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

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Udyog Bhawan, New Delhi. Dated the 15 November 2021

## OFFICE MEMORANDUM

# Sub: Continuation of National Scheduled Caste and Scheduled Tribe Hub during 15<sup>th</sup> 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 15<sup>th</sup> 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 & Enterpreneurship, 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

### <u>PART – A</u>

# 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 subschemes/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 subcomponents 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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# <u>CHAPTER- I</u>

# SPECIAL CREDIT LINKED CAPITAL SUBSIDY FOR TECHNOLOGY ENABLEMENT OF SC/ST MSES

## 1. Objective

Ministry of Micro, Small and Medium Enterprises (MSME), Govt. of India has been operating a scheme for technology upgradation of Micro & Small Enterprises called the Credit Linked Capital Subsidy Scheme (CLCSS) with effect from 01.04.2017 till 31.03.2021 to facilitate purchasing of plant & machinery by providing upfront capital subsidy to the existing as well as new MSEs.

A special provision of 25% subsidy to SC/ST MSEs under National SC/ST Hub (NSSH) on institutional finance up to Rs.1 Cr. for procurement of Plant & Machinery (i.e. a subsidy cap of Rs.25 Lakhs) without any sector specific restrictions on technology upgradation has been incorporated in the revised guideline of CLCSS and which stands effective from 17.05.2017 to ease the access to latest technology. The objective of this scheme is to promote new enterprises and support the existing enterprises in their expansion for enhanced participation in public procurement. The scheme is being implemented by O/o DC - MSME.

#### 2. Scope of the scheme

- a) The scheme would cover SC/ST MSEs of manufacturing and service sectors.
- b) The scheme would cover the purchase of new plant & machinery and equipment through term loan from Prime Lending Institutions (PLIs) for all manufacturing sectors and service sectors as brought out in the National Industrial Classification (NIC) code respectively on which banks/financial institutions are offering business loans, subject to consent/NOC from Pollution Control Board (wherever applicable)
- c) Industries covered under the RED category as per the Classification of industries for consent management (Schedule- VIII, rules 3(2) and 12 of Ministry of Environment & Forests, Govt. of India) shall not be eligible for subsidy under the above scheme.
- d) Subsidy for the SC-ST MSEs of service sector shall be applicable from the date of issuance of the guidelines.

# 3. Eligibility Conditions

- (i) Sole Proprietorships, Partnerships, Co-operative societies, Private and Public limited companies owned by SC/ST Entrepreneurs of MSE sector engaged in the manufacturing and service activities are eligible for seeking assistance.
- (ii) It is mandatory to have a valid Udyam Registration for availing the subsidy under SCLCSS.
- (iii) Eligibility for capital subsidy under the Scheme is not linked to any re-finance Scheme of the Nodal Agency (ies). Hence, it is not necessary that the PLI will have to seek refinance in respect of the term loans sanctioned by them from any of the refinancing Nodal

Agencies.

