

Industrial Policy 2015

BharatRatna Dr. Baba Saheb Ambedkar Udyog Uday Yojna for SC/ST Entrepreneurs of MSME

Government of Gujarat
Industries and Mines Department,
Sachivalaya, Gandhinagar.
Resolution No. MSM-102017-332-Ch
Dated: 24/10/2017.

Read :

1. Industries and Mines Department, G.R. No. SSI/102014/924840/CH Dt. 19.01.2015
2. Industries and Mines Department, G.R. No. GFC/102014/923625/P Dt. 27.02.2015
3. Industries and Mines Department, G.R. No. MIS/102015/430906/CH Dt. 10.03.2015
4. Industries and Mines Department, G.R. No. MIS/102014/430906/CH Dt. 10.03.2015

Preamble

The Industrial Policy 2015 aims at promoting 'Gujarat' as a globally competitive and innovative industrial destination that stimulates sustainable development and inclusive growth. The primary mission of the Industrial policy 2015 includes proactive support for the development of MSMEs, value addition on local primary sources and increasing the share of Manufacturing in State GDP.

Prospective entrepreneurs of SC and ST category need basic support in handholding and getting leverage to start an enterprise. Therefore, the State Government has decided to introduce Special Package/Scheme namely "**Bharat Ratna Dr. Baba Saheb Ambedkar Udyog Uday Yojna**". This scheme aims in support to Stand-up India with Make in India initiatives. This initiative will boost the primary mission of the Industrial policy 2015 which includes the proactive support for the Development of MSMEs in the State comprehensively with special sustainable assistance to Scheduled Caste (SC) and Scheduled Tribe (ST) entrepreneurs.

Resolution

After careful consideration Government is pleased to introduce "Bharat Ratna Dr. Babasaheb Ambedkar Udyog Uday Yojana" for SC / ST entrepreneurs of MSME" which will come into force from dated 01.04.2017 and will remain in operation till 31/12/2019.

1.0 Definitions

1.1 Micro, Small and Medium Enterprises (MSME):

An Enterprise, which satisfies the conditions of Micro, Small and Medium Enterprises as per the definition under the MSMED Act 2006 of the Government of India, as



amended/ revised/ introduction of new provision from time to time, and having acknowledgement of Entrepreneurs' Memorandum /Udyog Aadhaar.

1.2 SC/ST Enterprise:

SC/ST Enterprise means the enterprise which is set up and owned by SC/ST entrepreneur/s only.

1.3 New Enterprise:

New enterprise means MSME, which has filed Entrepreneurs Memorandum / Udyog Aadhaar and commences commercial production during the operative period of the Scheme.

1.4 Existing Enterprise:

Existing enterprise means MSME which has commenced commercial production before the date of announcement of the scheme.

1.5 Expansion or Diversification:

Existing or New enterprises carrying out expansion/diversification with an investment of more than 50% of(out of which minimum 60% investment should be in plant and machinery) its existing gross fixed capital investment on the date of initiating expansion/diversification and commencing production of said expansion/diversification during the operative period of the scheme.

Only one expansion/diversification will be eligible for assistance during the operative period of the scheme.

1.6 Modernization:

Existing MSMEs carrying out modernization by way of adopting new technology/ production process and/or improving quality of products with an investment of more than 25% of its existing gross fixed capital investment in plant and machinery on the date of initiating modernization and commencing production of said modernization during operative period of the scheme shall be termed as modernization.

Only one modernization will be eligible for assistance during the operative period of the scheme.

1.7 MSME Service Enterprise:

MSME service enterprise having an Investment in equipment more than Rs. 5 lakh will be eligible for Interest subsidy

1.8 Gross Fixed Capital Investment:

Gross fixed capital investment means the investment made in required building, plant and machinery and other related fixed assets required to manufacture end product.

1.9 Term Loan:

Term loan means loan sanctioned by the financial institution / Bank (Except NBFC) for the acquisition of new fixed assets of the project. However, only the amount actually disbursed against the sanctioned will be considered for the incentives under this scheme. The loan sanctioned and disbursed on second hand assets will not be eligible for incentives under this scheme.

