

**BOOKLET**  
**on**  
**FISCAL INCENTIVES / SUBSIDIES**  
**extended by few State Governments / Union Territories**  
**to attract Investments**

**Compiled: April 2022**

**An initiative for awareness creation  
amongst the Leather & Footwear Industry**

**By**



**Council for Leather Exports**

*Sponsored by Ministry of Commerce & Industry, Government of India*

## Brief on the Fiscal Incentives / Subsidies Extended by few State Governments / Union Territories

The State Governments provides fiscal incentives / subsidies to the industry towards industrial growth and development in their state and also for generation of employment opportunities. The following statement shows the incentives / subsidies given by select few States (in which Leather & Footwear is one of the primary sectors), which is a compilation from the websites of the respective State Governments / UTs. These are only brief extracts and for detailed information, readers are requested to browse the websites the link of which is given in the last column.

S.NO	STATES	POLICY	FISCAL INCENTIVES / SUBSIDIES	WEB LINK				
1	ANDHRA PRADESH	<b>Industrial Development Policy 2021-23</b>	<p>Every eligible industrial enterprise may claim for incentive under this policy for expansion / diversification activities – Subsidy is provided @ 15% of eligible project cost subject to a limit of Rs.20 Lakh for General category.</p> <p>For BC / minority (women), 35% subsidy with ceiling of Rs.50 Lakh is provided.</p>	<a href="http://www.apindustries.gov.in">www.apindustries.gov.in</a>				
2	HARYANA	<b>Enterprises &amp; Employment Policy 2021-25</b>	<p><b>SCHEME FOR GRANT OF INVESTMENT SUBSIDY IN LIEU OF NET SGST.</b></p> <p>The projects are classified under Ultra Mega Projects, Mega Projects including cluster establishment / relocation, large units, MSMEs, Start-ups etc. The subsidies are given at different percentages for each category of the projects. For example, the subsidy for MSMEs is as under: -</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Category Blocks</th> <th style="width: 50%;">Investment Subsidy lieu of Net SGST</th> </tr> </thead> <tbody> <tr> <td>'D' Category Block (Most industrially backward areas)</td> <td>75% of Net SGST for first 10 years with cap of 150% of Fixed Cost Investment [FCI]</td> </tr> </tbody> </table>	Category Blocks	Investment Subsidy lieu of Net SGST	'D' Category Block (Most industrially backward areas)	75% of Net SGST for first 10 years with cap of 150% of Fixed Cost Investment [FCI]	<a href="http://www.haryanaindustries.com/pdf/fiscalincentive.pdf">http://www.haryanaindustries.com/pdf/fiscalincentive.pdf</a>
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			<p><b>Stamp Duty Refund:</b> 100% refund in 'D' category blocks; 75% in 'C' category blocks and 60% in 'B' category blocks on the land meant for industrial use, after commencement of commercial production within 5 years from the date of purchase of land.</p> <p><b>Electricity Duty Exemption:</b> 100% exemption for 12 years in 'D' category blocks, 10 years in 'C' category blocks and 7 years in 'B' category blocks.</p> <p><b>EDC charges:</b> 100% exemption of External Development Charges in 'D' category blocks, 75% in 'C' category blocks and 60% in 'B' category blocks.</p> <p><b>Note: Expansion/Diversification-</b> These benefits except Employment Generation Subsidy shall also be applicable to MSMEs undergoing 50% additional investment in plant and machinery for expansion/ diversification of existing unit with cap of 100% of new fixed capital investment on expanded FCI.</p> <p><b>INDUSTRIAL PARK DEVELOPMENT:</b></p> <p>i. <b>Financial assistance for Industrial Parks:</b> Contribution of 50% of the project cost (excluding land) up to Rs 40 crore for setting up of industrial parks by any developer i.e., industry association/ SPV/any enterprise registered under Partnership Act/ Companies Act/ Cooperative Societies Act in 'C' &amp; 'D' category blocks. The external infrastructure related to road, water supply and independent power feeder shall be provided at the state expenses under IIDS.</p>	
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			<p>ii. <b>Stamp Duty Refund for Industrial Park:</b> 80% stamp duty refund to the developer of Industrial Park in ‘C’ and ‘D’ category blocks.</p> <p>iii. <b>Financial assistance for setting-up industrial housing/dormitories in Industrial Parks:</b> Reimbursement of 50% of the cost of building, subject to a ceiling of Rs. 50 lakhs developed in industrial parks on min. of 2000 sq. mt. plot and above in Industrial Estates/Parks developed by State Agency/Private Developer.</p> <p><b>Cluster Plug and Play Facility:</b> Grant in aid of 50% of project cost up to INR 10 crore for developing flatted factories on minimum 5 acres of land with the objective of reducing cost of doing business for MSMEs.</p> <p><b>Consultancy Scheme:</b> The budget provision of Rs. 10 crores for seeking consultancy Services/support for getting maximum benefit of the infrastructure related schemes of GoI as well as for implementation of schemes for MSMEs sector will be made and for executing business reform points under EoDB mandate of GoI.</p>	
3	KARNATAKA	<b>New Industrial Policy 2020 – 2025</b>	State Government provides Incentives & Concessions to keep the momentum of growth and to encourage holistic development of MSMEs in the State.	<a href="https://www.investkarnataka.co.in/wp-content/uploads/2020/11/Booklet-final.pdf">https://www.investkarnataka.co.in/wp-content/uploads/2020/11/Booklet-final.pdf</a>

