

Government of Himachal Pradesh
Department of Labour & Employment.

No. LEP-B002/3/2023-LEP Dated Shimla-2 , the 01st January,2024

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 Start-Up Yojana-2023”.

The Governor, Himachal Pradesh is further, pleased to notify a 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 Start-Up Yojana-2023**”.

2 Commencement and duration of the Scheme:

This Scheme shall come into effect from the date of Notification by the Department of Labour & Employment in the official Gazette and shall remain in force upto such date as the State Government by a Notification in the Official Gazette prescribes.

3 Definitions:

- i. “**Beneficiary**” means an unemployed bonafide Himachali applying and selected under this Scheme.
- ii. “**Bonafide Himachali**” means a resident of the State of Himachal Pradesh as defined by the State Government from time to time.
- iii. “**Commencement of commercial production**” means the date on which the Industrial Enterprises actually commences commercial production/operation as verified by the District Employment Officer or any other Officer authorized by the Director of Employment. Enterprise/Individual shall register as an Employer on EEMIS Portal of the Department of Labour & Employment and shall also get registered on “Udyam Registration”.

- iv. **“Concerned Department”** means Department responsible for making Standard Operating Procedure for beneficiary identification, as per the technical requirements overseen by the Department. The concerned Departments for identification of beneficiaries under the scheme are - for fisheries the Department of Fisheries, in case of e-vehicles the Department Transport and so on.
- v. **“Dedicated Portal”** means the portal developed by the Department of Labour & Employment for purpose of this Scheme.
- vi. **“Director”** means Director of Employment, Himachal Pradesh.
- vii. **“District Level committee”** means a District Level Committee (DLC) headed by the Deputy Commissioner or her/his representative not below the rank of Additional Deputy Commissioner/Additional District Magistrate and consisting of Lead District Manager, Project Officer (DRDA), Deputy Director/ Head of Office of the concerned Department in District, General Manager of District Industries Centre and District Employment Officer (Member Secretary), constituted for considering, examining the projects/proposals covered under this Scheme in detail and according in principle approval on the same.
- viii. **“EEMIS Portal”** means portal developed by the Department of Labour & Employment for online registration of unemployed youth/job seekers for employment assistance and Employers for providing employment opportunities to the registered un-employed youth.
- ix. **“Eligible New Enterprises”** means an Enterprise having Udyam Registration verified by District Employment Officer of Labour & Employment which commences commercial production on or after the date of notification of this scheme. Such enterprise shall also be registered as an employer on the EEMIS portal.
- x. **“Enterprises”** means any Enterprise, where 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.
- xi. **“E-vehicle”** means e-Taxi/e-Trucks/e-Buses/e-Tempo travelers etc.

- xii. **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 Department of Industries.
- xiii. **“Government”** means the Government of Himachal Pradesh.
- xiv. **“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.
- xv. **“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.
- xvi. **“New Enterprise”** means an Enterprise which commences commercial production/operation on or after the date of notification of this Scheme.
- xvii. **“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 RGSSY Scheme shall be given to beneficiaries of the Scheme.
- xviii. **“Nodal Department”** means Department of Labour & Employment, Government of Himachal Pradesh.

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- xix. **“Nodal Officer”** means District Employment Officer dealing with RGSSY or any other Official of District Employment Office (where post of District Employment Officer is vacant) dealing with RGSSY, who will also act a Member Secretary of the District Level Committee constituted under the Scheme .
- xx. **“Plant and Machinery”** means plant and machinery or equipments at site only. Further explanatory note is at **Annexure- II**.
- xxi. **“State”** means the State of Himachal Pradesh.
- xxii. **“Technical Civil Work”** means all expenditure on account of civil work that is related to production of 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.
- xxiii. **“Women Led Enterprises”** means enterprises run by women entrepreneurs as proprietors. In case of Corporate / Legal entities like Companies /LLPs /Partnership Firms wherein 100% equity is held by Eligible Bonafide Himachali women. However, Corporate / Legal entities shall not apply for e-vehicle.
- xxiv. **“X-10/Employment Exchange Registration cards”** mean online generated Employment Registration Cards/Slips issued to the job seekers through EEMIS Portal of the Department of Labour & Employment.

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 23 years in case of e-vehicle or more and up to the age of 45 years at the time of filling the common application form on the Departmental website (RGSSY Portal), intending to set up new 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 except e-vehicles. The District Level Committee (as mentioned at Rule No. 7 (vi) of the Scheme) may extend the period for another six months after the report of Nodal Officer about the effective steps taken by the beneficiary. Any further extension beyond this period shall be in the competency of Director of Employment, 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 /LLPs /Partnership Firms wherein 100% equity is held by Eligible Bonafide Himachali would also be eligible to avail these incentives. This shall however not be applicable in case of e-vehicle.
- 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 crore out of the State Budget 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 RGSSY-2023. The family includes self, spouse and minor children.

