges (Per Hour)
1.	EDM Wire Cut Machine, 743 Maxi Cut (Electronica)	Rs. 374.00
2.	EDM 2NC-R-50 Spark Erosion Machine (Electronica)	Rs. 140.00
3.	Vertical Machining Centre VMC-400 (HMT)	Rs. 374.00
4.	Vertical Surface Grinder GVS-30 (HMT)	Rs. 83.00
5.	Surface Grinder (Praga)	Rs. 46.00
6.	Tool & Cutter Grinder	Rs. 58.00
7.	Radial Drilling Machine	Rs. 20.00

For Medium & Large Scale units charges are 33% Extra.

## **VII. ISO-9000/14001 CERTIFICATION FOR QUALITY IMPROVEMENT**

ISO-9000 has become synonymous with quality. It is a world accepted quality norm without which it may not be possible to export the goods to other countries. Small Scale Industries are making substantial contribution in country's export. In order to prepare the small-scale industries to face the threat coming in the way of export in future due to ISO-9000s barrier, the small industries Development Organization has implemented the schemes to give incentive to small scale industries acquiring IS-9000. Scope of the Scheme now has been extended to provide reimbursement of expenses acquiring ISO-14001 (Environment Management Systems) Certification. The incentive provides reimbursement of the charges for acquiring ISO-9000 certification to the extent of 75% of the cost subject to a maximum of Rs.75,000/- in each case.

The MSME-Development Institute, Jaipur organizes awareness and motivational Programmes on ISO-9001 for the benefits of small scale industrial units located in the State of Rajasthan.

### **VIII. Testing facilities Available at MSME-Testing Station-Jaipur**

A. CTD/TMT/Round Bar	As per IS:1786, 2062
B. Structural Section	As per IS:2062-2006
C. Other Ferrous and non ferrous samples	
D. Dimensions	
E. Compressive strength	
F. Chemical analysis of minerals	
G. Water test for construction purpose	As Per IS:456:2000
H. Ordinary pozzalana cement	As per IS:269-1967, 8112-1989, 12269-1967, 12330-1988, 1489-1991
I. Common Burnt Clay building bricks	As per IS:1077
J. Road aggregate	As per IS:383
K. Cement Concrete tiles	As per IS: 237
L. Load Carrying capacity (UBL)	As per IS: 1726 & 12592
M. GI Chain link fencing/ barbed wire and GI pipes	As per IS: 278 & 4826
N. Paper GSM Testing	
O. Anodised coating / silver coating/ other coating	

### **IX. Integrated Infrastructure Development Center (IID)**

The scheme of Integrated Infrastructure Development (including technological back-up services) for small scale industries to facilitate the location of industries in rural backward areas, to promote stronger linkages between agriculture and industry and to generate employment was launched in 1994. By the end of December, 2002, 70 IID centers have been sanctioned in the rural/backward areas, which were not covered under the growth center scheme being implemented by the Department of Industrial Policy and

Promotion to create and develop infrastructural facilities like developed sites, power distribution network, water telecommunications, drainage and pollution control facilities road, banks, raw materials depots storage and marketing outlets, common facilities and technological back-up services.

Salient features:

- Project size of each center would be around 15 to 20 hectares
- Each IID center is expected to accommodate 400 to 450 small scale/tiny units.
- Scheme will create and augment infrastructural needs within the project area with full technological back-up.

The Central government provides assistance upto 40 percent or Rs.2.00 crores whichever is less for setting up industrial estates for SSI units under the scheme. The Central Government is more liberal for the North- Eastern States of the Country where the share of assistance by the Central Government is 80% or Rs.4.00 crores whichever is less.

