

No. K-02/4/2021-SME
Government of India
Ministry of Micro, Small and Medium Enterprises
(SME Section)

Udyog Bhawan, New Delhi.
Dated the 15 November 2021

OFFICE MEMORANDUM

Sub: Continuation of National Scheduled Caste and Scheduled Tribe Hub during 15th Financial Cycle i.e. from 2021-22 to 2025-26 – Regarding

The undersigned is directed to state that the Standing Finance Committee (SFC) in its meeting held on 11.10.2021 has approved the proposal for continuation of National Scheduled Caste and Scheduled Tribe Hub (NSSH) during 15th Financial Cycle i.e. from 2021-22 to 2025-26 with an outlay of Rs. 438 crore. A copy of the revised guidelines of the scheme is enclosed.

2. This issues with the approval of Hon'ble Minister(MSME)



(Bhaskar Kalra)
Under Secretary to the Govt. of India
Tel. 23063293

Encl: As above.

- 1) CEO, NITI Aayog, Sansad Marg, New Delhi.
- 2) Secretary, D/o Expenditure, North Block, New Delhi.
- 3) Secretary, D/o Financial Services, Jeevan Deep Building, New Delhi.
- 4) Secretary, D/o Economic Affairs, North Block, New Delhi
- 5) Secretary, DPIIT, Udyog Bhawan, New Delhi.
- 6) Secretary, D/o Commerce, Udyog Bhawan, New Delhi.
- 7) Secretary, D/o Social Justice and Empowerment, Shastri Bhawan, New Delhi.
- 8) Secretary, M/o Tribal Affairs, Shastri Bhawan, New Delhi
- 9) Secretary, M/o Skill Development & Entrepreneurship, Sharam Shakti Bhawan, New Delhi.
- 10) Secretary, Department of Public Enterprises, CGO Complex, New Delhi.
- 11) AS&FA, M/o MSME, Udyog Bhawan, New Delhi
- 12) AS&DC(MSME), Nirman Bhawan, New Delhi.
- 13) CMD, NSIC, New Delhi.
- 14) GM(NSSH), NSIC, New Delhi.

Copy to: O/o Secretary(MSME)/PPS to AS&FA(MSME)/EA(IFW)/PS to JS(SME)

GUIDELINES OF NATIONAL SCHEDULED CASTE AND SCHEDULED TRIBE HUB SCHEME

PART – A

1. Introduction

In accordance with the Budget Speech 2016-17, National Scheduled Caste and Scheduled Tribe Hub (NSSH) scheme was formally launched by the Hon'ble Prime Minister in October 2016. NSSH is aimed at capacity enhancement of SC/ST entrepreneurs and promoting "entrepreneurship culture" amongst the SC / ST population. The Scheme is empowering the SC/ST population to participate in public procurement process and fulfill the mandated target of 4% procurement from SC/ST enterprises under Public Procurement Policy by the Ministries, Departments and CPSEs.

The scheme is applicable from the date of sanction till 31.03.2026. The total plan outlay of NSSH for the period from FY 2021-22 to FY 2025-26 would be Rs. 438 crore.

2. Definition of SC-ST MSEs

Office of the DC (MSME), Ministry of MSME vide its memorandum no. **F. No. 22(1)/2012-MA** dated 20th February 2014 clarifies the definition of SC/ST Enterprises as under:

- a) In case of proprietary MSE, the proprietor shall be SC/ST
- b) In case of partnership MSE, the SC/ST partners shall be holding at least 51% shares in the unit
- c) In case of private limited companies, at least 51% shares shall be held by SC/ST promoters