1.9.1 Eligibility:

SC/ST enterprise which has obtained first disbursement of term loan on or after 01/04/2017 and commenced commercial production during operative period of the scheme shall be eligible for Capital Investment Subsidy under this scheme.

The enterprise which has obtained first disbursement of term loan before 01/04/2017 shall be considered eligible under GR SSI/102014/924840/CH Dt. 19.01.2015 subject to condition that the enterprise commence commercial production before 31/3/2018.

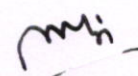
2.0 Assistance of Capital Investment Subsidy

2.1 For Investment up to Rs.50 lakhs in Plant and Machineries:

- i. Capital Investment Subsidy@ 20% of term loan amount disbursed by Bank/ Financial Institute with the maximum amount of Rs. 25 lakhs in Municipal Corporations area.
- ii. Capital Investment Subsidy@ 25 % of term loan amount disbursed by Bank/ Financial Institute with the maximum amount of Rs. 35 lakhs in other areas outside the municipal corporations' area.

2.2 For Investment from Rs.50 lakhs to Rs.2 Crore in Plant and Machineries:

- i. Capital Investment Subsidy@ 15 % of term loan amount disbursed by Bank/ Financial Institute with the maximum amount of Rs. 25 lakhs in Municipal Corporations area.
- ii. Capital Investment Subsidy@ 20 % of term loan amount disbursed by Bank/ Financial Institute with the maximum amount of Rs. 35 lakhs in other areas outside the municipal corporations' area.



2.3 For Investment from Rs.2 Crore to Rs.10 Crore in Plant and Machineries:

- i. Capital Investment Subsidy@ 10 % of loan amount disbursed by Bank/ Financial Institute with the maximum amount of Rs.25 lakhs in Municipal Corporations area.
- ii. Capital Investment Subsidy @ 15 % of loan amount disbursed by Bank/ Financial Institution with the maximum amount of Rs.35 lakhs in other areas outside the municipal corporations' area.

2.4 Conditions for Capital Investment Subsidy

- a) An Enterprise shall be owned 100% by SC/ST entrepreneur/s.
- b) Service sector will not be eligible under this scheme.
- c) Enterprise shall have to apply to concerned DIC either within one year from the date of first disbursement of loan or on or before the date of commencement of commercial production whichever is later.
- d) Capital Investment subsidy will be paid only after commencement of commercial production of the enterprise.
- e) The enterprise will be eligible under this scheme, if term loan is sanctioned after one year from the date of commencement of commercial production or before expiry of this scheme whichever is earlier.
- f) Total quantum of capital investment subsidy (State + Central) in any case should not exceed the total loan amount disbursed by Bank/ Financial institution.
- g) Enterprise will have to remain in production for 5 years from the date of commercial production and if it fails to continue production for five years then amount of capital investment subsidy disbursed will be recovered as an arrears of land revenue.

3.0 Assistance for Interest Subsidy:

a) Quantum of Interest subsidy

- i. Interest subsidy @ 6% with the maximum amount of Rs. 25 lakhs per annum for period of 5 year in Municipal Corporations areas.
- ii. Interest subsidy @ 8% with the maximum amount of Rs. 30 lakhs per annum for period of 5 year for in the areas other than municipal corporation area.
- iii. 1% additional interest subsidy to young entrepreneur below age of 35 years as on the date of sanction of loan in manufacturing and service sector
- iv. Maximum rate of Interest subsidy to an enterprise will not be more than 9% & 7% where the rate of interest subsidy is 8%, &6% respectively

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- v. Only new MSME of Service sector as listed in **Annexure -1** will be eligible for Interest subsidy @6% with the maximum amount of Rs. 25 lakhs per annum for 5 years on the term loan of machinery and equipment anywhere in the state.

