

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

No. Ind.-A(F)2-1/2023

Dated: Shimla-2, the

06th June, 2023.

NOTIFICATION

With a view to promote self-employment oriented opportunities in the State of Himachal Pradesh and to provide livelihood to local youth by encouraging entrepreneurship, the Government of Himachal Pradesh has decided to notify a new Scheme namely **“Rajiv Gandhi Swarozgaar Yojana-2023” (RGSY-2023)**.

The Governor, Himachal Pradesh is therefore, pleased to notify a new scheme of incentives, concessions and facilities for eligible bonafide youth of Himachal Pradesh.

1. Short Title:

This Scheme may be called the **“Rajiv Gandhi Swarozgaar Yojana-2023”**.

2. Commencement and duration of the Scheme:

This Scheme shall come into effect from the date of Notification by the Industries Department in the official Gazette and shall remain in force upto 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/ General Manager, District Industries Centre (DIC)/Member Secretary, SWCA or any other Officer authorized by the Director of Industries to do so on **“Udyam Registration”** 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, Himachal Pradesh and will also include Commissioner of Industries, Himachal Pradesh, as the case may be.
- v) **“Eligible New Industrial Enterprises”** means Industrial Enterprise having Udyam Registration verified by Joint Director 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) 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 as defined in the **“Rules Regarding Grant of Incentives, Concessions and Facilities for Investment Promotion in Himachal Pradesh-2019”** as amended from time to time by the Industries Department.
- vii) **“Government”** means the Government of Himachal Pradesh.
- viii) **“Industrial Enterprises”** means any Industrial Enterprise, where a manufacturing activity or a service activity for service as defined in **ANNEXURE-I** of this Scheme is carried out. Service enterprises and related goods carrier can be combined as composite related activities as per list of service enterprises given at **ANNEXURE-I**, but the overall ceiling be restricted as per scheme guidelines.
- 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 Enterprise”** means an industrial Enterprise which commences commercial production/operation on or after the date of notification of this Scheme.
- xii) **“Nodal Officer”** means Manager DIC dealing with RGSY or any other Official of DIC (where post of Manger is vacant) dealing with RGSY.
- xiii) **“Nodal Bank”** means any Financial Institution/ Bank designated by Government, in which Corpus Fund shall be kept for further distribution to concerned Bank Branches, through which the specified incentives of the RGSY Scheme shall be given to beneficiaries of the Scheme.
- xiv) **“Plant and Machinery”** means plant and machinery/equipment at site only. Further explanatory note is at ANNEXURE-II.
- xv) **“State”** means the State of Himachal Pradesh.
- xvi) **“Technical Civil Work”** means all expenditure on account of civil work that is 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.
- xvii) **“Women Led Enterprises”** means enterprises run by women

entrepreneurs as proprietors. In case of Corporate/ Legal entities like Companies/ LLP's/ Partnership Firms wherein 100% equity is held by Eligible Bonafide Himachali women.

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 up to the age of 45 years at the time of filling the common application form on the Departmental website (RGSY Portal), intending to set up new industrial Enterprises within the State. **Upper age relaxation of 5 years is allowed for women.**
- ii) Enterprises sanctioned under this Scheme should come into commercial production within two (2) years from the date of disbursement of first installment of loan by the bank under the Scheme for both manufacturing and service enterprises. The District Level Committee (**as mentioned at Rule No. 6 (vi) of the Scheme**) may extend the period for another six months after the report of Joint Director/ General Manager, DIC, about the effective steps taken by applicant. Any further extension beyond this period shall be in the competency of Director/ Commissioner Industries, Himachal Pradesh.