- (iv) SC/ST Units graduated from small scale to medium scale are eligible for subsidy under SCLCSS for three years from the date of graduation.
- (v) Industry graduating from small scale to medium scale on account of sanction of additional loan under this scheme shall be eligible for assistance.
- (vi) Fabricated and second-hand plant and machinery shall not be eligible for consideration for subsidy under this component.
- (vii) SC/ST owned MSEs who have already availed subsidy under the existing CLCSS/ SCLCSS, before the date of notification of this scheme, may claim additional subsidy on account of difference in the rate of subsidy for procurement of plant and machinery after issuance of notification in this regard, which is now permissible under this scheme. The overall limit on the subsidy shall be Rs. 25 lakh. Further, an Undertaking shall be obtained from the applicant SC-ST MSEs, duly signed by its Proprietor / Partner / Director regarding availment of subsidy under CLCSS/SCLCSS earlier.
- (viii) MSEs availing subsidy under this scheme shall be eligible for all other types of subsidy except any other Central Government subsidy for technology up-gradation.
- (ix) In calculating the value of plant & machinery (manufacturing sector) and equipment (service sector), the following shall be excluded, namely:
  - a) The cost of equipment such as tools, jigs, dies, moulds, and spare parts for maintenance and the cost of consumable stores
  - b) The cost of installation of plant & machinery and equipment
  - c) The cost of purchase/ subscription/ installation of licensed software and other related digital services
  - d) The cost of research & development equipment and pollution control equipment (except, where they are approved for specific products /subsector by the Committee of Experts, and firefighting equipment).
  - e) The cost of generator sets, and extra transformer installed as per the regulations of the State Electricity Board (except where gas-based generator sets have been approved for specific products /sub-sector by the Committee of Experts.
  - f) The bank charges /service charges paid to the State Small Industries Corporation, Gap Funding
  - g) The cost involved in procurement or installation of cables, wiring, bus bars, electrical control panels (not those mounted on individual machines), oil circuit breakers or miniature circuit breakers which are necessarily to be used for providing electrical power to the plant & machinery or for safety measures.
  - h) Transportation charges (excluding of sales-tax and excise) for indigenous machinery from the place of manufacturing to the site of the factory.
  - i) Charges paid for technical know-how for the assembly of plant & machinery and equipment
  - j) Cost of such storage tanks which store raw materials, finished products only and are not linked with the manufacturing process
- (x) In the case of imported machinery, the following shall be included while calculating the value of plant & Machinery and equipment:

- Import duty (excluding miscellaneous expenses as transportation from the port to the site of the factory, demurrage paid at the port).
- The shipping charges
  - Custom clearance charges; and
  - GST

# 4. Application Procedure

The Nodal banks/ agencies notified from time to time by Ministry of MSME will submit the application of SC-ST MSEs on the dedicated online software. The nodal banks/ agencies would consider proposals only in respect of credit approved by their respective branches, whereas, for other Primary Lending Institutions (PLI), SIDBI and NABARD would be the nodal agencies for release of subsidy under this scheme.

# 5. Time Limit for applying for Subsidy

Eligible claim with reference date (date of release of last instalment of term loan) of each quarter should reach up to the end of next quarter. For example, if the reference dates falling between 1st January 2022 to 31st March 2022 the claim should be forwarded latest by 30th June 2022.

## 6. Disbursement of Subsidy

Banks will follow the principle of First -In -First -Out (FIFO) while submitting the claims online under SCLCSS Scheme. The principle of First -In -First -Out (FIFO) will also be followed by the NSSH Cell for disbursement of subsidy to the eligible beneficiary unit.

The beneficiary unit will have to remain in commercial production/service for three years after installation & commissioning of the plant & machinery and equipment, on which subsidy under the SCLCSS has been availed. To ensure this, the subsidy released by the Government under SCLCSS will be kept in the form of a Term Deposit of equivalent amount for three years with effect from the "reference date". The Term Deposit Receipt (TDR) as indicated before will not be eligible for earning any interest, neither it can be hypothecated/ pledged by the beneficiary unit/ Banks as security against any other liabilities/ loans. On the expiry of the prescribed retention period of three years, Banks will liquidate the TDR and credit the proceeds into the loan account of the beneficiary after being satisfied that the requisite terms and conditions of SCLCSS including continuity of commercial production/service of the beneficiary unit are duly adhered to.

In the event of foreign currency Term Loans sanctioned by Banks/ PLIs, the relevant subsidies are to be retained by Banks in the shape of TDR in domestic currency.

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# **CHAPTER-II**

# CAPACITY BUILDING AND TRAINING PROGRAMS

#### A. Skill Development Programs

### 1. Objective

Capacity building is one of the key interventions to meet the objectives of National SC-ST Hub (NSSH). Various entrepreneurship and skill development training programs are being conducted for promoting entrepreneurship among SC/ST entrepreneurs.

## 2. Eligible training institutions

- a. Training Institutions of Central Government, State governments and their Public Sector Undertakings and Government Autonomous institutions
- b. Private institutions / NGOs are not covered for assistance for conducting capacity building training programs under NSSH.