<b>Type of Support</b>			<b>General Category</b>			
Investment Promotion Subsidy for Micro and Small Enterprises			Enterprises	Zone 1	Zone 2	Zone 3
			Micro Enterprises	30% of VFA, subject to ceiling of Rs.25 Lakhs	25% of VFA, subject to ceiling of Rs.20 Lakhs	Nil
			Small Enterprises	25% of VFA, subject to ceiling of Rs.100 Lakhs	20% of VFA, subject to ceiling of Rs.90 Lakhs	Nil
			<p>Note: Micro &amp; Small Enterprises can avail an investment promotion subsidy to an extent of 10% of the turnover in each financial year and spread the same to maximum of five financial years from the date of commercial production. Such cumulative investment promotion subsidy availed will be limited to the maximum extent as above. This investment promotion subsidy is limited to either the period (five financial years) or the limits whichever is reached earlier, and no carry forward is permitted.</p>			

			<p>Investment Promotion Subsidy for Medium Enterprises</p> <p>Minimum direct Employment 20 Number for first INR 10 cr &amp; additional 7 employment for every additional investment of INR 10 cr proportionately.</p>	<p><b>(c) Medium Enterprises</b></p> <table border="1" data-bbox="1094 305 1717 548"> <thead> <tr> <th>Zone</th> <th>Turnover %</th> <th>Maximum Period (Years)</th> <th>VFA Limit</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>2.50%</td> <td>6</td> <td>40% of VFA</td> </tr> <tr> <td>2</td> <td></td> <td>5</td> <td>35% of VFA</td> </tr> <tr> <td>3</td> <td colspan="3">NIL</td> </tr> </tbody> </table> <p><b>Note:</b> Medium Enterprises can avail an investment promotion subsidy to an extent of percentage of the turnover in each financial year for a maximum period as above from the date of commercial production. Such cumulative investment promotion subsidy availed will be limited to either the period or VFA limits whichever is reached earlier, and no carry forward is permitted.</p> <p>Medium Enterprises requiring lower employment / Enterprises which are unable to provide employment proportionate to investment as stipulated will have a lower turnover percentage in proportion to the total employment provided. However, the maximum period and VFA limit will be as above.</p>	Zone	Turnover %	Maximum Period (Years)	VFA Limit	1	2.50%	6	40% of VFA	2		5	35% of VFA	3	NIL			
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<p>Further State Government is also providing support to the MSMEs for Exemption from Stamp Duty, Concessional Registration Charges, Reimbursement of Land Conversion Fee, Exemption from Tax on Electricity Tariff, Power Subsidy etc.</p>																					

			<p>Further State Government is also giving support to the MSMEs for Technology adoption &amp; innovation, by way of, Interest Subsidy on Technology Up-Gradation Loan, Technology Adoption Subsidy, Incentives for Quality Certification etc.</p> <p>The State Government has separate Standard Package of incentives and concession offered for establishment for industries under Large, Mega, Ultra Mega, Super Mega category of enterprises.</p> <p>Separate Standard Package of incentive are also available for establishment of Private Industrial Parks.</p>	
4	<b>KERALA</b>	<p><b>Kerala Industrial &amp; Commercial Policy 2018</b></p> <p><b>“Entrepreneur Support Scheme (ESS) for MSMEs”</b></p>	<p>State Government considers Footwear Industry at par with the other Thrust sectors.</p> <p>Directorate of Industries and Commerce is dealing with the implementation of various industrial activities and is responsible for Promoting / Sponsoring, Registering, Financing, and advising MSMEs in the State. The role of directorate is to act as a facilitator for Industrial Promotion and Sustainability of MSMEs and traditional Industrial Sector in the State. Directorate of Industries and Commerce is the controlling office of the 14 District Industries Centres, Common Facility Centres at Changanacherry and Manieri and Documentation Centre.</p> <p><b>Entrepreneur Support Scheme</b></p> <ul style="list-style-type: none"> <li>• Extend support to micro, small and medium enterprises</li> </ul> <p>Given in 3 Stages: 1st stage – Startup Support 2nd stage - Investment Support 3rd stage - Technology Support</p> <ul style="list-style-type: none"> <li>• The Start-up support is provided for enterprises prior to commencement of commercial production.</li> <li>• Investment Support after the commencement of commercial production.</li> </ul>	<p><a href="https://keralaindustry.org/index.php/scheme-incentives/kerala-government">https://keralaindustry.org/index.php/scheme-incentives/kerala-government</a></p> <p><a href="https://www.ksidc.org/services/investment-promotion/">https://www.ksidc.org/services/investment-promotion/</a></p>