#### **X. Bio-Tech Industry Perspective**

Biotech companies need to have correct information in contemporary technology and current business environment. As biotechnology is high-tech science oriented, it is imperative that contemporary technological knowledge can only be gathered through the up-to-date information of the science behind the technology. Knowledge has to be applied through actions. Therefore, the prelude to actionable technological information would be the presence in place of a uniquely talented group of people in organizations to make the latter successful. Research based commercial organizations in biotechnology would have a large number of scientific personnel in addition to the able business managers. World-wide, USA is leading in modern biotechnology and biotech industry, but developments in other countries especially in European and Asian is also significant. Countries like UK, Germany, France, Sweden, Switzerland,

Belgium, Denmark, Italy, Finland, Ireland, Cuba, Hungary, Poland, China, and Russia, have made significant progress. Among the Asian countries Israel, Japan, China, India and South Korea have several modern biotech companies. India, China and South Korea are expected to emerge as major players towards providing the healthcare products at much cheaper prices. than at what prices they are available to day. In agriculture, China is poised to pioneer achieving major breakthrough among developing countries that would inspire many poor countries to adopt modern biotechnology in their agriculture. Australian developments in certain sectors are also expected to be substantial. Besides, significant progress is foreseen from Canada, Brazil, Argentina, Mexico, and Columbia. Among the African countries maximum developments are expected from South Africa. Globally, main developments are expected in health care products followed by agriculture.

In industrial perspectives, the hotspots in biotechnology platforms, promising new biotech products include gene splicing, host-compatible constructs creation in prokaryotes followed by using eukaryotic cells for the transcription, translation and post-translational modification to create near natural equivalents of bio-active proteins. This all happened in 1970s and 1980s and revolutionized the drug industry and therapy. The decades of 1980 and 1990 had seen phenomenal growth in the production of bioactive therapeutics. It is probable that this trend would be maintained during another two decades, keeping in view the number of companies being incorporated every year world over. Concurrently, a large number of technology platforms have been created from increased understanding of signal transduction pathways of cells and tissues; the development of high-throughput screens that provide a wide array of information that facilitate the search for clinically useful compounds; and better understanding of cell based immune rejection thereby especially the monoclonal, facilitating the possibilities of interrupting or delaying rejection,

which in turn shall make all transplantation as well as xeno- transplantation of organs increasingly feasible. Tissue engineering and tissue transplantation along with combinatorial chemistry tools are emerging as alternative solutions to organ failure. In agriculture, transgenic plants are expected to ease agricultural production with reduced use of chemical pesticides as well as reduced usage of fertilizers and water. Several designed crops are expected to emerge that are nutritionally fortified and superior. The environmental pollution problems are expected to be addressed more efficiently by the use of engineered microbes and plants. With the combined use of Information Technology tools, Nanotechnology and Bioinformatics, various devices, tools and procedures are in the offing. Bio-chips are expected to contribute to simple and easy-to-use diagnostic kits for detecting genetic disorders, discovering new drugs and research applications. Proteomics would shed light to genome-encoded events and would contribute to drug discovery and research. Bioinformatics would facilitate the progress of research in pharmacogenomics and data mining. The lead biotech platforms are combinatorial chemistry, proteomics, bio-chips, pharmacogenomics, tissue engineering, all transplantation, xeno transplantation in healthcare system while genetically modified plants in agricultural biotechnology. Several products and services are expected to be emerging from each of these areas using one or several platforms. India has developed considerable competence in selected areas that provide the entrepreneurs an edge over other countries to set up viable and competitive biotech industry in these areas. Indian Government has been proactive and would continue to play a significant role in the promotion of biotechnology in all its facets. These efforts have been instrumental to developing competence within the country. The areas of core competence in India in the context of biotechnology are:

- Capacity in handling sterile fermentation processes

- Skills in handling animal and microbial cells at large scale with hands-on experience in microbiology
- Skills in plant cell/tissue culture propagation and handling
- Skills in cloning of desired organisms in relation to rDNA Technology Skills in manipulating stem cells
- Skills in extraction and isolation of plant and animal products
- Proficiency in immunology and hybridoma and phage-display technologies
- Competence in chemical synthesis
- Capacity in downstream processing and isolation methods for fragile bio molecules
- Competence in plant and animal breeding Skills in fabricating bio-reactors and processing equipment of diverse kinds of infrastructure

With the above strengths in view and having regard to the market demand of products and processes in Indian context, the investment and business opportunities in various sub-sectors of biotechnology are enormous with opportunities unlimited for indigenous and foreign markets. It can be stated that over the next five years, possibilities could be created for fresh investment of Rs. 7 to 8 billion in India that hold the promise of changing the biotech production scenario considerably. Such quantum of fresh investment if materializes, would hold the potential of providing turnover of Rs. 9 to 10 billion during the next 5 to 7 years, that could contribute towards import substitutions, augmentation of local production and introduction of some new products in the global market, as per the available market surveys and literature on the pipeline monitors for biotech products.



