

**OFFICE OF THE DEVELOPMENT COMMISSIONER
(MICRO, SMALL AND MEDIUM ENTERPRISES)
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES
GOVERNMENT OF INDIA
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**GUIDELINES
FOR SCHEME COMPONENT
“PROMOTION OF MSMEs IN N.E. REGION AND SIKKIM”
OF THE CENTRAL SECTOR SCHEME
“TECHNOLOGY AND ENTERPRISE RESOURCE CENTRES”**

Guidelines for Scheme Component “Promotion of MSMEs in N.E. Region and Sikkim” of the Central Sector Scheme of “Technology and Enterprise Resource Centres”

1. Introduction

The Ministry of MSME is working for development of MSMEs in the country. However, a need has been felt for special treatment as far as development of MSMEs in North Eastern Region & Sikkim is concerned. With this objective in mind, a special scheme for ‘Promotion of MSMEs in North Eastern Region and Sikkim’ was approved on 02.08.2016. After merger of the four Schemes viz. (i) Tool Room and Technical Institutions; (ii) Promotion of MSMEs in North Eastern Region and Sikkim; (iii) Infrastructure Support to MSME-Testing Centres/ Testing Stations/ Training Institutes/ Workshop & MSME Development Institutes (Field Institutes) and (iv) Capital Outlay on Public Works, a new Central Sector Scheme of “Technology and Enterprise Resource Centres” was formulated and the same was appraised by the EFC in its meeting held on 16.01.2018. The Scheme has been approved by the Competent Authority.

2. Scheme Components

The Scheme component ‘Promotion of MSMEs in North Eastern Region and Sikkim’ approved by Govt. of India has the following sub-components: -

2.1 Setting up of new and modernization of existing Mini Technology Centres.

Objective: The Scheme envisages financial assistance to State Governments for setting up new and modernization of existing Mini Technology Centres.

Financial Assistance: The quantum of financial assistance will be equal to 90% of the cost of machinery / equipment / buildings, not exceeding Rs. 10.00 crore. Government of India funding would not be admissible towards cost of land and building’s cost will be maximum to the extent of 20% only.

2.2 Development of new and existing Industrial Estates.

Objective: Financial assistance for development of new and existing Industrial Estates.

Financial Assistance: 80% of the cost of infrastructure facilities not exceeding Rs. 8.00 crore will be sanctioned for development of new and existing Industrial Estates. The infrastructure facilities will include power distribution system, water, telecommunication, drainage & pollution control facilities, roads, banks, storage and marketing outlets etc.

2.3 Capacity Building of Officers.

Objective: Capacity Building of officers engaged in promotion and development of MSMEs, by deputing them for various Techno-managerial training programmes in MSME Institutions such as NI-MSME, Hyderabad & MSME Technology Centres and other reputed organization at national level.

Financial Assistance: The expenditure towards training fee and the boarding/lodging expenses of officers would be borne by Government of India under the scheme and would be paid directly to the Training Institutions (maximum 7 days). Expenditure towards TA/DA would be borne by the respective Departments / State Governments for the domestic training. In case of International Training Programmes, Government of India will bear the expenditure towards TA/DA incurred during abroad journey (By economy class shortest route) apart from the course fee (Expenditure limit on both to be Rs. 1.5 lakh per participant). The expenditure pertaining to the domestic area shall be borne by the respective State Governments.

2.4 Other Activities:

Objective: The Scheme funds can also be used for undertaking various activities such as Research Studies (including assessment studies), Strengthening of Institutes (soft intervention only) etc. It shall also include the demand based services like knowledge services & human capital development, business

development services & access to operational services (business ecosystem) such as – finance, technology, infrastructure, markets and business networks, etc. These can be specially designed Projects formulated by State Governments or other organizations for development and promotion of enterprises in the areas of honey, bamboo, organic products etc. IT modules for ease of doing business for micro and small enterprises working in NER and Sikkim can also be developed.

Financial Assistance: Each such intervention can be up to Rs. 1.00 crore with detailed justification on each component in DPR.

3. Procedure for Processing Proposals and Release of Funds

A. Mini Technology Centre

As regards Mini Technology Centre, the methodology of sanction will be as follows:

- 3.1 The State Government, desirous of availing financial assistance under the scheme would formulate a proposal and identify an agency preferably Department of Industries & Commerce or an organization engaged in promotion of enterprises to implement the Project. In case, any assistance is needed at this stage, they may approach office of Development Commissioner (MSME), New Delhi.

