संघराज्यप्रशासन, लद्दाख

निदेशालय उद्योगऔरवाणिज्यलद्दाख

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सत्यमेव जयते

THE ADMINISTRATION OF
UNION TERRITORY OF LADAKH
DIRECTORATE OF
INDUSTRIES & COMMERCE,
UT LADAKH

Subject: Guidelines for Allotment, Operation and Management of Common Facility Centres (CFCs) in UT Ladakh

Ref: Concurrence of the Finance Department, vide U.O. No. Secy/R/ 03082026/G-32/34/2025 conveyed over E-office File No: B-16/2/ 2026-I&C SECTION; Dated: 04.08.2026.

ORDER NO: 175 -DI&C/UTL of 2026
D A T E D: 14 .08.2026

WHEREAS, the Department of Industries & Commerce, Union Territory of Ladakh, has established a number of Common Facility Centres (CFCs) across various locations under different schemes, including the Special Development Package (SDP), along with substantial investment in buildings, plant and machinery, equipment and allied infrastructure for promotion of handloom, handicrafts and allied livelihood activities;

AND WHEREAS, it has been observed that a significant proportion of such CFCs remain underutilized or non-operational in the absence of a structured, transparent and legally enforceable framework for their allotment, operation and management;

AND WHEREAS, it is considered necessary, in the public interest, to ensure optimal utilization of such public assets in a manner that promotes local entrepreneurship, enhances livelihood opportunities, ensures accountability in asset usage, and safeguards Government property from misuse or deterioration;

Now, therefore, in exercise of the administrative powers of the Department of Industries & Commerce, UT Ladakh, the following guidelines are hereby notified to regulate the allotment, operation and management of Common Facility Centres in the Union Territory of Ladakh.

1. Short Title, Extent and Commencement

These guidelines shall be called the *"Guidelines for Allotment, Operation and Management of Common Facility Centres (CFCs), 2026"*. They shall come into force with immediate effect from the date of issuance and shall apply to all existing and future CFCs under the administrative control of the Department of Industries & Commerce, unless otherwise specifically exempted.

2. Definitions

For the purposes of these guidelines, unless the context otherwise requires, the expression

i) *"Common Facility Centre (CFC)"* shall mean any building, infrastructure, plant, machinery, equipment, furniture and allied assets created, procured or maintained by the Department for common or shared use in furtherance of its objectives.

ii) *"Allottee"* shall mean any eligible individual, group, or organization to whom a CFC is allotted for use under these guidelines.

iii) *"Competent Authority"* shall mean the Administrative Secretary or Director, Industries & Commerce, UT Ladakh, or any other officer duly authorized by the Government to exercise powers under these guidelines.

iv) *"License Agreement"* shall mean the formal, legally binding agreement executed between the Department and the allottee governing the terms and conditions of use, possession and management of the CFC.

3. Nature of Allotment

i) The allotment of any Common Facility Centre under these guidelines shall be strictly in the nature of a revocable and non-transferable license, granted for a limited purpose and duration, and shall not, in any manner, be construed as creating any right, title or interest in the property in favour of the allottee.

ii) It is hereby clarified that such allotment shall not be deemed to constitute a lease, tenancy, easement or any other transferable interest under any applicable law.

iii) The ownership, control and ultimate possession of the land, building, plant, machinery and all associated assets shall at all times remain vested exclusively with the Department of Industries & Commerce, UT Ladakh.

4. Objective

The primary objective of these guidelines is to ensure efficient, transparent and outcome-oriented utilization of Common Facility Centres for the promotion of handloom and handicrafts, development of local enterprises, generation of sustainable livelihoods, enhancement of skill development opportunities, and facilitation of value addition, processing and market linkage activities, particularly in rural and remote areas of the Union Territory.

5. Eligibility

i) Allotment of CFCs may be considered in favour of Self-Help Groups, cooperatives, registered societies, non-governmental organizations, individual artisans, entrepreneurs, producer groups, or ex-trainees of departmental training programmes, provided that such applicants are bona fide residents of the Union Territory of Ladakh and are demonstrably engaged in activities related to handloom, handicrafts or allied sectors.

ii) The applicant shall possess a minimum of one year of functional experience in the relevant field and shall submit a detailed proposal indicating the intended utilization of the CFC, the nature of activities proposed to be undertaken, the expected outcomes in terms of employment and production, and the capacity of the applicant to manage the facility in a sustainable manner.

iii) Notwithstanding anything contained in sub-clause (i) and (ii) any entity or individual that has been blacklisted by any Government agency, or is found to have been involved in financial irregularities, misappropriation of public funds, or misuse of Government assets, shall be ineligible for consideration under these guidelines.

