

Maharashtra State Schemes

Maharashtra Industrial Policy 2013-18: State Govt. Schemes:

Highlights of Industrial Policy of Maharashtra announced in January 2013 (Effective from 01st April, 2013 to 31st March, 2018) - Incentives for MSME Project.

The Maharashtra Industrial Policy 2013 has given a special attention to encourage small scale industries. For financial stability of MSMEs (Micro Small and Medium Enterprises) , the state government will provide fiscal incentives and support to less developed areas, and the major highlights of Package Schemes of Incentives (PSI) apart from Industrial Promotion Subsidy have been listed below:

- The state government has divided the talukas (areas) into 7 groups and more thrust has been given to less developed areas. Threshold limits for classification of MSME projects is given below:

| Group (Taluka/Area Classification) | Eligibility Period (years) | District/Cities Included | Monetary ceiling as per cent of admissible Fixed Capital Investment* |
|------------------------------------|----------------------------|-------------------------------------|--|
| 1 A (Developed areas) | 7 | Mumbai, Pune, etc. | - |
| 2.B (Less developed than A) | 7 | Alibagh, Dhanu, Nashik, etc. | - |
| 3.C (Less Developed than B) | 7 | Bhivandi, Ratnagiri, Baramati, etc. | 30 |
| 4.D (Less developed than C) | 7 | Aurangabad, Satara, Nagpur, etc. | 40 |
| 5.D (Less developed than D) | 7 | Pithan, Barshi, Kagal, etc. | 50 |
| 6. No Industry Districts | 7 | Gadchiroli, Hingoli, etc. | 70 |
| 7.Areas affected by Naxalism | 7 | Gondia, Kinvat, Chandrapur, etc. | 80 |

What are the fiscal incentives?

- **Reimbursement of water & energy cost:** 75% reimbursement of cost of water and energy audit will be admissible.
- **Stamp Duty Exemption:** 100% stamp duty exemption within investment period for acquiring land (including assignment of lease rights and sale certificate) and for term loan purposes.
- **Electricity Duty Exemption:** Exemption from payment of electricity duty to eligible new units in C, D, D+, and also where the industry doesn't exist. However in A and B areas Electricity Duty exemption will be offered to 100 per cent Export Oriented MSMEs and IT BT units for seven years.
- **Power Tariff Subsidy:** INR 1/- per unit consumed to eligible new units located in Gondia, Kinvat, Chandrapur, etc.

In which form financial incentives can be utilized?

Financial incentives are available in the form of Industrial Promotion Subsidy (IPS), Interest Subsidy, Electricity duty exemption, Waiver of Stamp Duty, Power Tariff Subsidy, etc. Up to 70 lacs can be utilized in the various ways. The most beneficial among all is Industrial Promotion Subsidy, which is receivable in cash as a specific percentage of net VAT and CST.

Existing units can also be benefited under this scheme provided that they make 1) minimum investment in capital assets of 25%; 2) same increase in production capacity; and 3) minimum 10% increase in employment. For example, in a case of INR 1 crore capital investment, an existing unit will get INR 52 lacs as financial incentive.

How to start?

1. Firstly, the Industrial Unit has to get registered with District Industries Centre (DIC).
2. Provide all the details of capital investment.
3. Thereafter, the Eligibility Certificate (EC) will be issued.
4. The incentive will depend on the amount of investments and assets.
5. The Industrial Unit has to make capital investment in the specified period mentioned in EC.
6. Business must be operational up to the period mentioned in EC otherwise incentive can be cancelled and penalty may be levied.

For more information on how to register visit at: http://www.doingbusinessinmaharashtra.org/Starting_a_Business_in_Maharashtra.aspx

Subsidies/Incentives for MSMEs:

a. Power Tariff Subsidy

- Eligible for new units.
- Located in Vidarbha, Marathwada, North Maharashtra and Districts of Raigad, Ratnagiri and Sindhudurg in Konkan. Units located in Gondia, Kinvat, Chandrapur, etc.
- Extent of Rs.1/- per unit consumed in above mentioned regions and in areas other than the above (except A areas) to the tune of Rs.0.50/- per unit consumed.
- 3 years from the date of commencement of commercial products.

b. Interest Subsidy

- @ 5% p.a. maximum up to the value of electricity consumed and bills paid for that year will be admissible. (In areas other than A area).

c. Energy and Water Audit

- 75% per cent reimbursement of cost of water and energy audit.
- Assistance by way of 50% grant limited to Rs.1 lakh for water audit and Rs.2 Lakh for energy audit.
- 50% cost of capital equipment required for undertaking measures to conserve water and energy limited to Rs.5 lakh each.

d. Additional Incentives

- Incentives for improving Quality Competitiveness, Research and Development, Technology Upgradation and Cleaner Production Measures will be continued with suitable modification.

e. Stamp Duty Exemption

- In addition to incentive listed above, eligible MSMEs will be entitled to 100% stamp duty exemption within investment period for acquiring land (including assignment of lease rights and sale certificate) and of term loan purposes.
- In A and B areas Stamp Duty exemption will be offered only to IT and BT units in IT and BT Parks.

f. Electricity Duty Exemption

- Eligible New MSMEs in C, D, D+. No Industries Districts and Naxalism affected Area will be entitled to exemption from payment of electricity duty for tenure equal to the eligibility period.
- In A and B areas Electricity Duty exemption will be offered to 100% Export Oriented MSMEs and IT/BT units for 7 years.

g. Labour Laws and Procedures amended:

- To enable industry & labour to meet the new economic challenges. i. Contract Labour (Regulation and Abolition) Act will be amended. ii. Number of Process of inspections/Paper work will be reduced.

h. Special Economic Zone Policy (SEZ):

- SEZs are Duty free enclaves aimed at promoting rapid industrial development & employment generation to trigger inflow of large foreign & domestic investments.

i. Sick SSI units:

- Sick SSI units taken up for re-schedulement of arrears of Govt & electricity dues. The interest rate on the rescheduled arrears will now be reduced to 10% from 13% in all except 'A' areas of the State. The repayment of such arrears would be allowed in 60 monthly instalments which was earlier 30 months only.

Schemes under Directorate of Industries: There are mainly three schemes viz. PMEGP, Seed Money Scheme and District Industries Loan Scheme implemented by Directorate of Industries for unemployed youth. The brief features of these schemes are described below :-

A) PMEGP: Prime Minister's Employment Generation Programme

1. Coverage :

Under the Prime Minister's Employment Generation Programme, manufacturing project with an investment of up to Rs.25 lakh investment and service/business projects with an investment of up to Rs.10 lakh investment are eligible under the scheme are provided financial assistance as loans from public sector banks, regional rural banks or IDBI. Project cost will include fixed capital (excluding land cost) plus working capital.

2. Extent of assistance:

Up to 90% of project cost is provided as loan for general group and 95% for special group (SC/ST/OBC/minority/woman/ex-servicemen/physically handicapped) will be available from public sector banks, Regional rural banks, IDBI. Project cost will include capital asset cost + working capital.

In urban areas, 15% margin money subsidy for general group and 25% for special group will be available through KVIC. In rural areas, the margin money subsidy will be 25% to 35% respectively. Special group include SC/ST/OBC/minority/woman/ex-servicemen /physically handicapped.

3. Eligibility:

1. Any individual, above 18 years of age, provided they have at least passed class VIII standard.

2. For setting up of project costing above Rs.10 lakh in the manufacturing sector and above Rs. 5 lakh in the business/service sector, the beneficiaries should have at least VIII standard pass educational qualification.
3. Assistance under the Scheme is available only for new projects sanctioned specifically under the PMEGP.
4. Self Help Groups (including those belonging to BPL provided that they have not availed benefits under any other Scheme) are also eligible for assistance under PMEGP.
5. Institutions registered under Societies Registration Act, 1860;
6. Production Co-operative Societies, and Charitable Trusts.
7. Existing Units (under PMRY, REGP or any other scheme of Government of India or State Government) and the units that have already availed Government Subsidy under any other scheme of Government of India or State Government are not eligible.

4. Implementing Agencies:

In urban areas, the scheme will be implemented through DIC, while in rural areas through KVIC/KVIB/DIC all three agencies.

B) Seed Money Scheme (SMS)

1. The objective of the scheme: The objective of the scheme is to encourage unemployed person to become entrepreneurs/take up self-employment ventures through industry, service, and business and meet part of margin money requirement for availing bank loan/Institutional finance.

2. Eligibility:

Local unemployed person or group of persons fulfilling:

1. Age Group: 18 to 50 years
2. Qualification: Std. VII pass
3. Domiciled in the state of Maharashtra for the last 15 years.
4. To be eligible for this scheme, an un-employed entrepreneur must have plans for establishing an industry or service business with a project cost of up to Rs. 25 lakhs in the state of Maharashtra.

3. Scope

1. An un-employed entrepreneur must have plans for establishing an industry or service business with a project cost of up to Rs.25 lakhs in the state of Maharashtra.
2. In such cases, seed money assistance of 15% of project cost for all Entrepreneurs and seed money assistance of 20% of project cost for Entrepreneurs who are SC/ST or OBT/NT/VT/Handicapped is provided.
3. Maximum amount of Seed Money component provided is up to 3.75 lakhs.
4. Bank loan 75% of the project cost.
5. The rate of interest on seed money extended is 6% per annum with a holiday period of 3 years and if the borrower pays the repayment of instalment regularly and within

scheduled time, then the borrower will get rebate of 3% in interest. So he has to pay only 3% interest.

6. If the instalment is not repaid in time, it will attract 1% penal interest.

7. The repayment of loan starts after three years in four yearly instalments for industry cases. In other cases repayment starts after six months of loan availment.

C) DISTRICT INDUSTRIES CENTRE LOAN SCHEME

1. Objective of the scheme:

- Objective of the scheme is to provide financial assistance in the form of margin/seed money for the promotion of tiny industries in semi-urban and rural areas with a view to generate employment opportunities including self-employment.

2. Eligibility:

- Margin money assistance is admissible only to those units whose investment in plant & machinery does not exceed Rs. 2 lakh.
- All towns and rural areas having population of less than 1 lac are covered under the Scheme.
- All units falling within the purview of the Small Scale Industries Board and Village Industries, handicrafts, handlooms, Silk & Coir Industries are covered under the Scheme.
- This scheme is particularly useful for rural artisans.

3. Extent of assistance:

- The extent of assistance is 20% of the total investment or Rs.40000/- whichever is less in case of entrepreneur belonging to general category and in case of entrepreneur belonging to scheduled caste & scheduled tribe, assistance up to 30% of total fixed capital investment or up to maximum of Rs.60000/- whichever is less is provided.
- The assistance provided in the form of loan must be repaid back to the State Government with a 4% interest rate within 7 years.

Contact the MIDC Investor Facilitation Cell at investor@midcindia.org

INSTITUTIONAL SUPPORT FOR MSMEs. (STATE) by Institutes like: Directorate of Industries , UdyogMitra, Maharashtra Industrial Development Corporation(MIDC), Co-operative Industrial Estates, Maharashtra Small Scale Industries Development Corporation (MSSIDC), Maharashtra Centre For Entrepreneurship Development (MCED) are as below:-

- Entrepreneurship Development Programme (EDP) • Development Programmes for Self-Employment (DPSE) • Entrepreneurship Appreciation Programmes (EAP) • Group Entrepreneurship Development Programme (Gr. EDP) • MICRO EDP • Entrepreneurship Awareness Camps (EAC) • Certificate Course for Developing

Competent Personnel for SSI Management. • Trainers Training Programme • Vocational Training based EDPs (VTPs) • Management Development Programmes (MDPs / IDPs).

Public Procurement Policy for goods produced and services rendered by Micro and Small Enterprises (MSEs) be procured by Central Ministries/Departments/Public Sector Undertakings (PSUs):

The main features of the Public Procurement Policy for MSEs are:

1. Every Central Ministry/Department/PSU shall set an annual goal for procurement from the MSE sector at the beginning to the year, with the objective of achieving an overall procurement goal of minimum 20 per cent of the total annual purchases of the products or services produced or rendered by MSEs from the latter in a period of three years.
2. Out of 20% target of annual procurement from MSEs, a sub-target of 4% (i.e., 20% out of 20%) will be earmarked for procurement from MSEs owned by SC/ST entrepreneurs. However, in the event of failure of such MSEs to participate in the tender process or meet the tender requirements and the L1 price, the 4% sub-target for procurement earmarked for MSEs owned by SC/ST entrepreneurs will be met from other MSEs.
3. At the end of 3 years, the overall procurement goal of minimum 20% will be made mandatory. Nonconforming Departments will be required to provide reasons for the same to the Review Committee set up under the Policy.

MSME-DEVELOPMENT INSTITUTE (MSME-DI), MAHARASHTRA:

In the state of Maharashtra, the support facilities and services of the offices of the Development Commissioner (MSME) are rendered through the network of two MSME-Development Institutes located at Mumbai and Nagpur with a Branch Institute at Aurangabad.

MSME-DI's, Mumbai : 1) Ahmednagar 2) Aurangabad 3) Beed 4) Dhule 5) Hingoli 6) Jalgaon 7) Jalna 8) Kolhapur 9) Latur 10) Mumbai (2) 11) Nanded 12) Nandurbar 13) Nashik 14) Osmanabad 15) Parbhani 16) Pune 17) Raigad 18) Ratnagiri 19) Satara 20) Sangli 21) Sindhudurg 22) Solapur 23) Thane 24)Palghar

MSME-DI Nagpur: 1) Akola 2) Amravati 3) Nagpur 4) Bhandara 5) Gondia 6) Wardha 7) Chandrapur 8) Yavatmal 9) Buldhana 10) Washim 11) Gadchiroli

Andhra Pradesh State Schemes

| Sr. No | Description of the Incentives providing | Category of the Enterprise | Enterprise set by the General Category entrepreneur | | Enterprise set by the SC/ST category entrepreneur | |
|--------|---|----------------------------|---|-------|---|-------|
| | | | General | Women | General | Women |
| 1 | Stamp Duty on Lease Land / Shed | Micro | 100% | 100% | 100% | 100% |
| | | Small | 100% | 100% | 100% | 100% |
| | | Medium | 100% | 100% | 100% | 100% |
| Sr. No | Description of the Incentives providing | Category of the Enterprise | Enterprise set by the General Category entrepreneur | | Enterprise set by the SC/ST category entrepreneur | |
| | | | General | Women | General | Women |
| 2 | Stamp Duty on Financial Deed / Mortgage | Micro | 100% | 100% | 100% | 100% |
| | | Small | 100% | 100% | 100% | 100% |
| | | Medium | 100% | 100% | 100% | 100% |

| Sr. No | Description of the Incentives providing | Category of the Enterprise | Enterprise set by the General Category entrepreneur | | Enterprise set by the SC/ST category entrepreneur | |
|--------|---|----------------------------|---|---------------|---|-------------------|
| | | | General | Women | General | Women |
| 3 | Rebate on APIIC IE / IDA - | Micro | 25% - 10lakhs | 25% | 33.33% - 10 lakhs | 33.33% - 10 lakhs |
| | | Small | 25% - 10lakhs | 25% - 10lakhs | 33.33% - 10 lakhs | 33.33% - 10 lakhs |
| | | Medium | 25% - 10lakhs | 25% - 10lakhs | 33.33% - 10 lakhs | 33.33% - 10 lakhs |

| Sr. No | Description of the Incentives providing | Category of the Enterprise | Enterprise set by the General Category entrepreneur | | Enterprise set by the SC/ST category entrepreneur | |
|--------|---|----------------------------|---|----------------|---|----------------|
| | | | General | Women | General | Women |
| 4 | Land conversion charges | Micro | 25% - 10 lakhs | 25% - 10 lakhs | 25% - 10 lakhs | 25% - 10 lakhs |
| | | Small | 25% - 10 lakhs | 25% - 10 lakhs | 25% - 10 lakhs | 25% - 10 lakhs |
| | | Medium | 25% - 10 lakhs | 25% - 10 lakhs | 25% - 10 lakhs | 25% - 10 lakhs |

| Sr. No | Description of the | Category of the Enterprise | Enterprise set by the General Category entrepreneur | Enterprise set by the SC/ST category entrepreneur |
|--------|--------------------|----------------------------|---|---|
|--------|--------------------|----------------------------|---|---|

| | Incentives providing | | General | Women | General | Women |
|---|----------------------|--------|--------------|-------------|--------------------------------------|-----------------------------------|
| 5 | Investment Subsidy | Micro | 15%-20 lakhs | 20%-25lakhs | 35% - 50 Lakhs - 40% sch. area by ST | 40%-50 Lakhs - 45% sch area by ST |
| | | Small | 15%-20 lakhs | 20%-25lakhs | 35% - 50 Lakhs - 40% sch. area by ST | 40%-50 Lakhs - 45% sch area by ST |
| | | Medium | - | - | - | - |

| Sr. No | Description of the Incentives providing | Category of the Enterprise | Enterprise set by the General Category entrepreneur | | Enterprise set by the SC/ST category entrepreneur | |
|--------|---|----------------------------|---|----------|---|----------|
| | | | General | Women | General | Women |
| 6 | Reimbursement of Power Tariff | Micro | Rs. 0.75 | Rs. 0.75 | Rs.1.00 | Rs. 1.00 |
| | | Small | Rs. 0.75 | Rs. 0.75 | Rs.1.00 | Rs. 1.00 |
| | | Medium | Rs. 0.75 | Rs. 0.75 | Rs.1.00 | Rs. 1.00 |

| Sr. No | Description of the Incentives providing | Category of the Enterprise | Enterprise set by the General Category entrepreneur | | Enterprise set by the SC/ST category entrepreneur | |
|--------|--|----------------------------|---|----------------|---|----------------|
| | | | General | Women | General | Women |
| 7 | Sales Tax, Reimbursement of VAT/CST/SGST | Micro | 100% - 5 years | 100% - 5 years | 100% - 5 years | 100% - 5 years |
| | | Small | 50% - 5 years | 50% - 5 years | 50% - 5 years | 50% - 5 years |
| | | Medium | 25% - 5 years | 25% - 5 years | 25% - 5 years | 25% - 5 years |

| Sr. No | Description of the Incentives providing | Category of the Enterprise | Enterprise set by the General Category entrepreneur | | Enterprise set by the SC/ST category entrepreneur | |
|--------|---|----------------------------|---|-------------------------------|---|------------------------------|
| | | | General | Women | General | Women |
| 8 | PavalaVaddi (Interest Subsidy on Term Loan) | Micro | 9% over and above 3% -5years | 9% over and above 3% - 5years | 9% over and above 3% -5years | 9% over and above 3% -5years |

| | | | | | | |
|--|--|--------|------------------------------|-------------------------------|------------------------------|------------------------------|
| | | Small | 9% over and above 3% -5years | 9% over and above 3% - 5years | 9% over and above 3% -5years | 9% over and above 3% -5years |
| | | Medium | - | - | - | - |

| Sr. No | Description of the Incentives providing | Category of the Enterprise | Enterprise set by the General Category entrepreneur | | Enterprise set by the SC/ST category entrepreneur | |
|--------|---|----------------------------|---|--------------|---|--------------|
| | | | General | Women | General | Women |
| 9 | Quality Certification | Micro | 50% - 2 Lakh | 50% - 2 Lakh | 50% - 2 Lakh | 50% - 2 Lakh |
| | | Small | 50% - 2 Lakh | 50% - 2 Lakh | 50% - 2 Lakh | 50% - 2 Lakh |
| | | Medium | 25% | 25% | 25% | 25% |

| Sr. No | Description of the Incentives providing | Category of the Enterprise | Enterprise set by the General Category entrepreneur | | Enterprise set by the SC/ST category entrepreneur | |
|--------|---|----------------------------|---|---------------|---|---------------|
| | | | General | Women | General | Women |
| 10 | Cleaner Production Measures | Micro | 25% - 5 lakhs | 25% - 5 lakhs | 25% - 5 lakhs | 25% - 5 lakhs |
| | | Small | 25% - 5 lakhs | 25% - 5 lakhs | 25% - 5 lakhs | 25% - 5 lakhs |
| | | Medium | 25% - 5 lakhs | 25% - 5 lakhs | 25% - 5 lakhs | 25% - 5 lakhs |

| Sr. No | Description of the Incentives providing | Category of the Enterprise | Enterprise set by the General Category entrepreneur | | Enterprise set by the SC/ST category entrepreneur | |
|--------|---|----------------------------|---|--------------|---|--------------|
| | | | General | Women | General | Women |
| 11 | Patent Registration | Micro | 50% - 2 Lakh | 50% - 2 Lakh | 50% - 2 Lakh | 50% - 5 Lakh |
| | | Small | 50% - 2 Lakh | 50% - 2 Lakh | 50% - 2 Lakh | 50% - 5 Lakh |
| | | Medium | 50% - 2 Lakh | 50% - 2 Lakh | 50% - 2 Lakh | 50% - 5 Lakh |

| Sr. No | Description of the Incentives providing | Category of the Enterprise | Enterprise set by the General Category entrepreneur | | Enterprise set by the SC/ST category entrepreneur | |
|--------|---|----------------------------|---|-------|---|-------|
| | | | General | Women | General | Women |

| | | | | | | |
|----|-------------------------|--------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| 12 | Seed Capital Assistance | Micro | 10% -on machinery -1st generation |
| | | Small | 10% -on machinery -1st generation |
| | | Medium | - | - | - | - |

| Sr. No | Description of the Incentives providing | Category of the Enterprise | Enterprise set by the General Category entrepreneur | | Enterprise set by the SC/ST category entrepreneur | |
|--------|---|----------------------------|---|------------------------------------|---|-------------------------------------|
| | | | General | Women | General | Women |
| 13 | Reimbursement on skill upgradation | Micro | 50% - Rs 2000/- per head - one time | 50% - Rs 2000/- per head -one time | 50% - Rs 2000/- per head - one time | 50% - Rs 2000/- per head - one time |
| | | Small | 50% - Rs 2000/- per head - one time | 50% - Rs 2000/- per head -one time | 50% - Rs 2000/- per head - one time | 50% - Rs 2000/- per head - one time |
| | | Medium | 50% - Rs 2000/- per head - one time | 50% - Rs 2000/- per head -one time | 50% - Rs 2000/- per head - one time | 50% - Rs 2000/- per head - one time |

| Sr. No | Description of the Incentives providing | Category of the Enterprise | Enterprise set by the General Category entrepreneur | | Enterprise set by the SC/ST category entrepreneur | |
|--------|--|----------------------------|---|-----------------------------|---|-----------------------------|
| | | | General | Women | General | Women |
| 14 | For infrastructure development (limited to 1 crore or 15 % cost of the Fixed capital Investment. | Micro | - | - | 50 % on infrastructure cost | 50 % on infrastructure cost |
| | | Small | - | - | do | do |
| | | Medium | 50 % on infrastructure cost | 50 % on infrastructure cost | do | do |

- All the claims for the state government incentives should be submitted to the concerned GM, District Industries centre.
- Incentives for the industries with investment in Plant & Machinery less than 25 lakh will be sanctioned by Dist level Committee under the Chairmanship of Dist Collector.
- Incentives for the industries with investment in Plant & Machinery more than 25 lakhs will be sanctioned by the state level committee under the chairmanship of commissioner of Industries.

For further details on the schemes below please visit the website:
<http://www.apiic.in/contactus.html>

In addition to the above schemes there are few other State Schemes for Andhra Pradesh

16. Marketing Assistance: Government of Andhra Pradesh is formulating a new Marketing Policy to safeguard the interests of local Micro and Small Enterprises. The policy highlights include:

- a. GoAP would extend all the required support for market development activities. GoAP places significant thrust on the entire spectrum of marketing activities. GoAP will provide financial assistance to MSME associations for funding market studies, market creation efforts, quality improvement effort and disseminating this information to MSMEs. Market studies funded by GoAP should be available in the public domain.
- b. District Industries Centres will hold MSME meets bi-annually and also invite large companies to facilitate a strong network between MSMEs and large companies.
- c. GoAP will appoint a consultancy to do the following:
 - i. Sector/ District-wise study to identify possible specific Clusters based on development of MSMEs.
 - ii. To identify potential upstream and downstream linkages in each Cluster.
 - iii. Creating an enabling framework for effective tie-up with MSMEs in countries like China, Japan, Singapore etc.
 - iv. Creating an enabling framework for mapping Skill Inventories with upcoming Industrial demand and methodology to augment the same.
- d. GoAP will leverage the Public Procurement Policy for Micro and Small Enterprises (MSEs) of Government of India, which mandates the Government of India Ministries, Departments and Public Sector Undertakings to procure minimum of 20 per cent of their annual value of goods or services from MSEs and GoAP will take all necessary steps to create a base of MSME suppliers in Andhra Pradesh.
- e. Tender Forms will be made available free of cost.
- f. Exemption from payment of Earnest Money Deposit (EMD) and Security Deposit (SD)
- g. Bill discounting Facility will be made available on Government orders.

h. 10% price preference i.e. where the bid of Micro and Small Enterprises are within 10% of L1, the local Micro and Small Enterprises will be given an offer of reasonable part of the order at L1.

i. Provide platforms for interaction between Enterprises in Andhra Pradesh and potential domestic and global markets through Trade Fairs, Road Shows.

j. Encourage the SMEs to participate in national and overseas business fairs and exhibitions, and international delegations.

k. Consider to create A Facilitation Council – a quasi – judicial body to address the problems being faced by the local MSEs in marketing their quality products.

l. Setting – up a permanent Exhibition – cum – Convention Centre to exclusively display MSME products

17. Women: To facilitate creation of women enterprises in the State, the proposed initiatives include:

1. 5% additional investment subsidy limited to Rs. 5 lakhs (totalling to 20%)

2. Another 5% additional subsidy for SC/ST Women (totalling to 40%)

3. All other benefits as per the IIPP 2010-15

4. Reservation of 10% of land in the Industrial Estates/Park Women’s development by APIC

5. Encourage Exclusive industrial estates for Women Entrepreneurs

6. Organise special Entrepreneurship Development Programmes (EDPs) /Skill Development programmes exclusively for Women.

7. Constitution of special awards to Women Entrepreneurs.

Rajasthan State Schemes:

1. Incentives Available to MSMEs under Rajasthan Investment Promotion Scheme-2014

Launched - 8.10.2014

Effective up to 31.3.2019

Applicable for :-

1. New Enterprise

2. Existing Enterprise making investment for expansion

3. Sick industrial enterprise for its revival

Benefits provided to All Manufacturing and Service Enterprises:

| Manufacturing Enterprises | Service Enterprises |
|--|---|
| 30% investment subsidy on VAT & CST paid. | Reimbursement of 50% of VAT paid on purchase of Plant & Machinery or Equipment. |
| 20% employment generation subsidy of VAT & CST paid. | 50% exemption of electricity duty. |

| | |
|--|--|
| 50% exemption on electricity duty | 50% exemption on electricity duty |
| 50% exemption of Mandi fee All above- for 7 years | 50% exemption of Land Tax , All above- for 7 years |
| 50% exemption on stamp duty and conversion charges | 50% exemption on stamp duty and conversion charges |

Additional 10% for eligible Women, SC, ST and Persons with Disabilities.

