

**Government of Himachal Pradesh
Department of Industries
A-Section**

No. Ind.-A(F)2-1/2018-Loose **Dated: Shimla-2, the 23rd February, 2019.**

NOTIFICATION

With a view to promoting self employment opportunities in the State of Himachal Pradesh and in order to provide livelihood to local youth by encouraging local entrepreneurship, the State Government has notified two Schemes namely "Mukhya Mantri Swavlamban Yojana-2018" by Industries Department and "Mukhya Mantri Yuva Aajeevika Yojana-2018" by Rural Development Department vide Notification No. Ind.-A(F)2-1/2018, dated 26th May, 2018 and No. HPSRLM, dated 14th August, 2018, respectively.

The Government of Himachal Pradesh, in order to achieve congruity in both the Schemes and to provide more benefits to the unemployed youth of the State, has decided to notify a new Scheme by merging the existing Schemes i.e. "Mukhya Mantri Swavlamban Yojana-2018" and "Mukhya Mantri Yuva Aajeevika Yojana-2018".

The Governor of Himachal Pradesh is therefore, pleased to notify a new Scheme of incentives, concessions and facilities for eligible bonafide youth of Himachal Pradesh. The new Scheme will be implemented by the Department of Industries and the existing entrepreneurs/beneficiaries of the existing Schemes will also be eligible for incentives/concessions as per the new Scheme.

1. Short Title:

This Scheme may be called the Mukhya Mantri Swavlamban Yojana, 2019.

2. Commencement and duration of the Scheme:

This Scheme has come into effect from 09th February, 2019 and shall remain in force up to such date as the State Government by a notification in the official Gazette prescribe.

3. Definitions:

- i) **"Bonafide Himachali"** means a resident of the State of Himachal Pradesh as defined by the State Government from time to time.

- ii) **“Commencement of commercial production”** means the date on which the Industrial Enterprise actually commences commercial production/operation as verified by the Joint Director /Deputy Director of Industries/ General Manager, District Industries Centre (DIC)/Member Secretary, SWCA or any other officer authorized by the Director of Industries to do so on Udyog Aadhar Memorandum filed by the enterprise.
- iii) **“Department”** means Department of Industries, Government of Himachal Pradesh or any other Government Department as specifically mentioned in this Scheme.
- iv) **“Director”** means Director of Industries, Government of Himachal Pradesh and will also include Commissioner of Industries, Government of Himachal Pradesh, as the case may be.
- v) **“Eligible New Industrial Enterprises”** means Industrial Enterprise having Udyog Aadhar Memorandum verified by Joint Director of Industries/Deputy Director of Industries/ General Manager, District Industries Centre/Member Secretary, SWCA of the Department of Industries and located within the State of Himachal Pradesh which commences commercial production on or after the date of notification of this Scheme.
- vi) **“Financial Institution”** means
- a) 27 Public Sector Banks.
 - b) All Regional Rural Banks.
 - c) Co-operative Banks
 - d) Private Sector Scheduled Commercial Banks
 - e) Small Industries Development Bank of India (SIDBI).
- It will also include corporation(s)/institution(s) set up by the State /Central Government specifically to assist and extend loan assistance to specific categories of entrepreneurs such as women, SCs/ STs, ex-servicemen, physically handicapped, backward classes etc as defined in the “Rules Regarding Grant Of Incentives, Concessions and Facilities to industrial units in Himachal Pradesh, 2004” as amended from time to time by the Industries Department.
- vii) **“Government”** means the Government of Himachal Pradesh.

