
Notification

Dated: 24th December, 2020

No.-25/04/2020-4IB-I- in pursuance to Haryana Micro, Small and Medium Enterprise (MSME) Policy, 2019 notified vide No. 25/03/2019-4IB-I dated 26th February 2019, the Governor of Haryana is pleased to notify the **Cluster Plug and Play Scheme** for promotion of Micro, Small and Medium Enterprises in the State as per details given below:

1. Introduction:

The State Government has formulated the “Cluster Plug and Play Scheme” for providing necessary infrastructure support for development of MSMEs in the state.

The scheme aims at development of modern infrastructure and providing affordable operating facility with necessary amenities to encourage entrepreneurs to set up units based on cluster approach. The scheme will play an important role in facilitating geographical dispersal of industry and provide modern infrastructure for the MSMEs in Haryana.

Availability of affordable operating facilities and capital intensive common facilities like Sewage Treatment Plant (STP), Effluent Treatment Plant (ETP) etc., will encourage entrepreneurs to set up more units. Manufacturing units also require developed basic enabling infrastructure to take care of continuous process, water supply, logistics and clean surrounding, etc. If this infrastructure is made available with the financial support from the Government, there is a potential for MSMEs to become competitive by reducing their production cost and create employment at the local level.

2. Objectives of the Scheme:

The major objectives of the scheme are:

- i. To create affordable operating infrastructure for MSME units to enhance their competitiveness.
- ii. To make available capital intensive common facilities like Sewage Treatment Plant, Effluent Treatment Plant (ETP), Captive Power Plant etc. to MSME units.
- iii. To provide readily available common infrastructure to promote entrepreneurs for setting up of new MSMEs in the state.

3. Commencement and Applicability:

The Scheme shall commence with effect from the date of notification of Haryana Micro, Small and Medium Enterprise (MSME) Policy, 2019 i.e. 26/02/2019 and shall remain in operation for a period of 5 years up-to 25/02/2024 or till the validity of Haryana Micro,

Small and Medium Enterprise (MSME) Policy, 2019. The assistance shall be available to projects formulated during this period.

4. Implementing Agency (IA):

4.1. Eligibility Criteria:

- i. Implementation Agency (IA) can be Private Sector Company / Limited Liability Partnership / Proprietorship/ Societies/ Trust who will be eligible for financial assistance under the scheme.
- ii. IA needs to bring in at least 20% of the total project cost as equity / contribution.
- iii. IA needs to bring in term loan from the Bank/Financial Institution for an amount not less than 20% of the project cost.
- iv. The land for the project shall be arranged by the IA either by purchase or on lease of at least 20 years.
- v. Preference will be given to the Special Purpose Vehicles (SPVs) of Micro and Small Enterprises (MSEs).
- vi. A minimum of 10 no. of total leasable/ saleable plots/ operating facilities should be created as part of the plug and play facility.
- vii. Minimum 10% of the total leasable/ saleable plots should be reserved for Start-ups and Women & SC/ST owned enterprises.
- viii. Any entity / applicant which has availed financial assistance for a project under this scheme, will not be eligible to apply for another project under same scheme until one year after operationalization of earlier project.
- ix. The same applicant / entity shall not be entitled for more than two times under this scheme.
- x. The promoter(s) of the facility will be eligible for availing financial assistance under other schemes of State / Central Governments for setting up of the unit(s) in these facilities(s).
- xi. IA should not be categorized as Wilful Defaulter as per RBI guidelines.

4.2. Responsibilities of IA

- i. To formulate the Detailed Project Report (DPR) and execute the project in a transparent, efficient and timely manner.
- ii. To procure/purchase land and ensure external infrastructure linkages for the project.
- iii. To obtain statutory approvals/clearances including environmental clearances, which are prerequisite for commencement and operation of the Project.
- iv. To achieve financial closure and ensure timely completion of the project in specified timelines.
- v. To own and maintain the enabling infrastructure and common facilities.