- 3.2 The State Government will prepare a Detailed Project Report (DPR) covering aspects like the status and potential of the enterprises of the region, proposed location, demand analysis of sector to be served, objective of the project, services to be offered, organizational structure, capital cost (Building, plant & machinery including other infrastructure facilities), operating expenses, total estimated cost of Mini Technology Centre, funding pattern, Implementing Agency, cash flow analysis indicating techno-economic viability of the project. MSME DI may help State Government in preparation of DPR.

3.3 While forwarding the proposal (in the prescribed format in Annexure-IA) along with DPR to Government of India, the State Government would confirm that:

- (i) The balance cost over and above the permissible grant and the recurring cost will be borne by the State Government.
- (ii) Proposal should be forwarded though concerned MSME-DI including the comments of stakeholders on the DPR.

3.4 On receipt of proposal, Office of DC (MSME) will receive and examine the proposal online and in case of any discrepancy, the same would be communicated to State Government within 15 days of receipt of proposal. Thereafter, Office of DC (MSME) would prepare a Note for obtaining the approval of the 'Project Approval and Monitoring Committee' (PAMC) constituted under the Chairmanship of the Secretary (MSME).

3.5 PAMC comprising of following would consider and approve the proposal:

• Secretary (MSME)	-	Chairperson
• AS&DC (MSME)	-	Member
• AS&FA or his representative	-	Member
• Representative of DoNER	-	Member
• Representative of concerned State of NER	-	Member
• ADC (MSME)	-	Member
• JDC/Director	-	Member-Secretary

3.6 PAMC, while considering and approving the proposal may:

- (i) Co-opt any eminent person / expert in the Committee with the approval of Chairman (PAMC)
- (ii) Consider higher amount of financial assistance in suitable cases with the approval of Minister, MSME.

3.7 After PAMC approves the proposal, formal sanction of financial assistance for the Project will be conveyed to the State Governments.

- 3.8 Central assistance will be released to the Tool Room & Training Centre (TRTC), Guwahati in the region which will act as Fund Manager and provide consultancy also. The TRTC, Guwahati will release the funds in consultation with MSME-DIs and State government as per the progress and completion of the project. Administrative expenses up to 1% of the sanctioned amount may be allowed for the purpose of TRTC, Guwahati.
- 3.9 The TRTC, Guwahati would furnish Utilization Certificates after getting UCs from the concerned implementing agency/organization (Government of India) as is required under General Financial Rules 2017 (Format at Annexure IV).
- 3.10 State Government shall keep a provision for including a nominee of Central Government on the Governing Body of the Mini Technology Centre.

B. Development of Industrial Estate

As regards development of Industrial Estate, the methodology of sanction will be as follows:

- 3.11 The State Government, desirous of availing financial assistance under the scheme would formulate a proposal and identify an agency preferably Department of Industries & Commerce or an organization engaged in promotion of enterprises to implement the project. In case, any assistance is needed at this stage, they may approach Office of Development Commissioner (MSME), New Delhi.
- 3.12 The proposal may include financial assistance towards creation of Infrastructure facilities like roads; water supply; water harvesting; drainage; power, and Administrative Services like office building, telecommunication/cyber centre/documentation centre; Conference Hall/Exhibition centre, Bank/Post Office, Raw material storage facility, Marketing outlets/First Aid Centre, Crèche, Canteen facilities etc. Setting up of flatted factory complexes, facilities for

business incubation centre and start up MSME units may also be considered under this component subject to limit of 20% as hard intervention i.e. building, conference/exhibition centre/offices.

3.13 While forwarding the proposal (in the prescribed format in Annexure-IB) along with DPR to Government of India, the State Government would confirm that:

- (i) Suitable land of requisite size is available.
- (ii) The balance cost over and above the permissible grant and the recurring cost will be borne by the State Government.
- (iii) Proposal should be forwarded through concerned MSME-DI including the comments of stakeholders on the DPR.

