

GOVERNMENT OF INDIA  
MINISTRY OF CHEMICALS AND FERTILIZERS  
DEPARTMENT OF CHEMICALS AND PETROCHEMICALS

**LOK SABHA**  
**UNSTARRED QUESTION NO. 3158**  
ANSWERED ON 13.12.2024

**PROMOTION OF CHEMICAL MANUFACTURING UNITS**

3158. SHRI AASHTIKAR PATIL NAGESH BAPURAO:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a):whether there are any Government scheme to support small-scale chemical manufacturing units in Hingoli; and
- (b):if so, the details of incentives or assistance that are being provided under these schemes, if not, the reasons therefor?

**ANSWER**

THE MINISTER OF STATE FOR CHEMICALS AND FERTILIZERS

(SMT. ANUPRIYA PATEL)

(a): Government of India through Ministry of Micro, Small & Medium Enterprises (MSME) is implementing various schemes /programmes for promotion & development of MSMEs including Chemical Manufacturing MSMEs, which interalia includes; (i) MSME Champions Scheme; (ii) Micro and Small Enterprises Green Investment and Financing for Transformation (MSE-GIFT) Scheme; (iii) MSE Scheme for Promotion and Investment in Circular Economy (MSE-SPICE Scheme); (iv) Micro and Small Enterprises Cluster Development Programme (MSE-CDP) Scheme; and (v) Procurement and Marketing Support (PMS) Scheme.

(b): The details of incentives or assistance provided to MSME under these schemes, are given at **Annexure**.

**A: Financial Assistance to MSMEs under MSME Champion Scheme:  
MSME Champions Scheme:**

MSME Champions Scheme is a Central Sector Scheme applicable to the Udyam registered manufacturing Micro, Small and Medium Enterprises (MSMEs) across India. The end objective is to pick up clusters and enterprises and modernize their processes, reduce wastages, sharpen business competitiveness, and facilitate their National and Global reach and excellence. It comprises of three components i.e.,

- i) MSME-Sustainable (ZED) Certification Scheme (*launched on 28.04.2022*)
- ii) MSME-Competitive (Lean) Scheme (*launched on 10.03.2023*)

MSME-Innovative (Incubation, Design & IPR) Scheme (*launched on 10.3.2022*)

The details of the Scheme components under MSME Champions Scheme are as follows:

**i) MSME-Sustainable (ZED) Certification Scheme**

**❖ Objective:**

The ZED Certification envisages promotion of Zero Defect Zero Effect (ZED) practices amongst MSMEs so as to encourage and enable MSMEs for manufacturing of quality products using latest technology, tools & to constantly upgrade their processes for achievement of high quality and high productivity with the least effect on the environment and promote adoption of ZED practices.

**Cost of Certification**

- Certification Level 1: BRONZE: Rs. 8,000/-
- Certification Level 2: SILVER: Rs. 32,000/-
- Certification Level 3: GOLD: Rs. 72,000/-

**Nature of Assistance:**

**Subsidy on Cost of ZED certification:**

- Joining Reward of Rs. 10,000/- (Bronze will become free if availed)
- 80-60-50% for Micro, Small and Medium MSMEs respectively.
- 100% subsidy for Women owned MSMEs

**Additional subsidy:**

- 10% for SC/ST owned MSMEs OR MSMEs in NER/Himalayan/LWE/Island territories/aspirational districts.
- 5% for MSMEs which are also a part of the SFURTI OR Micro & Small Enterprises - Cluster Development Programme (MSE-CDP) of the Ministry.

**Financial Assistance in Testing/Quality/Product Certification:**

- Up to 75% of the total cost against multiple Testing/System/Product Certification, with the maximum ceiling of subsidy being Rs. 50,000/-

**Handholding Support:**

- Up-to Rs.2 lakhs for consultancy for all ZED certified MSMEs.

**Support in Technology Upgradation for Zero Effect Solutions:**

- Up-to Rs. 3 lakhs for all ZED certified MSMEs

**ii) MSME-Competitive (LEAN) Scheme**

❖ **Objective:**

The objective of the scheme is to enhance the Domestic and Global Competitiveness of MSMEs through the application of various Lean Techniques That inter-alia includes:

- Reduction in:
  - Rejection Rates
  - Product and Raw Material Movements
  - Product Cost
- Optimization of:
  - Space Utilization
  - Resources like Water, Energy, Natural Resources Etc.
- Enhancement of:
  - Quality of Products and Process
  - Production & Export Capabilities
  - Workplace Safety
  - Knowledge & Skill Set
  - Innovative Work Culture
  - Social & Environmental Accountability
  - Profitability
  - Introduction & Awareness to Industry 4.0
  - Digital Empowerment

**Implementation Cost (Max. per unit)**

- **Basic Level:** Free
- **Intermediate Level:** ₹ 1,20,000 + Taxes
- **Advanced Level:** ₹ 2,40,000 + Taxes

**Nature of Assistance:**

**Beneficiary Contribution**

- **Basic – NA**
- **Intermediate Level:** 10% of Total Cost of Implementation i.e., up to ₹ 12,000 + Taxes per unit (Max.)
- **Advanced Level:** 10% of Total Cost of Implementation i.e., up to ₹ 24,000 + Taxes per unit (Max.)

