

By Speed Post

विकास आयुक्त का कार्यालय  
(सूक्ष्म, लघु और मध्यम उद्यम)  
सूक्ष्म लघु और मध्यम उद्यम मंत्रालय  
(भारत सरकार)

निर्माण भवन, सातवीं मंजिल, मौलाना आज़ाद रोड,  
नई दिल्ली 110 108



सत्यमेव जयते



OFFICE OF THE DEVELOPMENT COMMISSIONER  
(MICRO, SMALL & MEDIUM ENTERPRISES)  
MINISTRY OF MICRO, SMALL & MEDIUM ENTERPRISES  
GOVERNMENT OF INDIA  
Nirman Bhawan, 7<sup>th</sup> Floor, Maulana Azad Road,  
New Delhi - 110 108

PH / FAX - 23063800, 23063802, 23063803 FAX - (91-11) 23062315, 23061728, 23061068. e mail - dcsmehq@nb.nic.in

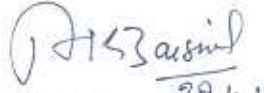
No. 15(35)/CDD/28<sup>th</sup> SCM/2011

Dated: 28<sup>th</sup> October, 2011

OFFICE MEMORANDUM

**Subject :-** Minutes of 28<sup>th</sup> meeting of Steering Committee of MSE-CDP held on 06.09.11 at 10:30 AM in Committee Room No. 47, Udyog Bhawan, New Delhi.

A copy of minutes of above mentioned meeting is enclosed for information and necessary action. This office may be informed about action taken on the minutes.

  
(A.K. Jaiswal)  
Asstt. Director (CD)  
28.10.11

Encl: as above.

To,

1. All Members of the Committee
2. All participants of the meeting  
(As per list)

Copy to:

1. PSO to Secretary, MSME
2. PS to JS & DC, MSME
- 3- Dy. Director (SENET) - For uploading on website.

**MINUTES of 28<sup>th</sup> MEETING of STEERING COMMITTEE of MICRO and SMALL ENTERPRISES - CLUSTER DEVELOPMENT PROGRAMME (MSE - CDP) on 6.9.11**

28<sup>th</sup> meeting of Steering Committee of MSE – CDP was held under Chairmanship of Shri Uday Kumar Varma, Secretary, MSME on 6.9.11 at 10.30 a.m. in Committee Room No. 47, Udyog Bhavan, New Delhi. List of participants is at Annexure-I.

Chairman welcomed all the members. Regarding implementation of MSE – CDP, following decisions were taken by the Steering Committee:-

- i) For all proposals under MSE-CDP, only on-line application will be submitted to the Office of DC, MSME to ensure transparency. O/o DC, MSME will issue detailed instructions in this regard.
- ii) Status of implementation of Common Facility Centre (CFCs) and Infrastructure Development (ID) Projects sanctioned before 2007 will be reported in all the Steering Committee Meetings. Approval of new proposals in a particular State will be linked with the performance of the projects in that State.
- iii) Director, MSME-DIs shall submit monthly report on progress of all the cluster development initiatives (DSR, Soft Interventions, CFCs and ID Projects) in their jurisdictional areas. They will also attend the Steering Committee meetings in which proposals from their areas are under consideration.

**1. Agenda No. 28.1: Confirmation of minutes of 27<sup>th</sup> Meeting of Steering Committee**

Minutes of 27<sup>th</sup> Meeting of Steering Committee held on 31.5.11, were circulated on 1.7.11. No comments have been received so far. Chairman asked members if they have any observations. As no comments were offered, the minutes were confirmed.

**2. Agenda No. 28.2: Review of decisions taken in 27<sup>th</sup> Meeting of Steering Committee**

- a. Regarding proforma for monitoring progress of CDP Scheme, the Chairman observed that the proforma should be finalized by 15<sup>th</sup> Sept. 2011.
- b. Regarding fixing of preliminary and pre-operative (P&P) expenses for CFC at maximum of 2% of project cost, Additional Resident Commissioner, Govt. of Kerala mentioned that P&P expenses have been more than 2% for some on-going CFC proposals; limit of 2% should be fixed from prospective effect. The Chairman observed that higher P&P expenses may be considered on case-to-case basis, if there is enough justification.
- c. Reminders will be issued for getting desired information regarding proposals for CFCs in Powerloom Cluster, Shirpur & Casting Cluster, Jaipur, DSR in Auto Part Cluster, Panchcula and Soft Intervention in Home Furnishing Cluster, Panipat.