#### 3. Eligibility criteria for candidates

- a. Candidates belonging to SC/ST community.
- b. The age of candidates must be above 18 years on the day of commencement of training

#### 4. Scope and Scale of Assistance

- a. NSQF compliant courses shall be considered under NSSH.
- b. The cost of both residential and non-residential training programs would be determined as per the most recent notifications regarding Common Norms issued by the Ministry of Skill Development & Entrepreneurship, Govt. of India. Cost will include the cost of overheads such as motivational camps for selection of eligible candidates, charges towards hiring of space / equipment (if any), electricity/ water, stationary, man-hour cost of deployment of project personnel, post training follow-up activities etc.
- c. The training programs are to be conducted by the approved institutions at their head quarter and extension centers where the infrastructure is owned/ managed by the institutions.
- d. The training program allocated to an institution cannot be outsourced to any other third party.

#### 5. Payment terms

- a) The training cost will be released to training institutes on 50:40:10 pattern
  - o 50% as advance amount on approval of training proposal,
  - o 40% on training completion and submission of Utilization Certificate and,
  - o 10% on submission of outcome report.
- b) The outcome report to be submitted within 6 months from completion of training program. Outcome report to include- Self-employed / Job placement in case of aspiring entrepreneurs and support for linkage with CPSEs, tender participation, bank loan facilitation, enrollment on GeM, GST registration and increase in turnover in case of existing entrepreneurs.
- c) Success rate criteria: The criteria for release of outcome based 10% payment of training fee is as under:

Self-employed / Job Placement	Disbursement	
Less than 20%	Nil	
Above 20%	Full 10% payment	

- d) Institutes to submit an undertaking that attendance and all necessary documents (Aadhar card, Voter ID/ Driving License/Passport, age proof, caste certificate, UAM/ Udyam Registration) submitted by the candidates at the time of enrolment for the course are verified by the institute.
- e) On successful completion of training programs, the concerned training institution shall furnish the Utilization Certificate to the implementing agency as per the GFR format as applicable.
- f) In case it is found that the financial assistance has been claimed falsely or fraudulently or assistance for the same item / activity has been claimed under some other scheme also, implementing agency shall be entitled to recover the entire assistance amount with interest, in addition to taking other legal and / or penal action, as deemed necessary.
- g) PSC has the right to revise the ratio of payment to training institutions based on the justification given by them at the time of allocation of training programs.
- h) The institution must give an undertaking, confirming that it has not availed any funding for the same training program under any other government scheme or private program and the training programs under NSSH have not been sub-contracted in any manner.
- i) Minimum **75%** attendance to be maintained. Financial assistance will not be admissible w.r.t. candidates with less than **75%** attendance.

# 6. General Instructions for conducting training program:

# Candidate Mobilization

- i. Outreach activities such as advertisement in local newspapers, media, brochures, distribution of leaflets, etc. for mobilization of the candidates may be undertaken by the institute.
- ii. Candidates with clear intent and interest must be considered for the training programs.
- iii. The institute must follow the transparent and stringent criteria for selection of the candidates.
- iv. Candidates are not allowed to apply for more than two courses in a financial year.
- v. The training institute are encouraged to mobilize SC/ST candidates from nearby areas preferably aspirational districts.
- vi. Preference should be given on participation of female and divyang SC/ST candidates.

# Selection of candidates

- i. Training institution to ensure transparent process for selection of candidates, and in no case the candidate be repeated for the same course.
- ii. The concerned institution shall be responsible for ensuring the quality of inputs as well as certifying the actual participation of trainees in the training program.
- iii. The institute to obtain the candidates' documents such as ID proof (preferably Aadhar, in case of unavailability of Aadhar Voter ID/Driving License/Passport can be considered), age proof, caste certificate, and UAM/Udyam Registration (in case of existing entrepreneurs). These documents to be verified by the institution with the originals and copy of documents to be kept as record for audit purposes.

### • Mode of Training Program:

- i. All training courses are to be conducted physically except for courses where MSDE/NSDC have allowed conducting training programs in digital mode as per the list specified by them.
- ii. Training institution to specify the mode of training (Physical/ Digital) at the time of submission of proposal.