## **XI. Limited Liability Partnership (LLP) Act, 2008**

The salient features of the proposed LLP Act, 2008 are as under:

(i) LLP shall be a body corporate and a legal entity separates from its partners its partners. It will have perpetual succession Indian partnership Act , 1932 shall not be applicable to LLP, since LLP shall be in the from of a body corporate .

(ii) An LLP has to be incorporated with a minimum of two persons. The act does not restrict the benefit of LLP structure to certain classes of professionals only and would be available for use by any enterprise which fulfills the requirement of the Act.

(iii) the LLP will be an alternation corporate business vehicle that would give the benefits of limited liability but would allow its members the flexibility of organizing their internal structure as a partnership on based on an agreement.

(iv) on registration LLP shall be capable of : (a) suing and being sued ; and (b) acquiring , owning holding and developing or disposing off property.

(v) A person may cease to be a partner of a LLP in accordance with an agreement with the other partners or in absence of agreement with the other partners, by giving a notice in writing of not less than 30 days of his intention to resign as partner .

(vi) In the event of an act carried out by a LLP, or any of its partners, with intend to defraud creditors of the LLP or any other person or for any fraudulent purpose, the liability of the LLP and partners, who acted with intend to defraud creditors or for any fraudulent purpose shall be unlimited for all or any of the debts or other liabilities of the LLP.

(vii) A contribution of partner may consist of tangible, movable or immovable or intangible property or other benefits to the LLP including money, promissory

notes, and other agreements to contribute cash or property, and contracts for services performed or to be performed.

(viii) While the LLP will be a separate legal entity, liable to the full extent of its assets, the liability of the partners would be liable on account of the independent or unauthorized actions of other partners, thus allowing individual partners to be shielded from joint liability created by another partner's wrongful business decisions or misconduct.

(ix) An LLP shall be under obligation to maintain annual accounts reflecting true and fair view of its state of affairs.

(x) Provisions have been made in the Act for corporate actions like mergers, amalgamations etc.

(xi) There is a provision of voluntary winding up as well as winding up by the Tribunal.

(xii) There are provisions for inter conversion of LLP into private company etc.

The LLP Act should pave the way for greater corporatization of the Small and Medium Enterprises –thereby enhancing their access to equity and funds from the market.

## **XII. Credit/Finance**

Credit is one of the critical inputs for the promotion and development of the micro and small enterprise. Some of the features of existing credit policy for the MSEs are:

### **(a) Priority Sector Lending**

Credit to the MSEs is part of the priority Sector Lending Policy of the banks. For the public and private sector banks, 40% of the bank credit (NBC) is earmarked for the Priority Sector. For the foreign banks, however, 32% of the NBC is earmarked for the Priority Sector, of which

10% is earmarked for the MSE sector. Any shortfall in such lending by the banks has to be deposited in the small Enterprise Development Fund (SEDF) to be set up by the Small Industries Bank of India (IDBI).

**(b) Institutional Arrangement**

The SIDBI is the principal financial institute for promotion, financing and development of the MSE sector. Apart from extending financial assistance to the sector, it coordinates the functions of institutions engaged in similar activities. SIDBI's major operations are in the area of (i) refinance assistance (ii) direct lending, and (iii) development and support services, commercial banks are important channels of credit dispensation to the sector and play a role in financing the working capital requirements, besides providing term loans (in the form of composite loans). At the State Level, State Financial Corporation's (SFCs) and twin-functional State Industrial Development Corporations (SIDCs) are the main sources of long-term finance of the MSEs sector.

Recognizing the importance and easy and adequate availability of credit in sustainable growth of the MSE sector, the Government has announced a Policy Package for Stepping Up Credit to Small and Medium Enterprises (SMEs), with the objective of doubling the flow of credit to this sector within a period of five years. To ensure better flow of credit to MSEs, the Ministry of MSME is also implementing the following major schemes.