3. Functions of NSSH

- a) To encourage SC/ST owned units to achieve their share of at least 4% of total procurement being made by Central/State Governments, CPSEs, and other government agencies
- b) To prepare a strategy for intervention through industry associations to sensitize, encourage and enable the SC/ST owned units for participation in Public Procurement Process
- c) Collection, collation, and dissemination of information regarding SC/ST enterprises and entrepreneurs
- d) Facilitating SC/ST Entrepreneurs to be part of vendor development programs and mentoring support by specific CPSE matching the products/services of such entrepreneurs
- e) Capacity building of existing and prospective SC/ST entrepreneurs through skill development programs
- f) Providing handholding and mentoring support
- g) Facilitating credit linkages for SC/ST entrepreneurs
- h) Sharing of SC/ST MSEs data with CPSEs to enhance the procurement from SC/ST entrepreneurs
- i) Undertaking outreach activities for the promotion of the scheme among SC/ST population

4. Components/Interventions under NSSH

Under NSSH, various components/interventions have been introduced to cater the needs of SC-ST MSEs in the areas of finance, technology, market linkages, capacity building etc. with a view to provide a conducive ecosystem. These components are

- a) Special Credit Linked Capital Subsidy for technology enablement
- b) Capacity building of existing & aspiring SC/ST entrepreneurs
- c) Support for enhancing competitiveness through various reimbursement sub-schemes/interventions
- d) Special Marketing Assistance Scheme (SMAS) for SC/ST entrepreneurs

The detailed guidelines of above-mentioned components have been specified in the subsequent chapters.

5. Governance Structure- NSSH

Three committees have been formulated that help in the functioning of the Hub:

- a) **High Powered Monitoring Committee (HPMC)**- HPMC to be chaired by Minister of MSME with Minister/s of State (MSME) as co-chair. The committee will monitor the overall activities of the Hub and will have the power to decide about any addition of new activities/ functions for the Hub, which will be notified separately. The Committee would have the following members:

- Minister of MSME- Chair
- Minister(s) of State – Co-chair
- Secretary, MSME
- Secretary, Department of Social Justice & Empowerment
- Secretary, Ministry of Tribal Affairs
- CEO, NITI Aayog or his representative
- Secretary, Department of Public Enterprises or his representative
- Secretary, Department of Financial Services or representative
- AS&FA (MSME)
- AS&DC (MSME),
- JS (SME)
- A representative of FICCI
- A representative of CII
- A representative of ASSOCHAM
- A representative of Dalit Indian Chamber of Commerce and Industry (DICCI)
- Three representatives (one each from MSME associations)
- CMD, NSIC
- CMD, SIDBI or his representative
- Two representatives of State Governments.
- Four prominent SC/ST Entrepreneurs nominated by M/o MSME
- CEO, National Skill Development Corporation (NSDC)

- CMD, National Schedule Castes Finance and Development Corporation (NSFDC)
 - CMD, National Schedule Tribe Finance and Development Corporation (NSTFDC)
 - ED, RBI dealing with MSME credit,
- i. The term of Non-official members of HPMC will be three years from the first meeting of the committee after constitution. The chair will reconstitute the committee after completion of three years tenure.
 - ii. The expenditure involved in the meetings of HPMC including participation of non-official members of HPMC will be met from the budgetary allocation of hub.
- b) Advisory Committee:** Advisory Committee to be chaired by representative of Industry Associations. The Committee will advise the hub about new interventions which can be included for providing entrepreneurial support to SC/ST entrepreneurs. This will bring industry perspective to the hub for better implementation of the scheme. The Committee would have the following composition:
- The President, DICCI – to be chaired initially for 2 years
 - Joint Secretary (NSSH), Ministry of MSME
 - Chairman-cum-Managing Director, National Small Industries Corporation Limited (NSIC)
 - AS&DC or his/her representative
 - AS&FA or his/her representative
 - Representative from Industry bodies/Associations representing SC entrepreneurs
 - Representative from Industry bodies/Associations representing ST entrepreneurs
 - Representative from National Scheduled Caste Finance and Development Corporation (NSFDC)
 - Representative from National Scheduled Tribe Finance and Development Corporation (NSTFDC)
 - Any other member suggested by stakeholders.
- i. The term of the Advisory Committee would be two years and the chairperson of the Committee will be nominated afresh on rotation basis in every two years. The nomination of chairman of the Committee and Industry Associations will be made by Hon'ble Minister(MSME).
 - ii. The expenditure involved in the meetings of Advisory Committee including participation of non-official members of Advisory Committee will be met from the budgetary allocation of hub.
- c) Project Screening Committee (PSC):** Joint Secretary (SME/NSSH) to be the chairperson of the committee. The committee will have representatives from IFW, O/o DC(MSME), KVIC, Coir Board, NSIC, and NSSH Cell. The Committee will be responsible for the following:

- i. Formulation of the annual action plan of the scheme and its finalization with the approval of Secretary (MSME)
- ii. Consideration/Approval of proposals received for financial assistance under all sub-components of the scheme
- iii. Any other activity with the approval of Secretary (MSME)

d) NSSH Cell

National SC-ST Hub (NSSH) scheme of Ministry of MSME is implemented by National Small Industries Corporation (NSIC). An NSSH Cell created by NSIC to perform day to day operations related to execution of the scheme and is headed by a Senior GM level officer. The NSSH cell is reporting to Functional Director-NSIC, who is in turn reporting to CMD-NSIC.

6. Duration of components

The components under National SC/ST Hub (NSSH) scheme shall remain co-terminus with the NSSH scheme.

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CHAPTER-III

SUPPORT FOR ENHANCING COMPETITIVENESS THROUGH VARIOUS INTERVENTIONS/SUB-SCHEMES

1. Interventions to enhance competitiveness of SC-ST MSEs

(I) Reimbursement of Bank Loan Processing Fee

This component has a provision for reimbursement of processing fees charged by the Financial Institutions for availing business loans (both against fund and non-fund-based limits) to SC/ST MSEs. The assistance under this scheme will be limited to 80% or Rs. 1,00,000 (excluding GST and all other applicable taxes), whichever is less, on processing fees paid to/ charged by the bank, only after availing such business loans in a financial year.

SC/ST MSEs availing loans from any Scheduled Commercial Banks, Non-Banking Finance Companies (NBFCs), and State Finance Corporations will be considered under the scheme.

(II) Reimbursement of Bank charges for Performance Bank Guarantee

The component has provision for reimbursement to SC/ST MSEs on bank charges paid to the bank for issuance of Performance Bank Guarantee (PBG) in favor of the buyer departments (Central Ministries, Central Public Sector Enterprises (CPSE), State departments and State Public Sector Enterprises) from where some work has been awarded to such MSEs. The assistance under this scheme will be limited to 80% or Rs. 1,00,000/- (excluding GST and all other applicable taxes), whichever is less, on PBG charges paid in a financial year.

The charges paid for Performance Bank Guarantee (PBG) obtained from any Financial Institutions (Scheduled Commercial Banks) that were stipulated by and/or acceptable to the buyer department are eligible for reimbursement under the Scheme.

The scheme does not cover PBGs submitted, if any, as earnest money deposit (EMD).

(III) Testing Fee Reimbursement

The component has provision for reimbursement on testing fee charged by various NABL or BIS accredited laboratories across the country to SC-ST MSEs. The scheme can be availed multiple times in a financial year by SC/ST MSEs, but the financial assistance shall be restricted to 80% or Rs. 1,00,000/- (excluding GST and other applicable taxes), whichever is less, per SC/ST MSEs per financial year.

Testing services related to Raw-materials, semi-finished products, and finished products from NABL/ BIS accredited Lab or Lab of any Central/State Department/Public Sector Undertaking and license or certification given by Bureau of Indian Standards (BIS), shall be eligible for

reimbursement only after submission of the final attested testing report and other documents as listed in the guidelines.

