



Government of Maharashtra

INDUSTRIES DEPARTMENT

BHARAT RATNA DR. BABASAHEB AMBEDKAR
SPECIAL PACKAGE SCHEME OF
INCENTIVE FOR SC/ST ENTREPRENEURS:-

2016



Bharat Ratna Dr. Babasaheb Ambedkar Special Package Scheme of Incentives for SC/ST Entrepreneurs:

Preamble:

On the auspicious occasion of 125th birth anniversary of Bharat Ratna Dr Babasaheb Ambedkar, Hon'ble Chief Minister has proposed to formulate a new policy for SC/ST entrepreneurs in the State to make them self-sufficient and financially independent.

In order to encourage the dispersal of industries to lesser developed areas of the State, the Government has been giving package of incentives to new/expansion of industries set up in the developing regions of the State since 1964. The State has declared a new Industrial Policy 2013 and through this Government is also committed for development of the society by upliftment of socially disadvantaged groups, viz. SC/ST entrepreneurs. This can be achieved through active involvement of this sector in the main stream of industrial growth, hence the special package of incentives have been proposed for economic development for inclusive growth.

Govt. Resolution:

The special package of incentives will be over and above the existing Entrepreneurship Development Schemes and Package Scheme of Incentives 2013. The scheme will be applicable for manufacturing and IT/ITES industries set up by the SC/ST entrepreneurs.

The salient features of the special package of incentives for SC/ST entrepreneurs are as follows:

1. Definition of SC/ST Entrepreneur:

- a) Proprietary unit - 100% stake by SC/ST Entrepreneur.
- b) Partnership firm - SC/ST partners having 100% stake in the firm.
- c) Co-operative sector - Enterprise having 100% members from SC or ST category or combination of both categories as registered as per Co-operative Society Act.
- d) Private limited / Public limited - Promoter & Director SC/ST entrepreneurs having 100% controlling stake in the Company.

(Controlling stake should not be reduced during the operative period as per the PSI 2013 GR)

2. Coverage of the Scheme:

- a) Applicable for manufacturing industries.
- b) Manufacturing industries considered as per Para 1.2 of PSI 2013 GR.
- c) IT/ITeS activities as per para 4(i)(ii)(iii)(v) & (vi) covered under Maharashtra IT/ITeS Policy-2015.

3. Allotment of Land:

MIDC will allot 20% plots to SC/ST entrepreneurs in MSME sector out of total plots available for allotment to MSMEs. MIDC will allot Land to SC/ST entrepreneurs on priority by maintaining a separate seniority list.

4. Rebate on Land Cost:

Rebate on cost of land at the rate of 30% up to maximum of Rs. 10 lakh for MSMEs in MIDC areas AND in other areas 20% rebate on cost of land max up to Rs. 5 lakh for MSMEs will be given from the budget of Social Justice & Special Assistance Department and Tribal Development Department. This is applicable for new allotment of plot for the first purchase transaction and not for resale of assets. Ready Reckoner/ MIDC rates will be taken into account for calculation purpose in respective areas.



5. Venture Capital Fund:

State Govt with the help of SIDBI has created venture capital fund of INR 200 crore for giving assistance to start up units. INR 50 crore will be provided as INR 33 crore by Social Justice & Special Assistance Department and INR 17 crore by the Tribal Development Department for creating a specific venture capital fund for SC/ST Entrepreneurs. This venture fund will support for SC/ST entrepreneurs as a viability gap funding for new units. Proposals received from Annabhau Sathe Development Corporation, Sant Rohidas Charmakar Development Corporation, Mahatma Phule Development Corporation and Tribal Development Corporation will also be considered for support from SIDBI Venture Capital Fund.



6. Incentive proposed for eligible units under this scheme are:

- a) Incentives of C zone will be applicable to industries located in A & B zones
- b) Incentives of D+ zone will be applicable to industries located in C & D zones
- c) Incentives of Naxalism affected areas will be applicable to industries located in D+ and No Industry District zones.
- d) Incentives as per PSI 2013 are applicable for both New and Expansion of manufacturing unit.
- e) Dovetailing of other department schemes of Govt of India and Govt of Maharashtra are permitted.

7. New eligible units in MSME sector will be given capital subsidy for all zones in the State in the range from 15% to 30% of Fixed Capital Investment within the limits of INR 15 lakhs to INR 30 lakhs as per the zones as below in 5 equal installment with effect from date of production. The Capital Subsidy will be given from the budget of Social Justice & Special Assistance Department and Tribal Development Department.

Sr. No.	Taluka classification	% of Fixed capital investment
1	A&B	15%
2	C	15%
3	D	20%
4	D+	25%
5	NID & NAXAL AFFECTED AREAS	30%



8. Power Tariff Subsidy:

All eligible MSME units will be eligible for power tariff subsidy for the energy consumed and paid. The subsidy will be to the tune of INR 2 per unit for the units located in Vidharbha, Marathwada and north Maharashtra and for the districts of Raigad, Ratnagiri & Sindhudurg in Konkan region and INR 1 per unit for the units in other areas of the State for a period of 5 years from the date of production. The power tariff subsidy will be given from the budget of Industries Department under Package Scheme of Incentive, 2013.