**3. Agenda No. 28.3: Setting up of CFC in Wood Processing Cluster, Kollam:** Mr. K.R. Rajendran, Consultant for CFC presented the proposal for setting up of CFC in Wood Processing Cluster, Kollam. It was informed that CFC can be installed in the flatted building with seasoning plant at ground floor. It was also informed that SIDBI appraised the proposal in six months. Shri R.K. Das, GM, SIDBI informed that as per instructions the DPR, under MSE-CDP, should be appraised in one month. He further mentioned that he would take up the issue with the concerned Branch. Addl. Resident Commissioner, Govt. of Kerala informed that land can be arranged at other location for future expansion of the CFC. Project cost and means of funds for the CFC are given below:

**a Project cost**

	<b>Particulars</b>	<b>Cost (Rs. in lakh)</b>
1	Land and its development	3.03
2	Building & Other Civil Constructions	36.54
3	Plant & Machinery(including electrification)	176.64
4	Misc. fixed assets	26.22
5	Preliminary & Pre-operative expenses @2%	5.20
6	Provision for contingency	9.40
7	Margin money for Working Capital	2.50
	<b>Total Project Cost</b>	<b>259.53</b>

**b Means of finance**

	<b>Particulars</b>	<b>Amount</b>
		(Rs. in lakh)
1	SPV contribution	25.95 (10.00%)
2	Grant-in-aid under MSE-CDP	181.67(70.00%)
3	Grant-in-aid from Govt. of Kerala	51.91 (20.00%)
	<b>Total</b>	<b>259.53 (100.00%)</b>

c After discussion the Steering Committee approved the proposal for setting up of the CFC in Wood Processing Cluster, Kollam subject to following conditions :-

1. All commitments from State Government and SPV should be mobilized upfront.
2. Share holding pattern of SPV members should be as per guidelines of MSE-CDP
3. The lease period for shed acquired for CFC should be minimum for 15 years.

**4 Agenda No. 28.4: Setting up of CFC for Garment Cluster, Nagpur:** Representatives of SPV made the presentation. It was informed that there are more than 500 units and all units are micro. The Chairman observed that letter from GM, DIC regarding percentage of micro units in the cluster is not clear. Joint Director, Govt. of Maharashtra assured that clarification on number of micro units will be sent immediately. He will also send details of VAT registration of all the cluster units indicating nature of activity and investment to determine number of micro units in the cluster.

*ALC*

b SPV also confirmed that its contribution will be mobilized within one month of the sanction. SPV members mentioned that the basic embroidery machine (costing Rs. 87.49 lakh) deleted earlier from project is required for smooth functioning of CFC.

c Revised project cost

		(Rs in lakh)
Particulars		Amount
1	Land	30.00
2	Buildings	130.05
3	Plant and Machinery (including cost of basic embroidery machine)	1308.87
4	Misc. Fixed Assets	15.00
5	Preliminary & Pre-op Expenses	31.50
6	Contingencies (2% of Building % 5% on Plant and machinery)	68.00
7	Margin for working capital	7.86
<b>Total</b>		<b>1591.28</b>

d Joint Director, Govt. of Maharashtra proposed that 90% Gol grant may be considered for the CFC.

e After discussion, the Steering Committee approved "in principle" the proposal for Setting up of CFC for Garment Cluster, Nagpur at a cost of Rs. 1591.28 lakh. The Gol contribution will be decided after getting details about the number of micro units in the cluster from Govt. of Maharashtra.