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- vi. To receive grant-in-aid under the Scheme, and to ensure its utilization in a transparent and judicious manner.
 - vii. To maintain proper accounts of the project implementation and the maintenance of infrastructure and common facilities after commissioning of the project.
 - viii. Provide quarterly progress report with pictures / photographs of site.
 - ix. Every IA will publish the user charges/ hiring rates for common facilities and lease rental rates / sale price for plots/ factory premises on their websites and also on a board at the gate of the facility for wider information of the prospective investors. Rate of plots in developed area will also be made available to State Government concerned for uploading on their websites.
 - x. IA may sell / lease plots/ factory premises in developed facility to only MSME units.

5. Components of the Scheme:

The scheme will have following components:

- a. **Basic enabling infrastructure:** It will include site development including boundary wall, roads, drainage, water supply, electricity supply including power backup, common office space etc. but will not include cost of land. The eligible grant-in-aid for basic enabling infrastructure would not exceed 40 percent of the total grant-in-aid approved.
- b. **Core infrastructure:** It will include construction of the plug and play facilities/ flatted factories including land filling/ levelling etc. However, the eligible grant-in-aid for core infrastructure would not exceed 50 percent of the total grant-in-aid approved.
- c. **Common Facilities:** The common facilities will be based on the needs of the units which will be set up in these clusters. The eligible grant-in-aid for common facilities would not exceed 10 percent of the total grant-in-aid approved.

The above-mentioned facilities are only illustrative and the exact nature of facilities may vary from project to project based on requirements of the units in the cluster.

Any modification in the common facilities/ core infrastructure after sanction of the proposal will only be made after approval by the Administrative Secretaries, Industries & Commerce.

6. Pattern of Assistance

- a. The State Government grant will be restricted to 50% of the eligible cost of Project up to a maximum of INR 5 Crore for developing flatted factories in minimum 5 acres of land.
- b. A variation of 10% max. is admissible in component-wise cost subject to keeping overall Project cost unchanged.

- c. Adaptive reuse of the unutilized / partially utilized buildings and assets under Private Sector would be encouraged under the scheme.
- d. The Project should be completed within two years from the date of approval, unless extended with the approval of Steering Committee. The extension would be granted for a period of six months by Steering Committee based on the justification provided by IA. Second / subsequent Project in a district will be considered only if earlier approved Project is completed in all respects.
- e. Funds will be released on reimbursement basis or on matching share basis.

7. Release of Funds:

The grants-in-aid will be released to IA in two instalments as below:

- I. First instalment of 50% of the total approved grant will be released to the IA in the designated Bank account after incurring an expenditure of 50% of the bank term loan and 50% IA contribution / equity on eligible project cost and submission of following documents:
 - a. Establishment of **Trust & Retention Account (TRA)** and signing the TRA agreement with the designated Bank.
 - b. CA certificate for actual expenditure on infrastructure of the project duly certified by IA indicating utilization of at least 50% of term loan & 50% IA contribution / equity as per Annexure-II.
 - c. Certificate from **Chartered Engineer (Civil)** for technical civil works indicating item wise progress on approved components, cost, quantity, manufacturers/suppliers and comment on quality and status of implementation duly countersigned by the IA (Annexure-III).
 - d. Certificate from **Chartered Engineer (Mechanical)** for plant and machinery indicating item wise progress on approved components, cost, quantity, manufacturers/suppliers and comment on quality and status of implementation duly countersigned by the IA (Annexure-IV).
 - e. Certificate from the concerned bank/ financial institution (Annexure-V) which has sanctioned and disbursed term loan for the project certifying that it has disbursed 50% of the total sanctioned term loan;
 - f. Surety Bond (Annexure-VI) to be executed by the IA on a Non-Judicial stamp paper of not less than Rs.100, duly notarized and signed by two independent witnesses along with Board resolution/certificate from Board of Directors/promoters of IA (as applicable) authorizing one of the directors/partners as authorized signatory of documents.
 - g. Change of Land Use (CLU) (If applicable)
 - h. "Consent to Establish" for the project from State PCB.
 - i. Inspection report of the JD/DD, DIC/MDO of concerned district based on site visit recommending release of the instalment.

j. Any other condition which may be specified from time-to-time.