(IV) Reimbursement of membership /subscription/entry fee of Export Promotion Council

The assistance under this scheme will be limited to 80% or Rs. 20,000 (excluding GST and all other applicable taxes), whichever is less, per financial year to an SC/ST MSE, on annual membership subscription fee / one-time subscription charges/entry fee charged by various Export Promotion Councils (EPC). Mandatory submission of attested copy of valid Registration Cum Membership Certificate (RCMC) issued by the respective Export Promotion Council (EPC).

The details of EPCs are provided on the website of NSSH. The membership of multiple EPCs is allowed within the overall capped amount of Rs. 20,000/- per enterprise in a financial year.

(V) Reimbursement of Course Fees to Top 50 NIRF Rated Management Institutions for short term training of SC/ST entrepreneurs

The assistance under this scheme will be limited to 90% of course fees or Rs.1,00,000/- (One Lakh Only), whichever is lower, excluding GST and other applicable taxes and 10% of the fee would be contributed by the beneficiary. The fee to be reimbursed will cover Course/ Participation Fees as well as Boarding and Lodging for residential courses. The SC/ST entrepreneur and their ward will be eligible for a maximum of 2 courses in total in a financial year. In case of an enterprise owned by more than one entrepreneur, the same limit of two training programmes with reimbursement of Rs. 1,00,000/- or 90% of course fee (whichever is less) in one financial year will be applicable.

A list of shortlisted institutes as per NIRF ranking will be uploaded on www.scsthub.in. The interested candidates may refer to the website of respective institute or contact the institute directly to seek details about the short-term courses conducted by the institute.

(VI) Reimbursement of membership in Government promoted E-Commerce Portals

The component has provision for reimbursement of Annual Membership / Subscription fee of Government promoted e-commerce portals such as GeM, e-khadi, TRIFED, Tribes India, MSME Mart, etc. to SC/ST MSEs.

The financial assistance may be provided 80% or maximum of Rs. 25,000/- (excluding applicable taxes) whichever is less, per financial year for new as well as renewals for SC/ST MSE.

(VII) Reimbursement of Single Point Registration Scheme

The component has provision for reimbursement of 100% subsidy to obtain NSIC's Registration under the Single Point Registration Scheme (SPRS) for government purchases with a nominal fee of Rs. 100/-.

Micro & Small Enterprises (MSEs) shall have to apply either online on our website www.nsicspronline.com or on the prescribed application form in Duplicate and to be submitted to the concerned Zonal/Branch Office of NSIC or NSSH Office located nearest to the unit. The application form containing Terms & conditions are available free of cost from all offices of the NSIC. The guidelines attached with the Application Form provide a checklist for the documents that are required to be submitted along with the application.

2. Application Procedure for aforementioned Interventions/sub-schemes

The scheme is envisioned to be implemented through online provision developed on NSSH website, CSC-VLEs platform and banks portal. Eligible claim(s) with reference date of each quarter to reach by end of next quarter. For example, if the reference date falling between 1st January 2022 to 31st March 2022 the claim to be forwarded latest by 30th June 2022 to the implementing agency. The reference dates for each of the sub-schemes are mentioned as below:

- (i) The date when bank loan processing fee debited from the beneficiary's account
- (ii) The date when bank charges on Performance Bank Guarantee debited from beneficiary's account
- (iii) The date of issuance of Registration cum Membership Certificate (RCMC) / Subscription Fees Receipt / Entry Fees Receipt issued by the respective Export Promotion Council (EPC)
- (iv) The date when testing fee paid by the beneficiary
- (v) The date when annual fee/ subscription charges paid by the beneficiary

3. Release of funds

- i. The approved amount would be released to aggregating agencies such as Banks/NBFCs/EPCs/QCI/BIS/Agencies managing Government promoted portals through the PFMS portal and subsequently in the bank account of applicant units.
- ii. In the case of individual applications, the approved amount would be reimbursed through the PFMS portal in the bank account of applicant units for which application is to be submitted in the prescribed format.