•Benefits to enterprises in Most Backward and Backward Areas:-

Above benefits for enterprises located anywhere extended to ten years (except for interest subsidy).

| Most Backward Areas | Backward Areas |
|---|---|
| Manufacturing Enterprise- Additional investment subsidy of 20% of VAT & CST paid for 7 years. | Manufacturing Enterprise- Period of benefits, Except for interest Subsidy, extended from 7 years to 10 years. |
| Service Enterprise- Additional 20% reimbursement of VAT paid on the plant & | For service enterprise- additional 10% reimbursement of VAT paid for seven years |
| Machinery or equipment for 7 years | |

Special benefits for MSME sector: In addition to the benefits given to manufacturing enterprises, 75% exemption from electricity duty for Micro & Small enterprises in rural areas, Reduced CST of 1% for 10 years, 50% exemption from payment of entry tax on raw and processing materials and packaging materials excluding fuel.

Rajasthan MSME Assistance Scheme, 2015

Eligibility: All Micro, Small and Medium Enterprise, which fulfil the eligibility conditions as provided in The Rajasthan MSME Policy, 2015 shall be eligible for benefits of this scheme.

Assistance: The following assistance / benefits shall be made available under the scheme:

A. Credit Access & Support (Under clause 11(5) & (6) of the Rajasthan MSME Policy 2015):

1. For those MSEs seeking collateral free loan from financial institutions under credit guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) the one-time service processing fees charged by NSIC/State Agency/ Financial institutions for documentation and submission to the financial institution shall be reimbursed on sanction of loan, subject to a maximum of 0.5% of the loan amount or Rs.25,000 /- whichever is less.

2. For women, SC/ST and Specially- abled entrepreneurs, the service processing fees charged (as mentioned at clause 11(2) under the Rajasthan MSME Policy-

2015), shall be reimbursed on sanction of loan, subject to a maximum amount of Rs. 50,000/-

3. MSMEs those are seeking credit from financial institutions shall be provided with required information as well as help in documentation. Rajasthan Financial Corporation (RFC), a State Government undertaking, shall provide credit to MSMEs on easier terms under its loan schemes.

4. Entrepreneurs (up to the age of 45 years) can avail up to a maximum of ₹ 5 crore as credit to start their businesses up. For credit of ₹ 90 lakh, a 6% interest rate is available under the Yuva Udyamita Protsahan Yojna of RFC.

5. Interest subsidies shall be provided to unemployed youth/ women// educated and unemployed women/SC/ST/Specially-abled People for setting up new micro enterprises under the Bhamashah Employment Generation Scheme of 2015.

6. In addition to availing credit from commercial banks, other financial institutions and RFC, SMEs can also avail credit under the on-going financing schemes of RIICO.

B. Marketing Support to MSMEs

(1) Organization of Fairs, Expositions, B&S meets:- With a view to create more business opportunities for MSMEs and to establish linkages between vendors and anchor units marketing events for MSMEs like Buyer-Seller Meets, trade fairs & expositions, etc. would be organized. Assistance would also be provided under on-going schemes for setting up stalls and participation in such events within the State as well as in national and international events.

(2) Vendor Development of MSEs:- In order to equip SMEs to cater to the requirements of the PSUs, activities would be taken up under the vendor development programme for a direct interface and linkages between the PSUs and the vendors. In addition, consortia of MSEs would be encouraged through NSIC / RSIC in order to enable MSEs to meet the requirements of large order Procurements through package bidding.

(3) Purchase Preference for MSEs :- The State Govt. will provide the following facilities for purchase of stores/ services by its various departments, PSUs and autonomous bodies from MSMEs, registered/ having Entrepreneur Memorandum with the Industries Department:-

(a) Concessions in Tender Forms etc. for Micro and Small Enterprises (MSEs):-

a. Tender form shall be made available at 50% of the prescribed cost.

b. Earnest money shall be deposited at 0.5% of the estimated value of purchases/services.

c. Security deposit will be 1% of the value of the purchases/ services.

(b) Purchase preference to MSMEs of the State in accordance with the provisions stated in the Procurement of Stores (Preference to Micro, Small & Medium Enterprises of Rajasthan) Rules, 2015, as notified by the State

Government.

(4) Marketing Support to Handicrafts :- With a view to provide sustainable market access to artisans for sale of their products, artisans / artisan bodies will be effectively linked with organizations / institutions / agencies that are engaged in marketing and access to e-commerce platforms will be encouraged. In addition, State level crafts bazaar would be organized round the year and would include an annual mega event.

C. Support to Small & Medium Enterprises (SMEs) for Raising Capital :(under clause 12 of the Rajasthan MSME Policy - 2015)

One-time assistance on raising funds through SMEs Exchange for SMEs to the extent of 10% of the expenditure incurred, subject to a maximum of Rs.2.5 lacs, after successful raising equity.

D. Support for Start- Up Business and Budding Entrepreneur's : (clause 13(1) & (2) of the Rajasthan MSME Policy - 2015)

1. To assist start- up ventures and budding entrepreneurs plug and play facilities will be encouraged to be set, especially in the sectors of IT, Garment- making, Electronics and ESDM so that the new entrants in these fields may have access to easy entry and exit facilities for immediate starting their business venture.

2. RIICO /RSIC would develop flatted factory complexes, including plug and plug facilities, for MSMEs, with 24 hour 3 phase uninterrupted power supply and enabling infrastructure. In such complexes, allotment shall be only to non-polluting enterprises. These shall be developed on no-profit no-loss basis. For this purpose, the state Govt. shall provide 10% subsidy to RIICO/RSIC towards its capital cost.

3. Rapid Incubation Centres would be established in each District of the State for encouraging unemployed youth and other entrepreneurs for setting up new micro and small enterprises. This would include entrepreneur business skill development, identification of appropriate technology, hands-on experience on the working projects, projects/product selection and opportunity guidance, facilitation on fund management through Banks, interaction with project suppliers for machine technology supply, how to set up an enterprise and facilitation for project report preparation.

4. With a view to provide access to young entrepreneurs to new and emerging technology a 3-D and robotics Laboratory would be set up, for which the State Government will provide Rs. 5 crore.

E. Support for quality Improvement :(under cause 15(1-a & b), 2& (3) of the Rajasthan MSME Policy-2015)

1. Reimbursement of 50% of all charges, up to a maximum amount of Rs.3.00 lacs, paid by the MSME for obtaining ISI/BIS/WHO-GMP/Hallmark Certification and other national/international certification approved by Quality Council of India.

2. Reimbursement of 50% of the fee paid by the MSME to Recognized International Certification Authority and 50% cost of the testing equipment and machinery required for that certification, subject to a maximum amount of Rs.5 Lacs.

Note: (a) The cost for certification will include:

- Fees charged by certification agency (excluding travel, hotel & surveillance charges)
- Cost of testing equipment as required for certifications.
- Calibration charges of equipment.

(b) Not eligible:

- If any certification referred above is required as part of statutory provision.
- Testing equipment purchased after the issuance of Quality certificate shall not be eligible for assistance.
- Expenditure incurred for renewal of certificate.

(c) This assistance will be supplementary to such scheme of Government of India (GOI). However, in no case total assistance from GOI and the State Government would Exceed 75% of the total eligible cost incurred by MSME for said purpose.

3. To encourage MSMEs / Handicraft / Handloom enterprises to attain international quality benchmark, the State Govt. will endeavour to get regional offices/ branches of national laboratories like CLIR, CITRI, etc. established in the State. The state Govt. will provide land at 50% of the DLC rate and also provide part of the capital cost for setting up such laboratories/institutions.

4. Research & Development or Testing Laboratory set up by MSME Association will be given land at 50% of the DLC rate (or RIICO rate, in case of RIICO Industrial Area) and having obtained accreditation from a competent national level Accreditation Board / Authority, shall be provided assistance to the extent of 50% of the capital cost, subject to a maximum of Rs.2Cr.

F. Support for Environment Conservation:(under cause 16(1) & (2) of the Rajasthan MSME Policy-2015)

- i. RIICO will provide land at 50% of the prevailing rate(in case of RIICO industrial area) and the State government shall provide 50% of the Capital cost for establishment of Common Effluent Treatment Plant (CETP) by Industry Association/ SPV in industrial areas /clusters in the state subject to following conditions:

- (a) The capital cost will include the total project cost, i.e. of land, plant and machinery, onsite laboratory, conveyance system, recirculation system, disposal system etc. that are part of the integral project.
- (b) The State assistance of 50% of the total project cost shall be subject to a ceiling of Rs.20 Crore in projects without ZLD and Rs.40 Crore for projects with ZLD. The State Government funding shall also be restricted to Rs.1.5 crore MLD for a CETP project without ZLD.
- (c) The State Government shall not have any liability towards time and cost over runs.
- (d) In case assistance is availed under any scheme of Government of India, the State Government assistance shall be restricted to the amount provided for the state share under the said scheme.
- (e) Operational/ running/ maintenance cost of such plants and facilities will be borne by such MSME associations.

ii.50% of the capital cost (max. Rs.25 lacs) incurred by the Small and Medium Enterprises for establishment of Effluent Treatment Plant, provided that the enterprise establishing the ETP uses 80% of the recycled water.

Authority to Grant assistance under the scheme:

There shall be 2 levels of committee for sanction of assistance under the scheme as follows:

- I. State Level Committee
- II. District Level Committee

G. The Rajasthan Sick Micro and Small Enterprises (Revival and Rehabilitation) Scheme, 2015:

Micro and Small manufacturing enterprises play an important role in the economy of the State. However factors like financial constraints, poor management, lack of professionalism and marketing limitations make this sector more prone to sickness both from the point of economic growth as well as employment generation. There is a need to formulate a comprehensive package for revival of viable and potentially viable sick micro and small enterprises so that the assets created could be put to productive use as well as employment.

Operative period: This scheme shall come into effect from the date of issuance of this order and shall remain in force up to 31st March 2019.

Fiscal Incentives to Sick Micro and Small enterprises: An eligible sick Micro and Small enterprise for its revival shall be granted benefits and incentives as given below:

- 1. Any incentives, if sanctioned earlier, under any scheme of Government of Rajasthan shall continue for the unexpired eligibility period.

2. All benefits other than exemption from payment of Stamp Duty as provided to a sick enterprise under RIPS-2014, if eligible.

3. 100% exemption from payment of stamp duty on transfer of eligible sick enterprise to new management.

H. Awards to Best Performing Enterprises:

- i. **Rajasthan Udyog Ratna Awards** will be given to the MSMEs for growth in production, exports, quality, technological innovations and best practices for environment, water and energy conservation.
- ii. **State Handloom and Handicraft Awards** will be given to the enterprises and outstanding artisans / craftsmen in the Handloom and Handicraft sector.

I. Infrastructure Development and Land for Industry: The State Government will establish land bank for industrial purpose by identifying suitable Government / private land. Land available for industry at different locations in the State shall be made available online.

i. RIICO (Rajasthan State Industrial Development and Investment Corporation) Industrial Area:

- (1) RIICO allots plots for industry in the industrial areas developed by it.
- (2) In the new industrial areas to be developed by RIICO, 30% plots will be reserved for Micro, Small and Medium Enterprises (MSMEs).
- (3) The concessions in land price to different categories will be as provided for in the RIICO Disposal of Land Rules, 1979.
- (4) Financing for purchase of a fresh plot in RIICO industrial area can be availed under RIICO's Scheme for Financing of Industrial Land.

ii. Private Sector Industrial Parks

- (1) The State Government will encourage private sector investment for setting up industrial parks and clusters.
- (2) Conversion of land for private sector industrial parks / estates shall be in accordance with the provisions of the Rajasthan Land Revenue (Conversion of Agriculture land for Non-Agriculture Purposes in Rural Areas) Rules 2007 and Rajasthan Urban Areas (Permission for Use of Agriculture land for Non Agricultural Purpose and Allotment) Rules, 2012, as applicable.

iii. Land by Individual Units

- (1) Other than allotment / purchase of land as per A. and B. above, allotment of Government land in rural areas, set apart for industry, can be applied for under the provisions of the Rajasthan Land Revenue (Industrial Areas Allotment) Rules, 1959. The application will be disposed off within a period of 60 days.
- (2) For setting up an enterprise, 50% exemption on stamp duty and 50% exemption of land conversion charges is available under RIPS-2014.

(3) Application for conversion of the agriculture land for industry can be made in accordance with the provisions of the Rajasthan Land Revenue (Conversion of Agriculture land for Non-Agriculture Purposes in Rural Areas) Rules 2007 / Rajasthan Urban Areas (Permission for Use of Agriculture land for Non Agricultural Purpose and Allotment) Rules, 2012, as applicable, and the same will be disposed off within the time period of 60/45 days, as applicable.

(iv) The following concessions / exemptions are available for conversion of land for industry in rural areas:

(a) No conversion order required for :-

- Up to 2500 square metres land for micro and small industries
- Up to use of 5% agriculture land for agri-business
- If entire land, and any building thereon, is used for I.T. (subject to payment of conversion charges)

(b) No conversion charges for “green” industries, as declared such by order of Rajasthan State Pollution Control Board.

(v) Conversion of agriculture land falling within 1 km. periphery of any industrial area developed by RIICO would attract peripheral charges as prescribed by RICCO from time to time.

(vi) Conversion order, as applicable, will be issued within 15 days of full deposit of the required charges.

J. Equipment Finance Scheme (EFS):

RIICO provides Equipment Finance to Established Units for Purchase/ Acquisition of Machinery/ Equipment maximum up to 4 Crores. In which the Promoter's Contribution is a minimum of 22.5% and the Security Margin is 25%. The Rate of Interest is the Prevailing rate at the time of sectioning of the amount and the rebate is provided if the repayment of the amount is on track, the rebate is 2% on the documented rate of interest wef from 2009. Any Industrial unit having good financials and good repayment record are eligible for the above scheme, other requirements are:

1. The industrial Unit seeking finance must be in active operations from last 4 years.
2. This unit must have earned profits and distributed dividends on Shares in preceding last 2 years.
3. Not in a default of repaying its debts from any Financial Institutions /Banks.

K. Scheme for Young / First Stage Entrepreneurs: Rajasthan State Industrial Development & Investment Corporation Limited (RIICO) in 2012 has introduced a New Loan Facility for the Young and First Stage Entrepreneurs of Rajasthan for Setting up any Project except a Real Estate Project. Under this Scheme RIICO is providing Maximum Term Loan of Rs. 10 Cr.

Purpose of the Loan : For Setting up a NEW
Project Loan Limit : 10 Cr.

Promoter's Contribution : 20% of the project Cost

Margin : 20%

Interest rate : As Prevailing at the time of Sanction, Normally it is in Between 13-15 % PA

Rebate on Timely Payment of Interest and Principal : RIICO Provides Interest rate rebate normally up to 2% if the Borrower repays the amount regularly and punctually

L. Development of MSME Clusters

(1) The State Govt. shall encourage cluster development approach as an effective strategy for the development of MSMEs. It is cost-effective, inclusive, and sustainable and enables competitiveness.

(2) The basic aim of the strategy and approach would be addressing critical infrastructure gaps, and optimizing local resources with the objective of creating production centres constituting the critical mass to become production or service hubs so as to ensure economy of scales for overall benefit. Sectors namely handicrafts, handloom and khadi, gems and jewellery, agro- based/ food processing, leather and leather products, textiles and apparels, stone, ceramics and glass, pottery, light engineering and auto components, ESDM, IT, ITeS etc. shall be taken up on priority for development in clusters, especially for the development of artisans, craftsmen, weavers and micro enterprises.

(3) Interventions based on identified missing links, nature and level of required support in the field of infrastructure, capacity building of human resources, market development assistance, technology adoption and product diversification shall be taken up for the implementation of cluster development projects.

(4) In addition to State schemes, the State Government will provide all necessary support and contribution for maximizing the benefits of the Cluster Development Schemes for MSME of the Central Government.

Gujarat State Schemes:

Incentives: Initiatives by Government of Gujarat

Units will be eligible for various incentives as mentioned below for various purposes as indicated.

1. Interest Subsidy to Service Enterprise:

- Enterprise which has obtained first disbursement during the operative period of the scheme will eligible for the assistance.
- Interest Subsidy will be reimbursed after payment to the Bank/Institution
- New MSME Service Sector having investment in machinery and equipments more than Rs.5 lakhs as listed in annexure -1 of the GR will be eligible for

Interest subsidy @ 5% of term loan for Machinery & Equipment with Maximum limit of Rs.25 lakhs per annum, for period of 5 years.

- 1% additional interest subsidy, if enterprise is set up with required equity contribution for the project @100% by youth/s having age less than 35 years as on the date of sanction of the term loan.
- 1% additional interest subsidy, if enterprise is set up by with required equity contribution for the project @100% by SC/ST/Physically Challenged and Woman Entrepreneurs.
- Maximum quantum of interest subsidy shall not exceed 7%.
- The assistance will be available to enterprise set up anywhere in the State with permission from appropriate local authority.

2. Venture Capital Assistance: To promote Venture Capital Funding for MSMEs, for projects, adopting innovative technologies such as Technical Textiles, Nano Technology, Information Technology, Bio-Technology etc., the Government would provide funds to FIs/Banks who have the necessary expertise in operating Venture Capital Funds. The maximum amount to be given to any such funds would be Rs.10 Crores during the operative period of the scheme. Detailed guidelines for operationalizing the schemes would be issued separately.

3. Quality Certification: The enterprises would be eligible for assistance under the each scheme mentioned as under collectively or individually.

a. ERP System:- 50% of capital cost for installing ERP system of approved ERP services provided by Industries Commissionerate subject to a maximum amount of Rs. 50,000/-.

b. ISO Certification: 50% assistance for Consulting fees charges of obtaining ISO certification maximum amount of Rs.50,000/- .

c. National and International certification:- 50% of all charges up to a maximum amount of Rs.5 lakhs paid for the WHO GMP, Hallmark Certification and others national and international certification.

50% of cost of testing equipment and machinery required and purchased before of quality certification totalling up to maximum amount of Rs.10 lakhs enchased up to the date of certification or operative period whichever is earlier.

50% of fees payable to recognized international certification authority.

This scheme is supplementary to such scheme of GoI. However, in no case total assistance from Government of Gujrat and GoI should exceed more than actual expenditure incurred by MSME for said purpose.

4. Technology Acquisition Fund: Grant at the rate of 50% of cost of technology acquisition, including royalty payments for first two years, subject to maximum of

Rs.50 lacs technology.(Assistance will not be available for the purchase of plant & machinery or equipment.)

- 5. Assistance for Industrial Infrastructure:** Under the scheme, assistance will be considered up-to 60% of project cost or Rs. 25 Crores per project whichever less. The Committee may sanction the assistance upto 80% of the project cost by considering the special circumstances within overall ceiling of Rs.25 crores.

Committee may sanction upto 100% assistance to the projects of Govt. Departments Govt. Agency or Authority, State and Central Govt. PSUs, Board.

The Committee may consider undertaking specific studies for specific industries/industrial area/industrial development activities through professional institution/ reputed consultancy firm under the scheme and expenditure for such study will be incurred under this scheme.

In case there is no stakeholder for the development of the infrastructure of the industrial area/estate, Industries commissioner may appoint agency to undertake study on requirement of critical infrastructure and put up to Implementation committee for sanction of project and to appoint agency to execute the work.

If the assistance availed is less than 80% of project cost under any scheme of Govt. of India, the balance assistance up to 80% of total project cost will be provided under this Scheme.

- 6. Support to R&D Institutions:** Assistance to R&D institutions / laboratories set up with State Government or Government of India including setting up of new R&D institutions /laboratories shall be provided as per requirement.

Assistance to laboratories established by Industries Association with the help of Government will be up to 60% of the project cost for machinery and equipment cost.

Assistance for Contract/Sponsored research work from any industrial enterprise/Industrial association to recognized R&D institution / technical colleges approved by AICTE, will be considered @ 50% of project cost, excluding cost of land and building, subject to maximum Rs. 50 Lacs.

- 7. Patent Assistance:** Assistance of up to 75% of expenditure incurred for obtaining patents, subject to maximum of Rs. 25 lakhs within the operative period of the scheme.

8. Energy and Water Conservation

- 75% cost of energy/water audit conducted in a unit by a recognized institution/consultant subject to a limit of Rs. 50,000.

- 25% of cost of equipment subject to maximum Rs. 20 lakhs per project. Only one time assistance will be eligible during the operative period of the scheme

9. Support for Vendor Development

- Support for vendor development on the line of PPP model where in parent unit is to contribute minimum 5% for prototype/new product development besides technical support and commitment for procurement guarantee for 3 years.
- Vendor unit will be eligible for interest subsidy as per the present scheme.
- Parent unit will be supported to develop industrial parks with assistance @ 20% of infrastructure cost excluding land cost subject to maximum Rs.1 Crore.
- New or existing Medium / large unit can be considered as parent unit to support development of minimum ten vendor units for a new product/ prototype development for eligibility.

10. Rehabilitation of Sick Units

- Reimbursement @50% of cost of Draft Rehabilitation Scheme as assistance subject to maximum of Rs.1 lakh.
- Subsidy @ 50% on cost of diagnostic study by technical institution initiated through FI/Bank/Govt. -maximum Rs.1 lakh.
- Registered Experts in the field of technology, marketing and finance may be engaged to advise sick units. 50% fees (maximum Rs. 1 lakh per unit) will be reimbursed on implementing suggestions given by such registered expert.
- Interest subsidy @ 5% per annum limited to Rs.10 lakhs per year for three years on additional finance for rehabilitation, disbursed by Bank/FI.
- One Time Settlement (OTS) on a graded scale for Government dues as well as dues towards Government/Corporations/ Boards for which a separate Government Resolution (GR) will be introduced.
- Other unit taking over a sick unit for rehabilitation will be eligible for assistance as above.

11. Awards to Best MSMEs:

Separate awards will be given for Micro, Small and Medium Enterprise Category

Award will be given in each of following three category

- Growth in Production & Profit
- Quality and Environment Improvement Measures
- Innovation in Technology for New Product or Process Development

Award of Rs.2 lakh, Trophy and Appreciation Letter to each winner

Awards to Best MSEs Entrepreneur in the following category one to each

Women Entrepreneur

Young Entrepreneur (first generation Entrepreneurs below 35 years age)

SC Entrepreneur

ST Entrepreneur

Award of Rs.2 lakh, Trophy and Appreciation Letter to each winner

Awards to Best MSMEs Entrepreneur at regional level one each in five region:

North Gujarat Region: (Districts: Ahmedabad, Gandhinagar, Mehsana, Patan, Banaskantha, Sabarkantha and Aravalli.

Central Gujarat Region: (Districts: Kheda, Anand, Mahisagar, Panchmahal ,Dahod, Vadodara, Chhota Udaipur)

South Gujarat Region: (Districts: Bharuch, Narmada, Surat, Tapi, Navsari, Valsad, Dangs)

Saurashtra Region: (Districts: Rajkot, Morbi, Surendranagar, Jamanagar, Devbhumi Dwarka, Porbandar, Junagadh, Somnath-Gir, Amreli, Bhavnagar, Botad)
Kachchh Region

12. Schemes for Assistance Labour Intensive Industries (Subsidy Schemes under Industries Commissionerate, Government of Gujarat) :

Assistance will be eligible to New enterprise as well as to existing enterprise for one time expansion.

Payroll assistance will be provided at 1200 per person & additional 300 per women employment. In case of expansion this payroll assistance will be provided only for additional domicile employees.

In case of expansion, the payroll assistance will not be eligible for reemployed person/s who had been relieved by the enterprise within one year period before commencement of production of expansion.

Interest Subsidy : 7% maximum up to 1 crore per annum for period of 5years.

VAT related incentives: Only 70% of eligible fixed capital investment of eligible unit will be considered for reimbursement. The eligible unit shall be entitled for reimbursement up to 1/5th of eligible limit in a particular year.

To know more details please visit For more details please visit the website:
http://ic.gujarat.gov.in/?page_id=3935.

13. Assistance for reimbursement of CGTMSE fees for Micro and Small enterprises (Subsidy Schemes under Industries Commissionerate, Government of Gujarat)

:Assistance as reimbursement at 100% annual service fees paid to Bank / Financial institution for collateral free term loan under CGTMSE, for the period of five year.

To know more details please visit http://ic.gujarat.gov.in/?page_id=3776

14. Scheme for Assistance to Start Ups/Innovation:

Assistance available:

A. Assistance for Innovation:

Institution will support to the innovator by providing mentor services.

Institution will allow the innovator to use facilities available in the institution for start ups.

Rs. 10000/- per month will be provided to the innovator as sustenance allowance for one year whose project is recommended by institution as approved by Committee.

Up to Rs. 5 Lakhs assistance will be provided to the institution for mentoring service.

Up to Rs. 10.00 Lakhs assistance will be provided for Cost of Raw Material/Components & other related equipment required for the innovative process for the new product development based on approval of the committee.

Govt. will support selected innovator to get free access to University/Libraries/Govt. Laboratories/SDCs(GIDC)/CoE/PSUs to have more clarity on his innovative ideas/concept.

B. Assistance once the Idea/Concept get commercialized.

Marketing/publicity assistance of up to Rs. 10.00 lakhs will be provided for the introduction of innovated product in the market.

- Project of Innovated Product will be assisted in getting Venture Capital.
- VAT Related Incentive
 - The eligible unit shall pay the net VAT payable under the provisions of the Gujarat VAT Act, 2003 in the Government treasury.
 - The eligible unit will be allowed reimbursement to the extent of 80% of the net VAT paid excluding the following: (a) Additional Tax, and (b) Reduction of ITC as per the provisions of the G VAT Act, 2003. It is clarified that the amount paid on account of additional tax and the reduction of ITC as per the provisions of the G VAT Act, 2003 shall not be reimbursed.
 - Only 70% of eligible fixed capital investment of eligible unit will be considered for reimbursement.
 - The reimbursement will be available for a period of five years from the date of production or the completion of limit of 70% whichever is earlier.
 - The eligible unit shall be entitled for reimbursement up to 1/5th of eligible limit in a particular year.
 - Restrictions will be made to ensure that the amount reimbursed is not again claimed by the subsequent dealers by way of tax credit for interstate sales, branch transfer, consignment and export.
 - The eligible unit shall manufacture the goods in its own unit for which it is eligible for incentives.
 - The eligible unit shall not transfer its business during the incentive period, nor assign its rights and responsibilities to any other agency.
 - The eligible unit shall remain in production during the incentive period.
 - The scheme shall be reviewed under the GST regime, but the total of assistance shall not exceed that available under this scheme.