**5 Agenda Item No. 28.5: Setting up of CFC for Roofing Tiles Cluster, Murlu, Bankura:** Special Secretary, Deptt. of M&SSE&T, Govt. of West Bengal (GoWB) presented the proposal. It was informed that the CFC will be installed in three adjoining pieces of land. First piece of land (67 Dec) was acquired by the SPV in 1967 and its valuation has been made at Rs. 7.37 lakh. The second piece of land measuring 47 Dec has been acquired by SPV at a cost of Rs. 5.17 lakh in 2010. The third piece of land on which office building and lab will be set up, will be procured after a month. He confirmed that required budget provision for GoWB contribution for CFC has been made. The representatives of SPV assured that SPV contribution will be mobilized. Thus project cost and means of finance are given below:

Project Cost Details (Rs in lakh)			Sharing of Cost (Rs in lakh)	
Description	Amount	Contribution	Amount	
1. Land and Site Development	19.05	SPV - 10.9%	29.67	
2. Building	61.00	GoWB - 18.54%	50.45	
3. Plant & Machinery / equipment	144.31	Gol - 70.55%	191.97	
4. Other Fixed Assets	23.00	<b>Total</b>	<b>272.09</b>	
5. Contingency	8.44			
6. Preliminary and preoperative on misc expenses	5.70			
7. Margin for Working Capital	10.59			
<b>Total</b>	<b>272.09</b>			

*AIC*

b The Steering Committee approved the proposal in principle subject to following conditions:

- i. GoWB will release its contribution for setting up of CFCs in the State and send detailed progress report for cluster development initiatives (including ID projects) in State.
- ii. GoWB will intimate the source of funding of the land procured by SPV, basis of valuation of land and shareholding pattern of the SPV.

**6 Agenda No. 28.6 to 28.8: Upgradation of Industrial Estates at Mettur & Ganapathipalayam and Setting up of ID Centre at Karaikudi**

- a. CMD, TANSIDCO presented the proposals for upgradation of two Industrial Estates at Mettur and Ganapathipalayam and Setting up of one ID Centre at Karaikudi
- b. The Chairman of the Steering Committee observed that maintenance of the industrial estates should be done with the regular funding resources and not from the infrastructure development schemes like MSE-CDP. He also observed that the number of units set up in the industrial estates which have already been completed by TANSIDCO are quite less as compared to the target. CMD, TANSIDCO mentioned that it takes 5-8 years for industrial estates to mature.
- c. After discussions, three proposals were approved subject to the condition that total project cost shall be re-worked by TANSIDCO in consultation with Office of DC, MSME by striking out the items which are of maintenance nature. Thus the re-worked project cost is:

**d. Upgradation of Industrial Estates at Mettur**

		Rs. lakh)	
	Particulars	Proposed Cost	Reworked Cost
i)	Cost of land filling/leveling including boundary wall/fencing	50.00	50.00
ii)	Cost of strengthening and relaying road	178.00	178.00
iii)	Drainage- Construction of storm water drain	60.00	60.00
iv)	Water supply arrangements	6.00	0
v)	Streetlights arrangements	20.00	0
vi)	Roadside greenery	5.00	0
vii)	Construction of Conference Hall/Exhibition centre	30.00	0
viii)	Construction of Canteen, Creche and First Aid centre	20.00	0
ix)	Contingencies and Pre-operative exp	7.38	5.76
	<b>Total</b>	<b>376.38</b>	<b>293.76</b>

*Atc*

**Means of finance (Rs in lakh):**

	Particulars	Amount
1	Grant from Government of India (60% of project cost)	176.25
2	Contribution from Govt. of Tamilnadu (30%)	88.13
3	Contribution from allottees of Industrial Estate	29.38
	<b>Total</b>	<b>293.76</b>

**e Upgradation of existing ID centre at Ganapathipalayam, Tiruppur**  
(Rs. Lakh)

	Particulars	Proposed	Reworked cost
i)	Cost of strengthening & relaying road	44.92	44.92
ii)	Roadside greenery	0.50	0
iii)	Water supply arrangements	5.00	0
iv)	Drainage- Construction of storm water drain	20.70	0
v)	Streetlights arrangements	13.50	0
vi)	Contingencies & Pre-operative exp	1.70	0.90
	<b>Total</b>	<b>86.32</b>	<b>45.82</b>