4. Other Conditions

- Clubbing these components with any other scheme is not permitted. Any SC-ST MSE availing reimbursement under all the above-mentioned components cannot avail reimbursement, from any other scheme of government or private agencies.

List of documents to be uploaded/submitted with the application form

I. Reimbursement of Bank Loan Processing Fee

- Self-certified copy of Udyam Registration (UR) & GST (if applicable)
- Self-certified copy of PAN Card - In case of proprietorship, PAN card of SC/ST proprietor ought to be submitted
- Copy of Caste Certificate of proprietor/ all partners/ directors
- Details of shareholding in case of partnership / Pvt. Ltd / LLP firm. In case of partnership concerns, shareholding of the enterprise would be required to ascertain status of the MSE as SC/ST MSE (shareholding of SC/ST entrepreneur to be > 51%). Copy of Partnership Deed for Partnership Firm / Memorandum and Article of Association in case of LLP/Private Limited Company are required
- Bank attested (signature with stamp) debit statement with Bank Loan Processing Fee charges mentioning Loan number and applicant MSE's name/valid payment receipt/ original receipt of bank loan processing fee paid by the applicant/ system generated GST Invoice, etc.
- Business loan availment certificate/ disbursement certificate/bank statement substantiating the fact that business loans have been availed
- Bank attested (signature with stamp) copy of loan sanction letter
- Cancelled Cheque of the current account of the enterprise from which Bank loan processing charges have been debited
- Proof of transferred amount as reimbursement by NSSHO/ NSIC through PFMS under the scheme, where any such assistance is availed earlier within the same financial year

II. Reimbursement of Bank charges for Performance Bank Guarantee

- Self-certified copy of UR & GST (if applicable)
- Self-certified copy of PAN card- In case of proprietorship, PAN card of SC/ST proprietor ought to be submitted
- Copy of Caste Certificate of all promoters
- Details of shareholding in case of partnership / Pvt. Ltd / LLP firm. In case of partnership concerns, shareholding of the enterprise would be required to ascertain status of the MSE as SC/ST MSE (shareholding of SC/ST entrepreneur to be > 51%). Copy of Partnership Deed for Partnership Firm / Memorandum and Article of

Association in case of LLP/Private Limited Company are required

- Bank attested (signature with stamp) debit statement with PBG charges mentioning Bank Guarantee number and applicant MSE's name
- Bank attested and stamped(signature with stamp) copy of PBG issued by the bank
- Cancelled Cheque of the current account of the enterprise from which Bank Charges have been debited
- Proof of transferred amount as reimbursement by NSSHO/ NSIC through PFMS under the scheme, where any such assistance is availed earlier with in the same financial year
- Supply Order / Purchase Order/ Work Order from CPSE / Central Govt. organization / Department / State PSE, State Govt. organization / State Department against which PBG is taken and reimbursement is applied for, stating the requirement of PBG submission

III. Testing fee reimbursement

- Self-certified copy of UR & GST (if applicable)
- Self-certified copy of PAN card - In case of proprietorship, PAN card of SC/ST proprietor ought to be submitted
- Self-certified copy of Caste certificate of proprietor/ all partners/ directors
- Details of shareholding in case of partnership / Pvt. Ltd / LLP firm. In case of partnership concerns, shareholding of the enterprise would be required to ascertain status of the MSE as SC/ST MSE (shareholding of SC/ST entrepreneur to be > 51%). Attested copy of Partnership Deed for Partnership Firm / Memorandum and
- Article of Association in case of LLP/Private Limited Company are required
- Attested or original copy (signature with stamp) of payment receipt and system generated GST invoice for total amount paid to respective testing center or laboratory for availing various testing services
- Copy of test report duly attested (stamped and signed)
- Proof of transferred amount as reimbursement by NSSHO/ NSIC through PFMS under the scheme, where any such assistance is availed earlier with in the same financial year
- Cancelled Cheque of the current account of the enterprise from which the testing charges have been debited