Enterprises 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 for Investment Promotion in Himachal Pradesh-2019**" 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 of these Rules, will be allowed only in "**B**" and "**C**" Category areas as defined in "**Rules Regarding Grant of Incentives, Concessions and Facilities for Investment Promotion in Himachal Pradesh-2019**"

- 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) The incentives under this Scheme shall only be applicable to Green Field Projects (New Projects).
- vi) To implement the Scheme seamlessly in the State a sum of Rs.10.00 crore out of the State Budget specifically provided for implementation of this Scheme will be kept as Corpus Fund in designated Bank, which will function as a Nodal Bank for this particular Scheme. Further, the above Corpus Fund in the Nodal Bank will be recouped only if the minimum balance in the concerned bank account left is Rs.1.00 crore. The total parked fund cannot be exceeding Rs.10.00 crore in any case.
- vii) Only one person from the family is eligible for obtaining financial assistance under RGSY-2023. The family includes self, spouse and minor children.

5. **Extent of admissible subsidy:**

- a) Investment Subsidy @ 25% of investment upto a maximum investment ceiling of Rs. 60 lakh in plant & machinery (or equipments) with total project cost not exceeding Rs. 100 lakh (including working capital). Investment subsidy limit would be 30% to Scheduled Castes & Scheduled Tribes and 35% to all women led enterprise & Divyangjan beneficiaries as defined in the Scheme. **For purchase of e-taxi/ e-Trucks/ e-Buses/ e-Tempo travelers, the quantum of investment subsidy shall be 50% for all eligible categories.** The eligible components for subsidy shall be as under:-

- i) **For Manufacturing Sector**

Investment in Plant & Machinery & technical civil works.

- ii) **For Service Sector**

The plant & machinery includes cost of construction of building and all other durable physical assets essential for running the service enterprise, but excludes cost of land and consumables, disposables or any other item charged to revenue.

- b) Interest Subsidy @5% (if applicable) for three years on loan upto Rs.60 lakh sanctioned by a 'Financial Institution' as defined under these Rules, would be admissible to such eligible industrial Enterprises. 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. However, **no interest subsidy will be provided for E-taxi/e-Trucks/e-Buses/e-Tempo Travelers.** Standard Operating Procedures (SOP) to be notified by the Department concerned, if required.

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 10% margin money will be contributed by the beneficiary. However, if the beneficiary intends he/ she may contribute more than 10% margin money.
- ii) Bank will finance Capital Investment Subsidy in the form of Term Loan up to Rs.60.00 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 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 Enterprise has to remain in commercial production for at least 03 years. Capital Subsidy will be adjusted /released only after physical verification of the Enterprise by the concerned Joint Director Industries/General Manager DICs or his representative after completion of 03 years.

- vii) Bank has to obtain an undertaking from the beneficiary before the release of Bank Finance. In the event of objection (to be recorded and communicated in writing) by the Department of Industries, the beneficiary will refund the subsidy kept in the TDR or already released to him.
- viii) Financial institutions will raise the demand for funds towards permissible interest subsidy (if applicable) after expiry of six months from the date of Commercial production of the Enterprise; and then subsequently after every completed six months 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.
- d) If an entrepreneur intends to buy private land under this Scheme, 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. After the first installment of loan is disbursed by the bank, the concerned Bank Manager will then demand for CGTMSE Fee from Nodal Bank and fee will be disbursed by the Nodal Bank directly to the concerned bank without involving beneficiary.

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

- i) The online application form shall be made available on the portal i.e. www.rgsy.hp.gov.in shortly, which shall be submitted to the concerned Joint Director Industries/ General Manager, DICs for availing incentives under RGSY.
- ii) The following documents must be uploaded along with application form:-
- a. Bonafide Himachali (up to 1 MB) only PDF/JPG/PNG file, certificate of proprietor/ all partners/ all Directors of the company/ all promoters of the company as the case may be.