3.1 Conditions for Interest Subsidy:

- a. An Enterprise shall be owned 100% by SC/ST entrepreneur/s.
- b. Enterprise shall have to apply to concerned DIC either within one year from the date of first disbursement of loan or on or before the date of commencement of commercial production whichever is later.
- c. Enterprise shall opt for date of eligibility of interest subsidy either from the date of first disbursement of loan or from the date of commencement of commercial production.
- d. Late submission of application will be considered subject to deduction of late submission period after commercial production and deduction of proportionate amount of interest subsidy from maximum ceiling.
- e. Reimbursement of interest subsidy will be made only after commencement of commercial production of the enterprise.
- f. The enterprise will not be eligible for interest subsidy under this scheme if, term loan is sanctioned after one year from the date of commencement of commercial production.
- g. If the enterprise becomes defaulter in payment of interest or instalment of term loan to Bank/Financial institution as per guidelines of RBI, such default period will be deducted from the period of five years.
- h. Interest subsidy will not available for penal interest or any other charges.
- i. Total quantum of interest subsidy (State + Central) in any case shall not exceed the total interest paid to Bank/ Financial institution.
- j. Enterprise will have to remain in production for 5 years from the date of commercial production

3.2 General Conditions applicable to Capital Investment subsidy and Interest subsidy

- a) Loan sanctioned by Bank or Financial Institution as per RBI guidelines will be eligible for any incentive under this resolution. Loan sanctioned by Non-Banking Financial Institutes will not be eligible for any incentive under this resolution.
- b) The enterprise that has availed assistance under this scheme will not be entitled to avail benefit under any other scheme of State Government, unless and otherwise specified under that scheme.
- c) For the purpose of assistance under this resolution, the investment made in the state of Gujarat shall be clubbed to decide the status of MSME.
- d) Enterprise shall have to furnish information regarding production, sales, turnover, and employment etc. annually to concerned DIC before end of September.
- e) Enterprise will have to observe pollution Control measures as prescribed by GPCB or other competent authority.
- f) The enterprise shall have to obtain NOC from Municipal Corporation for doing business, if enterprise is located in the area of Municipal Corporation

- g) Enterprise will have to employ at least 85% of the total employment and 60% of supervisory and managerial staff from local persons.
- h) Enterprise has to give undertaking to confirm that he has paid all Government dues on his letter head signed by authorized signatory.
- i) Enterprise can avail benefit under such schemes of Government of India, if any.
- j) The detailed standard of procedures and implementation guidelines will be issued by the MSME Commissionerate office and will be final and binding to all the concerned stakeholders

4.0 Assistance for Quality Certification:

In addition to quality certification, the use of optimizing the resources of an MSME by SC / ST entrepreneur becomes vital with the support of ERP systems and with ICT implementation. To extend the support in ERP system installation and in ICT implementation the following assistance to MSMEs by SC / ST entrepreneur in manufacturing sector becomes eligible.

4.1 Assistance for ERP:

i. For investment up to Rs.50 lakhs in Plant and Machineries:

75% of the capital cost for installing the Enterprise Resource Planning (ERP) system of approved ERP service provider by MSME Commissionerate, subject to a maximum amount of Rs. 1,00,000/-

ii. For investment from Rs.50 lakhs to Rs. 2 Crore in Plant and Machineries:

70% of the capital cost for installing the Enterprise Resource Planning (ERP) system of approved ERP service provider by MSME Commissionerate, subject to a maximum amount of Rs. 1,00,000/-

iii. For investment from Rs.2 Crore to Rs. 10 Crore in Plant and Machineries:

50% of the capital cost for installing the Enterprise Resource Planning (ERP) system of approved ERP service provider by MSME Commissionerate, subject to a maximum amount of Rs. 1,00,000/-

Conditions for ERP

- i. ERP system installed to be verified in terms of network linkages with server and software having facilities covering production, inventory control, sales, purchase, accounting and Human Resource Management etc.
- ii. The Capital cost in ERP system includes installation charges, software and annual service cost. The Capital cost does not include the hardware part of the ERP system.
- iii. In case of Software-as-a-Service (SaaS) based deployment option of ERP system, the annual subscription charges will be considered.
- iv. The MSME Commissioner will approve the list of ERP service provider.