II. Second instalment of 50% of the total approved grant will be released to the IA in the designated Bank account after incurring an expenditure of 100% of the bank term loan and 100% of IA contribution / equity on eligible project cost and submission of the following documents:

- a. Statement indicating 100% utilization of first instalment of grant duly signed by the IA and countersigned by the CA (Annexure-VII).
- b. CA certificate for actual expenditure on each of the components of the project duly certified by the IA indicating utilization of 100% of term loan and 100% IA contribution / equity.
- c. Statement of TRA from the Bank / Financial Institution relating to the project.
- d. Certificate from **Chartered Engineer (Civil)** for technical civil works indicating item wise progress on approved components, cost, quantity, manufacturers/suppliers and comment on quality and status of implementation duly countersigned by the IA.
- e. Certificate from **Chartered Engineer (Mechanical)** for plant and machinery indicating item wise progress on approved components, cost, quantity, manufacturers/suppliers and comment on quality and status of implementation duly countersigned by the IA.
- f. Certificate from the concerned bank/ financial institution which has sanctioned and disbursed term loan for the project certifying that it has disbursed 100% of the total sanctioned term loan.
- g. Proof of 50% allotment of total proposed leasable plots / areas to MSME units.
- h. Recommendation of JD/DD, DIC/MDO of concerned district after site visit certifying the fulfilment of conditions as per guidelines of the scheme.
- i. Any other condition which may be specified from time-to-time.

8. Steering Committees:

State Level Steering Committee (SLSC)

The project shall be sanctioned and implemented under the guidance of State Level Steering Committee. The members of the Committee shall be as under:

1.	Administrative Secretary, Industries & Commerce Department	Chairman
2.	Director General, Micro, Small and Medium Enterprise (MSME), Haryana	Member
3.	MD, HSIIDC	Member

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ANNEXURE-B

4.	Representative of Finance Department	Member
5.	Director, MSME Development Institute	Member
6.	General Manager, SIDBI, Chandigarh	Member
7.	JD/DD, DIC/MDO of Concerned District	Member
8.	Additional Director, Micro, Small and Medium Enterprise (MSME), Haryana	Member - Secretary

NOTE: The Chairman of the State Level Steering Committee can co-opt any other member at his discretion.

- a. DPR shall be got appraised through any scheduled bank, at the cost of IA.
- b. The meeting shall be convened once in two months. Meeting can however, be called at any other time at the discretion of the Chairman of the State Level Steering Committee.
- c. An application (as per Annexure-I) with a Detailed Project Report (DPR) shall be put up to the office of Director General, Micro, Small and Medium Enterprises (MSME) for acceptance. The assistance of INR 10.00 Lakh shall be provided for preparation of DPR through any consultant who is competent to prepare such document and having sufficient experience of conducting similar studies in the past.
- d. On acceptance of the DPR, IA shall implement the project with the support of the competent consultant. Project Management Consulting charges will be 2% of the total project cost with release of 50% of the fee with release of each grant. Consultant will provide following services:
 - Handholding beneficiaries to apply for scheme by way of preparation of detailed DPRs, project proposals including facilitating bank appraisals etc.
 - Presentation of proposals to State Level Steering Committee.
 - Provide inputs for preparation of the agenda notes and minutes of review meetings.
 - Assistance in drafting grant approval letters.
 - Post approval coordination and ensuring timely execution of project.
 - Monitor and report the progress of the projects on the basis of defined milestones.
 - Provision of all necessary documents as required by department from time to time.
 - Sensitising potential investors about detailed guidelines of the scheme.
- e. Director General, Micro, Small and Medium Enterprise (MSME) shall be competent to sanction cost of INR 10.00 lakh as DPR charges and charges for PMC to be paid to the Consultant. The cost of DPR and PMC shall be adjusted in the total eligible grant under the scheme.
- f. The project implementation shall be done by the Implementing Agency under the supervision of the concerned Joint Director/Deputy Director, DIC/MDO.

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- g. IA will be required to take all the required approvals i.e. Change of Land Use (CLU), Consent to Establish (CTE) etc. necessary for the implementation of the project.

9. Penal Action

In case, it is found at any stage that the applicant has claimed the assistance on the basis of wrong facts, the applicant shall besides refunding assistance with compound rate of interest @ 12% per annum and facing legal action, will be debarred from grant of any incentives/assistance from the State Government.