**GOI Contribution:**

- **Basic Level:** NA
- **Intermediate Level:** MSME unit will be entitled for up to ₹ 1,08,000 (max.) towards the Implementation cost (Taxes Extra)
- **Advanced Level:** MSME unit will be entitled for up to ₹ 2,16,000 (max.) towards the Implementation cost (Taxes Extra)

**Additional Benefit**

- **Basic Level:** NA
- **Intermediate Level & Advanced Level:**
  - a) Additional 5% GOI contribution for MSMEs which are part of SFURTI Clusters, Woman/SC/ ST owned, NER located MSMEs.
  - b) **OEM/ Industry Association route**
    - ✓ Additional 5% GoI contribution shall be given to the MSMEs registering through Industry Association/ OEM after completion of all levels.
    - ✓ ₹ 5000/ per MSME shall be given to OEM/ Association after completing all stages of lean intervention.
    - ✓ For availing this benefit MSME unit need to mention on while applying – Applying under Original Equipment Manufacturer (OEM) or Applying under Industry Association (IA).

**iii) MSME-Innovative (Incubation, Design & IPR) Scheme**

❖ **Objective:**

MSME Innovative is a new concept for MSMEs with a combination of innovation in incubation, design intervention and by protecting IPR in a single mode approach to create awareness amongst MSMEs about India's innovation and motivate them to become MSME Champions. This will act as a hub for innovation activities facilitating and guiding development of ideas into viable business proposition that can benefit society directly and can be marketed successfully.

**Nature of Assistance:**

**Incubation**

- Financial Assistance to HI for developing and nurturing the ideas- shall be provided up to maximum of Rs. 15 lakh per idea to HI.
- Financial assistance for Plant and Machinery to HI up to Rs. 1.00 cr. (max) - shall be provided for procurement and installation of relevant plant and machines including hardware and software etc. in BI for R&D activities and common facilities for incubatees of BI.

### **Design**

- **Design Project:** 75% of the total project cost will be contributed by GoI up to a maximum of Rs. 40 lakh
- **Student Project:** 75% of the total project cost will be contributed by GoI up to a maximum of Rs. 2.5 lakh

### **IPR**

- A Grant of up to Rs. 1 crore would be provided to an IPFC in milestone-based (three or more) instalments
- **Reimbursement for registration of Patent, Trademark, Geographical Indications (G.I.), Design:** The maximum financial assistance to the eligible applicants under the IPR component is as follows:

<b>S. No.</b>	<b>Item</b>	<b>Maximum Financial Assistance</b>
<b>i.</b>	Foreign Patent	Rs. 5.00 lakh
<b>ii.</b>	Domestic Patent	Rs. 1.00 lakh
<b>iii.</b>	GI Registration	Rs. 2.00 lakh
<b>iv.</b>	Design Registration	Rs. 0.15 lakh
<b>v.</b>	Trademark	Rs. 0.10 lakh

## **B: Micro and Small Enterprises Green Investment and Financing for Transformation (MSE-GIFT) Scheme**

Ministry of Micro, Small & Medium Enterprises (MoMSME) has formulated MSE-GIFT scheme with an outlay of Rs 478 Cr for the period of 2023-24 to 2025-26 to develop an ecosystem wherein institutional finance is made available to MSEs at a concessional cost to minimize/ overcome the incremental cost of clean/green technologies, which include energy from renewable sources like solar, wind, biogas, etc.; clean transportation that involves lower greenhouse gas emissions; energy-efficient projects like green building; waste management that includes recycling, efficient disposal, and conversion to energy, etc

### **The key components of the MSE-GIFT Scheme include:**

- I. **Interest Subvention Component:** This component provides affordable finance to MSEs for adopting green technologies by offering a 2% interest

subvention per annum for a maximum of 5 years on term loans up to INR 2 crores.

- II. **Risk Sharing Facility:** The scheme offers a Risk Sharing Facility to cover loans up to INR 2 crores for MSEs, providing financial assistance under a hybrid model to mitigate risk for financial institutions

### **C: Micro and Small Enterprises- Scheme for Promotion and Investment in Circular Economy (MSE-SPICE) Scheme**

- **Eligibility:**
  - a. All Micro and Small Enterprises (MSEs) registered with the UDYAM portal of the Ministry of Micro, Small & Medium Enterprises are eligible to participate.
  - b. MSE units must comply with Extended Producer Responsibility (EPR) and Waste Recycling targets set for industries.
  - c. The investment of the unit should be towards the 11 identified CE sectors as per the scheme guidelines.
- **Financial Assistance:**
  - a. The loan size under the MSE-SPICE Scheme varies based on the project cost. For Brownfield projects in MSEs, the maximum project cost admissible under the scheme is INR 50 Lakhs, with a 25% subsidy on the cost of Plant and Machinery only.
  - b. Projects costing more than INR 50 Lakhs are also admissible under the scheme, but the subsidy is limited to a maximum of INR 12.5 Lakhs/units.