- viii) **“Industrial Unit”** means any industrial unit where a manufacturing activity or a service activity for services as defined in **Annexure - I** of this Scheme is carried out.
- ix) **“Industrial Areas”** means an area developed/earmarked by the Government or any of its Agencies like Himachal Pradesh State Industrial Development Corporation Ltd. (HPSIDC), Himachal Pradesh Housing & Urban Development Agency (HIMUDA), Himachal Pradesh State Electronics Development Corporation Ltd. (HPSEDC) etc. itself or in participation with private entrepreneur(s) for the establishment of Manufacturing and Service Enterprises as defined in **Annexure - I** of this Scheme.
- x) **“Industrial Estate”** means an area comprising sheds/shops constructed by the Government or any of its agencies like Department of Industries, HPSIDC, HIMUDA, HPSEDC etc. itself or in participation with private entrepreneur(s) for the establishment of Industrial enterprises.
- xi) **“New Industrial Unit”** means an industrial unit which commences commercial production/operation on or after the date of notification of this Scheme.
- xii) **“Plant and Machinery”** means plant and machinery/equipment at site only. Further explanatory note is at **Annexure-II**.
- xiii) **“State”** means the State of Himachal Pradesh.
- xiv) **“Technical Civil Works”** means all expenditure on account of civil work that are related to production or processing only and will not include compound wall, approach road, administrative office building, toilets, labour rest rooms and quarter for workers, sanitation room, security room or enclosure. It will also not include expenditure that are not related to production and processing. Technical Civil Work eligible under this Scheme for manufacturing sector should not be more than 25% of total investment.

Example

4. **Applicability of the Scheme:**

- i) The Scheme is applicable to the youth of Himachal Pradesh, who are of the age of 18 years or more and upto the age of 45 years at the time of

filling the common application form on the Departmental website, intending to set up new industrial units within the State.

- ii) Such manufacturing unit should come into commercial production within one year and in case of service activity, the unit shall come into production within six months from the date of in-principle approval under the Scheme accorded by the District Level Committee (DLC) through Common Application Form on the Departmental website. The Director of Industries may, extend the period for another six months in case of manufacturing enterprises or for another three months in case of service enterprises at a time based on effective steps taken by applicant, subject to total period (including original period of one year for manufacturing unit and six months for service units) not exceeding one year and six months for manufacturing and nine months for service enterprises from the date of approval by DLC. Provided that units which are to be set up in Industrial Areas /Industrial Estates, will be required to come into commercial production as per the provisions in "Rules Regarding Grant of Incentives, Concessions and Facilities to industrial units in Himachal Pradesh, 2004" as amended from time to time by the Industries Department and shall be governed by these rules, for manufacturing activities and those service activities as defined at Annexure-I or such other activities as may be notified by the State Government from time to time under this Scheme.
- iii) In Industrial Areas/Estates, the service and trade activities as defined at **Annexure-I** (except trade/shop projects in line with Goverdhana and projects of Gosadan) of these rules, will be allowed only in "B "and "C" category areas as defined in Rules Regarding Grant of Incentives, Concessions and Facilities to industrial units in Himachal Pradesh, 2004.
- iv) The proprietary firms/ Corporate/ Legal entities like Companies/ LLP's/ Partnership Firms wherein 100% equity is held by Eligible Bonafide Himachali would also be eligible to avail these incentives.
- v) Green field projects are also to be considered.

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5. Extent of admissible subsidy :

All new industrial units would be eligible for :-

- a) Investment Subsidy @ 25% of investment as follows:-

A. For Manufacturing Sector

Investment in Plant & Machinery & technical civil works

B. For Service Sector

The plant & machinery includes cost of construction of building and all other durable physical assets basic for a running of that particular service industry but exclude cost of land and consumable, disposables or any other item charged to revenue; upto a maximum investment ceiling of Rs. 40 lakh in plant & machinery (or equipments) with total project cost not exceeding Rs. 60 lakh (including Working Capital). In case such units are set up by Bonafide Himachali women entrepreneur(s) the maximum amount of subsidy admissible would be @ 30%. In case of proprietary firms/ Corporate/ Legal entities like Companies/ LLP's/ Partnership Firms wherein 100% equity is held by Eligible Bonafide Himachali and 100% shares are held by Women for availing Capital Investment Subsidy @ 30%.