6. Mode of Allotment

i) Allotment of CFCs shall be carried out through a fair, transparent and competitive process based on open public advertisement, ensuring adequate publicity and equal opportunity to all eligible applicants.

ii) Applications received in response to such advertisement shall be scrutinized and evaluated by a duly constituted District-Level Selection Committee, which shall assess the proposals on objective criteria including technical feasibility, experience and track record of the applicant, financial and managerial capability, potential for employment generation, and the extent of benefit to the local community.

iii) The recommendations of the Selection Committee shall be placed before the Competent Authority for approval, whose decision in the matter shall be final.

7. Period of Allotment

i) The allotment of a Common Facility Centre shall ordinarily be made for a fixed period of three years from the date of execution of the License Agreement.

ii) Any extension of the allotment beyond the initial period shall not be a matter of right and shall be subject to a comprehensive review of the performance of the allottee, compliance with the terms and conditions of the agreement, and continued relevance of the activities being undertaken, as determined by the Competent Authority.

8. Execution of License Agreement

i) No allotment shall take effect unless and until a formal License Agreement is executed between the Department and the allottee.

ii) Such agreement shall, inter alia, specify the rights and obligations of the parties, the permitted use of the premises, the financial terms, the duration of allotment, the maintenance responsibilities, the performance benchmarks, and the conditions under which the allotment may be terminated or modified.

iii) The agreement shall be binding on the allottee and enforceable in accordance with applicable law.

9. Financial Terms

i) The allottee shall be liable to pay such user charges or license fee as may be prescribed by the Government from time to time, which shall initially be fixed at a nominal rate of ₹1000 per month per room/hall of the CFC building, subject to revision by the District Rent fixation committee already formulated for each District.

ii) The licence fee/user charges shall be reviewed periodically, once every three years, with a maximum increase of 10% in the rental charges, to ensure optimal realization of Government revenue.

iii) A refundable Security Deposit/Performance Security equivalent to six months' licence fee/user charges shall be obtained from the allottee to safeguard Government assets and ensure recovery of any outstanding dues, damages, or other contractual liabilities. The Security Deposit/Performance Security shall be refundable upon expiry or termination of the allotment, subject to adjustment/recovery of any outstanding dues, damages, or liabilities, as applicable.

iv) The allottee shall also be responsible for payment of all charges relating to electricity, water, sanitation and any other utilities consumed during the period of allotment, as well as all operational expenses incurred in connection with the activities undertaken.

v) In the event of default or delay in payment of any dues, the allottee shall be liable to pay such penalty or interest as may be specified in the License Agreement, and continued default may result in termination of the allotment and recovery of dues in accordance with applicable Government procedures.

vi) The revenue so realized shall be credited credited into Consolidated Fund of India, in compliance with the GFR and Payment Rules 2022.

10. Utilization of Facility

i) The allottee shall utilize the Common Facility Centre strictly for the purposes for which it has been allotted, namely activities related to production, processing, training, storage, value addition or other allied functions in the handloom and handicrafts sector.

ii) The allottee shall not, under any circumstances, sub-let, assign or transfer the facility, either wholly or in part, to any third party.

iii) The allottee shall not mortgage, hypothecate, pledge or otherwise create any third-party interest over Government assets or use the allotted premises for obtaining loans or financial assistance from any institution.

iv) The premises shall not be used for any purpose that is residential, political, commercial in nature beyond the approved scope, or otherwise unlawful, hazardous or detrimental to public interest or safety.

11. Asset Management, Handover and Maintenance

i) The Common Facility Centre, including the building, plant, machinery, equipment, furniture and all allied assets, shall be handed over to the allottee on an “as-is-where-is”, “as-is-what-is” and “no complaint basis”, without any representation or warranty as to its condition, fitness or suitability. The allottee shall be deemed to have inspected and accepted the assets in their existing condition at the time of handover.

ii) A joint inventory of all assets shall be prepared and signed at the time of handover, which shall form an integral part of the License Agreement. The allottee shall thereafter be responsible for the proper use, safe custody, routine maintenance and upkeep of the premises and all assets therein, in accordance with good industry practices and applicable safety standards.

iii) In addition to preparation of a joint inventory at the time of handover, the Department shall maintain a comprehensive Asset Register indicating the acquisition cost, location, condition and annual physical verification of all Government assets, in conformity with the provisions of the General Financial Rules, 2017.

