



ABSTRACT

Micro, Small and Medium Enterprises - Tamil Nadu Small Industries Development Corporation Limited - Announcement made by the Hon'ble Minister for Finance for the launch of a New Scheme of "Common Production Infrastructure" besides raw material bank and marketing infrastructure with Government of Tamil Nadu allocation to develop clusters - Orders Issued.

MICRO, SMALL AND MEDIUM ENTERPRISES (C) DEPARTMENT

G.O.(Ms) No.26

Dated : 18.05.2015

மன்மத வருடம், வைகாசி 4
திருவள்ளூர் ஆண்டு 2046

Read :

From the Managing Director, SIDCO, Letter
Rc.No.1663/ Schemes-2/2014, dated 29.09.2014.

ORDER :

During the Budget Speech on 13.02.2014 in the assembly Hon'ble Finance Minister has announced that, the Government of Tamil Nadu have decided to support clusters of Micro Industries and the Government of Tamil Nadu proposes to launch a New Scheme of "Common Production Infrastructure" besides raw Material bank and marketing infrastructure. Initially, Government of Tamil Nadu will allocate an amount of Rs.25 crores for the year 2014-2015 to develop clusters.

2. Based on the above announcement, the Managing Director, SIDCO has sent the proposal for setting up of "Common Production Infrastructure" in the letter read above as detailed below:-

Details of the scheme of Common Production Infrastructure for Micro Industries:-

1. Objectives of the Scheme:

- (i) To support the sustainability and growth of MSEs specially the Micro Enterprises by addressing common issues of value addition such as Improvement of technology, manufacturing, skills and quality, market access, access to capital warehousing, R&D Centers, Laboratory etc.

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- (ii) To build capacity of MSEs for common supportive action through formation of Society, Company, equity participation, etc.
- (iii) To create new micro clusters specially clusters for First generation entrepreneurs or such sectors that have not taken benefit of such schemes.

2. Detailed Project Report (DPR): Government of Tamil Nadu grant of maximum Rs.2.00 lakhs will be provided for preparation of a technical feasible and financially viable project report for setting up of a common facility center for cluster of MSE units. 50% of the amount sanctioned will release after the approval. Balance 50% will be released only after acceptance of report. DPR should be appraised by a bank (if bank financing is involved)/independent Technical Consultancy Organization/ SIDBI.

3. Hard Interventions [setting up of Common Facility Center (CFC): The Government of Tamil Nadu grants as Capital grant for establishing common production infrastructure (CPI) under CFC will be restricted to a maximum of 70% of project cost not exceeding Rs. 250 Lakhs including the preparation of DPR.

Government of Tamil Nadu grants as Capital grant will be 75% for CFCs for special category promoted by SC/ST, women, Transgender entrepreneur. There should be a minimum of 20 MSE cluster units serving as members of the Special Purpose Vehicle (SPV) for the CFC. In special cases, where considerations of investments, technology or small size of the cluster warrant lesser number of units, a minimum of 10 MSE units may be considered for the SPV.

4. Implementation Agencies: Following departments / agencies will be eligible for implementation of the scheme.

Activity	Implementing Agency
Setting up of CFC	SIDCO

5. Project Approval: The proposals under the scheme will be considered for approval by the State Level Project Co-ordination and monitoring Committee and the Constitution of the Committee will be:

- i. Secretary (MSME) – Chairman
- ii. M.D SIDCO Member/ Convener.
- iii. Industries Commissioner and Director of Industries and Commerce.
- iv. Representative from Finance Department.
- v. Director, MSME-DI, Chennai
- vi. Representative of TNPCB
- vii. Representative of TANSTIA
- viii. Others if any as decided by the Government.

SIDCO will act as the Secretariat of the Committee and receive all application

- 6. Hard interventions:** (CFC) will be approved in two stages: In-principle approval and final approval.
- 7. In-principle approval:** In-principle approval shall be valid for a period of 6 months, and before that, it is expected that the project would be ready for final approval.
- 8. Final Approval:** The projects which have been accorded in principle approval shall be accorded final approval on fulfillment of following condition :

Common facility center:

- a. Formation of SPV and trust building. Role and functions of SPV should be defined .
 - b. Land procured and registered in the name of SPV.
 - c. Submission of appraised detail project report.
 - d. Details of share holding of SPV.
 - e. Project specific account in scheduled A bank.
- 9. Monitoring and Management expenses:** For implementing the micro cluster SIDCO may charge 1% on the project cost towards the administrative, expense includes publicity, consultancy, e-governance etc.,

3. After careful examination, the Government have decided to accept the proposal of the Managing Director, SIDCO accordingly approve the New Scheme for setting up of "Common Production Infrastructure"

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besides raw material bank and marketing infrastructure to develop clusters. A detailed guideline for the common production infrastructure for micro clusters will be issued later.

4. This order issues with the concurrence of Finance Department vide its U.O.No.44/FS/P/2015, dated 05.01.2015.

(BY ORDER OF THE GOVERNOR)

**KUMAR JAYANT,
SECRETARY TO GOVERNMENT**

To

The Managing Director,

✓ Tamil Nadu Small Industries Development Corporation Limited,
Thiru.Vi.Ka Industrial Estate,
Guindy, Chennai-32.

Copy to:

Office of the Hon'ble Chief Minister, Chennai-9.

Special Personal Assistant to Minister (Rural Industries and Labour),
Chennai-9.

Senior Private Secretary to Secretary to Government,
Micro, Small and Medium Enterprises Department,
Chennai-9.

The Finance (BPE) Department, Chennai-9.

The Micro, Small and Medium Enterprises (OP1) Department,
Chennai-9.

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