#### Reference Material/ Documentation:

- i. Candidates to be given course calendar and study material on which name of the scheme must be mentioned. Also, candidates be provided with details of MSME schemes.
- ii. Orientation program to include details of Ministry of MSME including various schemes of the Ministry particularly National SC-ST Hub Scheme
- iii. Training plan including training program start date, end date, and timings to be shared by the institution prior to commencement of the program. The institute to ensure that the training program is carried out as per the plan shared. In case of any changes in the shared plan, prior approval of NSSH cell must be taken.
- iv. Candidates data to be uploaded on <u>www.nsshdatabase.in</u> portal within 3 days of commencement of training.

- v. All the training program related documentation must be maintained (to be maintained for minimum of 5 years or till the audit for the training courses allotted is completed at training institution) at the training center as record for audit purposes. The following documents to be maintained by the institutions:
  - Biometric Attendance
  - Candidate feedback form
  - Video Recording of at least one session per day of training program in a CD/DVD
  - Photographs of training programs
  - Social Category Certificate
  - ID proof (Aadhar Card, Pan Card etc.)
- vi. For online training programs, summary sheet of daily attendance should be maintained with 'in' and 'out' timings for the candidates attending the training sessions. The training institute may also capture the attendance using their institute's online learning system.
- vii. Institutes to submit an undertaking that attendance and all necessary documents as mentioned above are verified by the institute.
- viii. Candidate-wise outcome report (to be submitted within 6 months from completion of training program).

# B. Toolkit distribution for capacity building training programs

# 1. Eligibility criteria

The toolkits to be distributed for the training programs of advance levels (NSQF 4 – NSQF 10, as per NSQF framework)

# 2. Terms and conditions for distribution of toolkits

- a) Training institutions to whom advance level training programs have been allotted during the same financial year are eligible for toolkit distribution.
- b) It should be ensured that the product (i.e. toolkit) being procured and distributed should be as per defined standards and also meet the requisite quality/technical standards. The procurement would be by following Government approved procedures.
- c) Details of toolkit including its content and cost to be shared by the training institution for approval at the time of submitting proposal for capacity building training programs.
- d) The institution would be responsible for procurement of such toolkits or any contents thereof by way of following purchase procedure as per GFR and instructions issued by Ministry of Finance from time to time.
- e) The tool kits should be distributed within 45 days of completion of the training programs to the eligible candidates. In case of any deviation, institute may have to refund the advance amount with interest.
- f) The record of procurement and distribution of toolkits should be maintained by the training institute for audit purposes.

g) The training institute must share prior information with NSSH regarding the date of distribution of toolkits. The information shall be shared at least one week in advance.

# 3. Scale of Assistance

The maximum limit on cost of toolkit is Rs. 50,000/- (including GST) per toolkit per candidate.

# 4. Payment terms

- a) Financial assistance for toolkit to be released on 50:50 pattern-
  - 50% as an advance amount to be released along with first installment of advance amount for conducting training program and;
  - Remaining 50% on completion of toolkit distribution and submission of Utilization Certificate as per GFR
- b) A candidate is eligible for toolkits once only.
- c) In case it is found that the assistance has been claimed falsely or fraudulently or assistance for the same item / activity has been claimed under some other scheme also, the Ministry of MSME shall be entitled to recover the entire assistance amount with interest, in addition to taking such other legal and / or penal action, as deemed necessary.

# 5. **Documentation**

- a) Related documentation must be maintained at the training center as record for audit purposes. The following documents to be maintained by the institutions:
  - List of candidates in standard format who have been given toolkits duly signed and sealed by the head of the training institution.
  - Acknowledgement / receipt of toolkit from candidates in standard form with item-wise complete details of toolkit
  - Documents of candidates (to be maintained for minimum of 5 years or till the audit for the training courses allotted is completed at training institution)
    - Identity proof (Aadhar Card/ in case Aadhar is not available then other government issued ID Proof such as PAN Card, Driving License, Voter ID Card, Passport or any other government issued id proof)
    - Caste certificate
  - Photographs of toolkit distribution ceremony and biometric attendance of successful candidates on the date of toolkit distribution ceremony should be furnished by the institution.
  - A copy of invoice regarding purchase of tool kits
- b) Institutes to submit an undertaking that attendance and all necessary documents as mentioned above are verified by the institute.