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4.2 Assistance in Information and Communication Technology:

The equipment required for use of ICT as a media of communication such as like hard ware, networking and hardware for accessing cloud computing will be eligible.

i. For investment up to Rs.50 lakhs in Plant and Machineries:

75% of the capital expenditure related to ICT facilities, maximum up to Rs. 5,00,000/

ii. For investment from Rs.50 lakhs to Rs. 2 Cr. in Plant and Machineries:

70% of the capital expenditure related to ICT facilities, maximum up to Rs. 5,00,000/

iii. For investment from Rs.2 Cr. to Rs. 10 Cr. in Plant and Machineries:

50% of the capital expenditure related to ICT facilities, maximum up to Rs. 5,00,000/

4.3 50% of all charges including consultancy fee up to a maximum amount of Rs. 50,000 paid for obtaining ISO certification. No assistance will be given for expenditure incurred on the testing equipment/machineries on ISO certification.

4.4 50% of all charges upto a maximum amount of Rs. 5 lakhs paid for obtaining of each certification for ISI/WHO-GMP/Hallmark certifications & other national/International certification approved by Quality Council of India.

4.5 50% of fee payable to Recognized International Certification Authority and 50% cost of testing equipment and machinery required for that certification, totalling upto maximum amount of Rs. 10 lakhs.

4.6 The cost for certificate will include:-Fees charged by certification agency (excluding travel, hotel & surveillance charges)

4.7 Cost of testing equipment and machinery as required for certifications

4.8 Calibration charges of equipment

4.9 This Quality certification scheme will be supplementary to such scheme of Government of India. However, in no case total assistance from GOG and GOI should exceed more than actual expenditure incurred by MSME for said purpose.

4.10 The testing equipment and machinery purchased after the issuance of Quality certificate shall not be eligible for assistance.

4.11 Expenditure incurred for renewal of certificate shall not be eligible for assistance under the scheme.

5.0 Assistance for Technology Acquisition

a). For Investment up to Rs. 50 lakhs in Plant and Machineries:

Assistance for the acquisition of appropriate technology from recognised institution for its product/ process during the operative period of the scheme will be @ 75% of the cost payable to the institution, maximum of Rs. 50 lakh, including royalty payment for first two years.

b). For investment from Rs.50 lakhs to Rs.2 Crore in Plant and Machineries:

Assistance for the acquisition of appropriate technology from recognised institution by MSME for its product/ process during the operative period of the

scheme will be @ 70% of the cost payable to the institution, maximum of Rs. 50 lakh, including royalty payment for first two years.

c). For Investment from Rs. 2 Crore to Rs. 10 Crore in Plant and Machineries:

Assistance for the acquisition of appropriate technology from recognised institution by MSME for its product/ process during the operative period of the scheme will be @ 50% of the cost payable to the institution, maximum of Rs. 50 lakh, including royalty payment for first two years.

5.1 Conditions:

- i. MSME shall have to obtain prior approval of MSME Commissioner after signing MoU with Technology provider.
- ii. Assistance will be available to set up a new enterprise with new technology. Existing enterprise will also be eligible for new product or for improvement of production process.
- iii. Assistance will not be eligible for purchase of any plant and machinery or equipment.

6.0 Assistance to SME for raising Equity capital through SME Exchange

- a) **For investment from up to Rs. 2 Crore in Plant and Machineries –**
30% expenditure incurred on raising of equity capital through SME exchange maximum up to Rs 5 lakhs
- b) **For investment from Rs.2 Crore to Rs. 10 Crore in Plant and Machineries –**
20% expenditure incurred on raising of equity capital through SME exchange maximum up to Rs 5 lakhs

6.1 Conditions:

- a) Under the guidelines of SEBI, the MSME has to get listed in SME Exchange.
- b) The assistance would be paid one time in policy period after successful raising of equity.
- c) Only manufacturing activity will be considered eligible under the scheme.

7.0 Assistance in Service line and Power Connection charges

7.1 Eligibility:

MSME, located in other than GIDC estates/approved industrial park , which has paid charges to distribution licensee, for new connection or for getting additional load in case of existing consumer (in case of expansion) or for shifting of connection or service line, will be eligible for assistance under the scheme.