### **D: Micro and Small Enterprises - Cluster Development Programme (MSE-CDP)**

The Ministry of Micro, Small and Medium Enterprises (MSME), Government of India (GoI) has adopted the Cluster Development approach as a key strategy for enhancing the productivity and competitiveness as well as capacity building of Micro and Small Enterprises (MSEs) and their collectives in the country. A cluster is a group of enterprises located within an identifiable and as far as practicable, contiguous area and producing same / similar products / services. The essential characteristics of enterprises in a cluster are (a) Similarity or complementarity in the methods of production, quality control and testing, energy consumption, pollution control, etc (b) Similar level of technology and marketing strategies / practices (c) Similar channels for communication among the members of the cluster (d) Common challenges and opportunities.

#### **Components:**

##### **I. Common Facility Centers (CFCs):**

The GoI grant will be restricted to 70% the cost of project from Rs. 5.00 crore to Rs. 10.00 crore and 60% of the cost of project from Rs. 10.00 crore to Rs. 30.00 crore. In

case of NE & Hill States, Island territories, Aspirational District, GoI grant will be 80% of the cost of project from Rs. 5.00 crore to Rs. 10.00 crore and 70% of the cost of project from Rs. 10.00 crore to Rs. 30.00 crore. The project for CFC with project cost more than Rs. 30.00 crore can also be considered but the GoI assistance would be calculated by taking into account the maximum eligible project cost of Rs. 30.00 crore.

## **II. Infrastructure Development:**

The GoI grant will be restricted to 60% of the cost of project from Rs. 5.00 crore to Rs. 15.00 crore for setting up of new Industrial Estate/Flatted Factory Complex and GoI grant will be 50% of the cost of project from Rs. 5.00 crore to Rs. 10.00 crore for up-gradation of existing Industrial Estate/Flatted Factory Complex. In case of NE & Hill States, Island territories, Aspirational Districts, GoI grant will be 70% of the cost of project from Rs. 5.00 crore to Rs. 15.00 crore for setting up of new Industrial Estate/ Flatted Factory Complex and 60% of the cost of project cost from Rs. 5.00 crore to Rs.10.00 crore for up-gradation of existing Industrial Estate/Flatted Factory Complex. The project for ID with project cost more than Rs.10.00 crore/15.00 crore can also considered but the GoI assistance would be calculated by taking into account the maximum eligible project cost of Rs. 10.00 crore/15.00 crore.

## **E: Procurement and Marketing Support Scheme(PMS)**

To enhance the marketability of products and services in the MSME sector, Ministry of MSME has introduced Procurement and Marketing Scheme (PMS) in November 2019 & revised during July, 2022 with the following objectives:

- To encourage Micro and Small Enterprises (MSEs) to develop domestic markets and promotion of new market access initiatives.
- To facilitate market linkages for effective implementation of Public Procurement Policy for MSEs Order of 2012.
- To educate MSMEs on various facets of business development.
- To create an overall awareness about Public Procurement Policy for MSEs, Trade Fairs, latest market techniques, Modern Packaging Techniques, e-Commerce, Bar Code, Export, GeM and other such related topics etc.

### **SCHEME COMPONENT DETAILS**

<b>S.No</b>	<b>COMPONENT</b>	<b>SCALE OF ASSISTANCE</b>
<b>1</b>	<b>Domestic Trade Fairs/ Exhibitions:</b>	(i)Subsidy on space rent charges and contingency expenditure including travel, freight charges etc up to

	Supporting MSEs to participate/ Organizing fairs/ Exhibitions	Rs 1.50 Lakh in Metro/A class city and Rs.80,000 in other cities for each MSE unit.  (ii)Trade Fair as decided by Empowered committee with IF Wing concurrence
<b>2</b>	Workshops/ Seminars/ Vendor Development Program	Up to Rs. 5.0 lakh (Max.) per programme to Implementing Agencies
<b>3</b>	Adoption of Bar Code from Micros Enterprises	Reimbursement up to 80% one-time registration & annual recurring fee (1 <sup>st</sup> - 3 years) subject to max. Rs 50,650/-)
<b>4</b>	Adoption of e-Commerce Platform	Reimbursement up to 75% annual / subscription fee subject to max. Rs 25,000/- for on-boarding on “MSME Global Mart” being run by NSIC.
<b>5</b>	Adoption of Modern Packaging Techniques	Up to Rs 15 lakh / cluster for empanelling packaging expert organizations like IIP, NID, NIFT to provide consultancy services
<b>6</b>	Development of Retail Outlet	Up to 30 lakh for infrastructure outlet area of 500 sq.ft for GI products, subject to 50% contribution from the retaile

\*\*\*\*\*