IV. Reimbursement of membership /subscription/entry fee of Export Promotion Council

- Self-certified copy of UR
- Self-certified copy GST Number, if applicable
- Self-certified copy PAN card - In case of proprietorship, PAN card of SC/ST proprietor ought to be submitted
- Self-certified copy of Caste certificate of proprietor/ all partners/ directors
- Details of shareholding in case of partnership / Pvt. Ltd / LLP firm. In case of partnership concerns, shareholding of the enterprise would be required to ascertain status of the MSE as SC/ST MSE (shareholding of SC/ST entrepreneur to be > 51%). Attested copy of Partnership Deed for Partnership Firm / Memorandum and Article of Association in case of LLP/Private Limited Company are required
- Attested copy of Certificate of valid Import & Export Code (IEC) allotted by the concerned office of the Joint/ Dy. Director General of Foreign Trade (DGFT)
- Attested copy of valid Registration Cum Membership Certificate (RCMC) issued by the respective Export Promotion Council (EPC) post registration
- Original/ Attested copy of Registration Cum Membership Certificate (RCMC) issued earlier by the respective EPC, in case of existing members renewing their memberships
- Proof of transferred amount as reimbursement by NSSHO/ NSIC through PFMS under the scheme, where any such assistance is availed earlier with in the same financial year
- Attested (signature with stamp) or original copy of membership fee payment receipt and system generated GST invoice (with breakup of fees paid (entrance fee, annual membership/subscription fee)) for total amount paid to respective Export Promotion Councils (EPCs)
- Cancelled Cheque of the current account of the enterprise from which the EPC membership fee has been debited

V. REIMBURSEMENT OF NIRF RANKED MANAGEMENT INSTITUTION'S COURSE FEES TO SC/ST ENTREPRENEURS

- Application form duly filled and signed (to be filled online on NSSH website followed by a print of the form)
- Copy of Applicant's Aadhaar Card or other ID proof (Other ID proof allowed only in

case of states where Aadhaar is not available)

- Proof of age of applicant (Pan Card, Driving License)
- Social category Certificate
- Cancelled cheque for bank details of the enterprise
- Original Bank Statement where the course debit charges are visible along with the name of entrepreneur/enterprise as per the cancelled cheque
- Enterprise Details
- Copy of Udyam Registration
- PAN Card (In case of proprietorship firm- PAN of entrepreneur/ in case of other categories of firm- PAN of the enterprise)
- GST Number
- Additional documents in case of ward of SC ST Entrepreneur
 - Proof for establishing relationship between the nominator and nominee (any government issued document with name of nominee and nominator on it e.g. passport, driving license, birth certificate, election I card, Aadhar card, educational certificate etc.)
 - Nomination form duly filled and signed by entrepreneur in favor of ward declaring that she/he is that the applicant is his/ her ward (Son/ daughter).
- Details of the course
 - Enrollment Number
 - Certificate of successful completion of course
 - Fee receipt/ challan of fee submission (original)
 - Feedback form

VI. Reimbursement for Govt. promoted E-commerce portal

- Self-certified copy of UR
- Self-certified copy of PAN card - in case of proprietorship, PAN card of SC/ST proprietor ought to be submitted
- Copy of Caste Certificate of all promoters

- Cancelled Cheque of the current account of the enterprise from which the EPC membership fee has been debited
- Proof of transferred amount as reimbursement by NSSHO/ NSIC through PFMS under the scheme, where any such assistance is availed earlier with in the same financial year
- Details of shareholding in case of partnership / Pvt. Ltd / LLP firm. In case of partnership concerns, shareholding of the enterprise would be required to ascertain status of the MSE as SC/ST MSE (shareholding of SC/ST entrepreneur to be > 51%). Attested copy of Partnership Deed for Partnership Firm / Memorandum and Article of Association in case of LLP/Private Limited Company are required
- Attested copy of valid membership/registration certificate issued from e-commerce portal along with the copy of receipt of amount paid for membership