

**Government of West Bengal**  
**Finance (Budget) Dept.**  
**Nabanna, Howrah**

**Memo No.531-FB**

**Dated: 21<sup>st</sup> day of August, 2023**

**Memorandum**

Small Industries Development Bank of India (SIDBI) has formed SIDBI Cluster Development Fund (SCDF) scheme with due concurrence from Reserve Bank of India (RBI). The structure of the SIDBI SCDF scheme is in line with RIDF (Rural Infrastructure Development Fund) of NABARD which offers low-cost lending window to State Government for infrastructure projects in MSME clusters and its relevant areas such as rehabilitation of existing industrial estates/park, rehabilitation maintenance & repairing, setting up new industrial estates/park, construction of new CFC/CPCs, procurement of plant and machinery etc. Now, for the sake of operational convenience and clarity the following operational guidelines are framed for SIDBI SCDF loan:

**A.** Administrative departments may identify projects which are eligible to be financed under SIDBI SCDF scheme with prior consultation with SIDBI and obtain in principle approval of the same from the concerned Admin Group of Finance Department. Proposal for in-principle approval for SIDBI SCDF projects must contain **Annexure-Q (Copy attached)** along with the views of Financial Advisor (FA).

**B.** After obtaining in-principle approval, Admin Dept. shall submit technically vetted estimates/DPRs of the project directly to SIDBI. DPR should be prepared incorporating all the information of the project including its financials and project BOQ (Bill of Quantities) according to SCDF Guideline.

**C.** Thereafter, SIDBI may accord final sanction of the project to the respective Administrative Department directly with the intimation to Finance Department. Admin Deptt. is authorized to accept LOI/Sanctioned letter issued by SIDBI upto the Budget Provision of concerned Head of Account of a particular financial year.

**D.** For speedy execution and implementation of the projects taken up under SIDBI SCDF loan, all projects which have already been accorded in principle approval by Finance Department and sanctioned by SIDBI may be accorded AAFS (within the Budgetary allocation of the Department) by Additional Chief Secretary/Principal Secretary/Secretary of the Administrative Departments with the concurrence of Financial Advisor.

**E.** Release of fund:

(i) **Mobilization Advance:** As per SCDF norms, up to 20% of the Approved Loan amount will be eligible to be disbursed as mobilization advance and rest of the fund will be released on reimbursement basis. Administrative Department will send the copy of the **executed sanction letter issued by SIDBI, AAFS order, copy of Work Order, Statement-A** etc. to Finance Department for release of mobilization advance.

(ii) **Release of further Fund:** As per SCDF guidelines maximum 95% of the project cost will be financed under SIDBI SCDF loan and rest 5% of the project cost will be borne from State's budgetary allocation.

After utilizing mobilization advance, fund to be used under SCDF Head of Account first and proposal may be forwarded to FD with **Utilization Certificate (UC), Statement-A, Statement -P, copy of executed sanction letter, AAFS order, copy of work order etc.** for release of fund from the State Exchequer using Budgetary Resources.



(iii)**Reimbursement of loan:** Administrative department shall send duly authenticated **Utilization certificate (UC), loan Drawl Application (LDA)**, to SIDBI authority with a copy to Group-N of Finance dept. Thereafter, SIDBI will submit draft **TPN** (Time Promissory Note) to Group-N Finance dept. for releasing the admissible loan amount under SCDF on reimbursement mode. Finally, SIDBI will release loan to dedicated Loan account maintained at RBI after receiving Signed copy of TPN from Finance Dept.

F. For each and every drawal, Finance Department will be the sole authority to execute Time Promissory Note (TPN) by the authorized official and request SIDBI for disbursement of SIDBI SCDF Loan.

G. **Formulation of Committee:** High Power Committee (HPC) currently monitoring progress of the RIDF projects of NABARD will also be entrusted with the responsibility of taking any suitable decision regarding SIDBI SCF loan.

A monitoring committee will be constituted by the Administrative Department to supervise the progress of the work under SIDBI SCDF scheme.

H. Administrative Department shall nominate a Nodal officer not below the rank of Joint Secretary as an authorized official to make all correspondence (e.g. Loan Drawl Application, Claims, Submission of utilization Certificate & other Misc Correspondences) under the SIDBI SCDF programme.


I. Administrative Department shall ensure that Preparation of DPR to be made only after obtaining ownership of Land for the Project.

J. Admin Dept. will send all disbursement related proposal in a single e-office file to avoid duplicity of release. Similarly, for according In-principal approval a single e-office file has to be maintained.

K. In case project value is less than **Rs. 1 crore**, district wise sub scheme to be created under AAFS and Admin dept will explore possibility to take up project having project cost not less than **Rs.5 crores** under SIDBI SCDF scheme.

L. After completion of Project "**A project Completion Report (PCR)**" to be prepared by Nodal officer of admin dept. for onward sending to SIDBI with a copy to Finance Dept.

This procedure of SIDBI SCDF loan will be applicable with immediate effect.


  
**Additional Chief Secretary  
to the Govt. of West Bengal**

**Memo No.531/1(6)-FB**

**Dated: 21<sup>st</sup> day of August, 2023**

Copy forwarded for information and necessary action to:

1. Principal Secretary, Micro, Small & Medium Enterprises and Textiles Department
2. Pr. AG (A&E) , West Bengal, Treasury Building 2, Government Place West, Kolkata-700001
3. Pr. AG (Audit) , West Bengal, Treasury Building 2, Government Place West, Kolkata-700001
4. General Manager, SIDBI, 1, Tolstoy Marg, New Delhi Office,, New Delhi 110001
5. DGM, RBI, Kolkata Office.
6. Administrative Group-C, FD.

  
**Special Secretary  
to the Govt. of West Bengal**

<b>Annexure –Q</b>	
<b>(For obtaining In-principle approval under SIDBI SCDF Projects)</b>	
Application for in principle approval under SIDBI SCDF Scheme	
<b>Particulars</b>	<b>Rs in Crore</b>
Project Name	
Brief Description of the project	
Project Cost	
In case of existing project, AAFS ID	
loan from SIDBI (up to 95% of project Cost)	
Rest of the amount (i.e. 5% of the project cost) to be contributed by State	
Date of commencement of project	
Date of completion of project	
Cumulative In-principal Approval accorded during the CFY under SIDBI SCDF excluding the current proposal till date	
Expenditure HOA for SIDBI SCDF	i) ii) iii)
Remarks (if any)	
<b>NB:</b> DPR and other relevant documents are to be attached along with this annexure.	

**Signature of Nodal Officer**

**Admin Dept.**



**FORMAT - P (SIDBI)**

**(In lakh)**

**STATEMENT OF STATUS OF PROJECTS AND REQUEST FOR FUND FOR SIDBI SCDF**

SI No.	Name of the Project	AAFS ID	In-Principle Approval UO No. and Date	Tranche (if any)	Project Cost	Sanctioned Cost	SCDF Loan	State's Share	Awarded Cost / Tendered Amount	Fund already received	Amount for which U.C. submitted	Present Physical Progress in %	Up-to-date value of work done	Proposal for further release of fund	Date of commencement of the Project	Target date of completion of the Project	Remarks
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18

Signature of Nodal Officer  
( Seal )