C. The project will be eligible for other benefits available under MSME schemes

21.Assistance of Capital Investment Subsidy, Interest Subsidy to MSMEs for manufacturing Industries

Scheme by MSME (State Government)

Ref. No. GJEPC / MSME / SCHEMES / 008 (Amt. in Rs.)

| Scheme Name | Detail / Eligibility | Micro | Small | Medium | |
|--|----------------------|--|--|---|--|
| Scheme for financial assistance by way of Capital Subsidy and Credit linked Interest Subsidy to Micro, Small and Medium Enterprises | Eligibility | 1) Units carrying out expansion or diversification by existing enterprise with investment in fixed capital more than 50% of its existing gross fixed capital investment as on date of initiation of expansion/diversification. However, such investment should be minimum 60% only in plant and machinery. | | | |
| | | 2) Modernization of existing unit with investment in plant -machinery and equipment by more than 25% of its existing gross fixed capital investment by way of adopting new technology/ production process and/or improving quality of products | | | |
| | | 3) Old & second hand machinery will not be eligible for assistance | | | |
| | Assistance | 21.a. Capital Investment subsidy (Manufacturing) | | 21.b. Interest subsidy (Manufacturing) | |
| | | ▪ Eligible on loan amount disbursed by Bank/financial Institution (Except NBFC) | | ▪ Enterprise which has obtained first disbursement during the operative period | |
| | | ▪ The subsidy will be in form of reimbursement | | | |
| | | Municipal Corporation Areas | ▪ 10 % of term loan amount - Max. 15,00,000 /- | Municipal Corporation Areas | ▪ 5 % on outstanding term loan amount / Max. 25,00,000/- per annum / Max 5 Years |
| | | Out of Municipal Corporation Areas | ▪ 15 % of term loan amount - Max. 25,00,000 /- | Out of Municipal Corporation Areas | ▪ 7 % on outstanding term loan amount / Max. 30,00,000/- per annum / Max 5 Years |
| | | | | ▪ 1% additional for youths aged less than 35 years with required equity contribution for the project @ 100% by them | |
| | | | | | |

| | | |
|--|------------------------------|---|
| | | <ul style="list-style-type: none"> ▪ 1% additional for SC/ST/Physically Challenged and Woman Entrepreneurs with required equity contribution for the project @ 100% by them ▪ Max. rate of interest subsidy should not exceed 7% for Municipal Corporation areas and 9% for other areas |
| | Detailed conditions & Scheme | http://ic.gujarat.gov.in/?page_id=3776 |
| | Application Form | http://ic.gujarat.gov.in/wp-content/uploads/2015/12/ApplicationForm-01.pdf |
| | Checklist | http://ic.gujarat.gov.in/pdf/Checklist_01.pdf |

| 22. Marketing Assistance | | | | | | | |
|--|---------------------------|---|--------|---------|------------------|--------|--------|
| Scheme by MSME (State Government) | | | | | | | |
| Ref. No. GJEPC / MSME / SCHEMES / 016 (Amt. in Rs.) | | | | | | | |
| Scheme Name | Detail / Eligibility | General Category | | | Special Category | | |
| | | Mic ro | Sma ll | Medi um | Mic ro | Sma ll | Medium |
| Participation in Exhibitions through Industries associations / Federation / Chambers . | State Level Exhibition | 60 % of rent paid or 5,00,000/- total expense of all units, whichever is less | | | | | |
| | National Level | 60 % of rent paid or 7,00,000/- total expense of all units, whichever is less | | | | | |
| | International Level | 60 % of rent paid or 10,00,000/- total expense of all units, whichever is less | | | | | |
| | Application to be made to | District Industries Center (DIC) | | | | | |
| | Detailed scheme | http://ic.gujarat.gov.in/wp-content/uploads/2015/03/GFC-102014-923625-P.pdf | | | | | |

23. Marketing Assistance

Scheme by MSME (State Government)

Ref. No. GJEPC
/ MSME /
SCHEMES / 002
(Amt. in Rs.)

| Scheme Name | Detail / Eligibility | General Category | | | Special Category | | |
|--|--|--|--------|---------|------------------|--------|--------|
| | | Mic ro | Sma ll | Mediu m | Mic ro | Sma ll | Medium |
| Participation in International Exhibitions / Trade Fairs held in Foreign Countries | Space rent / Cost of product literature / display material | <ul style="list-style-type: none"> Assistance @60% for rent of stall or space cost of product literature and display material subject to maximum Rs. 4 lakhs. However, assistance for product literature and display material cost shall not exceed Rs.50,000/- per participation Enterprise will be entitled for maximum three times during operative period of the scheme. The assistance would be in the form of reimbursement Assistance will only be available for participation in exhibition approved by the Committee. | | | | | |
| | Max. Assistance | 4,00,000/- | | | | | |
| | Application to be made to | District Industries Center (DIC) | | | | | |
| | Detailed scheme | http://ic.gujarat.gov.in/wp-content/uploads/2015/03/GFC-102014-923625-P.pdf | | | | | |
| | Application Form | http://ic.gujarat.gov.in/wp-content/uploads/2015/05/Application_form_for_new_Scheme.pdf | | | | | |
| | Instructions | http://ic.gujarat.gov.in/wp-content/uploads/2015/10/Instructions.pdf | | | | | |
| | Checklist for documents | http://ic.gujarat.gov.in/wp-content/uploads/2015/05/Check_list_for_new_fina_l_scheme.pdf | | | | | |

| 24. Assistance for Technology Upgradation / Acquisition | | | | |
|--|--------------------------------------|---|---|---------------|
| Scheme by MSME (State Government) | | | Ref. No. GJEPC / MSME / SCHEMES / 007 (Amt. in Rs.) | |
| Scheme Name | Detail / Eligibility criteria | Micro | Small | Medium |
| Scheme for Technology Acquisition | Eligibility | A new enterprise with new technology / existing enterprise eligible for new product or for improvement of production process | | |
| | Assistance | Grant at the rate of 50% of cost of technology acquisition, including royalty payments for first two years | | |
| | Max. Assistance Limit | 50,00,000/- | | |
| | Application Form & Check List | As per Annexure - 1 (Click Here) As per Annexure - 2 (Click Here) | | |
| | Apply to | Industries Commissioner - Gandhinagar (Refer Scheme) | | |
| | Detailed scheme | http://ic.gujarat.gov.in/?page_id=3848 | | |
| | Remark | Assistance will not available for the purchase of plant & machinery or equipments | | |
| | Procedure | 1) Prior approval from IC after signing MOU with technology provider 2) Apply to IC in given format with documents mentioned in check list | | |

| 25. Scheme by MSME (State Government) | | | | Ref. No. GJEPC / MSME / SCHEMES / 011 (Amt. in Rs.) |
|--|--------------------------------------|--------------|--------------|---|
| Scheme Name | Detail / Eligibility criteria | Micro | Small | Medium |
| Scheme for assistance in | Eligibility | Yes | Yes | No |

| | | | | |
|--|---|--|--|--|
| Rent to MSEs for Shed and Plot developed By Private Developer (Assistance in Rent to MSEs) | | 1) New Micro & Small Enterprise registered as an industrial unit under MSME Development act, 2006 with respective DIC as manufacturing enterprise and obtained term loan from the financial institution. | | |
| | | 2) New enterprise shall have to commence commercial production during the operative period of the scheme. | | |
| | Assistance | Municipal Corporation Areas or Area under Urban Development Authority | Out of Municipal Corporation Areas or out of Area under Urban Development Authority | |
| | | 50% of rent paid or 50,000/- per year whichever is less | 50% of rent paid or 25,000/- per year whichever is less | |
| | | Assistance available Max. for 3 years | | |
| | Detailed conditions & Scheme | http://ic.gujarat.gov.in/?page_id=3916 | | |
| | Application Form | http://ic.gujarat.gov.in/wp-content/uploads/2015/12/ApplicationForm-01.pdf | | |
| Checklist | http://ic.gujarat.gov.in/pdf/Checklist_01.pdf | | | |

26. Scheme for assistance to GIDC for the development of MSEs Industrial Estate:

The assistance up to 50% of allotment price fixed by SLEC will be given directly to GIDC. GIDC will subsequently pass on such concession/assistance to MSEs

27. Assistance to SME for raising Capital through SME exchange: 20 % of expenditure incurred on rising of fund through SME maximum up to Rupees five lakhs one time after successful rising of equity as per approved scheme by SME during the operative period of the scheme.

Telangana State Schemes

INDUSTRIAL INCENTIVES

The Telangana State Government will consider providing incentives to the entrepreneurs in the following areas under its T-IDEA (Telangana State Industrial Development and Entrepreneur Advancement) incentive scheme:

- Stamp duty reimbursement
- Land cost rebate
- Land conversion cost
- Power cost reimbursement
- Investment subsidy
- VAT reimbursement
- Interest subsidy
- Seed capital for 1st generation entrepreneur
- Training and skill development cost reimbursement
- Quality/patent support
- Clean production measures
- Reimbursement of infrastructure development costs

INCENTIVES for MSME Sector by GOVERNMENT OF TELANGANA

Micro and Small Enterprises (MSE's)

- **Small Enterprise** means a Unit having the investment on plant and machinery between Rs.25 lakhs to Rs.5 crores
- **Micro Enterprise** means a Unit in which Investment on plant and machinery is less than Rs.25 lakhs .
- 100% reimbursement of Stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use.
- 100% reimbursement of Stamp duty for Lease of Land/Shed/ Buildings and also mortgages and hypothecations.
- 25% rebate in land cost limited to Rs.10.00 Lakhs in Industrial Estates/ Industrial Parks.
- 25% Land conversion charges for industrial use limited to Rs.10.0 lakhs.
- Fixed power cost reimbursement @ Rs. 1.00 per unit for 5 years from the date of commencement of commercial production.
- 15% investment subsidy on fixed capital investment subject to a maximum of Rs.20.00 lakhs.

- Reimbursement of 100% net VAT/CST or State Goods and Services Tax (SGST) for a period of 5 years from the date of commencement of commercial production.
- Interest subsidy under PavalaVaddi Scheme on the term loan taken on the fixed capital investment by New Micro and Small Enterprises in excess of 3% per annum subject to a maximum reimbursement of 9% per annum for a period of 5 years from the date of commencement of commercial production.
- Seed capital assistance to First Generation Entrepreneurs to set-up Micro Enterprises @10% of the Machinery cost, which will be deducted from the eligible investment subsidy.
- 50% Reimbursement of cost involved in skill upgradation and training the local manpower limited to Rs.2000 per person.
- 50% subsidy on the expenses incurred for quality certification/ patent registration limited to Rs. 2.00 Lakhs.
- 25% subsidy on specific cleaner production measures limited to Rs.5.00 Lakhs.
- To extend investment subsidy to the identified service activities related to industries setup in all Municipal Corporation limits in the state as per the list appended as Annexure - I.

Medium Enterprises

- Medium Enterprise means an industry/Units in which Investment on plant and machinery between Rs.5 and Rs.10 crores.
- 100% reimbursement of Stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use.
- 100% reimbursement of Stamp duty for Lease of Land/Shed/Buildings and also mortgages and hypothecations.
- 25% rebate in land cost limited to Rs.10.00 Lakhs in Industrial Estates/Industrial Parks.
- 25% Land conversion charges for industrial use limited to Rs.10.0 lakhs only for **Medium Enterprises**.
- Fixed power cost reimbursement @ Rs.1.00 per unit for a period of 5 years from the date of commencement of commercial production.
- Reimbursement of 75% net VAT/CST or State Goods and Services Tax (SGST) for a period of 7 years from the date of commencement of commercial production for Medium Scale Enterprises or up to realization of 100% fixed capital investment, whichever is earlier.
- 50% Reimbursement of cost involved in skill upgradation and training the local manpower limited to Rs.2000 per person.
- 50% subsidy on the expenses incurred for quality certification/ patent registration limited to Rs. 2.00 Lakhs only for **Medium Enterprises**.
- 25% subsidy on specific cleaner production measures limited to Rs.5.00 Lakhs.

- **Infrastructure** like roads, power and water will be provided at door step of the industry for standalone units by contributing 50% of the cost of infrastructure from IIDF with a ceiling of Rs.1.00 Crore, subject to
- A) the location should be beyond 10 kms from the existing Industrial Estates/IDA's having vacant land/shed for allotment and
- B) cost of the infrastructure limited to 15% of the eligible fixed capital investment made in the industry.

Women owned Enterprises(Units established as sole Proprietries or invariably having 100% share in Partnership/Private Limited Companies) Additional 10% investment subsidy on fixed capital investment subject to a maximum of Rs.10.00 lakhs to MSE's.

Other benefits (to all categories)

10% of water is reserved for industrial use from the existing projects as well as future projects.

TAMIL NADU STATE SCHEME

1. Credit:

| | |
|---|--|
| Name of Scheme | GENERATOR SUBSIDY SCHEME |
| Central / State Government / Other | State Govt. |
| Name of Ministry/ Dept. | MSME Dept, Government of Tamilnadu |
| Abstract | Subsidy on purchase of Generator for New & Existing Entrepreneur |
| Who is Eligible | New / Existing Entrepreneurs |
| Government Assistance | 25 % subsidy on Generator cost, subject to max 5 lakhs |
| Beneficiary Contribution | 75 % of the project cost |
| How to Apply (Guidelines & Application) | http://www.tiic.org/incentives.html |
| Whom to Contact | 1. Tamil Nadu Industrial Investment Corporation Ltd (TIIC), 2. GM, DIC / RJD, Chennai |

| | |
|------------------------------------|---|
| Name of Scheme | NEW ENTREPRENEUR CUM ENTERPRISE DEVELOPMENT SCHEME (NEEDS) |
| Central / State Government / Other | State Govt. |

| | |
|---|---|
| Name of Ministry/ Dept. | MSME Dept / Department of Industries and Commerce, Government of Tamilnadu |
| Abstract | Loan with subsidy on the Project Cost for First Generation Entrepreneurs seeking loan assistance exceeding Rs.5.00 lakhs and upto Rs.1.00 Crore on Project Cost. (Manufacturing and service enterprise |
| Who is Eligible | New Entrepreneurs |
| Government Assistance | 25 % subsidy & 3% Interest subvention for the term loan component |
| Beneficiary Contribution | 10% for General Category & 5% for Special Categories such as women, BC, MBC, SC,ST, PH, Ex-servicemen, Transgender. |
| How to Apply (Guidelines & Application) | Through concerned DIC / RJD, Chennai whose contact address available at www.indcom.tn.gov.in http://www.indcom.tn.gov.in/needsscheme/NEEDS_write_up.Pdf |
| Whom to Contact | 1. GM, District Industries Center (DIC), Govt. of TN, 2. RJD of Industries & Commerce, 3. Entrepreneur Development Institute, Govt. of TN, 4. MSME - DI, Chennai & its branches |

| | |
|---|--|
| Name of Scheme | UNEMPLOYED YOUTH EMPLOYMENT GENERATION PROGRAMME (UYEGP) |
| Central / State Government / Other | State Govt |
| Name of Ministry/ Dept. | MSME Dept / Department of Industries and Commerce, Government of Tamilnadu |
| Abstract | Loan for <ul style="list-style-type: none"> • Business -1 lakh • Service - 3 lakhs • Manufacturing - 5 lakhs |
| Who is Eligible | New Entrepreneurs |
| Government Assistance | 15 % subsidy |
| Beneficiary Contribution | 10% for General Category & 5% for Special Categories such as women, BC, MBC, SC,ST, PH, Ex-servicemen, Transgender. |
| How to Apply (Guidelines & Application) | Through concerned DIC / RJD, Chennai whose contact address available at www.indcom.tn.gov.in http:// dictiruppur.com/uyegp/guidelines.pdf |

| | |
|---|--|
| Name of Scheme | SINGLE WINDOW SCHEME |
| Central / State Government / Other | State Govt. |
| Name of Ministry/ Dept. | MSME Dept, Government of Tamilnadu |
| Abstract | Collateral Security free for Creation of Fixed Asset & Working Capital for Existing Entrepreneur |
| Who is Eligible | Existing Entrepreneurs |
| Government Assistance | 65% Credit & Project cost up to Rs. 2.00 Cr |
| Beneficiary Contribution | 35 % |
| How to Apply (Guidelines & Application) | http://www.tiic.org/single_window.html |
| Whom to Contact | 1. Tamil Nadu Industrial Investment Corporation Ltd (TIIC), 2. GM, DIC / RJD, Chennai |

| | |
|-----------------|--|
| Whom to Contact | 1. GM, District Industries Center (DIC), Govt. of TN, 2. RJD of Industries & Commerce, Chennai 3. Entrepreneur Development Institute, Govt. of TN, 4. MSME - DI, Chennai & its branches |
|-----------------|--|

| | |
|---|---|
| Name of Scheme | GENERAL TERM LOAN SCHEME |
| Central / State Government / Other | State Govt |
| Name of Ministry/ Dept. | MSME Dept / Department of Industries and Commerce, Government of Tamilnadu |
| Abstract | Collateral Security free Loans for Term Loan for New Entrepreneur and Existing Entrepreneur |
| Who is Eligible | New / Existing Entrepreneurs |
| Government Assistance | 50-75% Credit |
| Beneficiary Contribution | 25 - 35 % |
| How to Apply (Guidelines & Application) | http://www.tiic.org/general_scheme.html |
| Whom to Contact | 1. Tamil Nadu Industrial Investment Corporation Ltd (TIIC), 2. GM, DIC / RJD, Chennai |

| | |
|---|--|
| Name of Scheme | MICRO / SMALL ENTERPRISES FUNDING SCHEME |
| Central / State Government / Other | State Govt. |
| Name of Ministry/ Dept. | MSME Dept, Government of Tamilnadu |
| Abstract | Collateral free loan for Creation of Fixed Asset & Working Capital for New & Existing Entrepreneur |
| Who is Eligible | New / Existing Entrepreneurs |
| Government Assistance | 75- 80% Credit & Project cost up to Rs. 50 Lakhs |
| Beneficiary Contribution | 20 % - 25% of the project cost |
| How to Apply (Guidelines & Application) | http://www.tiic.org/micro_funding.html |
| Whom to Contact | 1. Tamil Nadu Industrial Investment Corporation Ltd (TIIC), 2. GM, DIC / RJD, Chennai |

| | |
|---|--|
| Name of Scheme | CAPITAL SUBIDY SCHEME |
| Central / State Government / Other | State Govt. |
| Name of Ministry/ Dept. | MSME Dept, Government of Tamilnadu |
| Abstract | Subsidy on purchase of plant & machinery cost for New & Existing Entrepreneur |
| Who is Eligible | New / Existing Entrepreneurs |
| Government Assistance | 25 % subsidy on the cost of the plant & machinery , Subjected to max 30 lakh |
| Beneficiary Contribution | 75 % of the project cost |
| How to Apply (Guidelines & Application) | http://www.tiic.org/incentives.html |
| Whom to Contact | 1. Tamil Nadu Industrial Investment Corporation Ltd (TIIC), 2. GM, DIC / RJD, Chennai |

2.Technology Upgradation

| | |
|----------------|---|
| Name of Scheme | BACK ENDED INTEREST SUBSIDY TO MICRO AND SMALL ENTERPRISES |
|----------------|---|

| | |
|---|---|
| Central / State Government / Other | State Govt. |
| Name of Ministry/ Dept. | Directorate of Industries and Commerce, Govt. of Tamil Nadu |
| Abstract | 3% Back ended interest subsidy to MSEs for the term loan obtained for Technology Upgradation and modernization, National Equity Fund Scheme of SIDBI, NSIC-SIDCO Consortuim, ISO certification, taking up R & D resulting in Patent Registration and protection of IPR registration |
| Who is Eligible | Existing Entrepreneurs |
| Government Assistance | Quarterly reimbursements to the financial institutions for a maximum period of 5years and max. subsidy payable per loan is Rs. 15lakh. |
| Beneficiary Contribution | Nil |
| How to Apply (Guidelines & Application) | http://www.indcom.tn.gov.in/incentives.htm |
| Whom to Contact | 1. Directorate of Industries and Commerce, Govt of TN. |

| | |
|------------------------------------|--|
| Name of Scheme | TECHNOLOGY DEVELOPMENT SCHEME |
| Central / State Government / Other | State Govt. |
| Name of Ministry/ Dept. | MSME Dept / Department of Industries and Commerce, Government of Tamilnadu |
| Abstract | (i) Patent filing assistance. (ii) Trade Mark Registration incentive. (iii) Incentive for establishment of Industrial clusters and mini tool rooms. (iv) Creation of a Technology Development Fund. (v) Assistance for creation of Centers of Excellence and Technology Business Incubators. |

| | |
|---|---|
| Who is Eligible | New /Existing Entrepreneurs, Institutes |
| Government Assistance | (i) 50% subsidy on the cost of filing a patent application subject to a maximum of Rs.2 Lakhs per application. (ii) 50% of the cost of the application for trade mark registration or Rs.25,000/- whichever is less. (iii) Establishment of Industrial clusters and mini tool rooms under the Public Private Partnership mode by providing 25% of the total project cost subject to a maximum of Rs.1 Crore as assistance. (iv) Creation of a Technology Development Fund for evolving cleaner / energy efficient / IT enabled technologies. (v) Assistance for creation of Centres of Excellence and Technology Business Incubators for introduction of new production techniques and design development to the tune of Rs.50 Lakhs per incubator / centre of excellence |
| Beneficiary Contribution | As applicable |
| How to Apply (Guidelines & Application) | Through concerned DIC / RJD, Chennai whose contact address available at www.indcom.tn.gov.in |
| Whom to Contact | 1. GM, District Industries Center (DIC), Govt. of TN, 2. RJD of Industries & Commerce, Chennai |

3. Marketing

| Name of Scheme | Marketing Assistance |
|---|--|
| Central / State Government / Other | State Govt |
| Name of Ministry/ Dept. | MSME Dept / Department of Industries and Commerce, Government of Tamilnadu |
| Abstract | EMD Exemption for MSE units participating in tender, Granting hall rent for participation in exhibitions |
| Who is Eligible | Industrial Association |
| Government Assistance | Granting 50% of hall rent for participation in exhibitions within the State and also in other States by MSME Associations |
| Beneficiary Contribution | Not applicable |
| How to Apply (Guidelines & Application) | Through concerned DIC / RJD, Chennai whose contact address available at www.indcom.tn.gov.in |
| Whom to Contact | 1. GM, District Industries Center (DIC), Govt. of TN, |

1. Subsidy schemes for micro manufacturing enterprises

- 25% Capital Subsidy on the value of eligible plant and machinery.
- 20% low tension power tariff subsidy for the first 36 months from the date of commencement of commercial production or from the date of power connection, whichever is later.
- Stamp duty exemption on mortgaged and pledged documents.

2. Subsidy schemes for Industrially Backward Blocks and Agro Based Enterprises

Micro, Small and Medium Manufacturing Enterprises established in 251 industrially backward blocks, all industrial estates promoted by the Government and Government Agencies like SIPCOT, SIDCO, etc., (excluding Industrial Estates located within a radius of 50 Kms from Chennai city centre) and agro based enterprises set up in all the 385 Blocks in the State are eligible for the following package of incentives:

- 25% capital subsidy on the value of eligible plant and machinery subject to a maximum of Rs.30 lakh.
- 5% additional employment intensive subsidy on the value of eligible plant and machinery for providing employment to 25 workers for 3 years within the first 5 years from the date of commencement of commercial production, subject to a maximum of Rs.5 lakh.
- 5% additional capital subsidy on the value of eligible plant and Machinery for enterprises set up by women, SC/ST, differently abled and transgender entrepreneurs subject to a maximum of Rs.2 lakh.
- 25% additional capital subsidy on the value of eligible plant and machinery installed to promote cleaner and environment friendly technologies subject to a maximum of Rs.3 lakh, if certified by the Tamil Nadu Pollution Control Board.
- 20% low tension power tariff subsidy for the first 36 months from the date of commencement of commercial production or from the date of power connection whichever is later.

3. Special Capital Subsidy for Thrust Sector Enterprises: A Special Capital Subsidy of 25% on the eligible plant and machinery subject to a maximum of Rs.30 lakh is extended to 13 thrust sector enterprises setup anywhere in the State viz., Electrical and Electronic Industry, Leather and Leather goods, Auto parts and components, Drugs and Pharmaceuticals, Solar Energy Equipment, Gold and Diamond Jewellery for exports, Pollution Control equipments, Sports Goods and Accessories, Cost effective

building materials, Readymade Garments, Food Processing, Plastic and Rubber Industries.

4. Generator Subsidy: The Micro, Small and Medium manufacturing enterprises anywhere in the State, which purchase Generator sets up to 320 KVA capacity are eligible for a Generator Subsidy at 25% of the cost of the generator set, subject to a maximum of Rs.5 lakh.

5. Back-ended Interest Subsidy: Back-ended interest subsidy at the rate of 3%, subject to a maximum of Rs.10.00 lakh for a period of 5 years is being provided to Micro, Small and Medium Manufacturing Enterprises for term loans up to Rs.1 crore obtained for Technology up-gradation / modernization and Credit Guarantee Fund Trust Scheme (CGFTS).

Madhyapradesh State Schemes

Madhya Pradesh Government's Initiatives For MSMEs

Fiscal assistance to MSME under IPP 2014:

- Fiscal assistance under this policy deals with incentives/concessions available only to manufacturing sector. Separate incentives/ concessions shall be applicable for units in service sectors as per prevalent policy of the concerned department.
- It may be noted that if there are two policies which provide similar incentives/concessions, then the investor is eligible for claiming the incentives/concessions from only one policy.
- Any MSME which has availed the incentives under the "MukhyamantriSwarojgarYojana" or "MukhyamantriYuvaudyamiYojana" shall not be eligible to avail the similar incentives under the industrial promotion policy. The remaining incentives can be availed from the industrial promotion policy as per the eligibility.
- However, if a manufacturing unit wishes to avail financial assistance from Govt. of India over and above its eligibility under this Policy, it may do so subject to the condition that it may not be subsidized to more than what it has invested.

1. **Capital Subsidy:** Subsidy on plant & machinery only to eligible units will be given as below :

| Sr.No | Type of Unit | Percentage of Subsidy | Maximum amount of subsidy (INR lakhs) |
|-------|------------------------------------|-----------------------|---------------------------------------|
| 1 | Micro& Small scale industrial unit | 15 | Subject to a ceiling of INR 15 lakh |

2. **Interest Subsidy:** Eligible units will get interest subsidy on term loan as given below:

| Type of Units | Interest subsidy |
|------------------------------|--|
| Micro scale industrial unit | 5% with annual ceiling of INR 3 lakh for 7 years |
| Small scale industrial unit | 5% with annual ceiling of INR 4 lakh for 7 years |
| Medium scale industrial unit | 5% with annual ceiling of INR 5 lakh for 7 years |

3. **Entry Tax Exemption:** Exemption from entry tax shall be as follows:

| Sr.No | Type of unit | Entry tax exemption |
|-------|--|--|
| 1 | Micro, Small, Medium, Large & Mega scale industrial unit | <ul style="list-style-type: none"> • Five years for an investment made upto INR 500 crore in plant & machinery • Seven years for an investment more than INR 500 crore made in plant & machinery |

4. **VAT & CST Assistance:** Eligible enterprises (except textile units) will be given reimbursement after adjusting the input tax rebate on the amount of value added tax (VAT) and central sales tax (CST) (excluding the amount of value added tax on purchase of raw materials) deposited by them to the extent shown below:

| Sr. No | Type of unit | Eligibility under “*Priority block” | Eligibility for all other remaining districts |
|--------|--|-------------------------------------|---|
| 1 | Micro and small manufacturing enterprises having fixed capital investment of at least INR 1 crore and Medium scale industrial unit | 50% for a period of 7 years | 50% for a period of 5 years |

*Priority block : Blocks having no large/mega scale industrial unit as on policy notification date . The amount of assistance provided to the units shall not exceed the total investment made in plant and machinery.