10. Interpretation

The Administrative Secretary, Industries & Commerce, Haryana shall be competent to make interpretation and removal of difficulties in provisions of this scheme.

Dated:-

A.K. Singh, IAS
Principal Secretary to Government Haryana
Industries & Commerce Department

Application Form:

1. Details of the applicant:

S. No.	Particulars	Details
I	Name of company/firm with complete contact details / address, Tel/Fax No., Mobile No., Email	
II	Legal status of applicant (Company/ partnership firm/ proprietorship etc.)	
III	Registration No. /CIN	
IV	PAN / TIN /TAN	
V	Udyam Registration Number (URN) & date	
VI	Haryana Udhyaam Memorandum (HUM) No. & date	

2. Details of the Director(s)/ Promoter(s)/Partner(s) of IA:

S. No.	Name of Promoter(s)/ Partner(s)	Address	Tel/ Mobile No. / E-mail	Aadhar No.	PAN No.	Shareholding Pattern	Net Worth
Please add additional rows, if required.							

3. Industrial Experience of the lead Promoter(s)/Partner(s) of IA:

S. No.	Name of lead Promoter(s)/Partner(s)/ Applicant Entity	Details of Experience	Details of Turnover (year-wise)	Supporting Document attached

4. Profile of proposed project:

(a) Details of location of proposed facility to be set up

- i. Proposed location of land (Name Village/Dist./state)
- ii. Area of Land (In acres)

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- iii. Status of possession (Owned/ leased)
- iv. Status of Land Use Conversion (CLU)
- v. Proof of water and power connection
- vi. Availability of Approach Road
- vii. Connectivity Details. Distance (in Kms.) from: National Highway; State Highway; Freight corridor, Golden Quadrilateral, nearest industrial clusters
- viii. Coordinate Details (Longitude & Latitude)

(b) Proposed Common Facility

S. No.	Type of facilities proposed to be created*	No.	Total Capacity	Built-up Area	Estimated Investment	No. of Days of operation of each facility in a year

* Only indicative list.

(c) Total units proposed

Type of Units	No. of Units	Land to be allotted	Product Mix	Estimated Investment	Estimated turnover (In crore)	Estimated Employees	
						Direct	Indirect

Commitment Letter from units requiring support from minimum 50% of the total proposed units.

(d) Enabling Basic Infrastructure

Type of infrastructure	Capacity /Built-up Area	Estimated Investment

(e) Non-core infrastructure

Type of infrastructure	Capacity /Built-up	Estimated Investment

	Area	

(f) Utilities Requirement

S. No.	Utility	Units	Requirement
1.	Power (Maximum Demand)	KW	
2.	Water - Industrial	Kilo Litres/ Day	
3.	Water - Potable	Kilo Litres/ Day	
4.	Gas	Cubic Meters/ Day	
5.	Telephone (Including Fax)	No. of lines	
6.	Waste Disposal Requirement (Solid)	Kg/ Day	
7.	Waste Disposal Requirement (Effluents)	Kilo Litres/ Day	

5. Project Financials and Business Plan:

(a) Estimated Project Cost Details

Item	Amount
Land	
Land Development	
Basic enabling Infrastructure	
Common Facility Infrastructure	
Non-core Infrastructure	
Other Pre-operative expenses	
Margin money for working capital	
Contingencies/ pre-operative expenses	
Total	

(b) Proposed Means of Finance

Source	Amount
IA Contribution/ Equity	
Bank Loan	
Grant-in-aid from Government of Haryana	
Unsecured Loan/ Bridge Loan	
Total	

(c) Basic Revenue Projections

Item	Year 1	Year 2	Year 3	Year 4	Year 5
Days of operations of each of the common facilities					
Revenue earning from different facilities					
Turnover					
Cost of operations					
Gross profit					
Profit before taxation					

(d) Financial Parameters

S. No.	Particulars	Detail (Ratio/ %)
I	Internal Rate of Return (IRR) - with grant - without grant]	
II	Avg. Debt Service Coverage Ratio (DSCR)	
III	Break Even Point (BEP)	

IV	Debt-Equity Ratio	
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(e) Other Details:

Proposed strategy/methodology for building supply chain to ensure supply of raw materials including estimated quantities	
Estimated turnover of the proposed units covered in the project	
Any other relevant details / documents	

6. No. of units expected to be benefitted:

7. Employment Generation projections

a. Direct Employment:

b. Indirect Employment:

8. Details of renewable/ alternate energy sources including solar energy, if any, proposed to be used for operating the project including inter alia, details of power generation.