			<ul style="list-style-type: none"> <li>• Technology Support after commencing production on acquiring new technology.</li> <li>• Financial Support up to 15-45% of the fixed capital investment, limited to 30 lakhs</li> <li>• Industries in priority sector are given 10% additional support</li> <li>• Industries established in Backward districts (Pathanamthitta, Idukki, Wayanad &amp; Kasarkod) are given 10% additional support.</li> </ul> <p>Further State Government is providing funding support to attract investments into the State.</p>							
5	<b>MADHYA PRADESH</b>	<b>MSME Industrial Promotion Policy 2018 (Amended)</b>	<p>The State Government focuses on MSMEs for achieving a holistic industrial growth, and towards this, the State Govt incentivizes MSME units to enhance their competitiveness for achieving higher growth. State Govt also intends to uplift / upgrade the infrastructure facilities of existing industrial clusters to fulfil growing needs of ancillary units, besides develop new industrial clusters with adequate infrastructural facilities to meet futuristic demands of the cluster.</p> <p><b>Capital subsidy:</b> Subsidy on plant &amp; machinery only to eligible units will be given as below:</p> <table border="1" data-bbox="823 1081 1656 1232"> <thead> <tr> <th>Type of Unit</th> <th>% Of Subsidy</th> <th>Maximum Subsidy (Rs. in Lakhs)</th> </tr> </thead> <tbody> <tr> <td>Micro &amp; Small-Scale Industrial Unit</td> <td>15 %</td> <td>Subject to a ceiling of Rs.15 Lakhs.</td> </tr> </tbody> </table>	Type of Unit	% Of Subsidy	Maximum Subsidy (Rs. in Lakhs)	Micro & Small-Scale Industrial Unit	15 %	Subject to a ceiling of Rs.15 Lakhs.	<p><a href="#">Madhya Pradesh Ind Policy Revised 2018.pdf</a></p> <p><a href="https://invest.mp.gov.in/">https://invest.mp.gov.in/</a></p> <p><a href="http://www.mpsidc.com/">http://www.mpsidc.com/</a></p>
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			<p><b>Interest Subsidy:</b> Eligible units will get interest subsidy on term loan as given below:</p> <table border="1" data-bbox="825 415 1656 678"> <thead> <tr> <th>Type of Units</th> <th>Interest Subsidy</th> </tr> </thead> <tbody> <tr> <td>Micro Scale Industrial Unit</td> <td>5% with annual ceiling of Rs.3 lakh for 7 years</td> </tr> <tr> <td>Small Scale Industrial Unit</td> <td>5% with annual ceiling of Rs.4 lakh for 7 years</td> </tr> <tr> <td>Medium Scale Industrial Unit</td> <td>5% with annual ceiling of Rs.5 lakh for 7 years</td> </tr> </tbody> </table> <p>Further State Government is also providing support to the MSMEs for Entry Tax Exemption, VAT &amp; CST Assistance, Electricity Duty Exemption and Mandi Fee Exemption etc</p> <p>Cluster-based approach is increasingly being recognized as sustainable, cost-effective and an inclusive strategy to ensure competitiveness and improvement of MSMEs. State government has laid special emphasis on cluster development approach. New industrial clusters with plug and play facilities shall be developed.</p>	Type of Units	Interest Subsidy	Micro Scale Industrial Unit	5% with annual ceiling of Rs.3 lakh for 7 years	Small Scale Industrial Unit	5% with annual ceiling of Rs.4 lakh for 7 years	Medium Scale Industrial Unit	5% with annual ceiling of Rs.5 lakh for 7 years	
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6	MAHARAS HTRA	Package Scheme of Incentives 2019-2024.	<p><b>1. FISCAL INCENTIVES FOR MSMEs</b></p> <p>1.1 New MSME Units and Small Industries will be eligible for a basket of incentives mentioned in <u>Para Nos. 1.3, 1.4, 1.6 and 1.7</u>. The total quantum of incentives will be linked up to the percentage actual eligible Fixed Capital Investment as per the Taluka category mentioned in table below.</p>	<p><a href="https://maitri.mahaonline.gov.in/">https://maitri.mahaonline.gov.in/</a></p> <p><a href="https://www.investindia.gov.in/state/maharashtra">https://www.investindia.gov.in/state/maharashtra</a></p>								

However, aggregate fiscal incentives provided by various departments or agencies of the State Government shall not exceed the basket of incentives (as percentage of FCI). The incentives will be granted to the units on first-cum-first serve basis.

**Basket of Incentives for MSMEs**

Taluka / Area Classification	Maximum Permissible Fixed Capital Investment (INR crore)	Maximum Ceiling of basket of incentives as % of FCI	Eligibility Period (Years)
A	For the purpose of this policy, MSME shall include units as per the MSMED Act, 2006, as well as the units with FCI of up to INR 50 crore	--	--
B		30%	7
C		40%	7
D		50%	10
D+		60%	10
Vidarbha, Marathwada, Ratnagiri, Sindhudurg & Dhule		80%	10
No Industry Districts, Naxalism Affected Areas* and Aspirational Districts**			100%