5. **Electricity Duty Exemption:** All eligible units having High Tension (HT) connection by any DISCOM in the state by 3rd March 2019 shall be exempted from electricity duty provided that they fulfil the terms and conditions brought over vide notification no. F-3-23-2013-XIII published in Gazette of Madhya Pradesh (extraordinary) on 4th March 2014.

| Sr.No | Type of unit | Period of exemption |
|-------|-----------------|--|
| 1 | Micro, Small, | <ul style="list-style-type: none"> For 33 KV connection : Upto a period of 5 years |
| 2 | Medium, Large & | <ul style="list-style-type: none"> For 132 KV connection : Upto a period of 7 years |

6. MukhyaMantriYuvaSwarozgarYojna Scheme:

“MukhyaMantriYuvaSwarozgarYojna Scheme for Madhya Pradesh” available from 1 April 2015.

Objective of this scheme: The objective of this scheme is to promote entrepreneurship in MP without submitting collateral security. It can be a boost for young business persons who were before not able to start a business due to lack of funds.

The main features of this scheme can be summarized below:

- State government will provide 20% of the project cost as Margin Money. The government will provide INR 10,000 on one shot basis for project cost up to INR 50,000.
- Up to INR 75,000 interest amount will be paid by state government for the investment of INR 50,000 to 25,00,000.
- Entrepreneurs don't have to submit collateral security if their accounts are covered under **CREDIT GUARANTEE FUND TRUST FOR MICRO AND SMALL ENTERPRISES (CGFTMSE)**.
- Banks have to sanction loans in one month if the applicants come under this scheme. The priority will be given to ITI/Diploma/Engineering holders and persons belonging to SC/ST/OBC groups under this scheme. The age limit to get benefited under this scheme is 18 to 40 years.

This scheme is a right step in the direction of promoting MSMEs and entrepreneurship and it can be made a success only if the government implements at his top priority.

Please visit the website: http://www.mpindustry.gov.in/MYUY_Scheme.pdf for details on MukhyaMantriYuva Udyami Yojana.

| | | |
|-------------------------------------|------------------------------------|--|
| MukhyaMantriYuvaUdyamiYojana | Department of MSME, Madhya Pradesh | This scheme is applicable to projects between 10 lakh to 1 crore. The scheme not only provides margin money assistance to beneficiaries but also Interest & CGT fee subvention |
|-------------------------------------|------------------------------------|--|

Please visit the website : http://www.mpindustry.gov.in/MSY_Scheme.pdf for details on MukhyaMantriSwarojgar Yojana.

| | | |
|-------------------------------------|------------------------------------|--|
| MukhyaMantriSwarojgar Yojana | Department of MSME, Madhya Pradesh | This scheme is applicable to projects between 20000 to 10 lakh. The scheme not only provides margin money assistance to beneficiaries but also Interest & CGT fee subvention |
|-------------------------------------|------------------------------------|--|

For more information and to apply for this scheme visit at http://www.mprojgar.org/Advertisement_Forms/Frm_UtilityforPDF_N.aspx

Recent Initiatives for Startups/Entrepreneurs in Madhya Pradesh:

1. Area: Startup Policy

Parameter: Notifying a startup policy

Details: MP Incubation and Startup Policy 2016' has Been notified on 01/10/2016. (http://mpmsme.gov.in/mpmsmecms/Admin/fileman/Uploads/Documents/Startup_MP%20Incubation%20&%20Startup%20Policy%202016.pdf)

2. Area: Simplification and Handholding

a.Parameter: a. Ease of registration as a Startup

Details: • MP Incubation &Startup Policy 2016' has been formulated with the clear mission to align itself with the 'Startup India' flagship initiative of the Government of India. (<http://www.startupindia.gov.in/registration.php>)

b.Parameter: Ease of recognition as a Startup

Details: • Therefore in order to simplify and unified the process of registration & recognition as Startup, a Startup can get it registered and recognized as 'Startup' which shall also be considered under the purview of 'MP Incubation &Startup Policy 2016'

c. Parameter: Ease of compliances under various laws

Details: • MP Incubation &Startup Policy 2016 has provisioned to offer incentives in addition to the incentives provided by Govt. of India. Therefore Startups shall be allowed to self-certify compliance with labour and environment laws as provisioned in 'Startup India Action Plan'

(http://mpmsme.gov.in/mpmsmecms/Admin/fileman/Uploads/Documents/Startup_StartupIndia_ActionPlan_16January2016.pdf)

d. Parameter: Facilitation for setting up of incubators

Details: • For facilitation to setup Incubators & Startups, a dedicated 'Startup-Incubator'

cell has been established in 'Directorate of Industries', Bhopal. (http://mpmsme.gov.in/mpmsmecms/Admin/fileman/Uploads/Documents/Startup_DO%20letter%20for%20Nodal%20officer.pdf)

e. Parameter: Dedicated Startup Cell/ Helpline

Details: Nodal Officer: Shri Manoj Jain (<http://mpmsme.gov.in/website/startup>)

f. Parameter: Dedicated Portal/Mobile Application

Details: Address: Room no-514, 5th Floor, Directorate of Industries, Vindhyachal Bhavan, Bhopal

Email: manojjain.mp@mp.gov.in, ic-mp@nic.in

Dedicated Helpline no: 0755-2677988

• As one stop information portal for Startups/Incubators to understand all initiatives/programs is available on Department of MSME,

Govt. of MP website. (<http://mpmsme.gov.in/website/startup>)

3. Area: Funding support

Parameter: Initiatives to increase access to funds for Startups and formulating a credit guarantee scheme

Details:

AccessFund: (http://mpmsme.gov.in/mpmsmecms/Admin/fileman/Uploads/Documents/Startup_MPVCF%20GO.pdf)

• Govt. of MP has established Madhya Pradesh MSME Fund with mandate to manage venture capital fund in the state of Madhya Pradesh. With the Initial target size of 100 Cr fund, this MP MSME fund shall be investing in the equity of startups, SMEs with emerging potential.

(http://mpmsme.gov.in/mpmsmecms/Admin/fileman/Uploads/Documents/Startup_Budget%20provision%20MPVCF%20FY15-16.pdf)

• In this regards in FY 15-16, Govt. of MP has made budget provision of INR 20 Cr.

• GoMP has also mandated to establish a dedicated company 'MP Venture Finance Limited' to provide access to venture capital funds to startups in MP. Which has also

been given In-principle approval from SEBI.
(http://mpmsme.gov.in/mpmsmecms/Admin/fileman/Uploads/Documents/Startup_Sebi%20In%20principal%20approval.pdf)

Credit Guarantee Scheme: • Objective: To provide credit guarantee facility through banks and provision of Interest subsidy etc. to support young business startups/entrepreneurs in MP.

- MukhyamantriYuvaUdhamiYojana: Recently on 09/06/2016, Dept. of MSME, GoMP has increased the interest subsidy limit for women entrepreneurs at 6% for 7 years within this scheme.

(http://mpmsme.gov.in/mpmsmecms/Admin/fileman/Uploads/Documents/Startup_MYUY%20Amend.pdf)

- MukhyamantriSwarojgarYojana: In order further strengthen the fiscal support to entrepreneurs, on 29/08/2016 Dept. of MSME, GoMP has increased the min financial support limit.

Previous limit : from 20,000 to 10lakhs ,

Extendedlimit:from50,000to10lakhs

(http://mpmsme.gov.in/mpmsmecms/Admin/fileman/Uploads/Documents/Startup_MM%20Swarojgar%20Yojana%20corrigendum.pdf)

4. Area: Industry-Academia partnership

Parameter: Partnerships with Industry & Educational institutes to set up incubators and support for vocational training institutes

Details: Partnership with United Nations Development Programs (UNDP):
(http://mpmsme.gov.in/mpmsmecms/Admin/fileman/Uploads/Documents/Startup_UNDP%20GoMP%20Project%20report.pdf)

- Govt. of MP & United Nations Development Programs (UNDP) has signed a memorandum to cooperate in implementation of a program “Building an institutional structure to provide marketing support and capacity building for Entrepreneurs under the “MukhyamantriYuvaUdyamiYojna” in Madhya Pradesh through providing relevant, context specific training and hand-holding support to 5000 entrepreneurs to build their capabilities in relevant areas of entrepreneurship development.

Further this programme has been collaborated with IIM Indore to design and conduct focused training modules for entrepreneurs.

Leather Incubation Centre, Dewas:

- A dedicated incubator centre is being established in Dewas, MP which shall be equipped with the plug and play facilities, training and skill development programs. A sum of INR 90.20 Lakhs from Govt. of India while a sum of INR 44.80 Lakhs have been sanctioned for this project.

MP AKVN Incubation Centre, Indore:

- In order to provide Incubation facility to Micro, small and medium scale entrepreneurs, 35 seats on plug & play basis have been reserved for them in Crystal IT Park, Indore.

5. Area: Fest/Events

Parameter: Organizing Startup Fests/Events

Details :

- CII-YI Dream Startup Challenge 2016-17
(<http://mpmsme.gov.in/website/gallery?albumId=7>)
- MSME Convention 2016
(<http://mpmsme.gov.in/website/gallery?albumId=3>)
- SwarojgarSammelan 2016 Bhopal
(<http://mpmsme.gov.in/website/gallery?albumId=2>)

MP Incubation &Startup Policy 2016

A. Incentives to Incubators

Government shall facilitate setting up of Incubators in Government as well as Private sector. HostInstitute in quest of grants from state government to setup Incubators shall have to be registeredwith the nodal agency. The selection of Host Institution expressing intent to establish Incubatorsshall be decided by the State Level Implementation Committee.

Selected Host Institutes as Incubators shall be responsible to provide basic 'plug & play' facilities to startups such as:

- Work space with computer and Internet Broadband Connectivity
- Common business, administrative & incubation facilities
- Training & Mentoring (Technical, Financial, Marketing & Legal)

State support would be provided to Incubators for equipment & facilities for initial 3 years, extendable to further 2 years based on performance at the end of which Incubator is expected to be self-sufficient.

i. Capital Assistance

- Eligible Host Institutes shall be provided capital grant of max 50% for Fixed Cost Investment (Investment made in plant, machinery & equipment excluding Land & Building cost) for setting up Incubator, subject to max of INR 50 Lacs.
- The same limit shall be extended to existing Incubators for Capacity expansion subject to capacity utilization of the existing Incubator for 2 years.
- On 'Case to case basis' where the required Grant exceeds the above provisioned limit, the State Level Empowered Committee shall decide on the same.

ii. Operational Assistance: Eligible Incubators shall get the support for recurring expenses as Operational Assistance upto 50% of actual expenses to the limit of INR 5 Lacs per year.

iii. Stamp Duty & Registration: Eligible Incubators shall be provided 100% Stamp duty registration fee reimbursement on purchase/lease of land/Office space/IT Building on commencement of their operation. Startups running in the incubators need to be registered as company within 6 months before availing incentives.

iv. Mentoring Assistance: To promote mentorship to incubate startups from industry leaders (CXOs), academicians and professors of reputed national & international universities or institutes, Eligible incubators shall be provided mentoring assistance support on reimbursement basis upto a limit of INR 2 lacs per year for a period of 3 years.

v. Startup Competition Assistance: To promote innovation and mobilize students into entrepreneurship as a career option, Host Institutions/ Incubators shall be encouraged to organize annual startup competition challenges. Eligible institutes of national importance, state universities & central universities based in MP shall be supported by state government to organize startup competition fest in which state shall provide assistance upto a limit of INR 1 lacs per event.

vi. Interest Subsidy: Eligible startups shall be provided interest subsidy of 8% per annum for a period of 3 years on the rate of interest paid on loans obtained from scheduled banks/financial institutions subject to the maximum limit of INR 4 lacs per annum.

vii. Lease Rental Subsidy: Reimbursement of 25% of lease rental subsidy to startup units established in the state operating from Incubators/IT Parks/Industrial Clusters or any other notified location shall be eligible for a period of 3 years subject to the ceiling of INR 3 lacs per annum from the date of rent payment to Incubator.

viii. Patent/Quality Promotion Subsidy: Cost reimbursement for max 3 Patent/Quality certification per Unit up to a limit of INR 2 lacs for domestic & INR 5 Lacs for International Patent/Quality certification upon successfully receiving them. Within policy period of 5 years, 2 Patent/ Quality Certification in each domestic and international category shall be considered.

ix. Startup Marketing Assistance: One time Startup Marketing Assistance of Max INR 10 Lacs to eligible startups for their product/service launch in the market upon securing of min funding of 25% from a registered angel/venture funds/reputed incubators by startup.

x. Credential Development Assistance: In order to provide a platform to startups in public procurement by State government department, Corporations and State Agencies, the state government shall consider and evaluate the possibilities as to how startups would be encouraged in govt. procurements related to services & goods. The State Government shall consider this endeavour and come up with a separate policy.

UP State Schemes:

1. MARKETING SECTOR: To assist MSMEs in marketing sector for development, promotion and for better prospects of the products being manufactured, specially by micro and small industries/enterprises, the Govt. has provided institutional support in form of establishment of UPTPA (Uttar Pradesh Trade Promotion Authority) under Directorate of Industries, U.P and Export Promotion Bureau.

The UPTPA has been given the responsibility to arrange, participate and coordinate in seminars/trade fairs/exhibitions, nationally as well as internationally to provide small entrepreneur a platform for development and promotion of market prospects for their product. The UPTPA also provides **marketing assistance** under **Marketing Development Assistance Scheme** in which the entrepreneur are assisted to attend/participate in seminars /trade fairs all over the country by way of reimbursement of expenses incurred towards participation/stall charge, fair, etc.

Baba Saheb Dr.Bheem Rao Ambekar Small Industries State Award Yojna in 2009: To encourage the successful entrepreneur of MSME Sector, the Government has implemented **Baba Saheb Dr.Bheem Rao Ambekar Small Industries State Award Yojna in 2009** under which the entrepreneurs of Micro, Small & Medium enterprises are awarded with cash, testimonial, etc. separately on the basis of turn over, product specific, quality, research etc. A provision of Rs.12 lacs have been made for the financial year 2011-12 under the scheme.

Export Promotion Bureau (EPB): The **Export Promotion Bureau** was established by the Govt. of Uttar Pradesh in 1999 for promoting exports from the State of U.P.

Objective of the EPB: **1.** To take effective steps for Export Promotion in Coordination with all the Government Departments for the Exporters. **2.** It interacts with exporters on the one hand and Export Promotion Councils, Agencies, Export Associations, State & Central Government bodies on the other hand. **3.** The Bureau assists exporters in export procedure and coordinates for various facilities and assistance offered by the State & Central Agencies. The EPB provides marketing assistance specially to small entrepreneurs enabling them to enter into/enhance their market base in international market under **RapidExport Development Promotion Scheme and Subsidy on Freight Charges Scheme.**

The details of these schemes are as under:

A- Support for exporters at international level

a) Foreign Fairs/Exhibition:

Eligibility: MSME Exporter reg. with EPB & concern DIC, **Details:** 60% of Stall charges paid upto max. of Rs. 100000/- for one fair/exhibition. Air Fare 50% by economy class max. upto Rs. 50000/- per fair for one person.

b) Publicity advt., printing of catalogue & development of website

Eligibility: MSME Exporter reg. with EPB & concern DIC. **Details:** 60% of total cost of Expenditure maximum up to Rs. 60000/- annually.

c) Samples to foreign buyers

Eligibility: MSME Exporter reg. with EPB & concern DIC. **Details:** 75% of total expenses on air-freight courier for sending samples max. assistance up to Rs. 50000/- per year.

d) Facility for obtaining ISO 9001-2000/BIS 14000, Wool mark, Hall mark, HACCP & C-mark

Eligibility: MSME Exporter reg. with EPB & concern DIC. **Details:** 50% of total expenses max. upto Rs. 75000/- per year

B. Subsidy on freight charges upto gate way port.

Freight Rationalisation Scheme: Uttar Pradesh is located far away from the ports of India. Due to this geographical disadvantage, the exporters of Uttar Pradesh are at a comparative cost disadvantage to other exporters based in states close to the ports. To overcome this cost disadvantage faced by the MSME sector of the State, UP Government has started Freight Assistance Upto Gateway Port scheme for MSMEs to compensate them for additional cost of freight.

Under this Scheme, financial assistance @ 25% of the total inland Freight charges with maximum ceiling of 5000/- per TEU(20 feet container) is given for containers booked from ICD's/CFS located in U.P. Maximum assistance under the scheme is Rs.10 lakhs per unit per year. A total of 1492 MSME units have benefited from this State Government scheme in the last 7 years.

a) Export Cargo sent by ICD/CFS:

Eligibility & Details: SSI Exporter registered with EPB and concern DIC can take benefit of this scheme for exporting their products. 25% of freight charges maximum upto Rs. 5000/- per container (20ft) is admissible to exporting units to send their goods by State ICD/CFS to the gateway port. This amount is sanctioned by the district users committee chaired by D.M. of the concerned district.

b) Air Freight Subsidy Scheme (Export Cargo sent by Air Cargo Complex in U.P. (Amausi, Lucknow and Babatpur, Varanasi))

Eligibility & Details: MSME units/SSI Exporter/Merchant Exporter registered with EPB and concerned DIC can take benefit of this scheme for exporting their products. An MSME unit may avail a financial assistance up to Rs. 2 lakh on their Export Cargo sent by Air Cargo Complex in U.P. (Amausi, Lucknow and Babatpur, Varanasi). Benefit can be availed on 20% of freight charges on sending export cargo or Rs 50/- per kg, whichever is less.

C. Purchase Preference/Price Preference Policy

The Govt. has also adopted **Purchase Preference/Price Preference Policy** for developing and providing marketing support specially to micro and small enterprises of the state in govt. purchases of various materials/items being used in various offices of the govt.

i. Price Preference Policy

1. Price Preference @ 10% to MSEs of the state in comparison to MSEs of other states.
2. Price Preference @ 15% to MSEs of the state in comparison to Medium and Heavy enterprises of other states.
3. Price Preference @ 5% to MSEs of the state in comparison to Medium and Heavy enterprises / industries of states.
4. Price Preference @ 5% to Medium and Heavy enterprises / of the state in comparison to Medium and Heavy enterprises / industries of other states.

ii. Purchase Preference Policy: In any contract, units of state and other states participate and rates of other state unit are lowest, all the units of the state, whose rates are higher upto 10% of the lowest, shall also be notified along with unit of other state offered the lowest rate, provided they agree to supply on lowest rate. In any contract, units of state and other states participate and rates of state unit are lowest, all the units of the state, whose rates are higher upto 10% of the lowest shall be notified provided they agree to supply on lowest rate but no unit of other states shall be notified.

D. Shri Janeshwar Mishra State Export Award: Export awards are given to exporters in recognition of their outstanding achievement & export performance based on export turnover & growth achieved in 25 categories of items of export

E. Marketing Development Assistance Programme for Export Growth (MDA):

State Government offers assistance under MDA to the exporters from U.P under the following categories:

- Under the scheme, MSME units which are unable to market their products are given financial assistance for participation at National and International exhibitions. Assistance upto Rs 20, 000 once a year is given to bear the cost of stall charges and transporting their products to and fro from the place of exhibition. 50% financial assistance on stall charges and 50% on transport expenses, with maximum ceiling of Rs 15,000/- and Rs 5,000/- respectively are given. Assistance against expenditure incurred on participation in International trade fair & exhibitions up to the limit of Rs.1.5 lakh per fair during a financial year.
- Assistance against expenditure incurred on sending free trade samples to foreign buyers up to the limit of 75% of actual expenditure subject to a maximum of Rs.50000/- per year.
- Assistance against expenditure incurred on publicity & preparing website up to the limit of 60% of actual expenditure subject to a maximum of Rs.60000 per year.
- Assistance against expenditure incurred on obtaining Quality control certificate up to the limit of 50% of actual expenditure subject to a maximum of Rs.75000 per year.

F. Grievance Redressal System: UP State Government has established a **single window redressal system** for facilitating entrepreneurs at a single place i.e. District Industries Centres (DIC's) for resolving their problems providing approvals, sanctions, licenses required from different departments. As per orders of the Government Meetings at District Level "Udyog Bandhu and Divisional Level" Mandaliya Udyog Bandhu" are held every month.

Single Window System has been working effectively for grievance resolution of enterprises. Out of 68152 complaints that were received during the year 2013-14, 68149 grievances were disposed/resolved by the State Government.

G. Mahila Udayami Protsahan Yojna: Under this scheme, a subsidy on the interest of the loan, taken by women entrepreneurs, @ 5% subject to a maximum of Rs. 50,000/- per unit, per year, up to five years, is provided, so that the competitiveness of entrepreneurs may be improved. The scheme is aimed at minimizing regional imbalance, and ensuring greater participation of educated women, especially those who have passed the intermediate level exam, in the industrial sector with an objective to generate direct and indirect employment of women.

2. Infrastructure Sector: The State Govt. is committed to improve over all infrastructure and logistical facilities, so essential for driving industrial and economic growth. Special emphasis has been given to improve and maintain existing industrial estates/industrial areas.

In the state 80 number of industrial estates were developed by the government for setting up of the industrial units mainly by small entrepreneurs, the government is running a **scheme for strengthening and up gradation of infrastructural facilities** in its estates and a sum of Rs. 6.98 crore has been incurred towards improvement /maintenance of facilities such as roads, streets, water supply and drainage system

in existing industrial estates located in different cities/towns of the state from 2007-08 to Dec. 2010.

The govt. has also 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. In this regard, it has selected 22 clusters to provide infrastructural support and technological support under **Micro & Small Enterprises-Cluster Development Programme (MSE-CDP)** of MSME department of GOI. Out of 22 clusters, five are Common Facility Centre (hard intervention) at Varanasi (Glass beads), Bhadohi (Carpet), Khurja (Pottery), Gorakhpur (Leather), and Meerut (Scissors) for investment of Rs. 23 crores with state share of Rs. 6 crores and 17 soft intervention clusters at different areas/cities for investment of Rs. 1.25 crores.

Under **ASIDE scheme** for export infrastructure, all major export centres have been assisted under PPP mode.

The Govt. of U.P. is also providing attractive fiscal incentives to the MSME sector in form of granting interest free loans under **Nivesh Protsahan Yojna** against VAT payments & exemptions from stamp duty and electricity duty, speedy online clearances through '**Nivesh Mitra**' easy availability of developed industrial plots, healthy labour relation and crime-free and fear-free atmosphere. The sector has been offered various special incentives and concessions which are summarized here under:-

a. FISCAL INCENTIVES: Grant of Interest Free loan under **Nivesh Protsahan Yojna** for 10 years repayable after 7 years to new units and have made fixed capital investment of Rs.5.00 crore or more in Food Processing Sector, Rs.10.00 crore or more in Eastern U.P. and Bundelkhand and Rs.25.00 crores or more in other districts. Amount of loan shall not exceed 10% of turnover or sum of the trade tax/ vat and central sales tax paid by the units.

b. LAND RELATED INCENTIVES : Exemption from stamp duty on transfer of land as under:-

| Sr.No | Particulars | Eastern U.P. & Bundelkhand | Rest of the state |
|-------|--|----------------------------|-------------------|
| 1 | New Micro and Small units | 100% | 50% |
| 2 | Other new units | 50% | 50% |
| 3 | Agro Processing, Information Technology /Bio Technology & Specify Infrastructure Units | 100% | 100% |

- Reduction of stamp duty to rupees two per thousand on mortgage of title deeds, transfer of movable property, mortgage of property without possession, collateral security and bank guarantee (max. Rs.10,000/-).

c.OTHER INCENTIVES: Exemption from Electricity duty for 10 years to all new units.

3. TECHNOLOGY SECTOR : For development of competitiveness among the small scale industries under the changed scenario due to economic globalization and worldwide competition, the state Govt. has implemented **U.P. Micro and Small Industries Technology Up-gradation Scheme** in 2007 under which assistance is provided to micro and small enterprises for development and up gradation of technology as under :

- Amount incurred for purchase and import of technology @ 50% subject to a maximum of Rs 2.50 lacs .
- Amount incurred for purchase P/M for enhancement of capacity and quality improvement @ 50% subject to a maximum of Rs 2.00 lacs
- Interest subsidy. @ 50% subject to a maximum of Rs 0.50 lacs.
- Amount incurred for obtaining ISO/ISI certification @ 50% subject to a maximum of Rs 2.00 lacs
- Amount incurred for consultancy world wide competition@ 50% subject to a maximum of Rs 0.50 lacs .

For further information and details of the work done in UP please visit the link :

<http://dcmsme.gov.in/MSE-CDProg.htm>

Visit: <http://ssi.up.nic.in>

<http://udyogbandhu.com>

<http://udyogbandhu.com/topics.aspx?mid=State%20Government%20Support>

Delhi State Schemes

Delhi Financial Corporation

The **main objective** of the Corporation is financing of loans for establishing and running micro, small and medium scale industries service sector industries commercial/ transport sector in NCT of Delhi and UT of Chandigarh. DFC has been playing vital role in promotion and development of MSMEs and service sector. The Corporation extends financial assistance for Restaurants/ Hotels, Amusement parks & other tourism related activities, Construction of Commercial complexes/ multiplexes, Hospitals/ Nursing homes/ Clinics/ Diagnostic centers, commercial vehicles etc. as specified under SFC's Act, 1951 or any other activity approved by SIDBI/State Govt. The Corporation can extend financial assistance upto Rs.10.00 crore for companies & co-operative societies and Rs. 4.00 crore to proprietorship and partnership firm. However, the limit of assistance can be doubled with the prior approval of the Small Industrial Development Bank of India. It allows longer repayment period as compared to other financial institutions.