- b) Interest Subsidy @ 5% for three years on loan upto Rs 40 lakh sanctioned by a 'Financial Institution' as defined under these Rules, would be admissible to such eligible industrial units. The interest subsidy will not be admissible on defaulted/ rescheduled investments and the period of default shall be counted for determining the period of eligibility. The subsidy will be given directly to the banks.

The following conditions are to be fulfilled for disbursing incentives under Rule 5(a) & (b) :-

- i. The Bank will sanction 90% of the project cost and disburse full amount suitable for setting up of the project.
- ii. Bank will finance Capital Investment Subsidy in the form of Term Loan upto Rs. 40.00 Lakhs. Project can also be financed by the Bank in the form of Composite Loan consisting of Capital Expenditure and Working Capital.
- iii. Repayment schedule may range between 5 to 7 years after an initial moratorium as may be prescribed by the concerned bank/financial institution.
- iv. Once the Subsidy is received in the Bank in favour of the eligible applicant within 24 hours it should be kept in the Term Deposit

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Receipt(TDR) of three years at branch level in the name of the beneficiary.

- v. No interest will be paid on the TDR and no interest will be charged on loan disbursed to the corresponding amount of TDR.
 - vi. For being eligible for grant/adjustment of Capital Subsidy, the unit has to remain in commercial production for at least 03 years. Capital Subsidy will be adjusted/released only after physical verification of the unit by the concerned Joint Director of Industries/Deputy Director of Industries/General Manager, DIC or his representative after completion of 03 years.
 - vii. Bank has to obtain an undertaking from the beneficiary before the release of Bank Finance that, in the event of objection (recorded and communicated in writing) by the Department of Industries, the beneficiary will refund the subsidy kept in the TDR or released to him.
 - viii. Financial institutions will raise the demand for funds towards permissible interest subsidy after expiry of one year from the date of commercial production of the unit; and then subsequently after every completed one year for a total period of three years.
- c) Government land with Department of Industries which includes plots, shops and sheds in Industrial areas/Industrial Estates established in C category areas only would be given @ 25% of the prevailing premium at the time of allotment. The Government land if available elsewhere would be made available on lease @1% of rate prevalent and applicable at the time of leasing out after such notification by the Revenue Department
- d) If an entrepreneur intends to buy private land under this Scheme then the stamp duty will be charged @3% of applicable rate.
- e) The State Government will reimburse actual fee/expenses incurred on payment of guarantee fee of Credit Guarantee Fund Trust for Micro & Small enterprises (CGTMSE) of Government of India to provide collateral free loans under the Scheme. The reimbursement would be made on yearly basis by the concerned JDI/ DDI/GM, DIC on the basis of the demand raised by the bank to be credited in the loan account of respective borrowers.

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The incentive at Clause (c) and (d) would be available from the date of notification by the Revenue Department.

6. The Procedure for claiming the Subsidy will be as follows:

- i) The common application form available on the Department website i.e. www.emerginghimachal.hp.nic.in be submitted to the concerned Joint Director of Industries/Deputy Director of Industries/ General Manager DICs for availing any or all incentives available under this Scheme by the applicant.
- ii) The following documents must be uploaded along with common application form:-
 - a. Copy of Aadhar card.
 - b. Bonafide Himachali certificate of proprietor / all partners/all Directors of the company / all promoters of the company, as the case may be.
- iii) The Joint Director of Industries/Deputy Director of Industries/ General Manager, DICs would scrutinize the proposal and prepare the Agenda for the meeting and would make all arrangements for conducting the District Level Committee (DLC) Meeting
- iv) A District Level Committee headed by the Deputy Commissioner will consider and examine the proposals in detail and accord in principle approval for the project. The composition of the District Level Committee is at **Annexure III**.
- v) The meetings of the committee would be held monthly and all arrangements would be made by the Member Secretary of the DLC.
- vi) After approval of the project by DLC, the approval letter would be issued by the Member Secretary, DLC within three days.
- vii) The approval letter issued will enable the beneficiaries:-
 - a) To apply for allotment of land in Industrial Areas/ Industrial Estates or Government land, as the case may be, to the concerned agencies.
 - b) To get the proposal appraised from the Financial institution for providing loan for setting up of the enterprise.
 - c) To apply for land related incentives as available under this Scheme to the concerned agencies.



