Subject: Promotion of MSMEs in NE Region and Sikkim- reg.

The undersigned is directed to forward the approved guidelines of the scheme “Promotion of MSMEs in NE Region and Sikkim”.

2. The North Eastern Region (NER) is endowed with rich natural resources especially forests, land, water and coal. The potential for development is immense and is ideally suited to produce a whole range of agricultural products which could be processed and exported. However, the overall growth and development of the Region including industrial development have remained low. In this context, Ministry of MSME endeavours to promote the development of MSMEs in NE States and Sikkim, so that these become the fulcrum of growth. Given the comparative advantage of NER in terms of its endowed natural resources, growth of MSMEs apart from generating employment opportunities, would assist in integration of NER with the domestic and global market. Accordingly, this Ministry has approved a new scheme called “Promotion of MSMEs in NE Region and Sikkim” to foster the spirit of entrepreneurship amongst youth for accelerated growth of the Region.

3. Under the Scheme, Government of India shall provide financial assistance to States for the following four components:

A. Establishment and upgradation of Mini Technology Centres

The financial assistance equal to 90% of the cost of machinery / equipment / buildings not exceeding Rs. 10.00 crore for setting up a new Mini Technology Centre or for upgradation of existing Mini Technology Centre, would be admissible.

Contd.......
B. Development of Industrial Estates
Under this component of the scheme, 80% of the cost of infrastructure facilities not exceeding Rs. 8.00 crore will be sanctioned. The infrastructure facilities will include power distribution system, water, telecommunication, drainage & pollution control facilities, roads, banks, storage and marketing outlets etc. in the new / existing industrial estates.

C. Capacity Building of Officers engaged in Promotion of MSMEs.
Under this component of the scheme, the Government officials concerned with the promotion of MSMEs in NE Region and Sikkim shall be deputed for techno-managerial training in various MSME Institutes and NIMSME, Hyderabad. The expenditure towards TA/DA would be borne by the respective State Governments, whereas the fee and boarding / lodging expenses would be reimbursed under the scheme directly to the training institutions by office of DC (MSME).

D. Other Activities regarding Promotion of MSMEs in NE Region.
Under this component, funds upto Rs. 1.00 crore per intervention can be utilized for undertaking various activities such as Research Studies, Strengthening of Institutes etc. NE Region is diverse in nature. Therefore, some of the activities related to development of enterprises in areas of honey, bamboo, organic products and promotion of IT modules for ease of doing business in MSMEs in NE Region may be considered for financial assistance on selective basis.

4. A copy of the Guidelines containing the details of the scheme components, financial assistance admissible and the procedure for processing the cases, is enclosed.

5. You are requested to formulate proposals, in accordance with the Guidelines of the Scheme, obtain approval of the Competent Authority in the State and forward the same to Office of Development Commissioner (MSME) in the prescribed format for further necessary action.

Contd...
6. The expenditure is debitable to the Major Head 2851. Village & Small Industries, Minor Head 00.102, Small Scale Industries, Sub-Head 99.01 Infrastructure Development and Capacity Building and will be met by re-appropriation of funds from Major Head 2552 – North Eastern Areas in Grant No. 58, Ministry of MSME for the year 2016-17.

7. This scheme has the approval of Competent Authority in the Ministry of MSME and the sanction is issued with the concurrence of Integrated Finance Wing of the Ministry vide U.O. no. 30/US(F-II)/2016 dated 21.07.2016.

Encl: as above.

(R.K. Rai)
Director (TR)

To:

1. Principal Secretary/Secretary(Industries), Government of Assam/Arunchal Pradesh/Meghalaya/Manipur/Mizoram/Nagaland/Tripura/Sikkim.
2. Niti Aayog (Shri Upendra Gupta, Dy. Advisor, Parliament Street, New Delhi.)
3. DoNER (Shri Atul Dasumatary, Director), Vigyan Bhawan Annexe, Maulana Azad Road, New Delhi.
4. Ministry of Finance (PF-II), North Block, New Delhi.
5. Principal Director of Audit, Economic & Service Ministries AGCR Building, I.P. Estate, New Delhi-110002.
6. IF Wing, (Shri Devkinandan, US)
7. Planning Division, O/o DC (MSME)
8. Pay & Accounts Officer (MSME), 6th Floor, Nirman Bhawan, New Delhi.