**(C) Credit Guarantee Scheme**

Availability of bank credit without the hassles of collaterals / third party guarantees would be a major source of support to the first generation entrepreneurs to realise their dream of setting up a unit of their own Micro and Small Enterprise (MSE). Keeping this objective in view, Ministry of Micro, Small & Medium Enterprises (MSME), Government of

India launched Credit Guarantee Scheme (CGS) so as to strengthen credit delivery system and facilitate flow of credit to the MSE sector. To operationalise the scheme, Government of India and SIDBI set up the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE).

The main objective is that the lender should give importance to project viability and secure the credit facility purely on the primary security of the assets financed. The other objective is that the lender availing guarantee facility should endeavor to give composite credit to the borrowers so that the borrowers obtain both term loan and working capital facilities from a single agency. The Credit Guarantee scheme (CGS) seeks to reassure the lender that, in the event of a MSE unit, which availed collateral free credit facilities, fails to discharge its liabilities to the lender, the Guarantee Trust would make good the loss incurred by the lender up to 75 / 80/ 85 per cent of the credit facility. The extent of guarantee cover is 80%(i) Micro and Small Enterprises operated and/or owned by women; and (ii) all credits/loans in the North East Region (NER). In case of default, Trust settles the claim up to 75% (or 80%) of the amount in default of the credit facility extended by the lending institution.

Any collateral / third party guarantee free credit facility (both fund as well as non fund based) extended by eligible institutions, to new as well as existing Micro and Small Enterprise, including Service Enterprises, with a maximum credit cap of Rs.100 lakh (Rupees Hundred lakh only) are eligible to be covered.

The guarantee cover available under the scheme is to the extent of 75% / 80% of the sanctioned amount of the credit facility, with a maximum guarantee cap of Rs.62.50 lakh / Rs. 65 lakh. The extent of guarantee cover is 85% for micro enterprises for credit up to Rs.5 lakh.

#### **(d) Performance & Credit Scheme**

To performance & Credit Rating Scheme for manufacturing MSEs was launched in April, 2005 with the objective of assisting the MSEs in obtaining performance-cum-credit rating which would help them in improving performance and also accessing bank credit on better terms if the rating is high. Under the scheme (implemented by the National Small Industries Corporation in conjunction with reputed rating agencies), 75% of the fee charged by the rating agency is reimbursed by the Government subject to a maximum of Rs. 40,000 (\$1000).

### **XIII. Competitive Technology**

In today's fast paced global business scenario, technology has become more vital than ever before. With a view to foster the growth of MSME sector in the country, Government has set up ten state of the art Tool Rooms and training Canters. These Tool Rooms provide invaluable service to the Indian Tool Rooms are highly proficient in mould and die making trained craftsmen in the area of tool and die making. These Tool Rooms are highly proficient in mould and die making technology and promote precision and quality in the development and manufacture of sophisticated moulds, dies and tools. The Tool Rooms are not only equipped with the best technology but are also abreast with the latest advancements like CAD/CAM, CNC machining for tooling, Vacuum Heat Treatment, Rapid Prototyping, etc. The Tool Room & Training Centre also offer various training programmes to meet the wide spectrum of technical manpower required in the manufacturing sector. The training programmes are designed with optimum blend o theory and practice giving the trainees exposure on actual jobs and hands on working experience. The Tool Rooms have also developed special training programmes to meet the requirements at international level, which are attended by participants from all over the globe.

The ministry of MSME implements the following schemes and programmes for the up gradation of technology of the MSMEs.

The Micro and Small Enterprises Cluster Development Programme (MSECDP) is implemented for holistic development of clusters of MSEs. The programmes envisages for capacity building, skill development, technology up gradation of the enterprises, improved credit delivery, marketing support, setting up of common facility centers, etc. based on diagnostic studies carried out in consultation with cluster units and their collectives and management of cluster-wide facilities by the cluster collectives.