5 Selection of Beneficiary:

Concerned Departments shall notify the Standard Operating Procedure for the identification of the beneficiaries under the Scheme. After identification of the beneficiary the concerned Departments shall issue a permit/certificate of consent to the beneficiary.

6 Extent of admissible subsidy:

- a) **For purchase of e-vehicle, the quantum of investment subsidy shall be 50% for all eligible categories.** Investment Subsidy @ 25% of investment upto a maximum investment ceiling of Rs. 60 lakh in plant & machinery with total project cost not exceeding Rs. 1 Crore (including working capital) will be applicable to other projects except when notified separately by the Nodal Department. 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. 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% will be 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 Enterprises. The beneficiaries will submit a duly attested proforma as prescribed by the Nodal Department to the Nodal Officer. The Nodal Officer after verification of the detail will release interest subsidy to the loan account of beneficiary. The interest subsidy will not be admissible on

defaulted/rescheduled investments and the period of default shall be counted for determining the period of eligibility. The subsidy will be given directly to the banks.

The following conditions are to be fulfilled for disbursing incentives under Rule 6 (a) & (b):-

- i) The Financial Institution 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) The Financial Institution will finance Capital Investment Subsidy in the form of Term Loan up to Rs. 60.00 Lakhs. Project can also be financed by the Financial Institution in the form of Composite Loan consisting of Capital Expenditure and Working Capital.
- iii) Repayment schedule may range between 3 to 7 years including an initial moratorium, as may be prescribed by the concerned financial institution.
- iv) Once the Subsidy is received in the financial institution in favour of the eligible beneficiary 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 Nodal Officer after completion of 03 years. In case of e-vehicles, after the disbursement of installment of loan by the Financial Institute, Nodal Officer will approve the subsidy amount in one installment after physical verification of the e-vehicle and commencement of operation within 15 days.
- vii) The Financial Institution has to obtain an undertaking from the beneficiary before the release of finance. In the event of

objection (to be recorded and communicated in writing) by the Department of Labour & Employment, 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 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 on lease @ 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 by the beneficiaries on payment of guarantee fee of Credit Guarantee Fund Trust for Micro & Small Enterprises (CGTMSE) of Government of India to provide collateral free loan under the Scheme. After the first installment of loan is disbursed by the Financial Institution, the concerned Manager or designated officer of the financial institution will then demand for CGTMSE fee from Nodal Bank and fee will be disbursed by the nodal bank directly to the concerned financial institution without involving beneficiary.

7 Procedure for claiming the Subsidy will be as follows:

- i) The applicant shall register in EEMIS portal of Department if not already registered.
- ii) The online application form for availing subsidy shall be made available on the portal i.e. www.rgsy.hp.gov.in shortly, which shall be submitted to the concerned Nodal Officer, for availing incentives under RGSY.
- iii) The following documents must be uploaded along with application form:-

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- a. Bonafide Himachali, certificate of proprietor/all partners/all Directors of the company/all promoter of the company as the case may be.
 - b. Aadhar Card.
 - c. Age Proof (Matriculation Certificate of recognized board/Birth Certificate/Passport).
 - d. SC/ST Certificate , if applicable.
 - e. Certificate of being Divyang (having minimum 40% disability), if applicable.
 - f. Eligibility Permit/certificate from the concerned Department.
 - g. Copy of X-10 card
 - h. Preliminary Project Report/PPR.
- iv) The application will be forwarded to the Nodal Officer of RGSY Scheme at District Employment Exchange, who will initially screen the eligibility as per Scheme and if found complete, will forward the application to the branch of concerned financial institution as soon as possible for comments on viability and feasibility of the project, but not exceeding seven working days. In case of delay, the Deputy Director Employment will be alerted online on the portal regarding pendency. In case of incomplete application the same will be reverted to the beneficiary for want of required information.
- v) The concerned Bank Manager or designated officer of the financial institution has to revert within 07 days to the concerned Nodal Officer, online only. If no comments are received, the project will be considered as eligible.
- vi) The Nodal Officer will place it for consideration of District Level Committee.
- vii) The concerned District Level Committee (DLC) will consider and examine the proposal in detail and accord in principle approval to the project. The approval so granted will be communicated to the beneficiary through the Proforma as prescribed by the Nodal Department.