- b. Aadhar Card (up to 1 MB) only PDF/JPG/PNG file.
 - c. Age Proof (Matriculation Certificate of recognized board/Birth Certificate/Passport) (up to 1MB) only PDF/JPG /PNG file.
 - d. Preliminary Project Report/PPR (up to 5MB) only PDF file.
- iii) The application will be forwarded to the Nodal Officer of RGSY Scheme at DIC, who will initially screen the eligibility as per Scheme and if found complete, will forward the application to the concerned Joint Director/ General Manager, DIC and Bank Manager of the concerned branch as soon as possible, but not exceeding five working days. In case of delay, the General Manager, DIC will be alerted through an SMS regarding pendency. In case of incomplete application the same will be reverted to the applicant for want of required information.
- iv) The application will be sent to the concerned Bank Manager for comments on viability and feasibility of the project. The Bank has to revert within 07 days to the concerned Joint Director/ General Manager, DIC online only. If no comments are received, the project will be considered as eligible and application will automatically move to the Joint Director/ General Manager, DICs dashboard.
- v) Joint Director/ General Manager, DIC will scrutinize the proposal and if found in order, will place it for consideration of District Level Committee.
- vi) A District Level Committee (DLC) headed by the Deputy Commissioner/ or his/her representative not below the rank of Additional Deputy Commissioner/ Additional District Magistrate and consisting of Lead District Manager, **Project Officer (DRDA), Deputy Director (Department concerned)** of the concerned District, General Manager, DIC or Member Secretary, SWCA, will consider and examine the proposal in detail and accord in principle approval to the project.
- vii) The meetings of the Committee will be held on monthly basis and all arrangements will be made by the Member Secretary of the



DLC.

- viii) After approval of the project by DLC, the approval letter will be issued by the Member Secretary, DLC within three days to the bank.
- ix) The bank will appraise the project, interact with the beneficiary and take the final decision to sanction the project as soon as possible but not later than one month from the date of forwarding the application by General Manager, DIC. Any delay beyond one month will be explained by the concerned Branch Manager in writing to DLC.
- x) After the disbursement of first installment of loan by the Bank (More than 30% of Project Cost), the General Manger, DIC will approve the subsidy amount in two installments of 60% initially and 40% after physical verification of the Enterprise and Commencement of Commercial Production/operation within 15 days. The amount of second installment may vary as per actual expenditure and will be sanctioned accordingly by the General Manager, DIC.
- xi) The capital subsidy approved by Joint Director/General Manager, DIC will be intimated to the Nodal Bank for disbursement of the sanctioned amount of capital subsidy in the transient account of the concerned bank from where beneficiary has availed loan.
- xii) The CGTMSE Fee will be demanded by the bank after the disbursement of first installment of loan from the Nodal Bank, which will remit the amount directly to the concerned bank without involving beneficiary. The nodal bank will intimate the Director Industries and General Manager, DIC about the benefit being availed by the beneficiary as regards CGTMSE fee.
- xiii) Once the enterprise starts the commercial production, it shall apply for Udyam Registration on the portal i.e. **www.udyamregistration.gov.in**.
- xiv) The concerned Joint Director of Industries/General Manager, DIC will sanction Interest Subsidy as per eligibility of the Scheme within 15 days and will intimate the sanctioned amount to the concerned Bank and the Nodal Bank. The Nodal Bank will then

disburse the sanctioned amount in the transient account of the concerned Bank from where beneficiary has availed loan.

xv) The Joint Director of Industries/ General Manager, DIC will be the sanctioning authority for Capital, Interest Subsidy.

7. **Negative List:-** The negative industries as notified at Annexure-III of the "Rules Regarding Grant of Incentives, Concessions and Facilities for Investment Promotion in Himachal Pradesh-2019," 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 in cash.

9. An applicant can avail subsidy only under a single Scheme, either from the Central Government or from the State Government. Applicant seeking subsidy should self certify that he/she 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/ 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 Institution concerned is satisfied that the subsidy or grant to an Industrial Enterprise has been obtained by misrepresenting an essential fact, furnishing of false information or if the Enterprise goes out of commercial production/ operation within 03 years after commencement of

Commercial Production, the Enterprise 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 Administrative Secretary (Industries) to the Govt. of Himachal Pradesh, would be final in this regard.