#### **XIV National Manufacturing Competitiveness Programme**

The National manufacturing Competitiveness Programme in the nodal programme of the Government of India to develop global competitiveness among Indian MSMEs. Conceptualized by the National Manufacturing Competitiveness Council, the Programme was initiated in 2007-08. There are ten components under the NMCP targeted at enhancing the entire value chain of the MSME sector. These are:

##### **Building Awareness on Intellectual Property Rights for the Micro, Small & Medium Enterprises (MSMEs):**

The scheme for Building Awareness on Intellectual Property Rights for the Micro, Small & Medium Enterprises (MSMEs) has been launched to enable Indian MSMEs to attain global leadership position and to empower them in using effectively the tools of Intellectual Property Rights (IPR) of innovative projects. The main features of the scheme are: (a) awareness sensitization Programmes on IPR; (ii) Pilot studies for Selected Cluster/Groups of Industries; (iii) Interactive seminars/Workshops; (iv) Specialized Training; (v) Assistance for Grant on Patent/GI Registration; (vi) Setting up of IP Facilitation Centre (IPFC);

and (vii) Interaction with International Agencies. These initiatives are being developed through Public Private Partnership (PPP) mode.

**Scheme for Providing Support for entrepreneurial and Managerial Development of MSEs through Incubators:**

The scheme aims at nurturing innovative business ideas (new/ingenious technology, processes, products, procedures, etc.), which could be commercialized in year. Under the scheme, various institutions

**Enabling Manufacturing Sector be Competitive through Quality Management Standards (QMS) and Quality Technology Tools (QTT):**

During the year 2008-09, GoI launched a scheme, Enabling Manufacturing Sector be Competitive through Quality Management Standards (QMS) and Quality Technology Tools (QTT), in order to improve quality and productivity in the MSE sector. The scheme is aimed at improving the quality of the products in the MSE sector and inculcates the Quality consciousness in this sector. The major activities in this scheme are:

- (i) Introduction of Appropriate Modules for Technical Institutions; (ii) Organizing Awareness Campaigns for MSEs;
- (iii) Organizing Competition Watch;
- (iv) Implementation of Quality Management Standards and Quality Technology tools in selected MSEs;
- (v) Monitoring International study Missions; and
- (vi) Impact Studies of the initiatives.

**Mini Tool Rooms under PPP mode:**

Under the scheme, Mini Tool Rooms under ppp mode, 15 Mini Tool Rooms will be setup during the 11<sup>th</sup> Plan period. Competitive bidding from entrepreneurs and Associations will be invited to set up Tool

Rooms with Government support up to Rs. 9 crore. They will be more competitive and user friendly as they will not be bound by the Government procedure and competitiveness will be the only criteria for selection of promoters of these Tool Rooms. The approved Plan expenditure under the Scheme is Rs. 135 crore.

**Marketing Assistance/ support to MSEs (Bar Code):**

The objective of the marketing assistance/ support to MSEs scheme of NMCP is to popularize the Bar Code registration and motivate the Small and Micro Manufacturing enterprises to adopt the Bar Code Certification on large scale and to sell their value added product worldwide and enable higher export price realization. It also helps in domestic marketing (wholesale & Retail). 75% of annual fee (recurring) of Bar Code certification for the first three years are reimbursed to Micro & Small Entrepreneurs, under the scheme.

**Lean Manufacturing Competitiveness Programme for MSMEs:**

Under the lean Manufacturing Programme (LMP), MSMEs will be assisted in reducing their manufacturing costs, through proper personal management, better space utilization, scientific inventory management, improved process flows, and reduced engineering time and so on. LMP also brings improvement in the quality of products and lowers costs which are essential for competing in national and international markets. The total Govt contribution is stipulated as Rs. 28.60 crore (approx) for this scheme. The board activities planned under the scheme include Total Productive Maintenance (TPM), 5s, Visual Control, Standard Operation Procedures, Just in Time, Kanban System, Cellular Layout, Poka Yoke, TPM, etc. The Scheme has been approved as a pilot project for lean Techniques intervention in 100 Mini Clusters.