**Means of finance :**

	Particulars	Amount
1	Grant from Government of India (60% of project cost)	27.49
2	Contribution from Govt. of Tamilnadu (30%)	13.75
3	Contribution from allottees of Industrial Estates	4.58
	<b>Total</b>	<b>45.82</b>

**f Setting up of ID Centre at Karaikudi, Sivaganga, Tamilnadu****Project Cost:**

(Rs. Lakh)

S. No.	Particulars	Proposed	Re-worked cost
1.	Cost of land filling/leveling including boundary wall and fencing	17.00	17.00
2.	Cost of laying roads	200.00	200.00
3.	Drainage	60.00	60.00
4.	Water supply arrangements	40.00	40.00
5.	Street light arrangements	31.00	31.00
6.	Road side greenery	2.00	0
7.	Contingencies & Pre operative expenses	8.00	7.12
	<b>Total</b>	<b>358.00</b>	<b>355.12</b>

A/c

**Means of finance:****(Rs. Lakh)**

S.No.	Particulars	Amount
1	Gol Grant (60% of project cost)	213.00
2	TANSIDCO Contribution	142.12
	<b>Total</b>	<b>355.12</b>

8 **Agenda No. 28.9: Proposal for Infrastructure Upgradation of 5 Industrial Estates at Nunhai (Agra), Shikohabad (Firozabad), Partapur (Meerut), Bindki (Fatehpur) and Rania, (Ramabai Nagar) :** Principal Secretary, SSI & Export Promotion, Govt. of UP presented the proposals.

I. It was observed that

a. Paid up capital of the proposed agency is not sufficient to undertake big projects as the funds under MSE-CDP are provided on reimbursement basis.

b. Very less number of units could be set up in industrial estates set up even after 30/40 years like 9 units in Bindki, Fatehpur (set up in 1982), 26 units in Rania (set up in 1971).

II. EA observed the guidelines of the scheme are very clear that the implementing agency should have a proven track record of implementing such projects under MSE-CDP.

III. Principal Secretary, SSI & Export Promotion, Govt. of UP mentioned that the updated status of ID projects implemented under MSE-CDP will be sent shortly to the office of DC, MSME.

IV. Status of implementation of 5 CFCs in UP was also discussed. Chairman took a serious note on slow pace of implementation of CFCs and asked the PSI to augment the pace of implementation so that MSEs can take benefit of the program.

V. After discussions, Steering Committee decided that the proposal for upgradation of three industrial estates (Nunhai - Agra, Partapur – Meerut and Shikohabad - Firozabad) may be reconsidered when:

a. The Implementing Agency is selected as per guidelines of MSE-CDP.

b. Proposals to include firm commitments about the new units to be set up, employment generated, increase in turnover, exports, etc.

c. Items of maintenance nature should not be included under infrastructure development proposals.

9 **Agenda No. 28.10: Soft Interventions in Hapania Jute Cluster, Duckli, Agartala :** Hapania Jute Cluster, Agartala (Tripura) from IIE, Guwahati was approved by the Steering Committee for a period of 18 months at a total cost of Rs. 18.89 lakh with Gol contribution of Rs. 16.65 and Rs 2.24 lakh by industry.

AK

10 **Agenda No. 28.11: Soft Interventions in Garment Cluster, Amravati, Maharashtra:** The Proposal for soft interventions in Garment Cluster, Amravati from MSME-DI, Nagpur was approved by the Steering Committee for 18 months at total cost of Rs. 20.66 lakh with Gol contribution of Rs. 8.324 lakh and the remaining Rs. 12.366 lakh contribution by cluster units / association and KVIC.

11 **Agenda No. 28.12: Soft Interventions in Fasteners Industry Cluster, Ludhiana, Punjab:** The Proposal for soft interventions in Fasteners Industry Cluster, Ludhiana from MSME-DI, Ludhiana was approved by the Steering Committee for 18 months at a total cost of Rs. 18.55 lakh with Gol contribution of Rs. 12.77 lakh and the Rs. 5.78 lakh by cluster units / association.

12 **Agenda No. 28.13: Soft interventions in Plastic Cluster, Noida:** The Proposal for soft interventions in **Plastic Cluster, Noida** from Central Institute of Plastic Engineering & Technology (CIPET), Lucknow was approved by the Steering Committee for 18 months at a total cost of Rs. 16.03 lakh with Gol contribution of Rs. 11.76 lakh and Rs. 4.27 lakh to be contributed by cluster units / association.