Signature of the authorized representative of IA

Date:

Place:

Annexure-II

**CA Certificate Format
(Letter Head of the CA)**

CA certificate (With membership No. and firm registration No. of CA) in the following format:

I. Project Cost: (in INR Lakh)

Sl. No.	Name of the Component/Item	Cost approved by SLSC	Actual expenditure incurred as on _____
1.	Land/development charges		
2.	Civil works - Technical civil works - Other civil works		
3.	Plant & Machinery		
4.	Misc. Fixed Assets		
5.	Others		
	Total		

II. Means of Finance: (in INR Lakh)

Sl. No.	Item	Means of finance approved by SLSC	Actual expenditure incurred as on _____
1.	IA's equity/ contribution		
2.	Term Loan		
3.	Grant from Government of Haryana		
4.	Unsecured loan		
5.	Others		
	Total		

*Details of unsecured loans along with PAN No. of lenders, if any, duly certified by CA.

Signature and Seal of C.A (Statutory Auditor in case of company)

Date: _____ **Counter signature of promoter/ authorized signatory of IA with Seal**

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ANNEXURE-B

Annexure to CA certificate certifying details of payments made for Plant & Machinery and Technical Civil Work

S. No.	Name of Party	Components	Voucher/ Bill No.	Date of Voucher/ Bill	Basic Cost (only for P&M)	Taxes, freight, installations, insurance costs (for P&M)	Total Cost	Date of Payment as per bank statement	Mode of Payment

Signature and Seal of C.A (Statutory Auditor in case of company)

Date: _____

Counter signature of promoter/ authorized signatory of IA with Seal

Annexure-III

**CE Certificate (Civil) Format for Technical Civil Work
(Letter Head of the CE)**

CE certificate (With membership/registration No. of CE) in the following format:

Name of Project:

Location with address:

Date of site Visit by Chartered Engineer:

Project Progress: (If project has multiple locations, the location wise details should be submitted in below format for each location)

S. No.	Name of Component	Proposed/ appraised Area (sqm)	Proposed/ appraised Cost (Lakh Rs)	Actual Area(sqm)	Actual Cost (Lakh Rs)	Rate/ Unit(Rs/Sqm)	Remarks about the status of implementation	Comments

It is certified that the material/ components used in the Technical Civil Work are new.

Signature and Seal of C.E.

Counter signature of promoter/ authorized signatory of IA with Seal

Annexure-IV

**CE Certificate (Mechanical) Format for Plant & Machinery
(Letter Head of the CE)**

CE certificate (With membership/registration No. of CE) in the following format:

Name of Project:

Location with address:

Date of site Visit by Chartered Engineer:

Project Progress: (If project has multiple locations, the location wise details should be submitted in below format for each location)

S. No.	Name of Component	Proposed/ appraised Quantity	Proposed/ appraised Cost (Lakh Rs)	Actual Quantity	Actual Cost (Lakh Rs)		Supplier/ Manufacturer	Status of implementation	Comments
					Basic Cost	Taxes, Freight, installatio n, insurance			

It is certified that all the plant and machinery for which grant has been approved are new.

Signature and Seal of C.E.

Counter signature of promoter/ authorized signatory of IA with Seal

Annexure-V

(Letter Head of the Bank)

Certificate

1. Certified that this bank has appraised the project of M/s..... (Name and Address of the project) for grant as per scheme guidelines and also sanctioned term Loan of Rs.....lakh.
2. It is further certified that we have released Rs.lakh (---% of sanctioned term loan) and Rs.....lakh (1st/ 2nd Instalment of grant-in-aid) to M/s (Name and Address of the project).
3. We have no objection in releasing 1st/ 2nd (delete whichever not applicable) instalment of grant.