- viii) The enterprise would apply for grant of Capital Investment Subsidy to the concerned Joint Director of Industries/Deputy Director of Industries/General Manager DICs after the loan is disbursed by the bank.
- ix) After the enterprise has started the commercial production, the enterprise shall apply for Udyog Aadhaar Memorandum (UAM) online on the www.dipp.nic.in.
- x) The concerned Joint Director of Industries/Deputy Director of Industries/General Manager DICs / Member Secretary, SWCA would then verify the UAM certifying the date of commencement of commercial production.
- xi) The enterprise would apply for grant of Interest Subsidy to the concerned Joint Director of Industries/Deputy Director of Industries/General Manager DICs after the unit comes into commercial production.
- xii) The Joint Director of Industries/Deputy Director of Industries/General Manager DICs will be the sanctioning authority for Capital & Interest Subsidy.
- xiii) Disbursements would be made by the concerned Joint Director of Industries/Deputy Director of Industries/General Manager DICs through Electronic mode only, within seven days of issue of sanction order directly in the loan account of the beneficiary after the approval of the Chairman, DLC.

7. **Negative List:** - The negative industries as notified at Annexure-III of the "Rules Regarding Grant of Incentives, Concessions and Facilities to industrial units in Himachal ,2004" as amended from time to time by the Industries Department will not be eligible for subsidy under this Scheme.

8. Plant and machinery, for which payment has been made in cash, would not be eligible for consideration of the subsidy. Expenditure on second hand plant and machinery would be considered only after getting the value of Plant and machinery assessed by Chartered Engineer (Mechanical) that the productive life of such second hand machinery is at least five years and payment of such machinery has not been made through cash.

9. A unit can avail subsidy only under a single Scheme, either from the Central Government or from the State Government. A unit seeking subsidy should self certify that it has not obtained or applied for subsidy for the same purpose or activity from any other Ministry or Department of the Government of India or State Government.

10. Designated agency for disbursement of subsidy

The Joint Director of Industries/Deputy Director of Industries/ General Manager, District Industries Centre Himachal Pradesh shall be the designated agency for disbursement of incentives as defined under this Scheme. However incentive for leasing of Government land other than land in industrial areas/Industrial estates would be provided by the concerned Department after issuance of separate notification in this regard.

11. Rights of the State Government/Financial Institutions

If State Government/Financial Institutions concerned is satisfied that the subsidy or grant to an industrial unit has been obtained by misrepresenting an essential fact, furnishing of false information or if the unit goes out of commercial production / operation within 03 years after commencement of Commercial Production the unit would be liable to refund the grant or subsidy after being given an opportunity of being heard failing which recovery would be made as arrears of Land Revenue. In case Government land is given on lease under this Scheme and such Enterprise gives false information, such land would be immediately resumed and penalty would be imposed on the premium (Prevalent at the time of allotment) @ 12 % penal interest from the date of leasing out till the payment is made. The decision of Secretary (Industries) would be final in this regard.

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12. No owner of an industrial unit after receiving a part or the whole of the grant or subsidy will be allowed to change the location of the whole or any part of industrial unit or effect any substantial contraction or disposal of a substantial part of its total fixed capital investment within a period of 5 years after its going into commercial production / operation without taking prior approval of the Director of Industries, Himachal Pradesh.