3.14 On receipt of proposal, Office of DC (MSME) will examine the proposal online and the discrepancy, if any, the same would be communicated to State Government within 20 days of receipt of proposal. Thereafter, Office of DC (MSME) would prepare a Note for obtaining the approval of the 'Project Approval and Monitoring Committee (PAMC)' constituted under the Chairmanship of the Secretary (MSME).

3.15 PAMC comprising of following would consider and approve the proposal:

• Secretary (MSME)	-	Chairperson
• AS&DC (MSME)	-	Member
• AS&FA or his representative	-	Member
• Representative of DoNER	-	Member
• Representative of concerned State of NER	-	Member
• ADC (MSME)	-	Member
• JDC/Director	-	Member-Secretary

3.16 PAMC, while considering and approving the proposal may:

- (i) Co-opt any eminent person / expert in the Committee with the approval of Chairman (PAMC)
- (ii) Consider higher amount of financial assistance in suitable cases with the approval of Minister, MSME.



- 3.17 After PAMC approves the proposal, formal sanction of financial assistance for the Project will be conveyed to the State Governments.
- 3.18 Central assistance will be released to the TRTC, Guwahati in the region which will act as Fund Manager and provide consultancy also. The TRTC, Guwahati will release the funds in consultation with MSME-DIs and State government as per the progress and completion of the project. Administrative expenses up to 1% of the sanctioned amount may be allowed for the purpose of TRTC, Guwahati.
- 3.19 The TRTC, Guwahati would furnish Utilization Certificates after getting UCs from the concerned implementing agency/organization (Government of India) as is required under General Financial Rules 2017 (Format at Annexure IV).

C. Capacity Building of officers

- 3.20 In case of Capacity Building component, Office of DC (MSME) with the help of NIMSME or any other reputed organisation would develop Training Programmes. If needed, Training Programmes on Technical matters may also be developed with the help of MSME Technology Centre/ or any other reputed organization at national level.
- 3.21 Training Institutes (NIMSME / MSME TCs/IIE/IIFT/IIMs/IITs/NITs etc.) after receiving nominations for complete batch would send the proposal to Office of DC (MSME) (in the prescribed format in Annexure-II) well in advance before commencement of Training Programme.
- 3.22 The proposal would be considered and approved by AS&DC (MSME).

3.23 Funds would be released to Training Institutes on completion of training programme on re-imbursement basis.

D. Other Activities

3.24 The State Government, desirous of availing financial assistance under the scheme would formulate a proposal and identify an agency preferably Department of Industries & Commerce or an organization engaged in promotion of enterprises to implement the Project.

3.25 In case of Strengthening of an Institute, a DPR covering aspects as mentioned in Para 3.2 and in case of a Research Study, a Background Note with justification and expected benefit to MSME sector of the region would be prepared.

3.26 While forwarding the proposal (in the prescribed format in Annexure-III) along with relevant documents to Government of India, the State Government would confirm that:

- (i) Necessary Budget Provision has been made in State Government's Budget to meet their share of expenditure.
- (ii) The balance cost over and above the permissible grant and the recurring cost (in case of Strengthening of Institutes) will be borne by the State Government.
- (iii) The proposal should be forwarded though concerned MSME-DI including the comments of stakeholders on the DPR.

3.27 On receipt of proposal, office of DC (MSME) will examine the proposal and in case of any discrepancy, the same would be communicated to State Government online within 30 days of receipt of proposal. Thereafter, Office of DC (MSME) would prepare a Note for obtaining the approval of the 'Project Approval and Monitoring Committee (PAMC)' constituted under the Chairmanship of the Secretary (MSME).

3.28 PAMC comprising of following would consider and approve the proposal:

- Secretary (MSME) - Chairperson
- AS&DC (MSME) - Member
- AS&FA or his representative - Member
- Representative of DoNER - Member
- Representative of concerned State of NER - Member
- ADC (MSME) - Member
- JDC/Director - Member-Secretary

3.29 PAMC, while considering and approving the proposal may:

- (i) Co-opt any eminent person / expert in the Committee with the approval of Chairman (PAMC)
- (ii) Consider higher amount of financial assistance in suitable cases with the approval of Minister, MSME.

3.30 Central assistance will be released to the TRTC, Guwahati in the region which will act as Fund Manager and provide consultancy also. The TRTC, Guwahati will release the funds in consultation with MSME-DIs and State government as per the progress and completion of the project.