There are many loan schemes available by DFC. For details, may please check DFC website: <http://www.dfcdelhi.nic.in/schemesf.htm>

Delhi Financial Corporation Schemes at a Glance

| Sr.No | Schemes | Promoters Contribution (Min) | Maximum Quantum of Loan (Rs) | Maximum Cost of Project (Rs.) |
|-------|--|---|--|--|
| 1 | Short term working capital (STWC): for existing profit making SSI units to meet short term working capital requirements | 25% for loans up to Rs 10.00 Lakh 33.3 % for loans above Rs 10.00 Lakh | 500.00 Lakh in case of companies and co-operative societies otherwise 200.00 Lakh. | Not to exceed 12.00 Crore & share Capital & reserves not to exceed Rs 10.00 Crore. |
| 2 | Working capital term loan (WCTL): For existing profit making SSI units to meet need based working capital | -do- | -do- | -do- |
| 3 | Acquisition of ISO-9000 series certification: by existing profit making SSI units can be financed for costs of acquiring equipments & expenses towards consultancy/documentation etc. | 15 % of cost of project. The DER for the unit as a whole shall not be more than 2 : 1 | Need based | No ceiling |
| 4 | Marketing Support to Small Scale Inds., Cottage & Village Inds: a) For purchase of mobile sales vans (upto 6 vehicles) as per proposal supported by KVIC b) For setting up of Sales outlets | 25 % up to Rs10.00 Lakh 33.33 % above Rs 10.00 Lakh | Rs 3.00 Lakh per vehicle Rs16.75 Lakh | No ceiling 25 Lakh |
| 5 | Special Scheme for Loans to Schedule Castes/Tribes: Loan assistance is provided for acquisition of plant, machinery and equipments. Persons desiring to set up industries | No promoters contribution is required for loans upto Rs 1.00 lakh. However, loans | Rs.5.00 Lakh | Rs. 6.25 lakh |

| | | | | |
|---|---|--|--|--|
| | for production of domestic consumer products, industrial items, import substitution items, items for export/defence, workshops and service industries are normally eligible for loan assistance under the scheme. | above Rs 1.00 lakh require minimum promoters contribution of 25%. | | |
| 6 | Single Window Scheme: To meet need based term loan and working capital requirement. | 25 % up to loan of Rs 10.00 Lakh (DER 3:1) and 33.33 % loan above Rs 10.00 Lakh (DER 2:1) | Rs 133.34 Lakh | The total venture outlay i.e. aggregate cost of project (Excluding working capital margin) and total working capital requirement should not exceed Rs 200 Lakh |
| 7 | Technology Development & Modernization for SSI Units (STDM): To encourage existing industrial units in Small Scale Sector to modernize their production facilities and adopt improved and updated technology so as to strengthen their manufacturing facilities | 20% of cost of Project. The Debt Equity Ratio(DER) for the unit as a whole shall not be more than 2 : 1. | Rs 80.00 Lakh | The proposed project outlay should not exceed Rs 100.00 Lakh |
| 8 | Equipment Finance Scheme: To assist the existing SSI and service sector units for acquisition of machinery/equipment, both indigenous and imported. This would facilitate modernization / technology upgradation, expansion and diversification and quality Improvements or providing other facilities to an existing unit which is in operation for a | 33.33 % total subject to minimum 20% margin on proposed equipment cost (DER 2 : 1). | Rs 5.00 Crore for companies and societies & Rs 2.00 Crore for proprietorship and partnership firms. | Upto Rs 12.00 Crore where share capital and free reserves do not exceed Rs. 10.00 crore. |

| | | | | |
|----|---|---|---|------------------------|
| | period of at least 3 years and should have earned profits during 2 proceeding years | | | |
| 9 | Scheme for Business Loan under Relocation: For proposed expenditure like installation of power connection, reconditioning of existing machinery, shifting expenses, renovation of building, working capital, repayment of unsecured temporary loans taken for above purposes incurred up to one year before the date of application. | Minimum 20% DER 2:1 (Overall) | Maximum Rs. 25.00 Lakh and Minimum Rs.1.00 Lakh | Maximum Rs.10.00 Crore |
| 10 | General Scheme : Proprietorship, Partnership, Private & Public Ltd. Companies, Co-operative societies under Small Scale Industries, service sector activities and naturally growing small scale units to medium scale can avail the loan for acquisition of land, construction of building, plant and machinery, pre-operatives and other assets to following eligible units: a) New projects in tiny and small scale sectors for manufacturing, preservation or processing of goods. b) Existing projects in tiny and small scale sectors which have undertaken expansion / modernisation / technology upgradation / diversification & relocation of industrial units from non-conforming to conforming areas, etc. | 25% for loan up to Rs 10.00 Lakh (DER 3: 1) 33.33% for loan above Rs 10.00 Lakh (DER 2: 1) | Rs 5.00 Crore for companies and societies & Rs 2.00 Crore for proprietorship and partnership firms | |

| | | | |
|---|--|--|--|
| c) New and existing service sector enterprises like hospitals, nursing homes, clinics, restaurants, hotels, tourism related activities, DDA shops, commercial complexes, multiplexes, vocational educational institutions etc as per guidelines of SIDBI. | | | |
|---|--|--|--|

Government of NCT of Delhi office of the commissioner of Industries Udyog Sadan, 419 FIE Patparganj, Delhi- 110092

Financial Assistance to Women Entrepreneurs For Sale Employment:

Financial assistance of Rs.1.00 lac to Women Entrepreneurs in individual cases for Self employment to set up manufacturing unit :-

Applications are invited for subsidy and loan assistance to Women Entrepreneurs for self-employment in the age group of 18 to 45 years whose family income is below Rs. 48,000/- per annum and minimum education qualification of 8th class passed.

Financial Assistance up to Rs.1,00,000/- (Rupees One lakh Only) is available for setting up of manufacturing units in Delhi for the items/products permissible under Household Category as per locational parameters prescribed in Master plan Delhi 2021 (List of items is available on our website www.industries.delhigovt.nic.in and also with the application form). The assistance will carry the subsidy component of 15% to applicants belonging to General Category and 25% to under privileged classes (Like SC/ST/OBC/Handicapped/Window/Divorcee) subject to maximum of Rs. 15,000/- and the rest of the assistance will be in the form of loan with interest chargeable @ 9.5 per annum and in case of default in timely payment of installments, additional interest @2% per annum will be charged.

The interested Women Entrepreneurs may obtain prescribed application form free of cost from Reception Counter at the Ground Floor at Udyog Sada, 419 FIE Patparganj, Delhi- 110092 between 10.30 am to 4.30 pm on any working day. Application Form along with list of items is also available on Department's Website <http://www.industries.delhigovt.nic.in> and can be downloaded. Further, applicant is required to apply for seeking NOC from HIGH POWERED COMMITTEE through Municipal Corporation of Delhi (Factory Licensing Department) before submitting the duly completed application form for Financial Assistance to the Department along with all other supporting documents. The complete application along with the acknowledgement receipt of application having applied for NOC to the High Power Committee should be submitted to this office by 30/11/2007.

2.Pradhan Mantri Rojgar Yojna :

Objective :-Pradhan Mantri Rozgar Yojna (PMRY) for providing self-employment to educated unemployed youth of economically weaker sections has been in operation since October 2, 1993. The scheme aims at assisting the eligible youth in setting up self-employment ventures in industry service & business sectors. The scheme intends to cover urban and rural area.

Eligibility/Parameters:-

Age: i. 18 to 35 years for all educated unemployed. ii. 18 to 45 years for Scheduled Castes/Scheduled Tribes, Ex-servicemen, Physically Disabled and Women.

Educational Qualification: VIII Pass. Preference will be given to those who have been trained for any trade in Government recognized / approved institutions for duration of at least 6 months.

(a)Family Income : Neither the income of the beneficiary alongwith the spouse nor the income of parents of the beneficiaries shall exceed Rs. 1,00,000/- per annum.

(b)Residence: Permanent resident of the area of at least 3 years. (Relaxed for married men in Meghalaya and for married women in rest of the country. For married men in Meghalaya and for married women in rest of the country, the residency criteria applies to the spouse or in-laws).

(c) Defaulter:Should not be a defaulter to any Nationalized bank / financial institution/coop. bank. Further, a person already assisted under other subsidy linked Govt. schemes would not be eligible under this scheme.

(d)Activities Covered:All economically viable activities including agriculture and allied activities but excluding direct agricultural operations like raising Crop, purchase of manure etc. as per the permissible locational parameters prescribed in the Master Plan Delhi-2021.

(e) Project Cost:Rs. 2.00 lacs for business / service sector and Rs. 5.00 lacs for industry sector, loan to be of composite nature. If two or more eligible persons join together in a partnership, project upto Rs. 10.00 lacs are covered. Assistance shall be limited to individual admissibility.

3. Udyog Sadan :-The Department of Industries has a plan scheme to construct a composite office building named "Udyog Sadan" for providing requisite assistance to the entrepreneurs. The proposal is aimed to accommodate the offices of concerned authorities connected with Industrial Development under one roof as well as to save them from high market rents being paid against rented building. In this Udyog Sadan building, offices of the Commissioner of Industries, Delhi Financial Corporation (DFC), Delhi Khadi & Village Industries Board (DKVIB) and Delhi State Industrial Development Corporation (DSIDC) and exhibition halls etc. will be accommodated. The Department of Industries has a piece of land (Plot No.419) measuring 18,225/- sq.mtr. in Patparganj Industrial Estate, Delhi. The total cost of the project (Udyog Sadan Building) is anticipated to be about Rs.2000 lakhs which will be shared by all the beneficiaries/ concerned authorities in proportion to their space requirement. The work of construction has already been entrusted to DSIDC.

4. Delhi launches New Incubation Policy to encourage Entrepreneurship: In a bid to promote entrepreneurship among the youth when the whole country is working towards creating a cohesive entrepreneurial ecosystem, Delhi government launched the state's incubation policy and allocated Rs. 1.5 crore as seed capital to 6 higher education institutes under the scheme.

PUNJAB State Schemes

INCENTIVES FOR SMALL AND MEDIUM UNITS

1. VAT and CST incentive for Units with Fixed Capital Investment (FCI) from Rs.1.0 cr to Rs.10 cr:

- VAT and CST incentive shall be available to new Small & Medium Units, having FCI from Rs.1 cr to Rs.10 cr., which have obtained term loan from a Financial Institution/Bank, as shown in Table below. The quantum of incentive would be available on VAT and CST payable per annum.
- The incentive shall be available only to units setup in Industrial Focal Points, Industrial Estates and approved Industrial Parks.
- The incentive would be available for a maximum period of 7 years from the Date of Approval.
- This incentive shall commence only after the Date of Production.

Maximum Cumulative Quantum of Incentive for Eligible Period is as per Table below:

| Eligible Area | FCI Rs.1 cr to Rs.10 cr | Eligible Period from Date of Approval | Maximum cumulative quantum of incentive |
|---|-------------------------|---------------------------------------|---|
| Within approved Industrial Focal Points, Industrial Estates, Industrial Parks | 50% VAT + 75% CST | 7 years | 50% of FCI |

2. Electricity Duty Incentive:

- 100% exemption from payment of Electricity Duty on Power, including Captive Power consumed by the same unit or exported to PSPCL, shall be available to new units, as shown in

Table below with the proviso that any contributions made out of the Electricity Duty levied, such

as those deposited in the Social Security Fund, shall not be exempted.

- This incentive would be available for a maximum period of 7 years from the Date of

Approval.

- This incentive shall commence only after the Date of Production.
- Electricity Duty exemption is not available on Captive Power generated and sold.
- Maximum Cumulative Quantum of Incentive for Eligible Period is as per Table below:

| Eligible Area | FCI Rs.1 cr to Rs. 10cr | Eligible Period from Date of Approval | Maximum cumulative quantum of incentive |
|---|-------------------------|---------------------------------------|---|
| Within approved Industrial Focal Points, Industrial Estates, Industrial Parks | 100% of ED | 7 Years | 100% of FCI |

3. Stamp Duty Incentive:

- 100% exemption from payment of Stamp duty as levied in Schedule 1-A of Indian Stamp

Duty Act on purchase/lease of land is available from the date of submission of application with

Nodal Agency, with the proviso that any other charges such as Social Security Fund as levied in

schedule-1-B of the Act shall not be exempted.

- This exemption shall be available for real estate purchased/leased within a period of 3

years from Date of Approval.

- Refund of Stamp duty shall be allowed for all real estate which has been purchased/leased

up to 3 years prior to the date of submission of application form, by the same entity.

The refund,

however, will be given only after the Date of Production.

- The quantum of land shall be determined as per the project report appraised by the

Financial Institution/Bank.

- The incentive shall be available only to units setup in Industrial Focal Points, Industrial Estates and approved Industrial Parks.

4. Property Tax Incentive:

- 100% exemption from payment of Property Tax shall be available during the Eligible Period of 7 years from the Date of Approval.
- Projects whose real estate subsequently falls, on extension of limits, in Municipal Corporation, Municipal Council or Notified Area Committee, shall also remain exempt from payment of Property Tax during the balance Eligible Period of 7 years.
- This incentive shall commence only after the Date of Production.
- The incentive shall be available only to units setup in Industrial Focal Points, Industrial Estates and approved Industrial Parks.

5. Conditions:

- These incentives shall be applicable to new Small & Medium manufacturing Units with investment from Rs.1.0 cr to Rs.10 cr.
- The incentives under this Chapter shall be available only to units set up in Industrial Focal Points, Industrial Estates and approved Industrial Parks.
- These incentives shall be available only to Projects which have obtained term loan from a Financial Institution/Bank.

BIHAR STATE SCHEMES

Bihar Industrial Incentive Policy: Bihar Industrial Incentive Policy has been launched by Bihar Government to attract domestic and foreign investment as well as revival and expansion of business operations of the existing industrial units by providing the right industrial ambiance.

Objectives:

- To promote balanced industrial development and enable industries to contribute towards the social and economic development of the State.
- Creation of marketing potential for sales of the products of Small, Micro, Rural units, Handicrafts, Handloom, Khadi, Sericulture etc in order to ensure their development.
- Simplification and transparency in all kinds of allotments, grants and entrepreneurs related procedures and provision of online services as much as possible.

Eligibility:

- Any unit, new or existing, will be able to avail incentives under the Industrial Incentive Policy-2011.
- Unit should not be availing such incentives under any other Government Policy.

Incentives:

1. 100% exemption from Stamp Duty / Registration Fees on land purchased / leased out within area of Industrial Area / Outside the Industrial Area
2. 50% Incentive on cost of Project Report (maximum of 2 lacks). If the Project Report is for Carbon Credit the maximum Limit is 15 Lacs.
3. 50% incentive for Micro / Small units on investment in Land / Shed with maximum ceiling of 15 lacs
4. 25% incentive for Medium / Mega Unit / Large units on investment in land / Shed with maximum ceiling of 30 lacs
5. 30% on Technical Knowhow with maximum ceiling of 15 lacs
6. 50% of amount spent on plant & machinery in establishing Captive Power Plants, Gen Sets. No ceiling is fixed on this incentive.
7. 20% capital subsidy for new MSME units on amount spent on Plant & Machinery subject to maximum ceiling of 75 lacs.
8. 20% capital subsidy for new large units on amount spent on Plant & Machinery subject to maximum ceiling of 500 lacs.
9. 75% on expenditure incurred on obtaining Certificate of ISO or equivalent.
10. 80% Re-Imbursement of VAT deposited to the department for new MSME / Large industries for a period of 10 years with a ceiling of maximum of 300% of the capital invested. For new Brewery & Distilleries it is 25%.
11. New Industrial Units will get 100% exemption in luxury tax for 7 years
12. New Industrial Units will get 100% Re-Imbursement of electricity duty for 7 years
13. New Industrial Units will get 100% exemption in land conversion charges
14. Registered MSME units will require to pay only 1% CST on their produces

15. Entrepreneurs under SC / ST / Women / Handicapped categories will be given 5% additional grant/exemption/subsidy.
16. All above incentives are available in all type of industries except the units covered under the Negative List given in the Industrial Incentive Policy 2011.
17. On Food Processing Industries the capital subsidy is 35-40% of capital invested on Plant & Machinery with a ceiling of 500 lacs maximum.

The above information has been given to provide a basic knowledge of the government incentives/grants/subsidy envisaged in the policy for the new units. It is advised to read the Bihar Industrial Incentive Policy 2011 for having complete details of this policy.

Note:

Many type of Subsidy Schemes are provided by Central Government too. Please copy following link and paste in your internet browser to view full detail.

<http://smallb.in/%20/fund-your-business%20/additional-benefits-msmes%20/subsidy-schemes>

Labour related reforms: Some of the key labour related reform measures undertaken by the State Government are:

- a) Online application for registration and licenses (including renewal) under the Factory Act & other labour laws.
- b) Application tracking facility & clear timelines mandated for issue of registration certificates and licenses including online facility to download the registration certificate & other licenses.
- c) Single joint inspection and single annual return for various labour laws.
- d) Online facility for verification of registered and licensed units.
- e) Well defined inspection procedures, including online risk based differential compliance inspection of registered units including automatic allocation of inspectors, etc.

Tax Related Reforms: Some of the key tax related reform measures undertaken by the State Government are:

- Online application for Value Added Tax, Professional Tax, Entry Tax, Entertainment Tax & Luxury Tax registration
- Application tracking facility & clear timelines mandated for issue of registration certificates
- Online facility to download registration certificates and enquiry reports

- Online facility for verification of registered and cancelled dealers
- VAT refund to the dealers account within 60 days
- Computerized system to identify dealers for audit (based on publically notified risk parameters)

Environment Related Reforms: Some of the key environment related reform measures undertaken by the State Government are:

- Online consent management system for Consent to Establish (CTE) and Consent to Operate (CTO) under Water & Air Act; authorization under Hazardous Waste Rules
- Application tracking facility & clear timelines mandated for issue of CTE/CTO/authorization certificates including online facility to download certificates
- Industries under Green category exempted from obtaining CTO & CTE
- Validity of CTO increased from 3 years to 5 years
- Lowered compliance inspection requirement-Green: once in 5 years, Orange: once in 3 years & Red: once in a year)

General Package of Incentives: Government of Bihar recognizes the need of fiscal incentives to improve the competitiveness of the units operating in the state. Accordingly, Government of Bihar has formulated a customized package of fiscal incentives which takes into cognizance state's comparative advantages and will trigger the next round of industrial growth in the state.

Guiding Principles/ General Provisions:

- (i) These general provisions shall be applicable to all units eligible under this policy.
- (ii) Effective date means the date on which the provisions of this policy come into force. This policy will remain in force for 5 years from the effective date.
- (iii) The state would encourage the prospective promoters to avail term loan facility from the scheduled nationalized bank or financial institution approved by RBI/SEBI for setting up a unit and availing incentive on the investment.
- (iv) Unit applying for incentives shall provide a Detailed Project Report (DPR) accompanying the Bank Appraisal Report prepared by the scheduled nationalized bank or financial institution approved by RBI/SEBI, which is supposed to extend the term loan to the unit. The appraisal report prepared by the bank/ financial institute shall form the basis for ascertaining the project cost for calculation of incentives.
- (v) For the purpose of calculation of incentives under this policy, the approved project cost shall mean the project cost finally approved by the competent authority as defined by the Department of Industries from time to time. The approved project cost shall be the basis for determining the incentives.
- (vi) In the approved project cost considered for incentive calculation under this policy, the cost of land shall not exceed a limit of 10% of the total proposed investment other than the land. Thus in the approved project cost either the actual cost of land mentioned in the project report assessed by the bank/ financial institutions or 10% of the total proposed investment excluding the land, whichever is less, will be

considered. This principal shall be followed for examining all investments under this policy.

Package of incentives: State Government is committed to encourage the process of industrialization by assuring an entrepreneur friendly regime and an attractive package of incentives for the entrepreneurs.

The following **package of incentive** will be made available to the entrepreneurs:

| Type of Incentive | Salient Features |
|--|--|
| 1.Reimbursement Stamp Duty/ Registration | <p>a) No stamp duty to be paid in respect of land allotted by the government to IDA/ BIADA.</p> <p>b)100% reimbursement of stamp duty/registration fees levied on lease/ sale /transfer of industrial land/shed as also those outside the jurisdiction of Bihar Industrial Area Development Authority would be available to all the new units after the unit commences the commercial production. This reimbursement of stamp duty and registration fees will be granted only for the first time and will not be applicable in subsequent stages of lease/sale/transfer. This incentive will be available to new units only.</p> <p>c) The area of land required by the unit shall be fully described in the DPR and the Bank Appraisal Report prepared by the bank or financial institution which is supposed to extend the term loan to the unit.</p> |
| 2. Land Conversion Fees | <p>a)100% reimbursement of —land conversion fees/ —change in land use fees being levied for conversion of agricultural land after the unit commences the commercial production.</p> |
| 3. Interest Subvention | <p>a) State shall extend —Interest Subvention to all the eligible units on the term loan availed by the unit from a scheduled nationalized bank or financial institution approved by RBI/SEBI.</p> <p>b) Rate of interest for interest subvention will be 10% or actual rate of interest on term loan, whichever is lower. For micro and small units, there shall an interest subvention of 12%.</p> <p>c) The overall limit of this subvention for priority sector units will be 30% of the approved project cost. The subvention limit for non-priority sector units shall be 15% of the approved project cost. The upper limit of this subvention shall be Rs.10 crore.</p> <p>d) Disbursement of the subvention amount would be in instalments linked with the term loan repayment schedule stipulated by the concerned bank/financial institutions which extends the term loan to the unit. Interest shall not be paid on promoter’s contribution in any form in the unit.</p> <p>e) In case the promoters do not avail any term loan for the unit, they would not be eligible for this incentive.</p> |
| 4. Tax related incentive | <p>a) All new units can avail tax related benefits with a maximum limit as defined below:</p> |

| | |
|--|--|
| | <p>i. Non-priority sector:70% of the approved project cost</p> <p>ii. Priority sector: 100% of the approved project cost</p> <p>b) All new micro and small units will be given tax benefits by additional 30% of the approved project cost.</p> <p>c) All units engaged in generation of solar and/ or renewable energy for commercial purpose will be given tax benefits by additional 30% of the approved project cost.</p> <p>d) All new units will be entitled to avail 80% reimbursement against the admitted VAT/ CST/ Entry Tax deposited in the account of the State Government (excluding strictly any tax paid by them arising out of a purely trading business), for a period of 5 years from the date of commencement of commercial production.</p> <p>The VAT/Entry Tax/CST reimbursement shall be applicable only to the net tax payable, after adjustment of input tax credit against the output tax liability. e) Government of India is in the process of introducing a uniform Goods & Services Tax (GST) regime throughout the country. In case GST becomes effective, the tax related benefits will be suitably modified.</p> <p>f) All new units shall be eligible for 100% reimbursement of the electricity duty on power including captive power consumed by the same unit or exported to the BSPHCL from the date of commencement of commercial production for a period of 5 years subject to the overall limit defined above. Electricity duty exemption will not be available on captive power exported to entities other than BSPHCL.</p> |
|--|--|

5. Preferential purchase policy

- (a) The purchase preference policy shall apply to only those MSME firms/units wherein the manufacturing activity results in significant value addition. Simply trading and packaging units shall not be eligible for price preference.
- (b) MSMEs quoting prices within 15% of the lowest eligible price bid of other bidder(s) shall be eligible for purchase preference in the state. In such cases the MSME unit shall be given an order of 15% of the total order value on the lowest eligible price bid. In case of a tie, the state based MSME units will be given the preference.
- (c) If it happens that two or more state based MSME units are within L1 + 15% range, all such MSMEs will be given an opportunity to accept the L1 price and the 15% of the total order value will be equally distributed amongst these MSME units.
- (d) The preferential purchase policy shall also apply to contractors and sub-contractors where at least 15% of the products should be procured from the local MSME units in case the product is manufactured in the State.
- (e) The criteria of turnover or age of the firm shall be relaxed by 50% for the MSME units based in Bihar if they meet the technical specifications of the products.
- (f) A list of products to be procured only from MSME sector in Bihar shall be notified by the State Government. Limited tenders amongst the MSME units based in Bihar

shall be invited for the purchase of such products.

6. Incentive for Private Industrial Park: Incentives shall be made available for setting up of Private Industrial Parks. The effective guidelines of the scheme during the current policy period would be as follows:

(a) The private industrial park can be established by an individual promoter/ partnership firm/ LLP/ company or any entity registered under the Companies Act/ Societies Act.

(b) The promoter of the park has to arrange for the land. The State Government would not have any role in arranging the land for the park.

(c) The minimum area of the proposed private industrial park should be 25 acres (3 acres in case of IT parks).

(d) The land proposed for the park should be under the absolute possession of the promoter and should be free from any encumbrances. It should not have been obtained/ owned by the promoter on leasehold basis.

(e) At least 20% of the land would be earmarked for the general use/development of basic infrastructure/ green area and future requirements.

(f) The industrial park shall have a minimum of 5 independent production units.

(g) The promoter would be responsible for the allotment of land/plots to the individual units. The State Government would not have any role in this.

(h) The promoter shall not create residential units in the industrial park or convert the industrial park into a real estate project. The industrial park shall only be used for industrial use. All private industrial parks shall be notified as industrial lands. Under no circumstances a private industrial park shall be put into any other use other than for industrial purposes.

(i) The rates for the industrial plots in the private industrial park would be ascertained by the promoter. The State Government would not have any role in this.

(j) The promoter of the park would create a fund called —Development Reserve Fund (DRF) for the development of external infrastructure of the park. The promoter would contribute 5% of the fund collected through land allotment and 10% of the Annual Net Profit in the DRF. The DRF would be maintained in the form of a fixed deposit. A committee would be constituted for the operation of the DRF. The committee would consist of promoter/ representatives of the promoter and units operating in that park. At any point of time, a maximum of 33% of DRF can be used for the development of the appropriate infrastructure. Further, the promoter would charge a maintenance fee from the operating units in the park. The same committee would be responsible for the operation of the fund created from the maintenance fee collected.

(k) A private industrial park would be eligible for an interest subvention at the rate of 10% or actual rate of interest on term loan, whichever is lower, to the extent of 30% of the approved project cost subject to a limit of INR 50 crore. A sector specific private industrial park for the priority sector units (for e.g. food parks, leather parks, textile parks, IT parks etc.) would be given an interest subvention to the extent of 35% of the approved project cost subject to a limit of INR 50 crore. The promoter of the private

industrial park shall be eligible for the interest incentive after the completion of the park.

(l) In addition to the above, the private industrial park would also be eligible for the incentives mentioned under Section 6.2. Interest subvention shall be payable as per clause (k) above.

(m) All the units set up in a private industrial park would be eligible to avail incentives under the industrial investment promotion policy, based on their eligibility.

7. Rehabilitation of Sick Units: Industrial sickness is a part of the process of industrialization. It leads to unemployment, blockage of capital, loss of state revenue and non-utilization of assets. Hence it is necessary to take proper steps in order to rehabilitate the sick industries. The State Government is anxious about this and would take the following steps to check the sickness and to revive sick industries. Besides, steps will be taken for rehabilitation of such sick units, which have become sick due to natural calamities.

Industrial Rehabilitation Fund (Corpus Fund):In order to revive the sick industry, a corpus fund will be created with the cooperation of the commercial banks, the State Government, industry associations and others. This corpus fund will provide financial assistance, in the least possible time, to sick micro, small and medium industrial enterprises for which the rehabilitation package has been approved.

Sickness in Micro, Small and Medium Enterprises (MSME) units:

- State Level Committee: All decisions for the rehabilitation of micro, small and medium enterprises will be taken by the state level committee (apex body) constituted under the chairmanship of the Director of Industries.
- The State Level Committee would be empowered with necessary statutory powers in order to rehabilitate the sick industry. This committee will select an agency for preparing a rehabilitation package that enables effective implementation.
- The guidelines of the Reserve Bank of India / SIDBI would be relied upon to identify sickness in micro, small and medium units and provide assistance towards selecting an agency for preparation of the rehabilitation package, so that the above mentioned rehabilitation package is approved.
- The sick industries being revived will not require sickness certificate on an annual basis, instead the revival package shall specify the period of revival of sick units. The industry declared sick by the state level committee would be eligible to receive relief and concessions from banks and financial institution as per the guidelines of RBI. These reliefs and concessions will be considered within a fixed time frame.
- After the identification of sickness, rehabilitation package would be prepared within a timeline of 3 months and the state level institutions would monitor the rehabilitation process of sick industries.
- The sick units that have availed the benefits of any Industrial Policy in the past may avail the facilities under this policy for the second time. If any sick unit wants

to avail the benefits under the Industrial Policy for the second time it will avail only the difference between the prior availed amount and the proposed amount under new policy. But this facility for rehabilitation to the unit will be made available only on the recommendation of the concerned committee constituted by the State Government. Such facility to the unit can be made available a maximum of two times only.

- The date mentioned in the rehabilitation package will be considered as the cut-off date to determine the facilities.

Please visit the link <http://industries.bih.nic.in/Notices/NB-03-09-09-2016.pdf> for more details on Start up Policy 2016.

BIHAR Start-Up Policy 2016

What is Startup in Bihar?

Startup means an entity, incorporated or registered in Bihar not prior to five years with an annual turnover not exceeding INR 25 Cr. in any preceding financial year, working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property.