iv) Any loss, damage, theft, breakage or deterioration of the building or assets, other than normal wear and tear, shall be the sole responsibility of the allottee, and the cost of repair or replacement shall be recoverable from the allottee as arrears of Government dues, without prejudice to any other action that may be taken.

v) In the event of any natural calamity, including but not limited to floods, earthquakes, landslides, fire, or other force majeure events, resulting in damage to the CFC building, its structure, or capital assets, the responsibility for major structural repairs, replacement of capital assets, and restoration of the premises shall vest with the Lessor, subject to the extent of damage and availability of funds, as may be determined by the competent authority. The Lessee/Allottee shall, however, be responsible for taking all reasonable measures to prevent further damage and shall promptly report any such damage to the Lessor. Nothing contained herein shall absolve the Lessee/Allottee of liability for any loss or damage arising from its negligence, wilful misconduct, misuse, or breach of the terms and conditions of the allotment/agreement.

12. Monitoring and Performance Review

i) The functioning and utilization of the Common Facility Centre shall be subject to periodic monitoring and review by the Department, which may include inspections, verification of records and assessment of outcomes. The allottee shall furnish such reports, returns and information as may be required by the Department from time to time.

ii) In the event that the facility is found to be underutilized, mismanaged, or not serving the intended objectives, the Competent Authority may take appropriate action, including issuance of warnings, imposition of conditions, or termination of the allotment.

iii) Additionally, in order to maintain proper records and check on the method of utilization of the government building, the I&C Dpt shall authorise the Audit and Inspection wing of Finance Department, to inspect records relating to operation of the CFC and verify compliance with financial conditions, utilization of Government assets and realization of Government revenue.

13. Compliance with Financial Rules

All financial transactions, procurement, maintenance, disposal of assets, accounting of receipts and expenditure under these guidelines shall be governed by the General Financial Rules, 2017, the Delegation of Financial Powers Rules, the General Administration Department/Finance Department instructions issued from time to time, and other applicable Government financial regulations.

14. Termination

i) The allotment may be terminated by the Competent Authority in the event of breach of any terms and conditions of the License Agreement, non-payment of dues, misuse or unauthorized use of the facility, or failure to achieve reasonable levels of utilization.

ii) Such termination shall be effected only after issuance of written notice of 15 days to the allottee and such notice shall be sent through proper channel and providing an opportunity of being heard, and passing of a reasoned order.

14. Handover on Expiry or Termination

i) Upon expiry or termination of the allotment, the allottee shall forthwith vacate the premises and hand over possession of the building within 30 days from the date of such termination and all assets to the Department in good and serviceable condition, subject to normal wear and tear.

ii) A joint inspection shall be conducted for this purpose, and any deficiencies or damages identified shall be made good by the allottee or recovered in accordance with applicable procedures.

15. Dispute Resolution

Any disputes between the parties shall be resolved by mutual discussions amicably. Unresolved disputes, if any shall be subject to resolution by arbitration in accordance with the Arbitration and Conciliation Act, 1996 (as amended from time to time and in force at the time when the proposal is made). The venue of Arbitration shall be at Leh.

16. Jurisdiction of court:

Any dispute arising between the parties shall be governed by the Laws prevailing in Union territory of Ladakh and in India. The Courts of Union territory of Ladakh shall have exclusive jurisdiction to try the matter arising out of this MoU

17. Indemnity

The allottee shall be liable for and shall indemnify and keep indemnified the Government against any loss, damage, liability, claim or proceeding arising out of the use, occupation or operation of the Common Facility Centre by the allottee, including any third-party claims.

17. Power to Relax and Residual Matters

The Department of Industries & Commerce reserves the right to amend, modify or relax any provision of these guidelines in public interest. Any matter not specifically covered herein shall be decided by the Competent Authority, whose decision shall be final.

By Approval of the Administrative Secretary, Industries and Commerce, UT Ladakh

(Sonam Norbo, JKAS)
Director,
Industries and Commerce,
UT Ladakh

No: B-16/2/2026-I&C SECTION/2791-98 Dated: 14 .08.2026

Copy to:

1. AD/Superintendent, Handloom, Leh and Kargil for information and immediate necessary compliance please.
2. Assistant Director, Handicrafts, Leh and Kargil for information and immediate necessary compliance please.
3. AO to Director, Industries and Commerce, UT Ladakh for kind information please.
4. PA to Administrative Secretary, Industries and Commerce, UT Ladakh for kind information of the Administrative Secretary.
5. PA to Commissioner Secretary, Finance Department, UT Ladakh for kind information of the Commissioner Secretary.
6. Office file