7.2 Quantum of assistance:

- a) For investment up to Rs.50 lakhs in Plant and Machineries –

- Assistance @ 60% of charges paid to distribution licences for LT/HT service line, maximum limit up to Rs. 5 lakhs.
- b) For investment from Rs.50 lakhs to Rs. 2 Crore in Plant and Machineries – Assistance @ 50% of charges paid to distribution licences for LT/HT service line, maximum limit up to Rs. 5 lakhs.
- c) For investment from Rs. 2 Crore to Rs.10 Crore in Plant and Machineries – Assistance @ 25% of charges paid to distribution licences for LT/HT service line, maximum limit up to Rs. 5 lakhs.

7.3 Conditions:

- i. The MSME manufacturing enterprise has to apply for reimbursement within six months from the date of payment of charges to Distribution Licensee for service line.

8.0 Assistance to basic Industrial Infrastructure (Water, Gas and Approach Road)

8.1 Eligibility:

- a) Eligible investment means fixed capital investment made in any of following basic infrastructure facilities in other than GIDC area/industrial park
- i. **Approach road:** Expenditure incurred for construction of approach road from the premises of the enterprise to the main outer point/connecting point for last mile connectivity., The expenditure for construction of approach road will be considered on basis of SOR applicable. The construction of Approach Road should be certified for Quality by Third Party holding Govt. approval. **Gas / Water connection:** Expenditure incurred or charges paid to supplier for gas / water connection from source to premises of the enterprise

8.2 Quantum of assistance:

- a) Assistance @75% of cost of capital investment for infrastructure or expenditure incurred for Water/ gas facilities, maximum limit up to Rs. 15 lakh including all infrastructure / facilities.

8.3 Conditions:

- a) The eligible investment component of the Project will not be eligible for assistance under this Scheme, if the said component has already been sanctioned under any other scheme of the state government, unless specified otherwise. However, if assistance is availed under Central Govt. Scheme, the assistance together of state government and central government scheme should not exceed the eligible investment component cost.
- b) The applicant shall have to submit detailed estimate for the basic infrastructural / facilities needed.

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9.0 Assistance to Special Entrepreneurship training with 360 degree approach with mentoring support and sustenance allowance for Promoters/ Entrepreneurs

Through "Special Entrepreneurship training with 360 degree approach", SC/ST entrepreneurs will be benefitted with combination of the knowledge from institutions, core industrial activities, advices and mentoring from experts, best practices while establishing the idea for sustaining new businesses. The focus on social entrepreneurship will also motivate the entrepreneurs to think not only about their own employability in creating their businesses, but also on how they can be relevant to society and provide employability opportunities to their peers as well, creating a ripple effect of entrepreneurship and employability. The scheme provides 360 Degree support and Hand Holding oriented towards strengthening the eco-system for promoters and entrepreneurs for providing unique knowledge of entrepreneurship on functional area of management, soft skills, assessments, finance, inventory, sales, marketing, e-commerce, logistics and best practices.

9.1 Eligibility:

- a) Any individual above age of 18 years, belongs to Scheduled Caste / Scheduled tribe will be eligible.
- b) Nodal Institution means Universities /Management Institution/ entrepreneurship Development Institutions / Centre of Excellence/CED intent to provide training for entrepreneurship developments. Such institution shall have to obtain approval of the State Level Implementation Committee (SLIC) constituted under the GR no. CED-112015-24553-I dated 1/4/2015, for providing training and mentor support.
- c) The detailed Standard of Procedures, guidelines and implementation would be done by Centre of Entrepreneurship Development (CED).
- d) Nodal Institution will be provided Special Entrepreneurship training with 360 degree approach covering the aspects of soft skills, entrepreneurial skills, management skills, developing business acumen, project management, financial management etc.
- e) The training sessions shall be consisting of conducting pre-training diagnostics, conducting experimental training session and creating post-training environment.