### **Promotion of Information & Communication Tools ICT in Indian MSME Sector:**

The objective of this programme envisages that some of those clusters of MSEs, which have quality production and export potential, shall be identified & encouraged and assisted in adopting ICT applications to achieve competitiveness in the national and international markets. The total GoI Contribution is stipulated as Rs. 160 crore (approx) for this scheme. The activities planned under the scheme include, identifying target cluster for ICT intervention, setting up of e-readiness infrastructure, developing web portal for clusters, skill development of MSME staff in ICT applications, preparation of local software solutions for MSMEs to enhance their competitiveness, construction of e-catalogue, e-commerce, etc. and networking MSME cluster portal on the National Level Portals in order to outreach MSMEs into global markets.

### **Design Clinics Scheme for MSMEs:**

The main objective of the scheme is to bring the MSME sector and design expertise into a common platform and to provide expert advice and solutions on real time design problems, resulting in continuous improvement and value-addition for existing products. It also aims at value-added cost effective solutions. The GoI contribution is stipulated as Rs. 50 Crore for this scheme. The activities planned under the scheme include creation of Design Clinics Secretariat along with regional centers for intervention on the design needs of the MSME sector.

### **Marketing Assistance and Technology Up gradation for MSMEs:**

The objective of this scheme is to identify and encourage those clusters of MSMEs which have quality production and export potential and assist them to achieve competitiveness in the national and international markets. The scheme aims at improving the marketing competitiveness of MSME sector by improving their techniques and

technology for promotion of exports. The GoI contribution is stipulated as Rs.19 Crore for this scheme. The broad activities planned under the scheme include technology up gradation in packaging, development of modern marketing techniques, competition studies, etc.

#### **Technology and Quality Up gradation Support to MSMEs:**

The objective of the Scheme is to sensitize the manufacturing (MSME) Sector in India to upgrade their technologies, usage of energy efficient technologies to reduce emissions of Green House Gases, adoption of other technologies mandated as per the global standards, improve their quality and reduce cost of production, etc., towards becoming globally competitive. The major activities planned under the scheme include Capacity Building of MSMEs Clusters for Energy Efficiency /Clean Development Interventions, Implementation of Energy Efficient Technologies in MSME sector, setting up of Carbon credit aggregation centres and encouraging MSMEs to acquire product certification licences from National/International bodies.

#### **XV. Marketing and Procurement**

Under Government Stores Purchase Programme, various facilities are provided to enterprises registered with National Small Industries Corporation (NSIC) in order to assist them for marketing their products in competitive environment. The facilities are: (i) issue of Tender Sets free of cost; (ii) exemption from payment of Earnest Money Deposit; (iii) waiver of Security Deposit up to the Monetary Limit for which the unit is registered; and (iv) price preference up to 15% over the quotation of large-scale units. In addition to these facilities/benefits, 358 items have also been reserved for exclusive purchase from the MSE Sector. However, as these Guidelines were /are not of a mandatory nature, the same has failed to achieve the desired results. To assist the MSEs in marketing of their products, Section 12 of the new MSMED Act enjoins the formulation of a

scheme of preferential procurement of goods/ services produced/ rendered by MSEs both at the Central and State/UT levels. Once formulated, the procurement scheme may be more effective in providing the much-needed marketing support that MSEs seek so desperately. Each Ministry/ Department, CPSU, etc., would have to make specific mention of the compliance of the preference policy in its Annual Report to be tabled in Parliament.

## **XVI. Export Promotion**

Export promotion from the MSE sector has been accorded a high priority. To help MSEs in exporting their products, the following facilities/incentives are provided : (i) Products of MSE exporters are displayed in international exhibitions and the expenditure incurred is reimbursed by the Government; (ii) To acquaint MSE exporters with latest packaging standards, techniques, etc., training programme on packaging for exporters are organized in various parts of the country in association with the Indian Institute of Packaging; (iii) Under the MSE Marketing Development Assistance (MDA) Scheme, assistance is provided to individuals for participation in overseas fairs/ exhibitions, overseas study tours, or tours of individuals as member of a trade delegation going abroad. The Scheme also offers assistance for (a) sector specific market study by MSE Associations/Export Promotion Councils /Federation of Indian Export Organization; (b) Initiating/contesting anti-dumping cases by MSE Associations; and (c) reimbursement of 75 per cent of the onetime registration fee and annual fee (recurring for first three years) charged by GSI (formerly EAN India) for adoption of Bar Coding.