Signature with seal

(Name of authorised signatory)

(Branch Name)

Counter Signature of promoter/ Authorized

Signatory of IA with seal

Annexure-VISURETY BOND

KNOW ALL MEN BY THESE PRESENTS that we, M/s _____ , a _____(Type of organization) incorporated / registered under the _____(Name of the Act) and having its registered office at _____(hereinafter called the "Obligors") are held fully and firmly bound to the President of India (hereinafter called the "Government") for the sum of Rs. _____(Rupees _____only) well and truly to be paid to the Government on demand and without a demur for which payment we firmly bind ourselves and our successors and assignees by these presents.

SIGNED on the _____day of _____in the year Two Thousand _____

WHEREAS on the Obligors' request, the Government as per Department of Industries' Sanction Order No. _____ Dated _____(hereinafter referred to as the "Letter of Sanction") which forms an integral part of these presents, and copy whereof is annexed hereto and marked as Annexure-I, agreed to make in favour of the Obligors grants-in-aids of Rs. _____(Rupees _____Only) for the purpose of _____, (description of the project) at _____, out of which the sum of Rs. _____(Rupees _____only) have been paid to the Obligors (the receipt of which the obligors do hereby admit and acknowledge) on condition of the Obligors executing a bond in the terms and manner contained hereinafter which the obligors have agreed to do.

NOW the conditions of the above written obligation is such that if the Obligors duly fulfil and comply with all the conditions mentioned in the letter of sanction, the above written Bond or obligation shall be void and of no effect. But otherwise, it shall remain in full force and virtue.

The Obligors will abide by the terms and conditions of the grants-in-aid by the target dates, if any specified therein.

THAT the Obligors shall not divert the grants-in-aid and entrust execution of the Scheme or work concerned to another institution(s) or organization(s).

THAT the Obligors shall abide by any other conditions specified in this agreement and in the event of their failing to comply with the conditions or committing breach of the bond, the Obligors individually and jointly will be liable to refund to the Governor of Haryana, the entire amount of the grants-in-aid with interest of 10% per annum thereon, if a part of the grants-in-aid is left unspent after the expiry of the period within which it is required

to be spent, interest@10% per annum shall be charged up to the date of its refund to the Government, unless it is agreed to be carried over.

The obligers agree and undertake to surrender / pay the Government the monetary value of all such pecuniary or other benefits which it may receive or derive/ have received or derived through / upon unauthorized use of (such as letting out the premises on adequate or less than adequate consideration or use of the premises for any purpose other than that for which the grants-in-aid was intended of the property) buildings created/ acquired constructed largely from out of the grants-in-aid sanctioned by the Department of Industries & Commerce, Government of Haryana or the administrative Head of the Department concerned. As regards the monetary value aforementioned to be surrendered / paid to the Government, the decision of the Government will be final and binding on the Obligers.

AND These Presents Also Witness that the decision of the Principal Secretary, Department of Industries & Commerce, Government of Haryana on the question whether there has been breach or violation of any of the terms or conditions mentioned in the sanction letter shall be final and binding upon the Obligers and

IN WITNESS WHEREOF these presents have been executed as under on behalf of the Obliger the day herein above written in pursuance of the Resolution No. _____ Dated _____ passed by the governing body of the Obligers, a copy of whereof is annexed hereto as Annexure-II and by _____ for and on behalf of the president on the date appearing below:-

Signature of AUTHORIZED SIGNATORY

SIGNED FOR AND ON BEHALF OF

(Name of the obliger in block letters)

(seal/ stamp) of Organization)

1. Signature of witness

Name & Address

2. Signature of witness

Name & Address

Annexure-VII

Statement indicating expenditure / utilization of the grant-in-aid released

Certified that Rs. _____ of grant-in-aid sanctioned by the Department of Industries & Commerce, Government of Haryana towards first / second instalment of grant-in-aid in favour of _____ has been utilized for the purpose for which it was sanctioned.

Signature of Authorized Signatory of IA with Seal

Date _____

Countersigned of Chartered Accountants with CA registration number