3.31 The TRTC, Guwahati would furnish Utilization Certificates to Government of India as is required under General Financial Rules 2017(Format at Annexure IV).

4. Other administrative expenses

Up to 5% of total approved budget may be utilized to meet expenditure under the Budget Head for impact studies etc. and other administrative expenses for operating of the scheme.

ANNEXURE-IA**FORMAT TO APPLY FOR CENTRAL ASSISTANCE FOR MINI TECHNOLOGY
CENTRE IN NER / SIKKIM**

To

The AS&DC (MSME),
Ministry of MSME,
O/o DC (MSME),
7th Floor, Nirman Bhavan
Maulana Azad Road
NEW DELHI 110 108

**Subject: Financial Assistance to States/State Agencies in North Eastern Region
and Sikkim, for setting up / upgradation of Mini Technology Centres**

Sir,

Based on the Detailed Project Report prepared by M/s _____, State Government of _____ have approved a proposal to set up / upgrade a Mini Technology Centre at _____ with central assistance under the above mentioned scheme at the estimated cost of Rs. _____ crore as per details given below:

S.No.	Items	Rs. (in crore)
1	Land	-
2	Buildings (---sq.m)	-
3	Machinery/Equipment	-
4	Other Capital Expenses	-
5	Pre-operative expenses	-
6	Contingencies	-
	Total:	

2. The project will be implemented by _____ and the funding pattern will be:-

(Rs. in crore)

- (a) Grant from Govt. of India -
- (b) Share of State Government -
(including cost of land)
- (c) Others (to be specified) -

3. Necessary provision of Rs. _____ crore has been made in the State Government's Budget for the year _____ for the purpose, and any escalation would be met out of State Government's budget.

4. You are requested to sanction the Central assistance under the scheme. A copy of the **Detailed Project Report is enclosed for perusal.**

Yours faithfully

Secretary/ Director of Industries /

Competent authority



ANNEXURE-IB**FORMAT TO APPLY FOR CENTRAL ASSISTANCE FOR DEVELOPMENT OF INDUSTRIAL ESTATE IN NER / SIKKIM**

To

The AS&DC (MSME),
Ministry of MSME,
O/o DC (MSME),
7th Floor, Nirman Bhavan,
Maulana Azad Road,
NEW DELHI 110 108

Subject: Financial Assistance to States/State Agencies in North Eastern Region and Sikkim, for Development of Industrial Estate

Sir,

Based on the Detailed Project Report prepared by M/s _____, State Government of _____ have approved a proposal for development of Industrial Estate at _____ with central assistance under the above mentioned scheme at the estimated cost of Rs. _____ crore as per details given below:

S.No.	Indicative Items		Rs. (in crore)
1.	Land Development and Other Overhead Infrastructure		
1	(i)	Cost of land filling / leveling including boundary wall / fencing	
	(ii)	Cost of laying roads	
	(iii)	Road side greenery & social forestry	
	(iv)	Water supply including overhead tanks, and pump houses	
	(v)	Water harvesting	
	(vi)	Drainage	
	(vii)	Power (Sub-Station and distribution network including street light etc), Generation of non-conventional energy	
	(viii)	Others (Sanitary Conveniences etc.)	
	Sub Total (1):		

2. Administrative and Other Services Complex		
	(i)	Administrative Office Building
	(ii)	Telecommunication / Cyber Centre/ Documentation Centre
	(iii)	Conference Hall / Exhibition Centre
	(iv)	Bank / Post Office
	(v)	Raw material storage facility, Marketing outlets
	(vi)	First aid Centre, Creche, Canteen facilities
	Sub Total (2)	
	(vii)	Effluent Treatment Facilities
	(viii)	Contingencies & Pre-operative expenses
	Grand Total (1 + 2)	

2. The Project will be implemented by _____ and the funding pattern will be:-

(Rs. in crore)

- (a) Grant from Govt. of India -
- (b) Share of State Government -
(including cost of land)
- (c) Others (to be specified) -

3. Necessary provision of Rs. _____ crore has been made in the State Government's Budget for the year _____ for the purpose, and any escalation would be met out of State Government's budget.

