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Micro and Small Enterprises Cluster Development Programme (MSE-CDP)

A Ministry of MSME scheme that gives grants for Common Facility Centres and industrial infrastructure serving clusters of micro and small enterprises. The proposal comes from a state government or a cluster company, not from a single unit.

What you may get

Government of India grant for a Common Facility Centre costing Rs 5 crore to Rs 10 crore is 70% of the cost (80% in aspirational districts, the North East, hill states and islands). For Rs 10 crore to Rs 30 crore it is 60% (70% in those areas). New infrastructure projects of Rs 5 crore to Rs 15 crore get 60% (70% in those areas), and upgrading existing infrastructure of Rs 5 crore to Rs 10 crore gets 50% (60% in those areas). For a larger Common Facility Centre project the grant is worked out on Rs 30 crore.

Who it is for

State governments, industrial park agencies and special purpose vehicles of micro and small enterprises, startups or FPOs that want a shared facility or better industrial infrastructure.

Main conditions

- A Common Facility Centre project needs a special purpose vehicle (SPV): a company registered under Section 8 of the Companies Act, or a society or co-operative in Sikkim. An FPO or FPC can also be the SPV.
- The SPV needs at least 20 member MSEs, startups or FPOs for a centre costing above Rs 10 crore, and at least 10 for one costing below Rs 10 crore.
- Members must put in at least 10% of the project cost for centres under Rs 10 crore and 20% above Rs 10 crore (5% and 15% in the North East).
- Projects costing under Rs 5 crore are normally not taken up under this scheme.

Documents

- Detailed Project Report (DPR), with member MSE details including Udyam Registration Number
- Land and building ownership or lease documents, submitted with the DPR

How to apply

1. The State Government or the SPV prepares a Detailed Project Report that shows how the facility will make the cluster's units more competitive.
2. The DPR lists each member MSE with its Udyam Registration Number, constitution, turnover and proposed contribution.
3. Send the DPR with the land details to the MSME Development Institute concerned for a first review, and give a copy at the same time to the State Level Screening Committee.
4. Projects have to be completed within 18 months of the approval order.

Status

Active

Official source: https://dcmsme.gov.in/schemes/New%20MSE-CDP.pdf
Official PDF: https://dcmsme.gov.in/schemes/New%20MSE-CDP.pdf
Labh Lo page: https://labhlo.in/en/schemes/central/mse-cdp-cluster-development/

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