# 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 <u>www.scsthub.in.</u> 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 <u>www.nsicspronline.com</u> 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/subschemes

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
- o 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
- o 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
0	Self-certified copy of UR
0	Self-certified copy GST Number, if applicable
0	Self-certified copy PAN card - In case of proprietorship, PAN card of SC/S proprietor ought to be submitted
0	Self-certified copy of Caste certificate of proprietor/ all partners/ directors
0	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
0	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)
0	Attested copy of valid Registration Cum Membership Certificate (RCMC) issued by the respective Export Promotion Council (EPC) post registration
0	Original/ Attested copy of Registration Cum Membership Certificate (RCMC) issued earlier by the respective EPC, in case of existing members renewing their memberships
C	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 paymen 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
	REIMBURSEMENT OF NIRF RANKED MANAGEMENT INSTITITUTION'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)
S	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)
- o 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
- o Enterprise Details
- o 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)
- o GST Number
- o 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

# CHAPTER- IV

# SPECIAL MARKETING ASSISTANCE SCHEME (SMAS) FOR SC/ST ENTREPRENEURS

#### 1. Objective

The Ministry of Micro, Small & Medium Enterprises has been operating various schemes to provide marketing support to the MSMEs and also facilitate them in tapping and developing overseas markets to the MSMEs. It has been felt that there is abysmal representation of the MSMEs owned by SC/ST entrepreneurs in participation of events under above schemes. With the objective to encourage SC/ST enterprises for availing marketing support for their development and growth, such schemes have been synergized to form Special Marketing Assistance Scheme (SMAS).

Under the above scheme, marketing support is provided to the SC/ST enterprises for enhancement of competitiveness and marketability of their products through National SC-ST Hub by way of the following type event:

- 1. Organizing Visit to International Exhibitions/Trade Fairs/Seminars Abroad
- 2. Participation in International Exhibitions/Trade Fairs Abroad
- 3. Organizing Visit to Domestic Exhibitions/Trade Fairs
- 4. Participation in Domestic Exhibitions/Trade Fairs
- 5. Vendor Development Programmes
- 6. Organizing Workshops/Seminars/Awareness Campaigns

#### 2. Eligibility

- SC/ST entrepreneurs shall be allowed reimbursement under SMAS for maximum of 2 (two) international events and 4 (four) domestic events in a financial year, irrespective of the number of units they own. Also, a person cannot represent more than one MSE in a financial year.
- Minimum participation of 5 SC/ST Enterprises for participation in international exhibitions/trade fairs abroad.
- In case of participation of 5 or more SC/ST enterprises in international events abroad, 1 representative from NSIC may accompany. However, in case of participation of more than 10 SC/ST enterprises, one more representative from NSIC / Ministry of MSME may be considered. The duty allowance for such officials shall be as per their entitlement.

- The SC/ST units may apply under SMAS at least a month in advance for domestic events and two months for international events.
- The proposals under SMAS shall be examined by the implementing agency and placed before Project Steering Committee (PAC). Any deviation may be with the approval of Secretary(MSME).
- The Scheme of SMAS shall be monitored and funded under National SC-ST Hub.

3. Scale of assistance for various activities with component-wise admissibility are given below :

A. Physical mode				
Activity	Component	Sca	ale of Assistance	
Organizing Visit to International	Airfare	shortest route for on	omy class Airfare by the le representative belonging each participating SC/ST	
Exhibitions/Trade Fairs/Seminars Abroad	Daily Allowance	allowance as per M	the country specified daily EA guidelines. This would r accommodation transport	
	Maximum Budgetary support	Rs. 1.50 Lac for a participating SC/ST enterprise per event		
	Built-up stall charges	100% subsidy on minimum stall size.		
	Airfare	100% of the economy class Airfare by the shortest route for one representative belonging to SC/ST from each participating SC/ST enterprise		
Participation in International Exhibitions/Trade	Daily Allowance	Double of the rate of the country specified daily allowance as per MEA guidelines. This would include expenses for accommodation, transport etc.		
Fairs Abroad	Freight	Rs. 30000 maximum		
		Micro SC/ST Enterprises	Rs.3.00 Lacs	
	Maximum Budgetary support	Small SC/ST Enterprises	Rs.2.50 Lacs	
		Medium SC/ST Enterprises	Rs.1.50 lacs	