12. No owner of an Industrial Enterprise 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 Enterprise or effect any substantial contraction or disposal of a substantial part of its total fixed capital investment within a period of 05(five) years after its going into commercial production/operation without taking prior approval of the Joint Director Industries/ General Manager, DIC Himachal Pradesh.
13. 100% physical verification of the actual establishment and working status of Enterprises 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 Enterprises. After receiving the grant or subsidy, each Industrial Enterprise shall also submit Annual Progress Report to the District Industries Centre with a copy to Director of Industries.
14. The Enterprises would also be eligible for grant of incentives as specified under "Rules Regarding Grant of Incentives, Concessions and Facilities for Investment Promotion in Himachal Pradesh-2019," as amended from time to time by the Industries Department, but incentive will not be available for the same component twice.
15. Maximum 3% of budget available annually under this Scheme would be kept for Monitoring and Information, Education & Communication (IEC) activities, for engaging Project Appraisal Agency and for preparing mini project model reports etc.

16. Power to amend and /or relax/ repeal any other provisions of the Scheme.

- (i) Notwithstanding anything contained in any of the provision of this Scheme, the State Government may at any time:
- Make any amendment to this Scheme or repeal it.
 - Make any relaxation in applying the provisions of this Scheme on merits of each case, as the State Government may consider necessary and appropriate.
- (ii) Impose any condition in addition to the provision of this Scheme on merits of each case, as the State Government may consider necessary and appropriate. In case of any dispute arising out of the interpretation of this Scheme, the matter will be referred to the Administrative Secretary (Industries) to the Government of Himachal Pradesh, whose decision shall be final and binding to all. In any special case(s), the Government may set up a committee of experts/ officers and refer the matter to it for final decision.

By order

R.D. Nazeem, I.A.S.
Principal Secretary (Industries) to the
Government of Himachal Pradesh.

Endst. No. Ind.-A(F)2-1/2023

Dated: Shimla-2, the 06th June, 2023.

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

- The Chief Secretary, Government of Himachal Pradesh, Shimla-2.
- The Pr. Secretary to the Chief Minister, Himachal Pradesh, Shimla-2.
- The Secretary to the Governor, Himachal Pradesh, Shimla-2.
- All Administrative Secretaries to the Government of Himachal Pradesh, Shimla-2.
- All Divisional Commissioners, Himachal Pradesh.
- All Deputy Commissioners, Himachal Pradesh.
- All Head of Department, Himachal Pradesh.
- The Director of Industries, Himachal Pradesh, Shimla-2, for wide publicity.
- The Sr. Private Secretary/ P.S. to all Ministers, Himachal Pradesh, Shimla-2.

(Kiran Bhadana, I.A.S.)
Special Secretary (Industries) to the
Government of Himachal Pradesh
Phone No. 0177-2622285.

ANNEXURE-I

“Illustrative List of Activities to be undertaken under RGSY-2023”


1. Purchase of e-Taxi/e-Trucks/e-Buses/e-Tempo Travelers.
2. Dental facilities.
3. Fishery activity.



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(s) used for carrying out manufacturing activities.
- ii) Cost of Productive equipment(s) such as tools, jigs, dies and moulds, insurance premium etc. Including taxes and duties.
- iii) Electrical components necessary for plant operation on the plant site from where meter is installed up to the point, where finished goods are to be produced/ despatched (i.e. H.T. Motors, L.T. Motors, Switch Boards, Panels, Capacitors, Relay Circuits Breakers, Panel Boards, Switchgears).
- iv) Freight Charges paid for bringing Plant & Machinery and equipment(s) from the premises of supplier to the location of the Enterprise.
- v) Transit Insurance premium paid.

B. Components which will not be considered for computing the value of Plant and Machinery/ Equipment(s):

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