

Frequently Asked Questions - MSI-CDP

What is the definition of the Cluster?

Cluster is a group of enterprises located within an identifiable & as far as practicable contiguous area & producing same/similar products/services.

What are the important schemes of Cluster Development Programme, especially for Micro & Small Enterprises? Please specify the Ministry / Department.

There are two schemes of Government of India & one scheme from Government of Maharashtra. These are:

1. Micro, Small Enterprises – Cluster Development Programme (MSI-CDP): Ministry of MSME, Government of India
2. Industrial Infrastructure Up gradation Scheme (IIUS) : Ministry of Industry & Commerce (Department of Industries Policy & Promotion)
3. Maharashtra State Industrial Cluster Development Programme (MSI-CDP) : Government of Maharashtra, Industry, Energy & Labour Department)

What is the eligibility criterion to take benefit of MSI-CDP?

1. Minimum 10 Micro, Small working units in same or similar sector located within an identifiable and as far as practicable, contiguous area
2. Existing clusters in Zone 'D', 'D+', 'No Industry District' & 'Naxalite Affected Area' as per PSI-2013.

What are the benefits available under MSI-CDP?

The benefits under MSE-CDP are as below:

1. To conduct Soft Intervention (SI) Programme:
Maximum limit of the approved project cost for SI is ₹ 10.00 lakhs which includes GoI grant @90% & Beneficiaries contribution @10%.
2. Hard Intervention (Common Facility Center (CFC)):
Maximum Grant in aid from Govt. of Maharashtra for setting up of CFC is limited to ₹05.00 crores or of 70% of the approved project cost whichever is lower.
3. GoM grant will be 80% for clusters with 100% micro units /more than 50% Women owned units

Which office shall be approached to initiate the cluster proposal in the State?

General Manager, District Industries center of concerned district will initiate & guide for the cluster proposals.

Is there is any requirement of existing formal association / group to initiate cluster project?

It is not required to have existing formal association / group to initiate cluster project. After decision to implement cluster project & confirming the eligibility, the special Purpose Vehicle (SPV), legal entity is required to form.

Which are the main programmes that are being usually implemented in cluster development programmes?

The main programmes that are being implemented are Soft Intervention & Hard Intervention (Setting up of Common Facility Center (CFC)).

If the new entrepreneurs can join the cluster programmes?

Yes. Any new entrepreneurs from the related activity can join the cluster programme at any stage.

What is SPV? What is the purpose of SPV?

Special Purpose vehicle (SPV) is a legal entity registered under the company act 1956. SPV is an open ended entity. The main purpose of SPV is to execute, maintain, and run the CFC.

If any cash benefit is available under Cluster Development Programme?

No any direct cash benefit is given to the individual unit under the Cluster Development Programme.

If there is any preference / additional benefit for socially weaker section / woman?

The cluster with more than 50% women entrepreneurs / 100% micro units will get additional financial support as explained above.

What is the general time period to complete Soft Intervention and Hard Intervention (CFC)?

- Soft Intervention : 18 months
- Hard Intervention (CFC) : 24 months

How does machinery /equipment purchase for Common Facility Center?

The equipments of CFC are purchased through the E-tendering procurement system. A Purchase Committee is formed under the chairmanship of concern Joint Director of the Industries, Regional Office.

What is the shareholding pattern of SPV?

The maximum limit of the shareholding of each member of SPV, should not be exceed 10%.

What is the minimum contribution of stakeholders (SPV members) required under the MSI-CDP?

Minimum mandatory contribution of stakeholders (SPV members) required under MSI-CDP is 10%.

Which are the authorities for approval of cluster projects under MSI-CDP?

- **DSR approval (Soft Intervention Programme):**

State Level Cluster Monitoring Committee under the Chairmanship of Development Commissioner (Industries)

- **DPR Approval (Hard intervention programme)**

Steering Committee under the chairmanship of Secretary (Inds), Govt. of Maharashtra.