9. Interest Subsidy:

All eligible MSME units will be eligible for interest subsidy. The interest subsidy will be payable only on the interest actually paid to the banks and public financial institutions on the amount of term loans taken for acquisition of fixed assets. The amount of interest subsidy will be calculated at effective rate of interest, after deducting the interest subsidy receivable from any institution or under any Govt. of India scheme and the penal/compound interest or 5% per annum, whichever is less. The quantum of interest subsidy payable every year will not exceed double the amount of bills paid for electricity consumed during the relevant year. This will be given from the budget of Industries department from Package scheme of incentive, 2013.

10. Cluster Development Scheme:

State Govt will promote 10 clusters for manufacturing industries under Maharashtra State Industrial Cluster development programme (MSI-CDP). The maximum limit of grant in aid will be 90% of the project cost and the grant in aid of INR 30 crore will be provided from the budget of Social Justice & Special Assistance Department and Tribal Welfare Department. The two clusters will be developed every year so that total 10 clusters are developed over a period of 5 years.

11. Infrastructure development scheme for Clusters:

The State Government will adopt cluster development approach for promoting industrialisation by giving 100% grants for the clusters where minimum 50% members are from SC/ST entrepreneurs for setting up critical infrastructure in the Clusters approved under Central and State scheme, viz. Roads, Express feeder, Water supply, CETP and Testing centre etc. The grant in aid of INR 30 crore will be provided for infrastructure development in the clusters as INR 20 crore from Social Justice & Special Assistance Department and INR 10 crore from Tribal Development Department.

12. Incubation Centre :

For setting up an Incubation Centre for SC/ST entrepreneurs through SPV, MIDC will provide land to SPV for implementation of the project. The grant of INR 5 crore will be made available from the budget of Social Justice & Special Assistance Department and Tribal Development Department.

13. Taluka Scheme for Supporting SC/ST Entrepreneurs:

To give boost to the entrepreneurship among SC/ST youths, a special scheme will be launched under which one entrepreneur from SC and one from ST in each taluka would be supported right from the very early stage of setting up of an enterprise till it becomes operational and generation of profit on a sustained basis. The Government of Maharashtra under various schemes including the provisions of the proposed scheme for Industrial Promotion for SC/ST Entrepreneurs will support the entrepreneurs. The Social Justice & Special Assistance Department and Tribal Development Department will provide the funds for the SC/ST entrepreneurs.

The committee under the Chairmanship of District Collector will select the entrepreneurs for each taluka after giving wide publicity for inviting applications. The composition of the selection committee and eligibility criteria for the entrepreneurs are given below.

13.1 District Task Force (Selection Committee):

A District Level Task Force for the purpose of scrutiny of applications and finalizing the beneficiaries to be sanctioned with project under the scheme will be formed.

The Committee consists of the following members.

- a) District Collector - Chairman
- b) Lead Bank Manager - Member
- c) District Social Welfare Officer - Member
- d) Project Officer, Tribal Development Department - Member
- e) General Manager, District Industries centre - Member Secretary
- f) Representative of DICCI - Member



13.2 Eligibility Conditions of Beneficiaries:

- 1) Any individual, above 18 years of age.
- 2) There will be no income ceiling for assistance for setting up projects.
- 3) Residence of concerned taluka by birth.
- 4) Beneficiary should have a certified copy of the caste issued by the competent authority for the beneficiary.
- 5) Only two beneficiaries per taluka one each from SC & ST category will be eligible for this scheme.
- 6) Only for new viable micro/small enterprises
- 7) Existing/old units are not eligible.
- 8) Only one person from one family is eligible for obtaining financial assistance for setting up of projects.
- 9) The package of incentives is sanctioned for SC/ST entrepreneurs. The start up units eligible under this scheme will be eligible for additional 10% incentives more than that of a normal case.
- 10) DICCI will give handholding services to these entrepreneurs for technology up gradation as well as marketing of their products.

14. Skill Development:

Skill development scheme of State Govt will be implemented for the SC/ST beneficiaries that will help in knowledge upgradation and social upliftment of SC/ST beneficiaries. MCED in consultation with EDI, Ahmadabad and NSDC will design programme modules and organise residential Entrepreneurship Development programmes for duration of 1 month to 3 months. The grant of INR 5 crore will be given by Social Justice & Special Assistance Department and Tribal Development Department.



15 Review and Monitoring:

For effective implementation and success of employment promotion programme, beneficiaries will be provided handholding services at regular intervals after the loans are disbursed under schemes of GOI/GOM to beneficiary. MCED will conduct Entrepreneurship Development Programme(EDP) to provide orientation and awareness pertaining to various managerial and operational functions like finance, production, marketing, enterprise management, banking formalities, book keeping, marketing etc. Social Justice & Special Assistance Department and Tribal Development Department will provide grants to MCED under the scheme.

16. Exhibition Centre:

Govt will set up centralised exhibition cum sale/marketing counters in the offices of Regional Development Corporations.



17. Currently self-employment schemes are implemented through Departments/Corporations of Government of Maharashtra /Government of India by giving financial assistance. In addition to that, MSSIDC will be appointed to work with SC/ST entrepreneurs to market their products and undertake vendor development programme so that these entrepreneurs can supply to GOI/PSU/State Govt/State Corporations towards meeting 4% quota that has been specifically allocated to SC/ST entrepreneurs.



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