13. 100 % physical verification of the actual establishment and working status of units availing subsidy under the Scheme will be done by State Government through District Industries Centers. District Industries Centers shall submit Annual Report to the Directorate of Industries about the functioning of the units. After receiving the grant or subsidy, each industrial unit shall also submit Annual Progress Report to the District Industries Centre with a copy to Director Industries.
14. The units would also be eligible for grant of incentives as specified under” Rules Regarding Grant of Incentives, Concessions and Facilities to industrial Units in Himachal Pradesh, 2004 “as amended from time to time, but incentive will not be available for the same component twice.
15. Maximum 2% of budget available annually under this Scheme would be kept for monitoring and Information, Education & Communication (IEC) activities and for engaging Project Appraisal Agency, if required.
16. Power to amend and /or relax/repeal any other provisions of the Scheme
- (i) Notwithstanding anything contained in any of the provisions of this Scheme, the State Government may at anytime:
- a) Make any amendment to this Scheme or repeal it.
- b) Make any relaxation in applying the provisions of this Scheme on merits of each case, as the State Government may consider necessary and appropriate
- c) Impose any condition in addition to the provisions of this Scheme on merits of each case, as the State Government may consider necessary and appropriate.
- (ii) In case, there is any issue of interpretation/implementation in the process of merger of these two Schemes, the Chief Secretary, Government of Himachal Pradesh is authorized to resolve the issue in consultation with Industries and Rural Development Department.

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If, any dispute arising out of the interpretation of this Scheme, the matter will be referred to the Secretary Industries of the Government of Himachal Pradesh, whose decision shall be final and binding on all. In

any special case(s), the Government may set up a committee and refer any particular dispute to it for final decision.


By order

Manoj Kumar, IAS
Addl. Chief Secretary (Industries) to the
Government of Himachal Pradesh.

Endst. No. Ind-A(F)2-1/2018-Loose **Dated Shimla-2, the 23rd February, 2019**

Copy forwarded to the following for information and necessary action:-

1. The Chief Secretary, Government of Himachal Pradesh, Shimla-2.
2. The Pr. Secretary to the Chief Minister, Himachal Pradesh, Shimla-2.
3. The Secretary to the Governor, Himachal Pradesh, Shimla-2.
4. All Administrative Secretaries, Government of Himachal Pradesh. Shimla-2.
5. All Divisional Commissioners, Himachal Pradesh.
6. All Deputy Commissioners, Himachal Pradesh.
7. All Head of Departments, Himachal Pradesh.
8. The Director of Industries, Himachal Pradesh, Shimla-1 also for wide publicity.
9. The Sr. Private Secretary/P.S. to all Ministers, Himachal Pradesh, Shimla-2.
10. The Under Secretary (GAD) to the Govt. of Himachal Pradesh, Shimla-2, w.r.t. Item No. 38 of the Cabinet Meeting held on 19.01.2019.


(Gopal Sharma, IAS) 23.02.2019.
Special Secretary (Inds.) to the
Government of Himachal Pradesh
Ph. No. 0177 2620325.

ILLUSTRATIVE OF SMALL SCALE SERVICE BUSINESS

(INDUSTRY RELATED)

1. Computer Graphics & Data Processing
2. Equipment Rental & Leasing
3. Industrial R & D Labs
4. Industrial Testing Labs
5. Computerized design and drafting
6. Software development
7. Health care testing labs at village level.
8. Laboratories engaged in Testing of Raw Materials/ Finished Products
9. "Servicing Industry" Undertakings engaged in maintenance, repair, testing or servicing of all types of vehicles including Autos & machinery of any description including Electronics/ Electrical equipment/ instruments i.e. measuring/ control instruments, television, Mobiles, transformers, motor, watches etc.
10. Servicing of Agricultural farm equipment e.g. Tractor, Pump, Rig, Boring Machine etc.
11. Weigh Bridges
12. Blue printing and enlargement of drawing/ designs facilities
13. Community kitchens for supplying food to hospitals, Old age homes, Orphanages , Housing and industries.
14. Beauty parlour
15. Health and fitness facilities
16. Desktop Publishing.
17. Flex Printing and designing.
18. Digital Photo labs/Photo or Video Studio with processing lab facility.
19. Call Centre using voice and Data Communications links.
20. Floriculture activities
21. Camping Sites activities
22. Trekking services
23. Printing press- offset & letter press
24. Banquet Halls
25. Auto fabrication
26. Laundry & dry cleaning services
27. Eco tourism
28. Entertainment services including theatres, live bands & other cultural services.
29. Adventure tourism
30. Camping equipments like tents, adventure sticks, tents etc.
31. Rafting
32. Waste disposal services