9.2 Quantum of assistance:

- a) **Assistance for special entrepreneurship training:**
 - i. The assistance for Special Entrepreneurship training with 360 degree approach @ 100% of course fees maximum up to Rs. 10,000/- per month per person will be payable to nodal institution.
 - ii. The duration of the training program should not be less than for 6 months and maximum up to one year.



b) Assistance for mentorship support:

- i. The mentorship support should be provided to develop platform where entrepreneur can exchange experience, adopt best practices and understand expertise in running an industrial enterprise.
- ii. Nodal institutions will identify mentor from the industrial field, who can share his/her knowledge and experience to trainee for adopting different approaches and methods to develop skills and competencies for becoming an entrepreneur.
- iii. The assistance for mentorship support @ 100% of mentorship cost limited to maximum up to Rs.5,000/- per month per person will be paid to the mentor, maximum up to 3 month.
- iv. The role of mentor will be decided by SLIC.

c) Assistance as Sustenance Allowance:

- i. The entrepreneur will be provided Rs. 5,000 per month as sustenance allowance for the duration of the entrepreneurship training with 360 degree approach through nodal institution.

10.0 Assistance to Micro and Small Enterprises (MSE) of SC/ST for plot developed by GIDC

10.1 GIDC will allot the plot to SC/ST entrepreneur in the estate approved under state government scheme vide resolution no. MIS/102015/430906/ch, dated 10/03/2015 and as amended time to time read with following amendments.

10.2 Quantum of Assistance

- i. An enterprise will be eligible for assistance up to 70% of the allotment price of GIDC.
- ii. On payment of 30% of allotment price, GIDC will hand over the possession of the plot and submit the claim of subsidy up to 70% of the allotment price to the commissioner MSME.

10.3 Conditions

1. The plot size shall not be more than 1000 Sq.Mt., In case of plots with irregular size caused by planning on borders of lay-out are exempted.
2. Commissioner MSME is empowered to prescribe forms, checklist and procedure and finalise guidelines for the implementation of this scheme.
3. SLIC is empowered on issues and also to interpret Resolution. The decision and interpretation of SLIC shall be final and binding to all with respect to policy or guideline framed under it.
4. Allotment of plot to SC/ST enterprise by GIDC will be as per its prevailing policy and as per terms and conditions of allotment and maintenance. Unit shall have to commence production within operative period of the scheme. .
5. The trading activity will not be eligible under the scheme.
6. GIDC will subsequently submit claim to Commissioner MSME for assistance
6. Disbursement of the assistance shall be released on availability of Govt. Grant.

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11.0 Assistance to GIDC for developing multi-Storeyed shed in estates.

11.1 GIDC will allot the shed to SC/ST entrepreneur in the multi-storied sheds complex approved under state government scheme vide resolution no. MIS/102015/430906/ch, dated 10/03/2015 and as amended time to time read with following amendments.

11.2 Quantum of Assistance

- i. An enterprise will be eligible for assistance up to 70% of the allotment price of GIDC.
- ii. On payment of 30% of allotment price GIDC will hand over the possession of the Shed and submit the claim of subsidy up to 70% of the allotment price to the commissioner MSME.

11.3 Conditions

1. Multi-storeyed structure having maximum shed size up to 100 Sq.Mt. (1000 Sq.ft.) with adequate infrastructure like electricity connection, water, drainage and sanitation, Lift for transport of materials and Man Power etc. will be allotted to SC/ST entrepreneur.
2. Commissioner MSME is empowered to prescribe forms, checklist and procedure and finalise guidelines for the implementation of this scheme.
3. The decision and interpretation of SLIC shall be final and binding to all with respect to issues, interpretations of policy or guideline framed under it.
4. Allotment of shed to SC/ST enterprise by GIDC will be as per its prevailing policy and as per terms and conditions of allotment and maintenance.
5. Allotment price will be fixed by GIDC as per its policy.
6. Unit shall have to commence production within operative period of this scheme.
7. The trading activity will not be eligible under the scheme.
8. GIDC will subsequently submit claim to MSME Commissioner for assistance
8. Disbursement of the assistance shall be released on availability of Govt. Grant.

12.0 Assistance to MSEs for shed developed By Private Developer

12.1 Private Developer will allot the shed to SC/ST entrepreneur in the mini estate developed by him and approved under state government scheme vide resolution no. MIS/102014/430906/ch, dated 10/03/2015 and as amended time to time read with following amendments.

12.2 Quantum of Assistance

- i. The Private Developer will be eligible for additional assistance up to 15% of the total cost of land, building and other infrastructure facilities which is termed as "cost of shed" hereafter (in addition of 55% assistance granted by government to Private Developer)