			<p>*Naxalism affected areas as per Government Resolution No.: PSI - 2013/ (CR- 54) /IND-8 Dated 1st April 2013 issued by Government of Maharashtra Industries, Energy and Labour Department.          ** Aspirational Districts are Osmanabad, Gadchiroli, Washim and Nandurbar</p> <p>Provided that</p> <p>a) The incentives at Para No. 1.8 will also be available to MSME Units in Group A and B areas as well.</p> <p>b) The total quantum of incentives for the food / agro processing units (secondary and tertiary processing units and Primary Processing Units set up by Farmer's Producer Companies and the units set up in government assisted Food Parks) mentioned in Para No. 1.2 (vi), eligible green energy / bio-fuel manufacturing units and Units carrying out Industry 4.0 activity, will be 20% over and above the limits mentioned above and such units will get two more years of eligibility to avail the incentives.</p> <p>However, in any case total incentives admissible to the eligible unit will not exceed 100 % of eligible FCI.</p> <p><b>1.2 Expansion / Diversification Units:</b> Existing / New Micro, Small and Medium Manufacturing Enterprises and Small Industries (including Manufacturing IT/BT) Units, qualifying as Expansion / Diversification Units, will also be eligible to get the incentives for Expansion / Diversification, equivalent to 80% of the incentives admissible for New Units. The eligibility period for availing of the incentives will however be reduced by one year than that admissible to a New Unit in case of Expansion / Diversification Units.</p>	
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			<p><b>1.3 Industrial Promotion Subsidy (IPS)</b></p> <p>1) The eligible New / Expansion Micro, Small and Medium Manufacturing Enterprises, which are set up in different parts of the State, will be eligible for Industrial Promotion Subsidy (IPS), as per there taluka Categorization.</p> <p>2) Eligible Micro, Small &amp; Medium enterprises shall be offered Industrial Promotion Subsidy (IPS) on 100 % Gross State Goods &amp; Services Tax (SGST) payable by the unit on the first sale of eligible products billed and delivered within Maharashtra. The modalities for disbursement of incentives shall be as per the guidelines issued vide GR dated 12.06.2018, 20.12.2018 and 08.03.2019 and the guidelines issued from time to time.</p> <p><b>1.4 Interest Subsidy</b></p> <p>All eligible new Micro, Small and Medium Manufacturing Enterprises will be eligible for interest subsidy in respect of interest actually paid to the Banks and Public Financial Institutions (excluding unsecured loans, private loans / borrowings, loans from NBFCs etc.) for claim period, on the amount of term loans taken for acquisition of new Fixed Assets required for the project accepted by the implementing agency. The amount of interest subsidy will be calculated @ effective rate of interest, after deducting the interest subsidy receivable from any agency of the State Government or under any Govt. of India Scheme and the penal / compound interest or 5 % per annum, whichever is less. The quantum of interest subsidy payable to the eligible unit every year will not exceed the bills paid for electricity consumed during the relevant year.</p> <p><b>1.5 Exemption from Electricity Duty</b></p> <p>All Eligible New Units in Group C, D, and D+ areas, No-Industry District(s), Aspirational Districts and Naxalism affected Area will be</p>	
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			<p>exempted from payment of Electricity Duty during applicable eligibility period. In Group A and B areas, only eligible 100% Export Oriented Units (EOUs), Information Technology Manufacturing Units and Bio-Technology Manufacturing units will also be exempted from payment of Electricity Duty for a period of 7 Years. Necessary Notification under the provisions of the Electricity Duty Act 1958 will be issued separately by the Energy Department.</p> <p><b>1.6 Waiver of Stamp Duty</b></p> <p>New Units as well as Units undertaking Expansion / Diversification will be exempted from payment of Stamp duty during the Investment period in Group C, D, D+ Talukas, No Industry Districts, Aspirational Districts and Naxalism affected areas for acquiring land (including assignment of lease rights and sale certificate) and for term loan purposes. However, in Group A and B areas, stamp duty exemption would be available as given below:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> BT Manufacturing and IT Manufacturing Units in Public IT / BT Parks: 100%</li> <li><input type="checkbox"/> BT Manufacturing and IT Manufacturing Units in Private IT / BT Parks: 75%.</li> </ul> <p><b>1.7 Power Tariff Subsidy.</b></p> <p>Eligible New Micro, Small and Medium Enterprises (MSME) and Small Industries will be eligible for power tariff subsidy. The subsidy will be to the tune of Rs 1/- per unit for the Units located in Vidarbha, Marathwada, North Maharashtra and the Districts of Raigad, Ratnagiri and Sindhudurg in Kokan Region, No Industry Districts, Naxalism Affected Areas, and Aspirational Districts and Rs 0.50 per unit for the Units in other areas of the State for a period of 3 years from the date of commencement of commercial production, for the energy consumed and paid. The Units in</p>	
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			<p>Group "A" areas will however not be eligible for this incentive.</p> <p>Note- Units will be eligible for a basket of incentives mentioned in Para 1.1 The total quantum of which will be linked to the actual eligible Fixed Capital Investment. The total quantum of incentives and the Eligibility Period will be as given in Table 3. However, aggregate fiscal incentives provided by various departments or agencies of the State Government shall not exceed the basket of incentives (as percentage of FCI). The incentives will be granted to the units on first-cum-first serve basis.</p> <p><b>1.8 Additional Incentives for Strengthening MSMEs.</b></p> <p>The followings incentives shall be admissible to the Expansion Projects of MSMEs to promote quality competitiveness, Zero Defect Zero Effect (ZED scheme), Research &amp; Development, technology up-gradation, water &amp; energy conservation, cleaner production measures and credit rating –</p> <p>(A) Expansion projects of MSMEs and Small Industries will be eligible for following incentives</p> <p>(i) 5% subsidy only on additional capital equipment acquired for Technology Up-gradation, subject to a maximum of Rs. 25 lakhs.</p> <p>(ii) 75 % subsidy on the expenses incurred on quality certification limited to Rs. 1 Lakh.</p> <p>(iii) 25% subsidy on additional capital equipment acquired for cleaner production measures, limited to Rs. 5 Lakhs.</p> <p>(iv) 75 % subsidy on the expenses incurred on patent registration limited to Rs.10 Lakh for the National patents and Rs. 20 lakhs for the international patents.</p> <p>(v) 75% of cost of water audit limited to Rs. 1.00 Lakh.</p> <p>(vi) 75% of cost of energy audit limited to Rs. 2.00 lakh.</p>	
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			<p>(vii) 50% of the cost of Capital Equipment under the measures to conserve/recycle water, limited to Rs. 5 lakhs.</p> <p>(viii) 50% of the cost of additional Capital Equipment for improving energy Efficiency, limited to Rs. 5 lakhs.</p> <p>(B) Incentives for Credit Rating of MSMEs, 75% of the cost of carrying out Credit Rating by Small Industries Development Bank of India/ Government accredited Credit Rating Agency, limited to Rs. 40,000.</p> <p>(C) During the policy period, first 250 SMEs in all areas of the State, based in Maharashtra, fulfilling the criteria for listing, which will be enlisted on the SME Stock Exchange, Mumbai will be given refund of listing expenses equal to Rs. 6 lakhs or actual C.A. certified listing expenses, whichever is lower. The detailed modalities for getting this refund will be issued separately.</p> <p>Note: The Expansion Projects of MSMEs in Group “A” area fulfilling the eligibility criteria of PSI – 2019 will also be eligible for Stand-alone incentives as specified in para 1.8 (A), 1.8(B) and 1.8 (C).</p>	
7	RAJASTHAN	<b>Investment Promotion Scheme 2019-2026.</b>	<p><b>Capital Investment Subsidy:</b></p> <ul style="list-style-type: none"> <li>★ The Scheme shall be applicable to the following classes of enterprise(s) and investment, excluding investment mentioned in the list appended in the List-1 appended to clause.</li> <li>★ (I) New and existing enterprises making investment for setting up new units. (II) Existing enterprise making investment for expansion: Provided that the enterprise shall commence commercial production or operation during the operative period of the Scheme.</li> </ul>	<p><a href="https://istart.rajasthan.gov.in/public/pdf/">https://istart.rajasthan.gov.in/public/pdf/</a></p> <p><a href="https://invest.rajasthan.gov.in/">https://invest.rajasthan.gov.in/</a></p>