4. You are requested to sanction the Central assistance under the scheme. A copy of the **Detailed Project Report is enclosed for perusal.**

Yours faithfully

Secretary/ Director of Industries /

Competent authority

ANNEXURE-II

To,

The AS&DC (MSME),
Ministry of MSME, O/o DC (MSME),
7th Floor, Nirman Bhavan, Maulana Azad Road,
NEW DELHI 110 108.

Subject: **Capacity Building of Officers engaged in “Promotion of MSMEs in NE Region and Sikkim”.**

Sir,

As per provisions of the Scheme, the NIMSME/MSME-TC/IIE/IIFT/IIMs/IITs/NITs, etc. _____ have been identified for designing and conducting a training programme on _____ for the officers engaged in promotion of MSMEs in NE Region and Sikkim.

2. The NIMSME/MSME-TC/IIE/IIFT/IIMs/IITs/NITs, etc. _____ have designed a Training Programme keeping in view the requirements of the Scheme. The Programme is of _____ days' duration, and the Institute will charge Rs._____ per trainee towards fee and boarding/Lodging. A copy of training schedule prepared by the Institute is enclosed.

3. State Government of _____ have accordingly proposed to depute following officers for training at NIMSME /MSME TC/IIE/IIFT/IIMs/IITs/NITs, etc. _____:

Sl.No.	Name	Designation	State Government
1			
2			
3			

4. You are requested to convey your approval on the proposals in paras- 2 & 3 above. The Institute would submit claim regarding reimbursement of training fee, TA/DA (international training programme only) and boarding/lodging of the trainees after completion of the above said Training Programme.

Yours faithfully,

Encl. As above.

DG-NIMSME/MD/PD/GM-MSME-TC/
Director, IIE/IIFT/IIMs/IITs/NITs etc

Copy to:

1. Concerned State Government Departments
- 2.
- 3.

ANNEXURE-III

Format for seeking Financial Assistance for strengthening an Institute or Research Studies under “Promotion of MSMEs in NER and Sikkim”.

To,

The AS&DC (MSME),
Ministry of MSME,
O/o DC (MSME),
7th Floor, Nirman Bhavan,
Maulana Azad Road,
NEW DELHI 110 108.

Subject: **Assistance for strengthening an Institute/Research Studies, under “Promotion of MSMEs in NER and Sikkim”.**

Sir,

Based on the Detailed Project Report prepared by M/s _____, State Government of _____ have approved a proposal to get assistance for strengthening the Institute “ _____(name of the institute)” / Research Study, namely “ _____” under “Promotion of MSMEs in NER and Sikkim at the estimated cost of Rs. _____ lakh from Govt. of India as per details given below:

(A) Strengthening of an Institute:

- 01) Name of the Institute
- 02) Location of the Institute
- 03) Management structure
- 04) Activities being performed by the Institute
- 05) Are the activities relate to promotion of MSMEs
- 06) The physical and financial performance of the Institute for the past two years
- 07) Details of modernization proposed
- 08) Additional inputs required and the estimated expenditure
- 09) Financial assistance required from Central Government
- 10) Physical and Financial improvement expected after modernization of the Institute
- 11) Recommendations of the State Government
- 12) DPR of the Programme (to be enclosed)

(B) Research Studies

[A background Note to be sent to Govt. of India with the approval of the State Government indicating financial assistance needed and explaining how these studies will benefit the promotion of MSMEs in the State].

Yours faithfully

Secretary/ Director of Industries



ANNEXURE-IV**FORMS**

GFR 12 – C
 [(See Rule 239)]

Form of Utilization Certificate

Sl.No.	Letter No. and date	Amount	Certified that out of Rs. _____ of grants sanctioned during the year _____ in favour of _____ under this Ministry / Department Letter No. given in the margin and Rs. _____ on account of unspent balance of the previous year, a sum of Rs. _____ has been utilized for the purpose of _____ for which it was sanctioned and that the balance of Rs. _____ remaining unutilized at the end of the year has been surrendered to Government (vide No. _____ dated _____)/ will be adjusted towards the grants payable during the next year _____.
		Total	

2. Certified that I have satisfied myself that the conditions on which the grants-in-aid was sanctioned have been duly fulfilled / are being fulfilled and that I have exercised the following checks to see that the money was actually utilized for the purpose for which it was sanctioned.

Kinds of checks exercised

1.

2.

3.

4.

5.

Signature.....

Designation.....

Date.....