- a. Provided also that an entity shall cease to avail further benefits under this policy if its turnover for the previous financial years has exceeded INR 25 Cr. and/ or it has completed 5 years from the date of incorporation/ registration unless the context otherwise stated;
- b. Provided that such entity is not formed by splitting up, or reconstruction, of a business already in existence and should not have been formed by the demerger or reconstitution of a business already in existence;
- c. Provided that such entity is not a holding company and it is not a subsidiary of any firm already in existence or except the subsidiary of any startup;
- d. Provided further applicable taxes from the operations of the company are payable in Bihar.

Certification of Startups: All applications of potential startups received by the Trust shall be forwarded to fund manager. Fund Manager shall appraise each application through an expert committee. Fund Manager shall provide certification based on the criteria(s) listed in the above clause.

Exit Conditions:

- a. If the company is found guilty on any charges of fraud or if the company is found to have made any false declarations to claim any benefits from or derived under this policy. Legal action shall be initiated to recover all financial assistance provided to such an entity.
- b. Once an entity ceases to be recognized as a start-up; the Government or entity through which the Government makes its investment will be eligible to exit its

investment in the start-up and guidelines for exit will be framed by trust for channelizing investments into the start-up. When the Government or its representative entity exits its investment; the right to nominate a representative director on the board of the start-up will also be extinguished.

Access to Funding and Incubation Support:

Facilitating Incubation Centers for Startups :

Incubation centers are crucial for nurturing promising Startups. They provide access to mentoring network, market network, shared physical infrastructure etc. Creation of Physical Infrastructure generally requires large capital investments. Considering this, following incentives/financial assistance shall be provided to startups:

- a. Financial assistance for setting up of new incubators and expanding State supported Incubators.
- b. Reimburse 50% of the cost of incubating a startup maximum up to Rs 2 Lakhs per incubatee to Government recognized private / state supported incubators.
- c. Fiscal incentive to Incubators @2% of the investment received by its incubatee from SEBI registered AIFs (Alternate Investment Funds) into Bihar based startups.
- d. Fiscal Grant to State Supported Incubators @3% of the investment received by its incubatees from SEBI registered AIFs (Alternate Investment Funds) or Grant received from Government of India for promoting technology based (IPR) startups and @5% for startups in social sectors providing solutions to public service access problems in Bihar in areas like health, education and nutrition etc.
- e. The Government shall provide financial assistance to match the funding raised by Incubator(s) from Government of India and Multilateral donor agencies on 1:1 basis on same terms and conditions.

Common Infrastructure for Startups: Government shall facilitate creation of common infrastructure for Startups. The shared infrastructure shall include:

- a. Co-working spaces.
- b. Provide shared facilities like R&D labs, cubicles, conference rooms etc.
- c. Shared software and hardware like high-end printer, computers etc.
- d. Common testing labs and tool rooms.
- e. Shared services like legal, accounting, technology, patents, investment banking.
- f. Individual accommodation and hostel rooms
- g. Community events and promotional support for incubation and startups
- h. Common facilities Centers (warehouse, Storage, Quality Assurance labs)

Common infrastructure spaces shall be established either by Government or through PPP mode. This support shall be available on Free of Cost (FOC) basis to Startups for a period of 3 years.

Apart from the incubation centres, a “Bihar Innovation Hub” shall be developed preferably on PPP basis (viability to be assessed by trust) which shall provide all services of an incubator including shared work spaces, professional business advisory/consultancy; access to funding and also provide support at

commercialization stage including networking and merger & acquisition, valuation advisory amongst others. This innovation hub shall be further expanded into virtual incubator to widespread its reach.

Funding Support to Startups: Funding support shall be provided to Startups in various stages of its business cycle.

Seed Funding Support: A Seed Grant upto Rs 10 Lakhs per start-up; with payment schedule linked with milestones/phases and performance parameters defined by Incubation Centre and the trust shall be provided to startups for validation of idea, prototype development, assistance towards travelling costs and carrying out field/market research/ skill training/marketing and initial activities to setup a startup etc. The actual funding shall be based on the assessment made jointly by the incubation centre and the committee. The committee shall meet frequently for such matter(s) and gap between the two consecutive meetings shall not be more than 90 days.

Commercialization Stage

Early Stage Funding Support

- a. Free of cost Valuation for Startups.
- b. Facilitate access to Angel Investors.
- c. A success fee @2% of investment shall be provided to startups for mobilizing investments from state registered angel investors towards early stage funding.

Scale-up Funding Support: **a.** Government through its Trust may participate in SEBI registered AIFs (Alternate Investment Funds), upto 25% as Limited Partner. The Venture Capital Fund so created shall invest primarily in startups located in Bihar, based on its own criteria in consultation with expert committee. **b.** Government shall facilitate listing and public issue of Startups in collaboration with National Level Stock Exchanges such as BSE/ NSE. Incentives/ provisions under Bihar Industrial Incentive Policy in force will be available to startups. However the incentive for the same component cannot be claimed from more than one scheme. Efforts will be made to leverage relevant benefits available under various schemes of Government of India.

Zero Cost for filing patents - Domestic and Foreign: Intellectual Property (IP) is an invaluable business tool for startups, or entrepreneurs, providing initial start to one's business. IP gives an exclusive right to the creator over the use of his/her's creation for a certain period of time. With increasing new avenues in businesses, "the Intellectual Capital" has become one of the key wealth drivers in present era. In today's competitive and dynamic environment, IP can be unique selling proposition (USP) of the product or service allowing high entry barrier for startups to grow faster than competitors. Investors weigh IPs heavily and create good value for venture.

In order to encourage the registration of IPRs (Intellectual Property Right) by Startups and provide facilitation support for protection and commercialization of IPRs, Government shall:

- a. Bear all costs associated towards filing domestic patents.
- b. Provide additional financial assistance in form of reimbursement for awarded foreign patents towards filing fees.

Additional incentives to SC/ST/Women/Differently-Abled: Incentives listed below shall solely be applicable to startups which are fully owned by any one person of this category or a group / mix of the person defined in this category only. Efforts shall be made to identify persons belonging to the Scheduled Castes and Scheduled Tribe and promote entrepreneurship among them. The Trust may set up Project Management Units to specifically handhold them in setting up their ventures.

Entrepreneurs under this category will avail additional grant / exemption / subsidy than the limit fixed under the above clause (Seed Funding Support) and (Early Stage Funding Support) of this policy. a) Woman Enterprise-additional 5% b) SC/ST-additional 15% c) Differently Abled- additional 15%. Additionally, 22% (20% SC/2%ST) of the total corpus for funding startups shall be reserved for SC/ST.

Haryana State Schemes:

MSMEs to get Financial Benefits in New Industrial Policy known as Enterprises Promotion Policy, 2015: In a bid to promote Haryana as a prominent destination for investment and to have a balanced regional and sustainable development through a transparent governing system giving special focus on MSME sector, the state launched its **New Industrial Policy** known as **Enterprises Promotion Policy, 2015**.

Objective:

- Promote the state as *Preferred Destination* for investment and startups
- Create employment opportunities by facilitating *Ease of Doing Business* and *Cost of Doing Business*
- Attract investments over Rs.1 lakh crore and generate more than 4 lakh jobs
- Increase contribution of secondary sector to the GDP to achieve 32% from 27% in collaboration with GoI's National Manufacturing Policy and *Make in India*
- Facilitate State GDP growth rate in excess of 8%
- To adopt *Zero Defect Zero Effect* on manufacturing practices

Main highlights:

Ease of doing business-The policy specifically focuses on ease of doing business through NIRBADH (New Industrial Regulation by Automatic Approval and Delegation in Haryana). The state also will have Single Window Services under One Roof for time bound clearances. Also, a system of online clearances will be put in place by creating an e-biz Haryana portal where Composite Application Forms can be

submitted by an investor for 64 services with most frequent industry interface for seeking/ securing online clearances/ sanctions/ permits/ NOCs.

Supporting the MSME sector-

- **Cluster development-** More than 20 clusters have been identified for development/support across the state involving more than 6000 MSMEs.
- **Cluster support-** The central govt. implements MSE-CDP scheme for creating common facility centre with investment up to Rs.15 Crore for a group of at least 20 existing industries. The state will contribute 30% of the cost of the project exceeding Rs.15 crore (up to maximum of Rs. 20 crore).
- Also, the state will create MSME fund with a maximum budget of Rs.1000 crore to provide assistance to entrepreneurs with collateral free debt up to a maximum of Rs.1crore.
- Complete infrastructure support and incentives of Rs.1000 crore will be provided only to facilitate the MSME sector.

Support to Service sector-

- Service sector will be considered at par with the manufacturing sector.
- Up-to 25% of the plots in Industrial estates will be given to selected service sectors.

Making enterprises competitive-

- The state plans to minimize the Cost of doing Business through No Enhancement in plots allotted by HSIIDC with Incentive amounting to Rs.1000 Cr for industrialization and special assistance of Rs.100 Cr for critical infrastructure.
- Also, the state will Enhance Productivity through HSDM (Haryana Skill Development Mission), Setting up Skill Development University, Institutes for Training and Virtual Employment etc.
- A fund of Rs.85 crore is proposed to create zero liquid discharge facility for textile processing industry in Panipat in HUDA Industrial Estate.
- **Support to IT/ITeS/ESDM industries-** The government plans to Set up an Innovation Campus at Gurgaon with a cost of Rs. 4 crore and operational expenditure support of Rs.1 crore for 3 years in collaboration with NASSCOM in Hub and Spoke Model. In accordance with this, the state also plans to create an additional seven incubation centres at the cost of Rs.30 lakh per incubation centre in 7 universities in Haryana.

Promoting Exports-

- 100% EOU (Export Oriented Units) will be given priority during land allotment in the Industrial Estates developed by HSIIDC (Haryana State Industrial and Infrastructure Development Corporation).
- State Government will provide 50% concession of HSIIDC land cost to the Export Promotion Councils

- The state will also set up Export Promotion Industrial Park at Panipat for textile exporting units.
- Creation of Inland Containers Depots by private players or under PPP (Public Private Partnership) model

Incentives-

- The state will provide 50% to 75% exemption on VAT/CST to SMEs, MSMEs and Mega Projects. However, the amount differs to each sector. The yearly budget is Rs.200 crore.
- In order to help Micro and small units to expand/upgrade, the state will provide 5% -6% interest subsidy on term loan for 3 to 5 years. The total budget will be Rs.100 crore per year.
- To help Start-ups/ first generation entrepreneurs the govt. will offer special package for 100% refund of VAT/ SGST up-to turnover of Rs.3 Crore.
- The state will also create incubation centres with financial support of Rs. 30 Lakhs per university, Start-Ups IT warehouse and Mobile Apps Development Centres with capital expenditure of Rs. 4 Crore and other operational expenditure of Rs.1 crore.
- **Patent Registration Scheme:** To promote patent registration among enterprises, protect their innovation and to secure the rights of enterprise over their traditional product or process, Haryana government has launched a scheme to grant financial assistance of up to Rs. 25 lakh to micro, small and medium enterprises (MSME) for registration of patent for products and processes. Under this scheme, reimbursement of 50% of the actual expenses, including filing, consultancy, search and maintenance fee, would be granted, subject to a maximum of Rs. 25 lakh for both domestic and international patent registration.
- **Scheme for Grant of Interest Free Loan: The salient features of the scheme are:**
 - The new Micro and Small Scale Industrial Units setup in the backward areas (Category 'B' and 'C' Blocks) would continue to be extended the facility of financial assistance in the shape of Interest Free Loan to be quantified at 50% of the Tax paid on the sale of goods produced in such industrial units under the Haryana Value Added Tax Act, 2003 for a period of 5 years from the date of start of commercial production to be repayable after a period of 5 years.
 - Exemption from Electricity Duty to the new Micro and small Industries Units, set up in Category 'B' and Category 'C' areas in the State for a period of 5 years from the date of release of regular electricity connection:
Provided that the Industrial Units claiming the incentives of Interest-Free Loans (IFL) would be required to secure its repayment through a Bank Gaurentee.

| Sr.No | Nature of the project | Quantum of IFL | Eligible Period for | Due date for Repayment |
|-------|-----------------------|----------------|---------------------|------------------------|
|-------|-----------------------|----------------|---------------------|------------------------|

| | | | grant of IFL | |
|---|--|----------------------|--|---|
| 1 | New MSMEs in Backward areas (Categories in B & C Block) and registered as such with the Department of Industries Haryana in the office of GM, DIC of the concerned district. | 50% of VAT deposited | 5 years from the date of commercial production | 5 years from the date of grant of IFL. For example if an IFL of Rs.1.00 crore is paid on 31.3.2012, the same will be due for repayment and recoverable on or before 31.3.2017 |

- **Eligibility:** All MSMEs shall be eligible for interest free loan on the basis of eligibility certificate issued by Excise & Taxation Department
- For more details please visit below link:
- https://haryanaindustries.gov.in/themes/backend/uploads/Schemes/Interest_Free_Loan_Industrial-Policy_6_Feb_2013.pdf

KERALA STATE SCHEMES:

1. ENTREPRENEUR SUPPORT SCHEME (ESS) :The ESS aims to merge and replace all the previous schemes titled the Entrepreneur Support Scheme 2012 to be operated in the State of Kerala. All MSMEs engaged in manufacturing activities are eligible for assistance. The scheme is operational w.e.f. 01.04.2012

Objectives: 1.Extend support to micro, small and medium enterprises 2. Give support to entrepreneurs by optimal utilization of funds and by giving more flexibility of operation.

The ESS provides

- Investment in Land, Building, Plant & machinery, Electrification, Essential Office Equipment's, Pollution Control Devices and other fixed assets are eligible
- For General Category Assistance is 15% limited to Rs 20 lakhs
- For Young (18 to 45 years), Women and SC/ST entrepreneurs, the assistance is 20% limited to Rs 30 lakhs
- Enterprises in priority sector is eligible for an additional assistance of 10% limited to Rs 10 lakhs
- MSMEs started in the districts of Idukki, Wayanad, Kasargode and Pathanamthitta are eligible for an additional support of 10% limited to Rs 10 lakhs

- Industries setup after acquiring new technology from approved research institutions are eligible for an additional support of 10% limited to Rs 10 lakhs
- The total eligible assistance for an enterprise is limited to Rs 30 lakhs

Stages in Entrepreneur Support Scheme

1st stage - Startup Support: The Startup support is provided for enterprises prior to commencement of commercial production. The assistance is limited to 50% of the total eligible support limited to Rs 3 lakhs on sanctioning the term loan from the bank.

2nd stage - Investment Support: Investment Support is provided after the commencement of commercial production. The entrepreneurs shall apply within one year from the date commencement of production. Enterprises undertaking Expansion, Diversification and Modernization are also eligible for invest support.

3rd stage - Technology Support: Technology Support after commencing production on acquiring new technology. Shall apply for technology support within 6 months from the date of commencement after installing the new technology form authorized agencies.

2. PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME: PMEGP is a credit linked Scheme of Govt. of India by merging erstwhile REGP and PMRY scheme. The Scheme is implemented through KVIC and State/UT Khadi & V.I. Boards in Rural areas and through District Industries Centres in Urban and Rural areas in ratio of 30:30:40 between KVIC / KVIB / DIC respectively.

The salient features are:

- Assistance under the Scheme is available only to new units to be established.
- Per capita investment should not exceed Rs. 1.00 lakhs in plain areas and Rs. 1.50 lakhs in Hilly areas.
- The rate of subsidy is 15% - 35% of project cost which would be paid to the loan account.
- The Margin to be brought by the promoter is 5% of the project cost for Special category (SC/ST, OBC, Minority, Women, PH and Ex-Service men) and 10% of the project cost for General category.
- Maximum project cost of Rs. 25.00 lakhs in manufacturing sector and Rs. 10.00 lakhs in Service Sector
- During 2015-16, 734 units were assisted with Rs1081.61 lakh creating employment to 3902 persons.

| Particulars | General Category | | Special Category (Sc/St/Obc/Women/Ph/Ex Service) | |
|-------------|------------------|-------|---|-------|
| | Urban | Rural | Urban | Rural |
| | | | | |

| | | | | |
|------------------------------|------------|------------|------------|------------|
| Margin Money Grant | 15% | 25% | 25% | 35% |
| Promoter Contribution | 10% | 10% | 5% | 5% |

3. Assistance Scheme for Handicrafts Artisans (ASHA):The Assistance Scheme for Handicrafts Artisans(ASHA) replaced the existing Scheme “Entrepreneur Assistance Scheme in Handicrafts” and aims to bring the artisans in the handicrafts sector under the ambit of a Single Scheme for availing financial assistance in the form of grant assistance for setting up handicraft enterprises.

The Assistance Scheme for Handicraft artisans intends to :i) Provide extensive Support to Artisans in the Handicrafts Sector for setting up Handicrafts-based micro enterprises.ii) Give one time support (grant) to eligible artisans of the state as a back end assistance.

The key features of the Schemes are

- 1) The Scheme envisages extending one-time assistance to Artisans who set up a micro enterprise in the handicrafts sector.
- 2)The support will be extended as a back-end financial assistance in the form of grant upon commissioning of the enterprise and after filing EM Part II/ UdyogAdhar.
- 3) 40% of the expenditure on Fixed Capital Investments (FCI) subject to a ceiling of Rs.2 lakhs and 50% of the expenditure on fixed capital Investment for women, SC/ST and young artisans subject to a ceiling of Rs.3 lakhs will be given as assistance
- 4) The principal elements of Fixed Capital Investment include the cost of constructing work shed/workshop, essential tools, equipment, machinery and accessories and electrification. Technology transfer fees/consultancy charge/Product/Design development charges will be considered for financial assistance.
- 5) The Artisan has to apply in the prescribed format with copies of bills/vouchers/invoice/assessments in support of the investments claimed as FCI.
- 6) The applicant should be enrolled as an artisan/craftsman under the office of the Development Commissioner (Handicrafts) or Surabhi, HDCK Ltd., KELPALM, KSBC, KADCO.
- 7) There is no fee charged for applying for assistance.
- 8) General Manager, District Industries Centre will be the sanctioning authority. The amount will be disbursed through bank.

4. Entrepreneurship Development Club (ED Club):Department of Industries & Commerce, Government of Kerala formulated a scheme to set up Entrepreneurship Development Clubs in schools and colleges of the State to inculcate Entrepreneurial Culture amongst youth and equip them with the skills, techniques and confidence to act as torch-bearers of Enterprise for the new generation. The objectives of Entrepreneurship Development Club are to inculcate entrepreneurship qualities, to sensitise industrial scenario of the state, to nurture the latent entrepreneurial talent,

develop awareness among its members of the attitudes, values, and skills of successful entrepreneurs around the globe etc.

5. Cluster Development Programme (MSE-CDP):

Objectives of the Scheme

- To support the sustainability and growth of MSEs by addressing common issues such as improvement of technology, skills and quality, market access, access to capital, etc
- To build capacity of MSEs for common supportive action through formation of self help groups, consortia, upgradation of associations, etc.
- To create/upgrade infrastructural facilities in the new/existing industrial areas/ clusters of MSEs.
- To set up common facility centres (for testing, training centre, raw material depot, effluent treatment, complementing production processes, etc).
-

Special Incentives for Women Entrepreneurs in Kerala :

- Entrepreneurship societies formed by girl students in colleges will be given 5% grace marks.
- Selected entrepreneurs will be given free training and stipend.
- Financial assistance upto 80% of project cost will be arranged through bank loans.
- Advertisement tariff at Government rate will be made applicable for the advertisements of such venture through media.
- 50% subsidy for stalls/advertisements in shopping festivals organized by Government / Quasi Government Institutions.
- Marketing of the products will be arranged through Government/ Quasi Government organisations.
- Interest subvention scheme of State government for woman entrepreneurs - The entire interest on loans availed from any scheduled bank up to a maximum of Rs.5 lakh per annum for three years by industrial units run by women employing not less than 50% of women in its work force, will be borne by the government.

Schemes by government for women entrepreneurs :

- Trade Related Entrepreneurship Assistance and Development (TREAD) Scheme for Women provides government grant up to 30 per cent of project cost.
- MahilaUdyam Nidhi - provides soft loan (Quasi equity) assistance to women entrepreneurs for setting up projects in Tiny Sector.
- MahilaVikas Nidhi provides Training and employment opportunities to women through creation of necessary infrastructure.

- Assistance for participating in State and District level exhibitions organized by State/ District Authorities/ Associations.

6. LOAN SCHEMES:

SELF EMPLOYMENT PROGRAMS: To know the schemes in detail please visit the website: <http://www.kswdc.org/find-your-fit/self-employment/>

1. SCHEMES FOR FORWARD CLASSES (Financial Assistance from State Government): Loans are granted to economically weaker women of general/ forward communities for self-employment.

Maximum loan amount that can be availed: **a.** Maximum loan amount is Rs 2,00,000/- **b.** The entire loan amount for women of general communities has to be met from the fund provided by the State Government. **c.** 95% is proposed to be channelized under the plan scheme of the State Government and the balance 5% as beneficiary contribution.

Rate of Interest and Repayment mode: Loans are extended at 6% interest p.a. to be repaid in 60 monthly instalments.

2. SCHEMES FOR BACKWARD CLASSES (Financial Assistance from NBCFDC): Under this scheme, women belonging to the backward classes are provided with the loan for opening or developing of a venture.

3. TERM LOAN/MARGIN MONEY LOAN: **a.** Self-employment loan up to a maximum of Rs. 2 Lakh. **b.** The scheme is to promote self-employment among the members of the Backward Classes. Any viable projects can be considered under the scheme.

c. Beneficiary contribution need not be collected from the beneficiary under this scheme. The beneficiaries are expected to utilize the amount along with the loan amount for the project. **d.** The maximum loan that can be disbursed under this Scheme is 85% of the project cost or Rs.10,00,000/- whichever is lower and is limited to the amount requested by the beneficiary.

Pattern of financing: NBCFDC contribution : 85%, KSWDC contribution : 10%, Beneficiary contribution : 5%, **Rate of interest:** For loan amount up to Rs.5 Lakh : 6%, For loan amount above Rs.5 Lakh : 8%

4. NEW SWARNIMA SCHEME FOR WOMEN (Special Self-Employment Scheme for Backward Class Women): **a.** New Swarnima Scheme is special scheme for women belonging to Backward Classes and who are living below double the poverty line. **b.** The objective of the scheme is to develop self reliance amongst women beneficiaries of the target groups by facilitating easy credit facilities for setting up viable economic activities.

Quantum of Loans and Pattern of Financing: Maximum loan amount available under New Swarnima Scheme is Rs.1,00,000/- (Rupees One Lakh only) per beneficiary,

Pattern of financing :1. NBCFDC share – 95%, 2. KSWDC share – 5% , 3. Beneficiary Contribution – NIL, **Rate of Interest :** 5%, **Repayment:** Loan is to be repaid in quarterly instalments with maximum 10 years (including the moratorium period of six months on the recovery of principal).

5.MICROFINANCESHEME:

a. Micro Financing through SHGs: In order to cater to the Micro Finance needs of small entrepreneurs belonging to the target group, the corporation has introduced a scheme for micro financing through nominated channelling agencies. It is desirable to disburse loans through self help groups by SCAs under micro finance scheme. This scheme is carried out through legally registered SHGs which consist of up to 20 persons.

Pattern of Finance :i) NBCFDC Loan : 90%, ii) KSWDC Loan : 5%, iii) Beneficiaries Contribution : 05%**Rate of Interest** – 5% p.a.**Repayment Period :** Loan is to be repaid in quarterly instalments within 48 months (including the moratorium period of six months on the recovery of principal)

b. MICRO FINANCE SCHEME [Loan through NGOs]: The concept of micro finance for self-employment loans involves financing for small-scale enterprises either individually or in groups. This scheme is carried out through legally registered NGO/SHGs which consist of up to 20 persons. The group should be homogenous with about 75% of the members belonging to minority community.

Maximum loan amount that can be availed: The maximum amount of loan that can be extended is Rs.50,000/- per member of the group i.e. a group of the participant members can be given a maximum loan of Rs.10.00 lakhs.**Pattern of Finance:** NMDFC Share – 90%, KSWDC Share – 5%, Beneficiary share – 5% ,**Rate of Interest and Repayment mode:**The interest rate is 6% and the loan is to be repaid in 36 instalments.

6. MAHILA SAMRIDDHI YOJANA (Micro Finance Scheme for women): To provide micro finance to women entrepreneurs belonging to the target group. This scheme is carried out SHGs which consist of up to 20 persons.

Maximum Limit of Loan: The maximum amount of loan that can be extended is Rs.50,000/- per member of the group. **Pattern of Finance:** NBCFDC Loan : 95%, KSWDC Loan/beneficiary contribution : 5% **Rate of Interest** – 4% p.a.**Repayment Period:** Loan is to be repaid in quarterly instalments within 48 months (including the moratorium period of six months on the recovery of principal)

7. SCHEMES FOR MINORITY COMMUNITY (Financial assistance from NMDFC)

Term Loan: Self-employment loan up to a maximum of Rs.10,00,000/-. The scheme is to promote self-employment among the members of the minority communities. Any viable projects can be considered under the scheme.

Pattern of financing : :NMDFC contribution : 90%, KSWDC contribution : 5%,Beneficiary Contribution : 5%, Beneficiary contribution need not be collected from

the beneficiary under this scheme. The beneficiaries are expected to utilize the amount along with the loan amount for the project. The maximum loan that can be disbursed under this Scheme is 95% of the project cost or Rs.10,00,000/- whichever is lower and is limited to the amount requested by the beneficiary.

8. LOAN SCHEMES FOR SCHEDULED CASTE (NSFDC SCHEMES)

SELF-EMPLOYMENT LOAN SCHEME/ MICRO CREDIT FINANCE SCHEME (MCF), LAGHU VYAVASAYA YOJANA (LVY)
Maximum Amount of Loan: The maximum amount under this scheme is Rs. 2,00,000/- 90% of the project cost is made available by the National Corporations; 5% by state government & 5% is beneficiary contribution.
Rate of interest and Repayment: Loans are extended at 6% interest p.a to be repaid in 60 equal monthly instalments. The minimum time of repayment is 36 months.
Pattern of Finance: NMDFC Share – 90%, KSWDC Share – 5%, Beneficiary share – 5%

MSME DEVELOPMENT INSTITUTE: The Micro, Small and Medium Enterprises Development Institute (MSME-DI), Kerala, situated at Ayyanthole, Thrissur is a field level agency of the Small Industries Development Organisation (SIDO) under the Ministry of the MSMEs, Government of India, to meet the needs of the MSMEs in the state of Kerala. The MSME-DI, Thrissur has taken up 6 clusters for development.

Significant Activities: The MSME-DI, Kerala offers a wide variety of training programmes for the promotion and development of the micro, small and medium enterprises in Kerala.