## **XVII Strengthening of Database**

A reliable database is the key input in any policy decision-making process. This is more so for the MSME sector in view of its large size and wide disparity among the enterprises within the sector. The Ministry has so far

conducted three Censuses in the year 1971-72, 1992-93 and 2002-03 for strengthening/updating the database on MSE sector. However, the long gap between the Censuses has limited the reliability of the MSE database. To strengthen the database for the MSME Sector, statistics and information will now be collected in respect of number of units, employment, rate of growth, share of GDP, value of production, extent of sickness/closure, exports and all other relevant parameters of micro, small and medium enterprises, including Khadi and village industry, through annual sample surveys and quinquennial census. The quinquennial census and annual sample surveys of MSMEs will also collect data on women-owned and/or managed enterprises.

#### **XVIII Credit Linked Capital Subsidy Scheme for Technology Up-Gradation of SSI Industries**

The above scheme has been started by the government of India from 01.10.2000 for a period of five years up to 30.9.2005. Period has been extended up to end of 11<sup>th</sup> Five year plan. i.e. March, 2012. Small Industries Development Bank of India will act as Nodal agency. Over a period of 5 years starting from 01.10.2000, Rs.5, 000/- crores will be given as loan to small-scale industries, for technology up-gradation. 15% back ended capital subsidy will be given to such units who put up machinery and equipment for technology up-gradation environment.

The Credit Linked Capital Subsidy Scheme (CLCSS) aims at facilitating technology up gradation by providing 15% upfront capital subsidy w.e.f. 29<sup>th</sup> September, 2005 to manufacturing MSEs on institutional finance up to Rs. 1 crore (\$ 0.25 million) availed of by them for induction of well-established and improved technology in the specified sub-sectors/products approved under the scheme.

## **XIX. Scheme of Micro Finance Programme**

Creating self-employment opportunities is one way of attacking, poverty and solving the problems of unemployment. There are over 24 crore people below the poverty line in the country. The Scheme of Micro-Credit has been found as an effective instrument for lifting the poor above the level of poverty by providing them worthy. Total requirement of microcredit in the country has been assessed at Rs. 50,000 crore. Micro-credit programme works, through NGOs/SHGs and the merit lies in weekly monitoring and refund of installments. The total reach of MF programmes is very low i.e. not more than Rs. 5,000 crore. Thus the existing programmes cater to only 5 to 10% of total requirements and there is considerable scope for expansion of such programmes. Under the Micro-credit programmes of NABARD in the field of agriculture and SIDBI in the field of Industry, Service and business (ISB) NGOs/MFIs are supposed to provide equity support in order to avail SIDBI finance. But they find it difficult to manage the needed equity support because of their poor financial condition the problem has got aggravated due to declining interest rate on deposits. The office of the Development Commissioner (MSME) under Ministry of MSME is launching a new scheme of Micro Finance Programme to overcome the constraints in the existing scheme of SIDBI, whose reach is currently very low.

## **XXI. Institution Building for Intermediaries for identification of viable Projects**

The Government of India would help in institution through identification and development of intermediary organization, which would help the NGOs/SHGs in identification of product, preparation of project report, working out forwards and backward linkages and in, fixing marketing/technology tie-up. The MSME-DI would help in the identification of such intermediaries in different areas.

## **XXI MSE-CDP**

Micro & Small Industrial contribute significantly in industrial production of the country. The office of the development commissioner (MSME) has launched a scheme namely the Integrated Technology Up gradation and Management Programme (UPTECH), in 1998, now renamed as Micro & Small Enterprises Cluster Development Programme. The scheme applies to any cluster of industries where there is a commonalty in the method of production, quality control and testing energy conservation, pollution, pollution control etc. among the units of the cluster. The scheme aims to take care of the modernization and the technological needs of the cluster. It covers a comprehensive range of issues related to technology up gradation, improvement of productivity, energy conservation, pollution control, product diversification and their marketing, training needs etc.

# MSME-DI, JAIPUR