12 **Agenda No. 28.14: Proposals for conducting Diagnostic Studies (DSR) in 6 Clusters:**

a **Proposal for DSR in Chill Roll Manufacturing Cluster Malerkotla** was not considered as Director, MSME-DI, Ludhiana informed that the cluster members are not interested in proposal.

b The Steering Committee approved flowing proposal for DSR

	<b>Name of the cluster</b>	<b>Gol Assistance Rs in lakh)</b>
i.	Pharmaceutical Cluster Rudrapur, Udham Singh Nagar, Uttarakhand	Rs. 2.50 lakh
ii.	Automobile Component Manufacturing Cluster Panthnagar, Udham Singh Nagar, Uttarakhand	Rs. 2.50 lakh
iii.	Pashmina based Goods Cluster, Iddgah, Srinagar, J&K	Rs. 2.50 lakh
iv.	Paper Machie Gift Item and Decorative Products Cluster, Zadibal, Srinagar	Rs. 2.50 lakh
v.	Khatamband Cluster, Safa Kadal, Srinagar, J&K	Rs. 2.50 lakh

The meeting ended with a vote of thanks to the Chair.

*Arc*



List of participants in 28<sup>th</sup> Meeting of Steering Committee MSE-CDP, chaired by Secretary, MoMSME on 6.9.11

Name & Designation	Office
S/ Shri:	
1. Saurabh Chandra, AS&FA	Ministry of MSME
2. Amarendra Sinha, JS&DC	Office of DC(MSME)
3. R.K. Manchanda, Economic Adviser	Ministry of MSME
4. Chandan Saha, Joint Adviser	Planning Commission
5. R.K. Das, Chief General Manager	SIDBI, New Delhi
6. R.K. Rai, Director	Office of DC (MSME)
7. K.L. Rao, Director	Office of DC (MSME)
8. Niloy Gosh, Special Secretary	Deptt. of M&SSE&T, Govt. of West Bengal
9. S.K. Das, Joint Director	Deptt. of M&SSE&T, Govt. of West Bengal
10. Biresh Kumar, Principal Secretary	SSI & Export Promotion, Govt. of UP
11. Vikas Jain, OSD	Govt. of Maharashtra
12. Bishwanath Sinha, Addl. Resident Commissioner	Govt. of Kerala
13. S. Santhosh, DGM	KBIP, Kerala
14. S.D. Sharma, Addl. Resident Commissioner / Ad. Investment Commissioner	Govt. of Uttarakhand
15. Mohan Pyare, CMD	TANSIDCO, Chennai
16. P.M. Parlewar, Dy. Director	MSME-DI, Nagpur
17. R.K. Panigrahi, Dy. Director	O/o DC(MSME)
18. Dheer Singh, Assistant Director	O/o DC(MSME)
19. Kuldeep Singh, Assistant Director	O/o DC(MSME)
20. Bavinder Singh, Assistant Director	MSME-DI, Ludhiana
21. Mam Chand, Under Secretary	IF Wing, M/o MSME

*Av*

	Name & Designation	Office
22.	Dr. Suparna B. Barua, Head	IIE, Guwahati
23.	D. Pulla Reddy, Chief Consultant	APITCO Ltd., Hyderabad
24.	M.S. Farooqi, Director	Craft Development Institute, Srinagar
25.	Dr. Irfan Mir, Technical Officer	CIPET, Lucknow
26.	B.P. Singh, Managing Director	UP Shram and Nirman Sahkari Sangh Limited, Lucknow
27.	Chandir Khemchandani, Director	OCGC, Nagpur
28.	Vipul Panchmatia, Director	OCGC Pvt. Ltd., Nagpur
29.	Mohd. Abdul Basheer, Managing Director,	Wood Empire Consortium Pvt. Ltd., Kollam
30.	A.D. Pandey, Chairman	Indian Industries Association
31.	Shubhendu Kumar	NIC, O/o, DC(MSME), New Delhi

*Alc*