Activities & Services of MSME- DI Thrissur

1. Entrepreneur Training Programmes: **a.** EDP/ ESDP/BS/DP/MDP **b.** Special Skill : Programme Under PD Account
2. Implementation of Various Schemes of Govt of India: **a.** Financial Assistance Scheme CGS & CLCSS **b.** MSE-CDP/NMCP/ISO/NSIC/VDP/MDA Award
3. Preparation of Reports and Profiles: **a.** Directory & Status Reports Project Profiles/Reports **b.** State Profile & Industrial Potential Surveys

GOA State Schemes

Incentives Offered By State:

- i. Goa offers innumerable advantages to investors in terms of social and physical infrastructure. In addition, various incentives/subsidy schemes are already in operation.
 - ii. To further boost investment in industrial sector, it is proposed to offer a host of incentives and investor friendly measures. These measures would not only provide a competitive advantage to State as an attractive investment destination but also sustain the long term presence of industries.
 - iii. The proposals will be given concrete shape by finalizing appropriate schemes within a period of 90 days from the date of publication of the Industrial Policy.
-

The following incentives/ subsidies and investor friendly measures are proposed:

A. Employment Subsidy: This subsidy is an innovative concept of supporting sustainable employment of local youth. The concept lays great stress on generation of employment and not on capital deployed. It also takes into consideration the fact that employment retained is employment created.

All manufacturing SSI units and specified categories in medium and large scale units including sick units under revival plan will be covered under the scheme.

The salient features of the scheme are:

- i. Subsidy would be applicable to employees of all SSI units and in specified categories of medium and large scale units whose gross salary is less than Rs.10,000/- per month while the actual benefit would be restricted to maximum salary of Rs. 6000/- per month.
- ii. There will be a ceiling under maximum subsidy with limits of Rs. 6.00 lakhs per annum for SSI units under and Rs.12.00 lakhs per annum to medium and large scale units.
- iii. Subsidy will be for a period of 5 years , in case of new units while for existing SSI units and sick units under revival plan, it would be ranging from 2 to 4 years as per criteria laid down.
- iv. Subsidy ranges from 10% to 40% depending upon category, location of the unit, etc.
- v. New units having 80% of local manpower employed amongst its permanent employees are eligible. However, existing units in SSI sectors and also sick units under revival plan would also be eligible for periods specified in the scheme.

B. Capital Contribution Scheme: This scheme is designed to support local entrepreneurs, promote industrial units to manufacture goods and also units in tourism sector, except hotel and resorts. The scheme would help the existing functional units to venture out and expand.

The salient features will be:

- i. Maximum capital contribution of Rs. 1.00 crore per unit subject to the equal paid up share capital of the promoters. The restriction of share capital will not be applicable to the sick units and will be governed by norms laid down for individual units under revival plan.
 - ii. The capital contribution will be for a period of 5 to 10 years with guaranteed return of 6% annually.
 - iii. Preference will be given to units in SSI, R &D, Technology oriented and those run by women entrepreneurs.
 - iv. In order to be eligible under the scheme, the unit has to be in operation for a period of at least 3 years.
-

v. The quantum of contribution under the scheme will be subject to budgetary provisions, except in case of sick units under revival plan. The applications which are not considered during the fiscal year shall lapse and fresh applications are required to be filed during the next financial year.

vi. However, in case of sick units under revival plan, the capital contribution will be subject to:

- a. The unit generates net revenue in VAT/ST to the government;
- b. The actual generation of net tax revenue during the preceding year.
- c. The details for treatment of sick units will be spelt out in the package for sick units.

C. Share Capital to Self Employed/ Local Entrepreneurs: The scheme envisages local youths or local entrepreneurs to start income generation to start income generation activities by providing share capital contribution for specified activities.

The salient features are:

i. Maximum share capital contribution of Rs. 2.00 lakh in case of individuals with degree/diploma include ITI and Rs.1.00 lakh in case of individuals with non-professional qualifications. This would be subject to contribution not exceeding 50% of the total capital.

ii. Beneficiary shall be below 40years of age to be eligible. However in case of widow and disabled, Other Backward class, Scheduled Caste, Scheduled Tribe, the age will be relaxed by 5 years.

iii. Group of persons can take benefit under the scheme up to the extent of Rs. 10 lakhs subject to condition that the individual limit per head is not exceeded.

iv. The share capital should be paid back to the Government over a period of 10 years.

v. Co- lateral security will not be insisted upon. Self-guarantee by the applicant/parent will be sufficient.

D. Interest Subsidy Scheme: In an effort to boost economic growth in the state, it is proposed to provide subsidy on interest payable. This will be great incentive to the investor who could then invest more and seek better returns for himself and for the State.

i. The scheme will be applicable to new SSI and tiny units in manufacturing sector.

ii. Incentives will be to be 30% of the interest paid subject to a ceiling of Rs. 5.00 lakhs per annum.

iii. The scheme is applicable in respect of working capital and term loans obtained from Nationalised Banks and other specified financial institutions for purpose of plant machinery required for the manufacturing. The scheme will not cover penal interest / default interest. The eligibility amount of loan shall be subject to parameters as deemed fit.

E. Certification/ Patenting Incentives: Units which obtain Certification / Accreditation by ISI & ISO or any other International Certification and / or patent right on products and / or processes, need to be especially encouraged. Such units provide a benchmark of excellence and serve as model for others to emulate. Under the scheme, a subsidy will be of maximum of Rs.2.00 lakh per unit. The facility is available only once after permanent registration and all units existing or new are eligible.

F. Scheme to Encourage Consumption of Local Raw Materials: The scheme envisages encouraging consumption of raw materials by the industrial units by offering incentives. The salient features of the scheme will be:

- i. Applicable to only units in specified categories.
- ii. Minimum 30% of the value of raw material used should be from local sources.
- iii. The benefit above 30% consumption will be proportionately higher.
- iv. Incentives will be in the form of subsidy in power and water bills.

G. Medclaim Facilities: A healthy economic growth is directly linked to a healthy industrial atmosphere. And this in turn depends very much on the health of the manpower that turns the wheels of growth. Appreciating this reality, the policy, document proposes medclaim facilities to employees in all sectors.

- a. All employees those who are not covered under any other medical scheme such as ESI are eligible.
- b. Employees drawing a gross salary not exceeding Rs. 1.5 Lakhs per annum, will qualify for this scheme.
- c. Applicable to regular employees only.(contract / temporary employees shall not be covered).
- d. Employees who wish to avail the benefits under scheme will require to register with the designated Authority.

H. Preferential Purchase Incentives for SSIs: At present the SSI units are given a price preference of 15% in purchases made by Government Departments and public undertakings. This is proposed to be replaced with a new scheme which will ensure protection to SSI's.

The salient features of the scheme will be:

- i. Those manufacturing SSI units whose quotation is within 15% of the lowest quotation of non- SSI supplier will be allowed to match the lowest quotation and will be given preference for order.
 - ii. However, in case of contractual tenders involving supply and installation of goods manufactured by SSI's, pro-rata advantage over and above the lowest quotation will be granted.
 - iii. EMD to be payable by SSI's will be fixed at a maximum of Rs. 500/-
 - iv. The tender document cost will be fixed at a maximum of Rs. 200/-
-

v. Priority in payment will also ensured under this scheme so that SSI unit do not face liquidity crunch.

The SSI units having turn over limit not exceeding Rs. 5.00 crores and registered in Goa with the Directorate of Industries, Trade & Commerce only are eligible for the benefits of the scheme.

I. Incentives for women: In order to encourage the employment opportunities for women and also to provide support to women entrepreneurs, the following benefits are proposed to be extended:

- i. 5% additional benefit under Local Employment Subsidy Scheme. This is over & above what is eligible under the scheme.
- ii. Priority in Share Capital Contribution and Special Capital Contribution Schemes.
- iii. In case of Interest Subsidy Scheme, prescribed limit of 11-2% of turnover will be increased to 2% and 30% of interest paid will be increased to 35% however, subject to overall ceiling of Rs.5.00 lakh.

J. Export Market Development Scheme: In order to encourage Goan industry to improve export market financial assistance in the form of interest free loan upto 5 Lakhs repayable over 5 years will be granted provided the units has been in operation for at least five years, has Import/Export code and its turn over does not exceed 5 crores during proceeding 3 years.

K. Early Bird Offer: Units which would be set up within one year from the date of publication of the industrial policy will be considered for additional benefits under various incentives /subsidies. The additional incentives shall be detailed in the scheme.

L. MSME Incentives:

The Government of Goa will strengthen ongoing schemes so as to make them broad based and covering the entire spectrum of MSME industries

- a. Preferential Purchase Incentives for Small Scale Industries Scheme- the cap on turnover to be eligible for this scheme will be removed to enable more MSME' to participate;
- b. Stamp duty rebate of 75% for MSMEs;
- c. The Goa State Export Market Development Scheme;
- d. Waiver of entry tax for MSMEs;
- e. Rate contract scheme of Goa Handicrafts

The Government is pleased to announce the extension / re-notification of these incentives in the current industrial policy till 2018. The schemes details are available

on <http://www.goaditc.gov.in>. Necessary notification for extension and modification, where applicable, of these schemes will be issued shortly.

Besides these schemes, the following initiatives are being taken

- a. Industrial parks for MSME's in light engineering, IT Hardware and Electronics and Food Processing are being planned;
- b. A Technical Advisory Committee comprising of members nominated by GSIA to provide technical advisory services to MSMEs is being constituted;
- c. Quality certification charges- To encourage production of quality goods and services, the Government will offer a reimbursement of expenses incurred towards getting quality certification for all existing and new units. This includes Indian Standard Institute, International Standard Organization (ISO) - 9000/9001 (or any higher) certification, SEI-CMM level 3 upwards, e-SCM level 3, Conformity Europeene (CE), CMMI Level 2 upwards or any other national / international certification for quality standards and/or patents right on product and/or processes. The reimbursement will be limited to Rs. 200,000 per unit.

KARNATAKA State Schemes

INCENTIVES, SUBSIDIES AND POLICIES AT STATE LEVEL: The State Governments formulate their respective policies for the development of industries in general and small scale industries in particular and also implement the incentive schemes through the District Industries Centre (DIC) and other Departments and Corporations set up for this purpose. They provide technical and other support services to SSIs. All these concessions are not uniform in all the States/UTs; their nature, content, quantum and periodicity vary from State to State.

Promotion of Micro, Small & Medium Enterprises (MSMEs)

- Infrastructure support through KIADB, KSSIDC
- District level single window clearance for land allotment
- Venture capital fund for start-up enterprises and credit linked capital subsidy scheme
- Easy loan under cluster based approach
- Encouragement of Technology adoption and up-gradation
- Quarterly workshop and seminar for MSMEs from Vishweshwaraya Trade Promotion Centre and Karnataka Council for Technological Up-gradation
- Marketing support through bi-annual vendor development event
- Assistance for participation in international trade fairs/exhibitions
- Reduction in inspections of MSMEs by various line departments
- Easy regulatory approvals /clearances for the MSME projects

Analysis show that most of the taluks are backward. Focused effort to increase industrial investment in backward taluks. The following classifications made

Ongoing supportive schemes/programs for development of MSMEs

- Venture capital fund for small and medium enterprises

| Hyderabad Karnataka Taluks | |
|--|---------------------------------------|
| Zone 1 | Most backward taluks, total 20 taluks |
| Zone 2 | More backward taluks, total 11 taluks |
| Other than Hyderabad Karnataka Taluks | |
| Zone 1 | Most backward taluks, total 23 taluks |
| Zone 2 | More backward taluks, total 51 taluks |
| Zone 3 | Backward taluks, total 62 taluks |
| Zone 4 | Industrial developed taluks 9 taluks |

- Kaigarika Vikasa Yojane
- Suvarna Kayaka Kaushalya Abhivruddi Yojane with revised guidelines
- Living cum work sheds and improved tool kits to SC / ST artisans.
- Modernization / Technology / Training programme
- Handicraft Gurukula Training Institute
- Specialized skill development institutions
- Support for promotion of Khadi, Artisan and Coir sector

PACKAGE OF INCENTIVES AND CONCESSIONS OFFERED FOR INVESTMENTS IN THE STATE OF KARNATAKA:

1. Investment Promotion Subsidy: (% on Value of Fixed Assets)

| ZONE S | MICRO MANUFACTURING ENTERPRISES | SMALL MANUFACTURING ENTERPRISES | MEDIUM MANUFACTURING ENTERPRISES (Those who employ minimum 25workers) |
|---------------------------|--|--|--|
| Hyd-Ktk | | | |
| Zone 1 | 30%, Max 18 Lakh | 25%, Max 45 Lakh | 20%, Rs. 55 Lakh |
| Zone 2 | 25%, Max 15 Lakh | 20%, Max 40 Lakh | 15%, Rs. 50 Lakh |
| Other than Hyd-Ktk | | | |
| Zone 1 | 25% VFA (max. Rs.15 | 25% VFA (max. Rs.40 | 20%, Rs.50 lakhs |

| | | | |
|--------|-----------------------------|---------------------------|------------------|
| | lakhs) | lakhs) | |
| Zone 2 | 20% VFA (max Rs. 12 lakhs) | 15% VFA (max Rs.30 lakhs) | 15%, Rs.40 lakhs |
| Zone 3 | 15% VFA (max Rs.9.00 lakhs) | 10% VFA (max Rs.20 lakhs) | 10%, Rs. 30 lakh |
| Zone 4 | Nil | Nil | Nil |

2. Exemption from Stamp Duty and reimbursement of land conversion fee

| ZONES | Hyd-Ktk | Other than Hyd-Ktk |
|--------|---------|--------------------|
| Zone 1 | 100% | 100% |
| Zone 2 | 100% | 100% |
| Zone 3 | NA | 75% |
| Zone 4 | NA | Nil |

Other Incentives

- Exemption from entry tax (100% exemption on entry of P&M)
- Subsidy for Setting up Effluent Treatment Plant (50% of the cost)
- Interest Subsidy for Micro Enterprises (5% subsidy on term loans)
- Exemption from Tax on Electricity Tariff (100% exemption for different period)
- Water Harvesting / Conservation Measures
- Energy Conservation (10% of capital cost)

3. Technology up-gradation, Quality Certification

| Incentive and concession | Quantum and Zone |
|---|--|
| Interest subsidy on Technology Up-gradation Loan | 5 % on loans availed from KSFC & Scheduled commercial banks- All zones |
| ISO Series Certification | 75% of cost (max. `75,000)- Except zone 4 |
| BIS Certification | 50%of fees payable to BIS (max. ` 20,000)- All Zones |
| Technology Adoption | 25% of cost (max. `50,000) |
| Technology Business Incubation Center | 25% of the cost (max: `50.00 lakh) |
| Recycling of electronic waste and plastic waste A | Additional investment promotion subsidy of 5% (Max 10 Lakh)- Except zone 4 |

3. Concessional Registration Charges - MSME: For all loan documents and sale deeds as specified above, the registration charges shall be at a concessional rate of Re.1 per Rs.1000.

Note:

(i) The exemption of stamp duty and concessional registration charges are also applicable to lands purchased under Section 109 of the KLR Act and also for direct purchase of industrially converted lands for the projects approved by SHLCC/SLSWCC/ DLSWCC. This incentive will also be applicable for the land transferred by KIADB to land owners as compensation for the acquired land.

(ii) The exemption of stamp duty and concessional registration charges are also available for registration of final sale deed in respect of lands, sheds, plots, industrial tenements after the expiry of lease period at the rate as specified in the industrial Policy which was in vogue at the time of execution of lease-cum-sale deed.

4. Waiver of Conversion Fine - MSME: The payment of conversion fee for converting the land from agriculture use to industrial use including for development of industrial areas by private investors will be waived as follows- Zone- 1 : 100%, Zone- 2:100% Zone- 3 : 75%, Zone- 4 : Nil

Note: The waiver of conversion fine will be on reimbursement basis after implementation of projects.

5. Exemption from Entry Tax - MSME: For Zone 1, 2 and 3 there is 100% exemption from payment of Entry Tax on 'Plant & Machinery and Capital Goods' for an initial period of 3 years from the date of commencement of project implementation and for Zone 4, the Exemption is Nil.

Note: For this purpose, the term 'Plant & Machinery and Capital Goods' also includes Plant & Machinery, equipment etc., including machinery for captive generation of Electricity. Raw materials, inputs, component parts & consumables (excluding petroleum products) [wherever applicable] are exempted for a period of 5 years from the date of commencement of commercial production.

6. Incentives for Export Oriented Enterprises: There is 100% exemption from payment of Entry Tax (herein referred to as ET) on 'Plant & Machinery and Capital Goods' for an initial period of 3 years from the date of commencement of project. 100% exemption from payment of ET on raw materials, inputs, component parts & consumables (excluding petroleum products) for an initial period of 3 years from the date of commencement of commercial production in Zone 1, 2 and 3 and 50% in Zone 4.

7. Exemption of APMC Cess/fees - MSME: For Zones 1, 2, & 3 APMC cess/fees in respect of procurement of agriculture products directly from farmers for processing

shall be exempted for a period of five years, four years and three years respectively and it is nil for Zone 4.

8. Interest Subsidy- Micro manufacturing enterprises: The Interest subsidy is @ 5% on term loans. The interest subsidy is payable only on the interest actually paid to financial institutions and not any default in payment of principal or interest instalments. The amount of interest subsidy will be based on an effective rate of interest (after deducting interest subsidy) receivable by any institutions/under any Govt. of India scheme or 5% per annum whichever is less). The period of interest subsidy is 5 years, 4 years and 3 years in Zone-1, Zone 2 and Zone-3 respectively.

9. Exemption from Electricity Duty- Micro & Small manufacturing enterprises: There is 100% exemption from electricity duty/tax for the initial period of five years, four years and three years in Zone 1, Zone 2 and Zone-3 respectively for micro and small manufacturing enterprises.

10. Water harvesting/Conservation Measures - Small & Medium manufacturing enterprises in all Zones: The Government has provided concessions for water harvesting and for adopting conservation measure which is applicable to small and medium manufacturing enterprises and are given as follows:

- (i) Rain water harvesting : 50% of cost (max.Rs.1 lakh)
- (ii) Waste water recycling : 50% of cost (max.Rs.5 lakh)
- (iii) Zero discharge process : 50% of cost (max.Rs.5 lakh)

11. Energy Conservation - Small & Medium manufacturing enterprises in all Zones: For practicing energy conservation measures which would result in reduction of Energy Consumption at least 10% of earlier consumption, then 10% of capital cost (max Rs.5 lakh) is exempted and for the use of non-conventional energy sources it is also at 10% of capital cost (max Rs.5 lakh).

12. Refund of cost incurred for preparation Project Reports - Micro & Small manufacturing enterprises: For zone 1, 2 & 3, the cost incurred for preparation of project reports by TECSOK/CEDOK/ KSFC or any other recognized institutions for availing loans shall be reimbursed to the maximum of Rs.10,000/- per unit subject to financing of the unit.

13. Technical assistance: The Technical assistance and guidance are provided by various organisations such as NSIC, through TTC, SIDO, through Small Industries Service Institutes and Extension Centres. These institutes are manned by experts in different fields/ trades/industries. These experts visit these industries, study their problems on the spot and give technical assistance and guidance.

14. Assistance for obtaining raw materials: Every registered small unit, on obtaining the registration certificate is required to submit all the requirements to the Directorate of Industries (DoI) for procuring essential raw materials. Many organizations are also lending a helping hand in this regard such as NSIC and others.

15. Cash Assistance: Government provides cash assistance under the self employment scheme to the rural youth (entrepreneurs). Similarly, it is also made available to scheduled castes/tribes and women entrepreneurs. **Financial Assistance:** Financial Assistance is given for using Global Standards (GSI) in Bar coding through the Office of the DC(MSME).

16. Supply of plant and machinery on hire-purchase basis: There are organizations like National Small Industries Corporation (NSIC) or State level Small Industries Corporations who give financial assistance to purchase plant and machinery to the entrepreneurs on their own or on hire-purchase basis. They also provide 100% finance to facilitate SSIs in diversification and technology upgradation. Entrepreneurs can also avail tax rebate on full year rentals.

17. Marketing Assistance: This assistance is very important for a small scale unit. For availing this, the units have to be registered with the NSIC under the single point registration scheme. The objectives of this programme are to ensure fair margin to producers of goods, to maintain standardization and quality control with testing facilities, to market products under the common brand name, to provide publicity to SSI products etc.

18. Assistance to small entrepreneurs: The NSIC has developed five financial centres at New Delhi, Mumbai, Ahmedabad, Bangalore and Goa to provide finance to small entrepreneurs for activities related to marketing, bills discounting, raw materials, purchases and exports. To train and equip the entrepreneurs, the government has developed various training institutes in the field of entrepreneurial activities/entrepreneurship. The NISIET (Hyderabad), NIESBUD (New Delhi), Integrated Training Centres (Nilokheri) are the main training institutes which function under the administrative control of SIDO.

19. Rural Industrial Project Assistance: The Rural Industrial programme (RIP) of SIDBI provides a cohesive and integrated package of basic inputs like information, motivation, training and credit, backed by appropriate technology and market linkages. For these purposes, SIDBI has identified implementing agencies such as NGOs, development professionals, and technical consultancy organizations (TCO), and these agencies are assigned the task of developing RIP at a fee given by the bank.

20. MSME MDA: The scheme offers funding upto 75% in respect of to and fro air fare for participation by MSME Entrepreneurs in overseas fairs/trade delegations. The scheme also funds various other aspects such as to produce publicity material, to contest anti-dumping cases etc.

21. Purchase and Price Preference Policy: This is administered through the Single Point Registration Scheme of NSIC. Under this, 358 items are reserved for exclusive purchase from MSME by Central Government. Other facilities include submission of tender documents free of cost, exemption from earnest money and security deposit

and 15% price preference in Central Government purchases. This scheme is available for individual MSMEs.

The above mentioned Government assistance and incentives are provided to existing small industrialists and the intending entrepreneurs by the various agencies started by the Government for this purpose. These agencies are SIDO, NSIC, NISIET (Hyderabad), NIESBUD (New Delhi), Integrated Training Centres (Industries), SIDBI and its various sub-agencies etc.

HIMACHAL PRADESH State Schemes

INCENTIVES TO INDUSTRIES

CATEGORISATION OF THE STATE: The State has been categorized into three categories 'A', 'B' & 'C' depending upon the location, distance from the border of the State, extent of industrial development, extent of overall backwardness, resource availability & potential for employment generation for local people. Category "A" areas are partly included in four Development Blocks of Poanta Sahib and Nahan in Sirmaur District and Dharampur and Nalagarh in Solan District excluding backward panchayats notified by the State Govt. Category "B" areas include 49 Development Blocks located in 10 non-Tribal Districts and part of the four Development Blocks included in Category A areas excluding backward panchayats located in these areas. Category "C" areas (Tax Free Zones) include 24 Development Blocks including all the seven Tribal Development Blocks in Kinnaur, Lahaul & Spiti and Chamba Districts and 17 other Development Blocks in Chamba, Kullu, Mandi, Shimla and Sirmaur Districts and also includes all Backward Panchayats located in Development Blocks under the 'A' and 'B' Category areas. Graded incentives have accordingly been provided for Industry in the New Industrial Policy in terms of fiscal incentives such as Sales Tax, Electricity Duty Concessions. Under Sales Tax Incentives 1% CST is being charged from all industrial enterprises upto 31.03.2013 or till the CST is not phased out, 100 % deferment or payment of 65 % of the applicable rate of VAT has been provided in 'A' and 'B' category areas for a period of 5/8 years respectively whereas it is exempted in 'C' category areas for 10 years. Addition incentives have been provided for thrust sector industries in 'B' & 'C' category blocks in terms of allotment of land at concessional rates, exemptions from payment of electricity duty & interest subsidy. These include out of turn allotment of plots/land /sheds in industrial areas/estates, exemption from payment of State Excise Duty for a period of 7 years for units manufacturing wine/ cider out of locally produced fruits, total exemption from the payment of Electricity Duty for a period of 10 years from the date of their commencement of production and Interest subsidy @ 5 % P.A. with a ceiling of Rs. 2 lakhs P.A. for a period of 3 years for Horticulture produce, Vegetable produce, Maize based and herbal based industries. Category 'C' areas of the State have been declared as Tax Free Zones, which are exempted from the payment of any State Taxes & Duties excluding levies in the shape of cess, fees, royalties etc. for a period of 10 years.

Both Govt. of India as well as Govt. of Himachal Pradesh had given number of incentives/facilities for developing micro & small scale enterprises in the state which

Central government incentives have since expired, the Central Freight Subsidy Scheme is however still operational in the State.

I. FREIGHT SUBSIDY SCHEME(FSS) -2013

The Govt. of India has now notified freight Subsidy Scheme-2013 vide notification no. 11(5)2009-DBA-II/NER, dt. 22/01/2013 this has come into force from 22/01/2013. The salient feature of this scheme is provided grant of 75% freight subsidy to all eligible enterprises except for the enterprises in the negative list of freight subsidy scheme for a period of 5 year from the date of commencement of commercial production on transportation cost of raw material and finished goods limited to and from factory site to designed nearest broad gauge rail head. The benefit is also extended to all eligible existing enterprises on their substantial expansion.

II. ADDITIONAL INCENTIVES TO SPECIAL CATEGORY OF ENTREPRENEURS FOR SETTING UP OF NEW INDUSTRIAL ENTERPRISE(S) IN MICRO AND SMALL SECTORS: Special Category Entrepreneurs means entrepreneurs belonging to the Scheduled Castes, Schedule Tribes, Women, Ex-servicemen, Physically Handicapped persons (with a disability of more than 50%), BPL family category who set up new industrial unit(s) themselves. Such entrepreneurs are entitled to the following additional concessions/ facilities:-

- a) Reimbursement of 90% expenditure incurred towards the cost of preparation of feasibility report with a ceiling of Rs.25, 000/- in each case.
- b) 100% subsidy on the carriage and installation cost of the plant and machinery.
- c) Special Investment Subsidy @ 10% on Fixed Capital Investment (FCI) subject to a maximum of Rs. 1,00,000/-.
- d) Interest subsidy @ 5 % on term loan availed from the Financial Institution(s) as per original repayment schedule with a ceiling of Rs. 50,000 p.a. for a period of 3 years. This interest subsidy will be made available for "Specified Category of Activities" (as listed in Annexure-IV) with FCI upto Rs. 25 lakhs. No interest subsidy will be paid on defaulted installments and the period of default will be counted for determining the ceiling of 3 years viz. interest subsidy will be 20 admissible for the first 3 years of the original repayment schedule finalized by the Financial Institution at the time of sanctioning of loan.

III. PACKAGE OF CONCESSIONS, INCENTIVES & FACILITIES TO SMALL SMALL SCALE ENTERPRISES IN THRUST SECTOR: New Thrust Industrial Enterprises located in "B" and "C" category areas are be eligible for:

- i) Out of turn allotment of land/plot/ industrial sheds.
- ii) Allotment of land/plot/ industrial sheds @50% of the normally applicable premium as may be determined by the Government from time to time for the general category of industries.
- iii) Exemption from the payment of State Excise Duty for a period of 7 years to New Thrust Industrial Enterprises manufacturing wine/cider by using locally produced fruits.

New Thrust Industrial Enterprises based on Horticulture/Vegetable /Maize/ herbal produce enterprises and located in 'B' and 'C' category areas are entitled for the following additional incentives: i. Total exemption from the payment of Electricity Duty for a period of 10 years from the date of commencement of production. ii. Interest subsidy @5 % p.a. on term loan, with a ceiling of Rs. 2 lakhs p.a. for a period of 3 years.