Organizing Visit to Domestic Exhibitions/Trade Fairs	Fare	100% to and fro actual fare of bus /train/air travel (limited to AC-III tier class) from the nearest railway station/ airport, to the place of exhibition by shortest route for one SC/ST person per SC/ST enterprise subject to maximum of Rs. 10,000/	
:	Built-up Stall charges	100% subsidy on minimum stall size of the event.	
Participation in Domestic Exhibitions/Trade	Fare	100% to and fro actual fare of bus /train/air travel (limited to AC-III tier class) from the nearest railway station/ airport, to the place of exhibition by shortest route for one SC/ST person per SC/ST enterprise subject to maximum of Rs. 10,000/	
Fairs	Freight	100% to and fro transport charges for carrying exhibits/products from the location of manufacturing unit up to the place of exhibition subject to maximum amount of Rs. 15,000/- per exhibition.	
	Maximum Budgetary support	Rs. 1.50 Lacs for a participating SC/ST enterprise per event	
Vendor Development	Organizing VDPs / BSM by Industry	The budget would depend upon the various components of the expenditure i.e. space rental, interior decoration, advertisement, stationery & printing material, transportation, lunch/ refreshments etc. Financial assistance will be provided on reimbursement basis to the organization subject to production of supporting Invoices and complete information of event and participants. However, the net budgetary support for the VDP would be subject to the following limits:-	
Programmes	Associations,	<ul> <li>National level :Rs.10 Lacs</li> <li>State / regional level :</li> <li>Rs. 5 Lacs if the meet is held in 'A' class cities.</li> </ul>	
		<ul> <li>Rs. 3 Lacs if the meet is held in 'B' class cities.</li> </ul>	
		<ul> <li>Rs. 2 Lacs if the meet is held in 'C' class cities.</li> <li>Rs. 1 Lac if the meet is held in rural areas</li> </ul>	

Workshops/ Seminars/ Awareness Campaigns	To be organized by Industry Association, Field Offices of NSIC, MSME-DIs, banks, EPCs, etc.	<ul> <li>ustry Association, d Offices of C, MSME-DIs, ks, EPCs, etc.</li> <li>Rs. 1,00,000 in case of 'B' class cities.</li> <li>Rs. 50,000 in case of 'C' class cities.</li> <li>Rs. 30,000 in case of rural areas.</li> <li>Financial assistance will be provided on reimbursement basis to the organization subject to production of supporting Invoices and complete information of event and participants.</li> </ul>	
Participation in International Exhibitions/Trade Fairs Abroad Participation in Domestic Exhibitions/Trade Fairs	Scale of assistance for participation in international exhibitions/trade fair abroad will be applicable as per the provisions under International Cooperation (IC) Scheme and Procurement and Marketing Assistance Scheme (PMAS) of this Ministry.		
Organize Vendor Development Programmes/ Workshops, Seminars and Awareness Campaigns:	<ul> <li>(i) Up to Rs. 2 lacs or actual for Virtual Space/Platform/ License Fee/ Rent</li> <li>(ii) Up to Rs. 2 lacs or actual for advertising and publicity</li> <li>(iii) Up to Rs. 1 lacs or actual for Translation and Interpretation charges involved in the virtual event</li> </ul>		

# (C) Mega Events

Apart from the above components, it is proposed to include a provision for organsing Mega SC-ST conclaves/conferences in partnership with Industry Associations/ organizations of the Ministry of MSME. The financial assistance for such events will be recommended by PSC and approved at the level of Secretary, MSME with consultation of IFW.

4. Project Screening Committee headed by the Joint Secretary (NSSH) of the Ministry will approve the proposals. The expenditure under SMAS will be considered by the Project Screening Committee.