			<p>★ The Scheme shall not be applicable to a unit of enterprise if its commercial production or operation has commenced before the issuance of this order, or an entitlement certificate has been issued to provide any exemption or benefit under 18 Rajasthan Investment Promotion Scheme-2019.</p> <p><b>BENEFITS TO MANUFACTURING ENTERPRISES</b></p> <p>★ An eligible manufacturing enterprise shall be granted benefits and incentives as given below: -</p> <ul style="list-style-type: none"><li>(i) Investment Subsidy of 75% of State tax due and deposited, for seven years.</li><li>(ii) Employment Generation Subsidy in the form of reimbursement of 50% of employers contribution towards employees EPF and ESI, for seven years: Provided that the Employment Generation Subsidy in the form of reimbursement of 75% of employers contribution towards EPF and ESI shall be granted (a) For employees belonging to Women, Schedule Caste (SC), Schedule Tribe (ST), Person with disability (PwD); and (b) For all employees if the enterprise is providing more than 75% direct employment to persons domiciled in Rajasthan. Provided further that the Employment Generation Subsidy shall not be granted for those employees for which employer is receiving reimbursement under any other scheme of Government of India or Government of Rajasthan.</li><li>(iii) Exemption from payment of 100% of Electricity Duty for seven years.</li><li>(iv) Exemption from payment of 100% of Land Tax for seven years.</li></ul>	
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			<p>(v) Exemption from payment of 100% of Market Fee (Mandi Fee) for seven years.</p> <p>(vi) Exemption from payment of 100% of Stamp Duty:</p> <p><b>Leather, Footwear and Accessories Sector:</b></p> <p>Enterprises making an investment equal to or above rupees two crore in the Leather, Footwear and Accessories Sector shall be granted the following benefits: -</p> <p>(a) <b>5% Interest Subsidy</b> on term loan taken by enterprise from Financial Institutions or State Financial Institutions or Banks recognized by Reserve Bank of India, for making an investment in plant &amp; machinery, for a period of five years subject to a maximum of rupees twenty-five lakh per year: or</p> <p>(b) <b>Capital Subsidy equivalent to 25%</b> of investment made on the plant &amp; machinery, subject to a maximum of rupees twenty-five lakh.</p>																							
8	TAMIL NADU	Tamil Nadu Industrial Policy 2021-2025.	<p>Government of Tamil Nadu intends to support the projects in manufacturing with the potential for positive externalities in the State, through several Incentive Packages such as Structured Package, Incentives for Sunrise Sector, Incentives for Industrial Parks etc. For the purpose of administering the incentives, the following four investment commitment ranges have been identified:</p> <table border="1"> <thead> <tr> <th rowspan="2">Project Category</th> <th colspan="2">Investment Commitment Range (Rs. In Cr.)</th> <th rowspan="2">Standard Investment Period</th> </tr> <tr> <th>Minimum Investment</th> <th>Maximum Investment</th> </tr> </thead> <tbody> <tr> <td>Sub-Large</td> <td>50</td> <td>300</td> <td>4 years</td> </tr> <tr> <td>Large</td> <td>300</td> <td>500</td> <td>4 years</td> </tr> <tr> <td>Mega</td> <td>500</td> <td>5000</td> <td>4 years</td> </tr> <tr> <td>Ultra Mega</td> <td>5000</td> <td>-</td> <td>7 years</td> </tr> </tbody> </table>	Project Category	Investment Commitment Range (Rs. In Cr.)		Standard Investment Period	Minimum Investment	Maximum Investment	Sub-Large	50	300	4 years	Large	300	500	4 years	Mega	500	5000	4 years	Ultra Mega	5000	-	7 years	<p><a href="https://www.indembassyberlin.gov.in/">https://www.indembassyberlin.gov.in/</a></p> <p><a href="https://investintamilnadu.com/DIGIOV/">https://investintamilnadu.com/DIGIOV/</a></p>
Project Category	Investment Commitment Range (Rs. In Cr.)		Standard Investment Period																							
	Minimum Investment	Maximum Investment																								
Sub-Large	50	300	4 years																							
Large	300	500	4 years																							
Mega	500	5000	4 years																							
Ultra Mega	5000	-	7 years																							