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- viii) The meetings of the committee will be held on monthly basis and all arrangements will be made by the Nodal Officer as the Member Secretary of the DLC.
- ix) After approval of the project by DLC, the approval letter will be issued by the Member Secretary, DLC within five days to the financial institution.
- x) The financial institution 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 the Member Secretary. Any delay beyond one month will be explained by the concerned Branch Manager in writing to the DLC.
- xi) After the disbursement of first installment of loan by the financial institution (more than 30% of project cost), the Nodal Officer 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 Nodal Officer.

In case of e-vehicles after the disbursement of installment of loan by the Financial Institute, Nodal Officer will approve the subsidy amount in one installment after physical verification of the e-vehicle and commencement of operation within 15 days.

- xii) The CGTMSE Fee will be demanded by the financial institution 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 of Employment and Nodal Officer, Department of Labour & Employment about the benefit being availed by the beneficiary as regards CGTMSE fee.
- xiii) Once the enterprise starts the commercial production, it shall register as an employer on EEMIS Portal of the Nodal Department i.e. <https://eemis.hp.nic.in> and in addition to this shall also apply for Udyam Registration on the portal i.e. www.udyamregistration.gov.in.

xiv) The concerned Nodal Officer will sanction interest subsidy as per eligibility of the scheme within 15 days and will intimate the sanctioned amount to the concerned financial institution and Nodal Bank. The Nodal Bank will then disburse the sanctioned amount in the transient account of the concerned financial institution from where beneficiary has availed loan. The Nodal Officer will be the sanctioning authority for capital subsidy and interest subsidy.

8 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 Department of Industries will not be eligible for subsidy under this Scheme.

9 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.

10 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 she/he is unemployed and 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.

11 Designated agency for disbursement of subsidy:

The Nodal Officer shall be the designated agency for disbursement of incentives as defined under this scheme. However, incentive for leasing of government land other than that land would be provided by the concerned Department after issuance of separate notification in this regard.

12 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/operation, the enterprise would be liable to refund the grant or subsidy after being given an opportunity of being heard by the Nodal Officer, failing which

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recovery would be made as arrears of land revenue. The beneficiary can appeal against the decision of the Nodal Officer to the Director of Employment and then further to the Administrative Secretary (Labour & Employment) to the Govt. of Himachal Pradesh. The decision of Administrative Secretary (Labour & Employment) to the Govt. of Himachal Pradesh shall be final in this regard.

In case government land is given on lease under this scheme and such enterprise gives false information, such land would be immediately taken back by the government 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 to the concerned department/ head of office of the concerned department in district which had leased out the land. The decision can be appealed to the concerned Director/Head of Department and then further to the Administrative Secretary of the concerned department. The decision of Administrative Secretary of the concerned department shall be final in this regard.

- 13** No owner of an 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 enterprise or effect any substantial contraction or disposal of a substantial part of its total fixed capital investment within a period of five years after its going into commercial production/operation without taking prior approval of the Nodal Officer. This period shall be three to four years in case of e-vehicles.
- 14** 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 Employment Exchange. The District Employment Exchange of concerned district shall submit Annual Report to the Directorate of Labour & Employment about the functioning of the Enterprises.
- 15** 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.
- 16** 5% of budget available annually under this Scheme would be kept for Monitoring and Information, Education & Communication (IEC) activities, and administrative expenditure Project Appraisal and for preparing mini project model reports etc.

17 Power to amend/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:
- a) Make any amendment to this scheme or repeal it.
 - b) Make any relaxation in applying the provisions of this scheme on merits of each case, as the state government may consider necessary and appropriate.
- (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 (Labour & Employment) 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

Dr. Abhishek Jain, IAS
Secretary (Lab. & Emp.) to the
Government of Himachal Pradesh

Annexure-I

**“Illustrative List of Activities to be undertaken under “Rajiv Gandhi
Swarozgaar Start-Up Yojana -2023”**

- 1.** Purchase of e-Taxi/e-Trucks/e-Buses/e-Tempo Travelers.
Dental facilities.
- 2.** Fishery activity.
- 3.** Any other activity as notified by the Nodal Department from time to time.

Annexure-II**A. Components to be included for computing the value of Plant & Machinery:**

- i) Cost of Industrial Plant & Machinery including taxes and duties i.e. Cost of mother production equipment(s) used for carrying out manufacturing activities.
- ii) Cost of Productive equipment(s) such as tools, jigs, dyes 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/dispatched (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.
- vi) Any other component as notified by the Nodal Department from time to time.

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

- 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 Plans.
- vi) Storage equipments.
- vii) Erection and installation charges
- viii) Additional Transformers