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33. X-ray clinic
34. Event management services
35. Packaging services
36. Cargo operators
37. Fashion design
38. Storage and warehousing services
39. Commercial training/ skill development or coaching services
40. Technical testing and analysis service
41. Construction services other than residential complex, including commercial/industrial buildings or civil structures
42. Services by holder of intellectual property right providing intellectual property services other than copyright
43. Survey and exploration of mineral
44. Survey and map making service
45. Internet telecommunication services
46. Advertising services
47. Services incidental to manufacturing
48. Building-cleaning services
49. Printing publishing
50. Courier services
51. Motion picture and video tape production
52. Sound recording
53. Sanitation and similar services
54. Hospital services
55. Other human health services
56. Travel agencies and tour operators services
57. Tourist guides services
58. Recreational, cultural and sporting services (other than audiovisual services)
59. Supporting services for internal waterway
60. Storage and warehouse services
61. Marketing Consultancy
62. Industrial Consultancy
63. Typing centres
64. Photocopying centres (Xeroxing)
65. Industrial photography
66. Internet browsing/setting up of cyber cafes
67. Documentary films on themes like family planning, social forestry, energy conservation and commercial advertising
68. Teleprinter/ fax services
69. Coloured or black and white studios equipped with processing laboratory
70. Nursing services
71. Medical services
72. Governance services
73. Opening of Restaurant.

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74. Trade / Shops.
75. Traditional Handicraft.
76. Biotechnology projects.
77. Rural Tourism
78. Projects in line with Gobar Dhana.
79. Projects of Go-Sadan
80. Solid liquid waste management.
81. Zero Budget farming units.
82. Non conventional energy resources unit.

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ANNEXURE-II

A. Components to be included for computing the value of Plant & Machinery:

- i) Cost of Industrial Plant & Machinery including taxes and duties i.e. cost of mother production equipment used for carrying out manufacturing activities.
- ii) Cost of Productive equipment such as tools, jigs, dyes and moulds, insurance premium etc including taxes and duties.
- iii) Electrical components necessary for plant operation on the plant side from where meter is installed up to the point where finished goods is to be produced/dispatched (i.e. H.T. Motors, L.T. Motors, Switch Boards, Panels, Capacitors, Relay, Circuit Breakers, Panel Boards, Switchgears).
- iv) Freight charges paid for bringing Plant & Machinery and equipment from the supplier's premises to the location of the unit.
- v) Transit Insurance premium paid.

B. Components which will not be considered for computing the value of Plant and Machinery:

- i) Loading and unloading charges
- ii) Miscellaneous fixed assets such as DG sets, Excavation, Handling equipments, electrical components other than those mentioned at A (iii) above.
- iii) Working Capital including Raw Material and other consumable stores
- iv) Commissioning cost.
- v) Captive Power Plants
- vi) Storage equipments
- vii) Erection and installation charges
- viii) Additional Transformers.

Example

Composition of District Level Committee

- | | | |
|----|--|------------------|
| 1. | The Deputy Commissioner | Chairman |
| 2. | Principal , ITI | Member |
| 3. | Project Officer, DRDA | Member |
| 4. | District/ Regional Employment officer | Member |
| 5. | Asstt. Controller Finance and Accounts,
DC office | Member |
| 6. | Representative of lead bank | Member |
| 7. | Joint Director /General Manager, DIC | Member secretary |

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