			<p><b>STRUCTURED PACKAGE OF INCENTIVES FOR LARGE &amp; ABOVE PROJECTS</b></p> <p>Projects that are Mega and Ultra-Mega in “A” Districts, or Large, Mega and Ultra-Mega in “B” and “C” Districts shall be eligible for Structured Package of Incentives. The Structured Package of Incentives includes the following:</p> <p><b>I. Investment Promotion Subsidy</b></p> <p>There are 4 possible options for availing Investment Promotion Subsidy. The company can choose one of the following options:</p> <p><b>I. SGST Reimbursement for Final Products</b> (or) <b>II. Fixed Capital Subsidy</b> (or) <b>III. Flexible Capital Subsidy</b> (or) <b>IV. Turnover-based Subsidy</b></p> <p>These options are mutually exclusive, and a one-time choice must be exercised at the beginning of the Project by the investor.</p> <p><b>I. SGST Reimbursement for Final Products: -</b></p> <p>100% SGST payable on the sale of final products manufactured, sold, and registered in the State shall be reimbursed for a period of 15 years from the date of commercial production or upon achieving the minimum eligible investment for Structured Package in the given District, whichever is later.</p>	
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This shall be applicable only to Projects that manufacture final products with a traceable end-use in the State. In case of expansion projects, base volume principle will be applicable.

## **II. Fixed Capital Subsidy: -**

Projects can avail a fixed capital subsidy as provided in the Table below:

<b>Fixed Capital Subsidy (%EFA)</b>			
<b>Project/ District Category</b>	<b>Large (Rs. 300 cr.– Rs. 500 cr. &amp; 150 jobs)</b>	<b>Mega (Rs. 500 cr. – Rs 5000 cr. &amp; 400 jobs)</b>	<b>Ultra-Mega (&gt;Rs. 5000 cr. &amp; 2000 jobs)</b>
<b>“A” District</b>	-	10%	20%
<b>“B” District</b>	10%	12%	22%
<b>“C” District</b>	12%	15%	25%

The Fixed Capital Subsidy will be disbursed in equal annual instalments over the period prescribed below:

- 10 years for Large Projects in “B” and “C” districts and Mega Projects in “A” districts,
- 12 years for Mega Projects in “B” districts and “C” districts, and
- 15 years for Ultra Mega Projects in all districts.

Large Projects in “A” District shall be eligible for a back-ended fixed capital subsidy of Rs. 1 cr. The company can choose to avail the Fixed Capital Subsidy from the date of commercial production or upon achieving the minimum eligible investment for Structured Package in the given

			<p>District, whichever is later. If the company chooses to avail the Fixed Capital Subsidy prior to the completion of the investment and employment commitment, the Fixed Capital Subsidy shall be disbursed in tranches corresponding to the cumulative investment made until then and subsequent tranches for actual annual incremental investment within the investment period.</p> <p style="text-align: center;"><b>III. Flexible Capital Subsidy: -</b></p> <p>This option is a flexible, objective, transparent, and risk-free subsidy for investors compared to the indirect-tax based reimbursements that are subject to market risk and extended over a long period of time. This provision is the first of its kind as it provides the investor choice of customizing incentive package by choosing the weights of boosters that are best suited to maximise the subsidy based on their business mode. This will enable investors to plan their cash flow in a much more predictable manner.</p> <p>The Policy offers a maximum <b>Capital Subsidy of 35% of EFA for “A” Districts, 37% for “B” Districts and 40% of EFA for “C” Districts.</b> This comprises Standard Subsidy of 5% to all eligible projects and additional incentives of up to 35% of EFA depending on boosters based on location, employment, exports, ecosystem creation and if it is in a sunrise sector. Flexible Capital Subsidy is a percentage of the Eligible Fixed Assets and shall be disbursed over the incentive disbursement period equal to 2.5 times the investment period. The company can choose to avail the Flexible Capital Subsidy from the date of commercial production or upon achieving the minimum eligible investment for Structured Package in the given District, whichever is later. If the company chooses to avail the Flexible Capital Subsidy prior to the completion of the investment and employment commitment, the Flexible Capital Subsidy shall be disbursed in tranches corresponding to the cumulative investment made until then</p>	
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and subsequent tranches for actual annual incremental investment within the investment period.

**IV. Turnover-based Subsidy (TBS): -**

Mega and Ultra Mega projects creating a minimum Employment of 2000 jobs within the Investment Period can avail the Turnover-based Subsidy instead of the Fixed or Flexible Capital Subsidy. Turnover-based Subsidy shall be applicable as a percentage of the Turnover in each financial year. The company can choose to avail the Turnover based Subsidy from the date of commercial production or upon achieving the minimum eligible investment for Structured Package in the given District, whichever is later, up to a cap of 4% of cumulative investment in Eligible Fixed Assets per annum for a period of 10 years. If the Project creates employment for more than 4000 jobs within the investment period, the company shall be eligible for drawing a higher percentage of turnover subsidy depending upon the District Category, from the year of achieving the higher employment, as specified in the Table below. Turnover-based Subsidy for expansion projects shall be determined on a case-to-case basis and base volume principle will be applicable.