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# <u> PART – 'B'</u>

# ADMINISTRATIVE STRUCTURE

- National SC-ST Hub (NSSH) scheme of Ministry of MSME is implemented by National Small Industries Corporation (NSIC). An NSSH Cell created by NSIC is performing 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. NSIC to be paid an amount equal to 7.5 % of total expenditure incurred as administrative expenses under the scheme.
- At Ministry level, SME division is the administrative division responsible for monitoring the implementation of the scheme. Further, there is a provision of the three committees namely High-Power Monitoring Committee (HPMC), Advisory and Project Screening Committee (PSC), which are responsible for regular monitoring, analyzing the need for new interventions and formulation of action plan for smooth implementation of the scheme by NSIC/ NSSH Cell.
- 3. The field level implementation of NSSH scheme is done by 15 National SC-ST hub Offices (NSSHOs) located across all the country. These offices are manned by professionals hired on contractual basis to support SC-ST entrepreneurs through their business lifecycle. The Branch Head and Accounts Head of these NSSHOs are NSIC employees. These personnel shall be responsible for all the field level activities of the Hub and specialize in various areas like Public Procurement, Credit Facilitation, Business Support Activities, etc.

#### 4. Procedure for Engaging Manpower for Implementation of NSSH

- i. The incumbents for various positions in the NSSH Cell at NSIC Headquarter will be provided by HR Department of NSIC in consultation with Project Screening Committee of NSSH.
- ii. The hiring of contractual manpower for field level implementation of the scheme will be done through specialized manpower providing agencies like NICSI, BECIL, etc. by NSIC in consultation with PSC.
- iii. The incumbents for various positions in the field offices will be selected by committee headed by Director- SME division and co-chaired by Senior GM, NSSH Cell with representative from HR Department of NSIC.
- iv. The Project Screening Committee may assess the project manpower requirement from time to time and recommend for additional manpower with the approval of Secretary, MSME in consultation with IFW.
- v. NSIC may engage technical and managerial consultants as Project Management Unit (PMU) to provide requisite support for smooth implementation of the scheme. Expenditure for hiring of Project Management Consulting Firm for deployment of professionals at PMU in next Financial Cycle may not more than 3% of the total outlay.
- vi. 5 professional/ retired persons/ consultants may be hired in the Ministry to support the hub.

vii. The entire expenditure for engaging manpower as well as administrative charges of NSIC @7.5% of total expenditure under the scheme in a Financial Year will be met from budgetary allocation under NSSH scheme.

# 5. Expenditure incurred for participation of Non- official Members in HPMC and Advisory Committee Meetings

The expenditure involved in the meetings of HPMC and Advisory Committee will be met from NSSH scheme. The entitlement for participation of Non-official members of these committees in the meetings will be regulated as per guidelines issued by Department of Expenditure, Ministry of Finance from time to time in this regard.

### 6. Outreach activities

With a view to enhance the reach of NSSH scheme and ensure larger participation of entrepreneurs even from remote areas, widespread media campaigns leveraging 360-degree media platforms to be launched across the country as well as in dominated SC/ST regions. The main objective is to promote entrepreneurship amongst the SC/ ST community and encourage them to avail benefits from the various interventions introduced under the scheme. The proposed list of activities undertaken outreach activities are:

#### a) Promotion using Electronic Media

- (i) Audio-visual spots, short films, and broadcast activities on TV & social media
- (ii) Audio Spots/Jingles, promotion via radio
- (iii) Street theater such as Kala jathas, street plays, folk songs, etc.
- (iv) Talk shows, panel discussions and expert lectures on the issue in national as well as regional channels.
- (v) Advertising via the Internet and mobile applications and mobile messages (SMS)

#### b) Promotion Through Print Media

- (i) Commercial in newspapers and magazines
- (ii) Showcasing events, especially success stories in the media
- (iii) Publication of brochures, pamphlets, leaflets, flip charts, and so on
- (iv) Emphasize the ingenuities of the Government, such as their schemes, technologies, sources, etc.

#### c) Outdoor Promotions

- (i) Advertisements via digital display board, hoardings and banners at public places
- (ii) Additionally, innovative roadshows and metro rail hush-ups

The Project Screening Committee (PSC) will be in charge of implementing the promotional activities under the scheme. Further, it would monitor the functioning of the scheme concerning the objectives periodically. The expenditure on outreach activities will be met from budgetary allocation under NSSH scheme.