Biotechnology related Thrust Enterprise(s) are also governed by the procedure of the Department, as applicable to other Industrial Enterprises with regard to approval/acknowledgment, processing of applications for the purchase of private land, allotment and transfer of industrial plots/land/sheds in the Industrial Areas/ Estate including Biotechnology Parks/ Estates etc. of the State, release of electricity & water connections and other infrastructural requirements. The Department of Environment, Science and Technology of the State Government is be the Nodal Department for receiving, processing and recommending the applications of such Thrust Enterprise(s) to concerned Departments/ Boards/ Corporations of the State and Central Government, as the case may be, wherever required. The Scheme of Incentives, Concessions 19 and Facilities under Incentive Rules-2004 as provided to other Industrial Enterprises are also available to Biotechnology related Thrust Enterprise(s). Such New Thrust Enterprise(s) located in 'B' and 'C' category area are eligible for the following additional incentives:-

- i. Out of turn allotment of land/plot/ industrial sheds.
- ii. Allotment of land/plot/ industrial sheds @50% of the normally applicable premium as may be determined by the Government from time to time for the general category of industries.
- iii. Interest subsidy @5 % p.a. on term loan, with a ceiling of Rs. 2 lakhs p.a. for a period of 3 years.

IV. Support to Innovation Projects: The incentives under this scheme to the Innovation Projects will be as under:-

- a) Rs. 25,000/- per month will be provided to the innovation projects as sustenance allowance for one year whose project is recommended by the Host Institution and approved by the Empowered Committee.
- b) Incubation center will provide support to the startups and innovation projects by providing mentoring services, access to their labs, facilities, etc. on a free-of-cost (FOC) basis.
- c) Marketing/commercialization assistance of maximum of Rs. 10 lakh will be provided to the innovation project to launch its products/services in the market.

The assistance will be provided in the following manner:-

- (i) It can be given to an innovation project where he has secured funding maximum 25% from a known and registered angel/venture funds/reputed incubator. The

amount could be disbursed as purely/partly grants or soft loan/equity on a case-to-case basis as has been given by registered angel/venture funds/reputed incubator.

Or

(ii) It can be given as matching assistance to reputed incubators established by the HIs to fund innovation project as part of accelerator programme as purely/partly grants or soft loan/equity on a case-to-case basis.

d) Patent Filing Cost: The cost of filing and processing of patent application will be reimbursed to the incubated startup companies subject to a limit of Rs. 2 lakh (0.2 million) per Indian patent awarded or actual cost incurred, whichever is less. For awarded foreign patents on a single subject matter, up to Rs. 10 lakh (1 Million) or actual cost incurred, whichever is less would be reimbursed. The reimbursement will be done in 2 stages, i.e., 75% after the patent is filed and the balance 25% after the patent is granted. This incentive shall be routed through the incubator concerned.

V. Incubators : The incentives under this scheme which may be provided to the Incubators may include any or all of the following incentives as per their eligibility:-

(i) Financial assistance will be provided for three years to the selected institutions for setting up the incubator and other activities. The maximum financial assistance will be provided @ Rs. 30 lakh per incubator per year upto a period of three years. In addition the related incubators will be entitled for a grant of maximum Rs.10.00 lakh for meeting the recurring expenditure actually incurred as per table mentioned below. The subsequent grant will be based on performance of the incubator.

Each incubator will be assisted as follows:-

| | |
|---|------------------------------------|
| a) Grants for supporting operational expenses in the incubator e.g. Salaries of Regional Coordinators, mentoring programs, networking meetings, conducting Hackathons, etc. | Break up Financial Limit 2 Lakh |
| b) Annual Financial support for projects for Training and Capacity Building for Faculty and students. | 2 Lakh |
| c) Exposure to Support and Network Programs conducted by the departments concerned. | 1 lakh |
| d) Opportunity to visit National/ International startup destinations. | 2 Lakh |
| e) Internship Stipends. | 2 Lakh |
| f) Miscellaneous other expenses & Administrative +charges | 1 lakh |
| Total | 10.0 lakh |

(ii) In case of Govt. owned building is leased to an incubator, no lease rent or O & M charges will be levied for a period of five years or until the incubator is self-sustainable, whichever is earlier. In case where private premises are taken on lease/rent basis, a rental reimbursement @ Rs. 5 per sq.ft. per month or 25% of the

actual rent paid, whichever is less, shall be reimbursed for a period of 3 years. This shall be limited to the incubation space only.

(iii) In case of incubator set up in private sector, an investment subsidy of 20% of the value of capital expenditure, other than land building, shall be provided to incubation projects that enter into an MoU with the state within 2 years of the notification of this scheme/policy. This subsidy shall be limited to a maximum of Rs. 50.0 lakh.

(iv) Incubators and Host Institutes shall be eligible for 50% reimbursement of the Stamp Duty and Registration Fee paid on sale/lease.

(v) The private party interested to set up incubator in the state shall be eligible for allotment of plot in industrial area for setting up the incubation facility as per the prevailing policy.

(vi) The interested institution will submit its proposal to the Director of Industries in a prescribed format who will further put it before the Executive Committee of the Scheme for consideration and approval.

(vii) Host Institute setting up incubator will be competent to utilize the services of NRIs/Foreign Tourist visiting India having domain knowledge in the relevant field to mentor the incubates/startups .

VI. Incentives to New Industries/Startups/Innovation Projects : The scheme of incentives for startups/new industries/Innovation Projects shall be as under and shall be governed by the Incentive Rules, 2004 and as modified from time to time and incentives admissible under the State/Govt. of India sponsored schemes.

(a) Start-ups/new industries/Innovation Projects will be eligible for grant on the cost of preparation of feasibility study/project report @ 75% of the cost subject to maximum of Rs. 1,00,000/- in each case. Subsidy will be routed through the Support Centre.

(b) Availability of Land: Department of Industries/Sectors will provide land to start-ups/new industries/Innovation Projects in micro and small scale Industries/Sectors in Industrial Areas of Category B and C Areas at concessional rate @ 50% of the rates fixed by Department of Industries from time to time.

(c) Concession in Stamp Duty: All new Start-up/new industries/Innovation Projects Units to be setup in Himachal Pradesh will be charged stamp duty @ 3% only on conveyance deed and lease deed from the date of notification by Revenue Department.

(d) VAT Concessions:

(i) New startups/new industries/Innovation Projects engaged in processing of primary agriculture/horticulture or herbal produce (other than flour mills/rice sheller) will be exempted from payment of VAT/CST for a period of 3 years or till they reach a turnover of Rs. 2.0 crore per year whichever is earlier.

(ii) All new industrial unit(s) set up after the date of this notification in the Category "C" areas of the State as defined in Incentive Rules of Department of industries, as notified from time to time, shall be exempted as follows from payment of State taxes (excluding levies in the shape of cess, fees, royalties etc.) for a period of 7 years from

the date of commencement of commercial production or the date of notification by the concerned Department(s), whichever is later. The total amount to be so exempted shall be limited to 80% and 60% of the total fixed capital investment i.e. investment made in building, plant & machinery in tribal areas and backward panchayats respectively as per the table & conditions listed below:-

| Eligible Area | Limit of exemption | Period of exemption |
|--------------------|--------------------------|---------------------|
| Tribal area | 1) 80 % of the total FCI | 7 years |
| | 2) (Total of all taxes) | |
| Backward Panchayat | 1) 60% of the total FCI | 7 years |
| | 2) (Total of all taxes) | |

(iii) These incentives shall be recast after coming into force of GST.

(iv) However, these incentives will be subject to the unit satisfying conditions of eligibility as specified in incentive rules 2004 as amended upto 12/03/15 of the Industries Department.

Concession in Fee for obtaining consent from H.P. Pollution Control Board: Fees for obtaining consent to establish and consent to renew would be reduced by 25% for green industry and by 10% for orange Industry after issue of notification by the concerned Department.

(e)Interest subvention: The new startups in Micro sector with an investment upto Rs 25 Lakh employing at least 5 persons and proposing to take loan from Scheduled Nationalized Banks or State cooperative banks will be provided interest subvention @5% up to a loan of Rs 25lakh for three years.

(f)Purchase Preference by Govt. of H.P./ Public Sector undertaking: The products of Small Scale Industry including 'Village Industry' as defined under the Incentives Rules, 2004 as amended from time to time and located within Himachal Pradesh is being given purchase preference in respect of purchases affected by the Government Departments, Boards and State owned or controlled Corporations. Purchase orders to such firms may be placed at the lowest approved rates at least to the extent of 30% of the total procurement provided the quoted price of such local units are within the range of 15% of the L-1 rates.

Provided further Start Ups in micro and small scale categories in the manufacturing sector will also be entitled for such purchase preference by Govt. of HP/PSUs. Such Start Ups may also be exempted from the prior experience/turnover requirements provided they meet the requisite quality standards as laid down in the tender.

(g) Apart from the incentives listed under this Scheme, startups/innovative projects would also be entitled for various other incentives under the Incentive Rules, 2004 (as amended from time to time).

Incubation fund : An incubation fund may be created with initial corpus of Rs. 5.0 crore. This fund shall also be utilized to meet out the liability of state share for the

Govt. of India Startup Scheme. The State Government/EC will have the power to review the performance of each incubator and dis-empanel those whose performance is not found up to the mark.

Jammu and Kashmir State Schemes:

Incentives and Subsidies:

State Industrial Policy, 2004-15 provides the following incentives to the entrepreneurs for setting up of their industrial units:

a) Central Package of Incentives:-

- 30% subsidy on Capital Investment on Plant and Machinery upto a maximum of Rs.3.00 crores per unit for manufacturing activities and Rs. 1.50 crores per unit for servicing activities.
- 3% Interest subsidy on working capital.
- 100% Transport subsidy.
- Refund of Central Excise Duty paid on value addition.

b) State Package of Incentives:-

- 100% subsidy on purchase of new diesel generating sets upto Rs.25.00lac per unit.
- 100% subsidy on Quality Testing Equipment upto Rs.25.00 lac per unit.
- 30% subsidy on Pollution Control Equipment upto Rs.20.00 lac per unit.
- 15% Capital investment subsidy.
- 5% refund of interest paid on term loan for "Technocrats".
- Special incentive for Brand Promotion and Modernization.
- Toll tax exemption on import of raw material and export of finished products.
- VAT reimbursement on local purchase of raw material to SSI units.
- Stamp Duty exemption.
- CST exemption on sale of finished goods outside the State.

Incentives extended to trainees and artisans:

- Rate of stipend in favour of trainees has been extended from Rs.100 to Rs. 500 in respect of elementary training course and Rs. 200 to 700 in respect of advance training course.
- Loan ceiling under Handicraft Micro enterprise Scheme/Artisans Credit Card Scheme has been extended from Rs. 50,000 to Rs.1.00 lac.
- Interest subvention has been enhanced from 5% to 10%.
- Enhancement of award money for State Award to outstanding Handicraft Artisans/ Craftsmen from Rs.15,000 to Rs.50,000.

<http://www.jksidco.org/pdf/industrial-policy-2016.pdf>

Annexure to Government Order No. 58- IND of 2016 dated 15-03-2016

State Capital Investment Subsidy:

| Sr. No | Category of Industrial Units (Micro, Small & Medium) | Zone- A | | Zone-B | |
|--------|--|-----------------|-------------|-----------------|-------------|
| | | % of P & M cost | Upper limit | % of P & M cost | Upper limit |
| A | Manufacturing Sector | 30 | 60.00 | 30 | 75.00 |
| B | Service Sector | 30 | 30.00 | 30 | 37.50 |

The State Industrial Policy- 2016 provides additional incentives from the state package for Micro and Small Industries under the Capital Investment Subsidy (CIS) for the new units in Zone- B districts @ 10% of Capital Investment in plant and machinery (subject to an upper ceiling of Rs. 20 lacs).

Interest Subsidy on Working Capital:

| Sr.No | Zone | Existing rate of Interest Subsidy | New Rate of Interest Subsidy on Working Capital |
|-------|------|-----------------------------------|---|
| 1 | A | 3% on W/C | 3% |
| 2 | B | | 5% |

Industrial units in Zone-A shall avail the entire 3% Interest Subsidy under the Special Central package of incentives wherever eligible. In case of Zone-B they shall first avail the 3% Interest Subsidy on working capital the Special central Package whichever eligible, in the first instance and claim the balance 2% under the State Package subject to upper ceilings. No interest subsidy shall be available on penal interest or on default payments.

Power tariff/Diesel Generator Set/ Green Energy Option:100% Subsidy on purchase & installation of DG sets from 10KW to 2000 KW capacity purchased from reputed / Standard Companies shall be allowed with upper ceiling as indicated below:

| Existing capacity of DG Set permissible | New capacity of DG Set permissible | Upper Ceiling |
|---|------------------------------------|---|
| 10KW to 1000 KW | 10KW to 2000 KW | Rs. 40 lacs for Zone-A Rs. 45 lacs for Zone- B |

Air Freight Subsidy: Air freight subsidy shall be available on export of finished goods and import of raw material for registered micro and SSI units for any destination within the country @ 50% subject to a maximum of Rs. 5 lacs per year per unit.

Freight Subsidy : Freight Subsidy of 90% is available under Special Central Package. In order to help the unit holders in Thrust Industries in Zone- B districts to meet the

higher cost of transportation, 5% additional freight subsidy shall be provided under the State Package.

Marketing Support:

Marketing Assistance: Up to 15% price preference shall be available on the landed cost of the product to the local SSI units in all Government purchases. The price preference shall also apply in case of any goods purchased by the public sector undertakings / boards, purchased for their own non-commercial use.

- For the development of industries in Jammu & Kashmir State in the State Govt. and provided number of incentives for the development of large/medium/small and tiny industries in the industrially backward area. Jammu & Kashmir State Govt. has recently issued an order which indicate incentives provided by the State Authorities. The incentives are as under:-
- Allotment of Govt. land in industrial estates/outside industrial states and benefits in other cases shall be regulated as follows :- Lease period shall be 90 years, with a provision in the lease agreement for revision of rent after every 5 years. The revision of rent shall follow norms as may be fixed by the Govt. subject to upper limits of 2%.
- Premium on land and rent would be as per Govt. notification to be issued separately for this purpose.

Seed Capital Fund Schemes: Sher-e-Kashmir Employment and Welfare Programme for the Youth (SKEWPY)

Objectives:

- To motivate, train and facilitate educated youth to take up entrepreneurship as a career option and create employment opportunities.
- To invest in various areas to optimally exploit resources.

Eligibility: An unemployed state subject within the age group of 18 to 37 years and minimum qualification of 10+2. No income ceiling for coverage under the scheme. Beneficiaries must be registered with the concerned district employment and counselling centre any person or any existing units which have already availed of any incentive or subsidy under any scheme of the Government of India or the State Government shall not be eligible for assistance under the scheme. No institution corporate body society or an NGO shall be eligible for assistance under the scheme.

Incentives extended to trainees and artisans

- Rate of stipend in favour of trainees has been extended from Rs.100 to Rs.500 in respect of elementary training course and Rs. 200 to 700 in respect of advance training course.
- Loan ceiling under Handicraft Micro enterprise Scheme/Artisans Credit Card Scheme has been extended from Rs. 50,000 to Rs.1.00 lac.
- Interest subvention has been enhanced from 5% to 10%.
- Enhancement of award money for State Award to outstanding Handicraft Artisans/Craftsmen from Rs.15,000 to Rs. 50,000.

Earnest Money/Security Deposits:

- SSI units to pay only 5% of the amount of Earnest Money/Security deposits prescribed in tender notice or 5000/- whichever is higher.
- Tender documents to be supplied to SSI units at a cost of which would not exceed Rs. 10/- in each case.
- SICOP shall be treated at par with SSI units for purpose of tendering before Govt. Depts.

Pre-Investment Studies/Feasibility Reports: Project profiles shall be got prepared by the Directorate of Industries and Commerce, SIDCO and SICOP and made available off the shelf to the promoters at a nominal price. The promoters may get a project feasibility report prepared from J&K ITCO, JKDFC, J&K SIDCO, J& K SICOP or any other agency, as may be approved by the GM, DIC from time to time. The promoter may get a report prepared also from any other specialist agency/reputed consultant(s) in the field. The expenditure incurred on such feasibility reports shall qualify for 100% subsidy at the time of execution of the project, subject to a limit of Rs.2.00 lac.

Subsidy on Pollution Control Devices: For installation of latest, online monitoring and high quality pollution control devices (PCD) in the factories /units by the promoters, subsidy on the cost of Pollution Control Devices (PCD) installed shall be available @ 60% of the cost of Pollution Control Devices subject to a maximum of Rs. 50 lacs, if this has not been already claimed under CIS or similar subsidy scheme of the Central or State Government.

Green and Environment Protection Initiatives: Industrial units shall be encouraged to undertake rain water harvesting, waste water recycling, zero discharge process/solid waste management. For this purpose, 50% subsidy on the expenditure incurred on the equipment subject to limits indicated in the Industrial policy shall be provided by the State Government and subject to the condition that capital investment subsidy has not been already claimed on this investment.

Quality Control and Testing Equipment: Installation of quality control and testing equipment is a prerequisite for successful trial as well as continuous and efficient functioning of a factory /industry. Incentive of 100% subsidy on cost of such equipment shall be available to the industrial units subject to the upper limit of Rs.35 lacs. The incentive available shall however be restricted to 25% of the total capital investment, if the cost of testing equipment exceeds 25% of the total investment. To the extent incentive for such equipment is availed under the Central Capital Investment Subsidy, deductions will be made from the amount due under the state scheme. The incentives shall be sanctioned only after the unit wanting to avail this incentive, obtains a National/International quality mark. Industrial units procuring Quality Certification like ISO, ISI, BIS, FPO, BEE, AGMARK, ECOMARK etc. shall be given a subsidy of 30% of the total cost incurred for obtaining the said certificate subject to a maximum of Rs.2 lac, as certified by the Chartered Accountant. This incentive, however can be availed only once.

Entrepreneur and Skill Development Fund: An entrepreneur and skill development fund shall be created for incorporating entrepreneurial skills to the local youths for sustained industrial growth in the state. 10% of the premium charged by SIDCO for allotment of the land to the entrepreneurs shall be transferred to this Fund. Separate guidelines shall be issued for utilization of the fund which shall mainly emphasise on skill development. The entrepreneurs shall be provided training and skill development in industrial entrepreneurship from the premier institutes of the country.

MSME Policy 2013-2018 for West Bengal:

Fiscal Incentives and Concessions for MSME sector

1. Capital Investment Subsidy: Entrepreneurs setting up new units in Zone C & D will be entitled for subsidy on Capital Investment which is shown below:

• **For new Micro & Small Enterprise in Zone C & D**

Micro Enterprise

Zone C - 25%

Zone D - 40%

Small Enterprise

Zone C - 15%

Zone D - 30%

- a) All these concessions are subject to a ceiling of Rs 50 lakh for Small Enterprise.
- b) **20% additional subsidy on admissible subsidy for all enterprises wholly owned by women, SC/ST and minority community entrepreneurs.**
- c) **These entrepreneurs will also get incentive for setting up of units in Zone A & B as follows :**

Micro Unit - 15%

Small Unit - 10%

- d) **This incentive would be in addition to what the units get from GoI under any other scheme.**

2. Interest subsidy on term loan: The Government will provide an interest subsidy to a percentage of the annual liability on the term loan for implementation of the approved project depending on the location of the units.

Micro & Small Enterprise

- Zones A & B - The interest subsidy will be 6 % for 5 years.
- Zones C & D - The interest subsidy will be 7.5 % for 5 years.

Medium Enterprise

- Zones B & C - The interest subsidy will be 25 % of total term loan interest subject to a ceiling of **Rs.175 lakh / year for 5 years.**
- Zone D - The interest subsidy will be 25 % of total term loan interest subject to a ceiling of **Rs.175 lakh / year for 7 years.**

3. Electricity Duty: An eligible micro, small or medium unit for its approved project in various zones will be entitled to a waiver of electricity duty on the electricity consumed for the production/ operation activity for a period from the date of commencement of production or operation.

Micro & Small Enterprise:

- Zone A & B - 50% waiver of electricity on the electricity consumption for 5years.
- Zone C & D - 75% waiver of electricity on the electricity consumption for 5 years.
- The units set up in any zone and wholly owned by women, SC/ST and minority community entrepreneurs will be eligible for 100% waiver for 5 years.

Medium Enterprise:

- Zone B & C - 100% waiver of electricity on the electricity consumption for 5 years subject to maximum of Rs. 25.00 Lakh per year or Rs. 1.25 Crore for 5 years.
- Zone D - 100% waiver of electricity duty on the electricity consumption for years and 75% waiver from the sixth year up to tenth year subject to maximum of Rs. 50.00 Lakh per year or Rs. 2.5 crore in 5 years.

4. Power Subsidy: Cost of power is a crucial factor for increasing cost competitiveness of industry. Therefore the Government has decided to provide a power subsidy as follows:

Micro, Small and Medium Enterprises

- Subsidy of Rs. 1.00 / Kwh for units in Zone A& B for 5 years
- Subsidy of Rs. 1.50 / Kwh for units in Zone C & D for 5 years

However the power subsidy is for 5 years subject to a ceiling of **Rs 20 Lakh per annum for small enterprises and Rs 30 Lakh for medium enterprises.**

5. INCENTIVE FOR ENERGY EFFICIENCY:

Micro & Small Enterprise

- 50% re-imbusement of the cost of energy audit undertaken by an certified agency to be available after implementation of the recommendations.
- 25% reimbursement of the cost of installations for energy conservation as per energy audit subject to a ceiling of Rs.2 Lakh.

6. Refund of Value Added Tax (VAT): An eligible micro, small and medium unit for its approved project will be entitled to a VAT refund as follows:

Micro, Small and Medium Enterprises

- **Zone B & C - 80%** VAT refund paid for 8 years or 75% of fixed Capital Investment whichever reached earlier
- **Zone D - 90%** VAT refund paid for 8 years or 75% of fixed Capital Investment whichever reached earlier.

7. Refund of Stamp duty and registration fee: An eligible micro, small and medium enterprise will be entitled to a refund of stamp duty and registration fee paid by it for the purpose of registration of documents within the State relating to the purchase of land and buildings for setting up of the approved project at the following rates:

Micro and Small enterprises

- For Zone A - 25%
- For Zone B - 50%
- For Zone C - 75%
- For Zone D - 100%

Medium Enterprises

- For **Zones B, C & D** the medium enterprise will be entitled to a refund @ 75% of Stamp Duty.

8. Reimbursement of Entry tax: In order to ensure price competitive supply of raw materials to the State, the State government will provide the following to the Micro, Small and Medium enterprises:

- Reimbursement of Entry Tax on plant and machinery available after beginning of commercial production by the unit.
- Reimbursement of entry tax on procurement of raw materials for the initial 3 years will be provided.

9. Refund of Central Sales Tax (CST): An eligible micro, small and medium enterprise for its approved project will be entitled to total refund of CST for 3 years from the date of commencement of commercial production.

10. WATER CONSERVATION / ENVIRONMENT COMPLIANCE:

Micro & Small Enterprise

- Assistance upto 50% or Rs 2 Lakh maximum for water conservation/ pollution control measures

11. Workforce Welfare Assistance: An eligible Micro, Small and Medium enterprise for its approved project will be entitled to a reimbursement of 100% in 1st year & 75% in next remaining years of expenditure incurred by it towards Employees State Insurance (ESI) and Employees Provident Fund (EPF). The reimbursement for Zones C and D will be as follows:

- Zone B - 5 yrs

- Zone C - 7 yrs
- Zone D - 9 yrs

12. Assistance for Cluster Development: The State Government will provide financial assistance to establish common infrastructure facilities in industrial clusters.

- Support **up to Rs. 5 crore** for common infrastructure such as road, power etc for each micro and small industrial cluster in **Zone B and C** will be provided by the State Government.
- And in **Zone D**, i.e. the backward areas, this support will be upto Rs. 10 crore for common infrastructure such as road, power etc for each micro and small industrial cluster.

13. Special Incentives schemes:

- An assistance up to 50% or Rs 2 Lakh maximum will be provided to micro and small enterprises taking appropriate water conservation/ pollution control measures as per water conservation and environment compliance rules.
- Incentive for energy efficiency will be provided to Micro and Small enterprises adopting energy conservation measures. 50% reimbursement of the cost of energy audit undertaken by a certified agency to be available after implementation of the recommendations and 25% reimbursement of the cost of installations for energy conservation will be provided as per energy audit subject to a ceiling of Rs 2 Lakh.
- For Micro and Small enterprises, a further assistance of 50% of cost up to a maximum of Rs. 5 lakh will be provided for Standard quality compliance e.g. obtaining certification/ accreditation like ISO-9000, ISO-14000, ISO-18000, Social Accountability Standards etc.

14. Subsidy for Intellectual property (GI/ Patent registration):

- State Government will provide consultancy and facilitation services for identification and registration of Geographical Indicators (GI) of items.
- Reimbursement of **50% of expenditure** for obtaining patent registration subject to a **maximum of Rs. 5 lakh.**

15. Skilled HR Development: The Government is going to undertake measures in collaboration with the industry to provide 1 million skilled HR over a period of 5 years.

The State Government will promote and organize entrepreneurship development and skill development training programmes to cater to the emerging skill needs while simultaneously encourage and enable the unemployed younger generation to be self-employed.

Conditions/Eligibility of the units for availing Incentives/Financial Assistance under this Policy:

- Modern /Hi-tech plant & Machinery to be installed that conform to the standard productivity.
- Unit will have to strictly observe requisite pollution control compliances.
- Regular Energy Audit is to be conducted and standard energy efficiency to be ensured wherever applicable.
- Unit will have to follow/maintain labour laws.
- Unit will have to commit to remain in production for at least 5 years from the date of commercial production.

A unit defaulting in payment of any government dues / FI dues will not be eligible for assistance under this policy.

Geographical dispersion: Classification of areas (List of industrial zones)/ GRADED SLABS OF INCENTIVES:

The districts of the state have been divided into 4 Zones for differential treatment under this Policy. Considering the needs of inclusive growth, the policy provides additional incentives for investment in backward regions of the state.

| Zone A | Zone B | Zone C | Zone D |
|---|--|---|---|
| <ul style="list-style-type: none"> • Kolkata Municipal Corporation area. • All municipal areas of North 24 Parganas. • All Municipal Areas of South 24 Parganas • All Municipal Areas of Howrah | Districts of <ul style="list-style-type: none"> • Hooghly • North 24 Parganas (excluding Municipal areas and Sunderban Areas) • South 24 Parganas (excluding Municipal areas and Sunderban Areas) • Howrah (excluding Municipal areas) • Siliguri Municipal Corporation • Municipal corporation/ Municipal areas of PaschimMedinipur, PurbaMedinipur, Burdwan, Nadia | Districts of <ul style="list-style-type: none"> • Burdwan (excluding Municipal Corporation/ Municipal Areas) • PurbaMedinipur (excluding Municipal Corporation/ Municipal Areas) • Nadia(excluding Municipal Corporation/ Municipal Areas) • Malda • Jalpaiguri • Murshidabad • Darjeeling (excluding Siliguri Municipal Corporation) | Districts of <ul style="list-style-type: none"> • Birbhum • Purulia • Bankura • PaschimMedinipur (excluding Municipal Corporation/ Municipal Areas) • Uttar Dinajpur • DakshinDinajpur • Coochbehar • Sunderban Areas of South and North 24 Parganas districts. |