<b>Turnover-based Subsidy (% Turnover) for Mega and Ultra Mega Projects (Investment &gt;Rs. 500 cr.)</b>		
<b>District</b>	<b>Employment &gt;2000</b>	<b>Employment &gt;4000</b>
<b>“A” District</b>	<b>1.5%</b>	<b>1.75%</b>
<b>“B” District</b>	<b>1.75%</b>	<b>1.8%</b>
<b>“C” District</b>	<b>1.8%</b>	<b>2%</b>

			<p><b>2. Training Subsidy: -</b></p> <p>Training Subsidy Skilling support can be availed in form of a Training Subsidy of Rs. 4000 per worker per month for 6 months for residents of Tamil Nadu. For women and transgender employees, persons with benchmarked disabilities, persons from SC/ST communities the training subsidy shall be Rs. 6000 per worker per month for 6 months.</p> <p><b>3. Land Cost Incentive: -</b></p> <p>The Government strives to provide land to industries at competitive rates. For eligible projects in SIPCOT in “A” &amp; “B” districts, land allotment will be made at a 10% concessional rate and at a 50% concessional rate in “C” districts for land up to 20% of EFA. The timelines for allotment of Land in SIPCOT Industrial Area shall be as per Tamil Nadu Business Facilitation Rules 2018 and a deemed approval shall be issued on expiry of the time limit.</p> <p><b>4. Interest Subvention: -</b></p> <p>Interest Subvention of 5% as a rebate in the rate of interest shall be provided to Ultra Mega Projects only on actual term loans taken for the purpose of financing the project, up to Rs. 4 cr. per annum for a period of 6 years.</p> <p><b>5. Standard Incentives: -</b></p> <p>The following incentives shall also be available to Large, Mega and Ultra-Mega projects.</p> <ol style="list-style-type: none"><li>i. Electricity Tax Incentive</li><li>ii. Stamp Duty Incentive</li></ol>	
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			<p>iii. Green Industry Incentive  iv. Quality Certification Incentive  v. Intellectual Property Creation Incentive</p> <p><b>6. SGST Refund on Capital Goods: -</b></p> <p>The Government recognises that there is no provision of refund of input tax paid on capital goods, as the formula prescribed in Rule 89(5) of the Tamil Nadu Goods and Services Rules 2017, as applicable now, does not consider input taxes paid on capital goods in the term Net ITC (Input Tax Credit). Consequently, a company faced with an inverted tax structure is unable to utilise the ITC paid on capital goods, even though such a company could have utilised the ITC for payment of tax, had there been no inverted tax structure.</p> <p>Therefore, if the company faces an inverted tax structure due to which it is neither able to utilise the ITC on capital goods for payment of output tax nor able to obtain a refund of the same, the State Government will refund the Input SGST paid on capital goods within the standard investment period, to the extent input tax credit is admissible under TNGST Act 2017. The company shall have to reverse the credit of input tax from the SGST credit ledger to the extent refunded. The refund shall be provided from commercial production, in five equal annual instalments.</p> <p><b>SPECIAL INCENTIVES FOR SUNRISE SECTORS</b></p> <p>The Government of Tamil Nadu strives to stimulate technological innovation by supporting technology-driven manufacturing projects in the State. The following incentives are in addition to the Structured Package above and are applicable to projects in Sunrise Sector that are Mega and Ultra-Mega Projects for “A” Districts, or Large, Mega and Ultra-Mega Projects for “B” &amp; “C” Districts. Footwear and Finished leather goods fall</p>	
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			<p>under the Sunrise Sector. A company can choose to avail incentives under these policies or under this package.</p> <ol style="list-style-type: none"> <li>1. <b>Investment Promotion Subsidy</b> - Sunrise Booster Projects in Sunrise Sector industries opting for Flexible Capital Subsidy shall get a Sunrise Booster of one which implies an additional capital subsidy of up to 7.5% of EFA (Section 13.1.3), depending upon the investment and employment.</li> <li>2. <b>Land Cost Subsidy</b> For eligible projects in SIPCOT, land allotment will be made at 10% concessional rate in “A” &amp; “B” districts and at a 50% concessional rate in “C” districts for land up to 20% of EFA. For private land in “C” districts, 50% subsidy will be offered on the cost of land as per guideline value up to an extent of 50 acres and subject to land cost not exceeding 20% of EFA and a cap of Rs. 2 cr. provided that at least 70% of the land is used for manufacturing operations. In case the investor chooses to avail the land cost subsidy, land will be excluded from Eligible Fixed Assets for the purpose of Investment Promotion Subsidy.</li> <li>3. <b>Stamp Duty Incentive</b> 100% stamp duty exemption will be given for lease or purchase of land/ shed/ buildings meant for industrial use in land obtained from SIPCOT. In the case of private lands, stamp duty concession will be given as a 100% back ended subsidy for up to 50 acres on fulfilment of investment and employment commitment.</li> <li>4. <b>Enhanced Incentive for Quality Certification</b> Projects obtaining certifications like ISO, ISI, BIS, FPO, BEE, AGMARK, and ECOMARK or any other national or international certification shall be given a subsidy of 50% of the total cost incurred for obtaining the certification, as certified by the Chartered Accountant, limited to</li> </ol>	
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Rs. 1 cr. for the period of investment.

- 5. **Enhanced Incentive for Intellectual Property Creation:** The Government will reimburse 50% of the expenditure incurred by the Project for the investment period for a patent, copyright, trademarks, Geographical Indicators registration subject to a maximum of Rs.1 Cr for the period of investment.
  
- 6. **Interest Subvention** Interest Subvention of 5% as a rebate in the rate of interest shall be provided be on actual term loans taken for the purpose of the financing the project, for a period of 6 years subject to the limits provided in the next Table.

Project Category	Interest Subvention (% Rate of Interest)	Maximum Incentive Disbursal Period (Years)	Ceiling Per Annum (Rs.Lakhs)
Large	5%	6	20
Mega	5%	6	100
Ultra-Mega	5%	6	400

7. **Standard Incentives:** The Project shall also be eligible for standard incentives, namely, electricity tax exemption for 5 years, and green industry incentives of upto Rs.1 Cr. Projects availing the Enhanced Quality Certification/ IP Incentive shall not be eligible for Quality Certification/IP Incentive under Standard Incentives, respectively.

			<p><b>8. SGST Refund on Capital Goods:</b> The Project shall also be eligible for SGST refund on capital goods as specified in the above Point No.6 in Investment Promotion Subsidy.</p> <p><b>SPECIAL INCENTIVES FOR INDUSTRIAL PARKS</b></p> <p>The Government of Tamil Nadu is actively promoting the use of private land for industrial use through the development of integrated Industrial Parks in the State. The following incentives shall be offered to developers of Mega and Ultra-Mega Industrial Parks, i.e., investment greater than Rs. 500 cr. (including the cost of land), in “B” &amp; “C” Category Districts, in addition to Standard Incentives.</p> <p><b>1. Capital Subsidy</b> Industrial Park developers shall be eligible for a Capital Subsidy of 12% or 15% of investment in internal infrastructure (such as internal roads, water distribution infrastructure, street lighting, drainage facilities, landscaping, and green areas, but excluding the cost of land and landfilling/levelling) in “B” or “C” Category Districts, respectively. This shall be provided based on the following milestones:</p> <ol style="list-style-type: none"> <li>i. 50% of the amount determined as Capital Subsidy upon paid-up allotment of 50% park area along with 10% operational units, i.e., either 10% of units achieving commercial production or units occupying 10% of park area achieving commercial production. This shall be distributed in equal annual instalments over 5 years.</li> <li>ii. 50% of the amount determined as Capital Subsidy upon paid-up allotment of 75% park area with 25% operational units, i.e., either 25% of units achieving commercial production or units occupying 25% of park area achieving commercial production. This shall be distributed in equal annual instalments over 5 years.</li> </ol>	
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			<p>2. <b>Industrial Housing Incentive</b> In addition to Capital Subsidy, Industrial Park developers will be eligible for Industrial Housing Incentive of 10% on the cost of developing the residential facilities developed within the Industrial Park over 10 years from the date of completion of the investment in the housing facility, subject to a ceiling of Rs. 10 cr.</p> <p>3. <b>Green Industry Incentive</b> Industrial Park Developers undertaking green and sustainable initiatives shall be eligible for a 25% subsidy on cost of capital of setting up undertaking such initiatives, subject to a limit of Rs. 5 crores.</p>	
9	UTTAR PRADESH	<b>Industrial Investment &amp; Employment Promotion Policy 2017-2023.</b>	<p><b>FISCAL INCENTIVES:</b></p> <p>To attract maximum investment and maintain competitiveness of the industries in the State, the policy will provide following fiscal incentives, subsidies and concessions on certain terms and conditions –</p> <ol style="list-style-type: none"> <li><b>Stamp duty exemption</b> of 100% in Bundelkhand &amp; Poorvanchal, 75% in Madhyanchal &amp; Paschimanchal (except Gautam buddh Nagar &amp; Ghaziabad districts) region of the state and 50% in Gautambuddhnagar &amp; Ghaziabad districts.</li> <li><b>EPF reimbursement facility</b> to the extent of 50% of employer's contribution to all such new Industrial units providing direct employment to 100 or more unskilled workers.</li> <li><b>Reimbursement of net VAT and CST</b> or the net amount deposited in State's account vis-a-vis share of the state under GST as follows which will not be more than the amount deposited annually –</li> </ol>	<p><a href="https://niveshmitra.up.nic.in/Policies.aspx">https://niveshmitra.up.nic.in/Policies.aspx</a></p> <p><a href="https://invest.up.gov.in/industrial-investment-and-employment-promotion-policy-2017/">https://invest.up.gov.in/industrial-investment-and-employment-promotion-policy-2017/</a></p>

			<p>(a) 90% for Small Industries for 5 years. This would be subject to annual ceiling of 20% of capital investment or actual tax deposited, whichever is lower, with an overall ceiling of 100% of fixed capital investment in Bundelkhand &amp; Poorvanchal, 90% of fixed capital investment in Madhyanchal &amp; Paschimanchal (except Gautambuddhnagar &amp; Ghaziabad districts) and 80% of fixed capital investment in Gautambuddhnagar &amp; Ghaziabad districts.</p> <p>(b) 60% for Medium Industries for 5 years. This would be subject to annual ceiling of 20% of capital investment or actual tax deposited, whichever is lower, with an overall ceiling of 100% of fixed capital investment in Bundelkhand &amp; Poorvanchal, 90% of fixed capital investment in Madhyanchal &amp; Paschimanchal (except Gautambuddhnagar &amp; Ghaziabad districts) and 80% of fixed capital investment in Gautambuddhnagar &amp; Ghaziabad districts.</p> <p>(c). 60% for large Industries (capital investment of above Rs. 10 cr and below the capital investment required for consideration under various categories of mega investment) for 5 years. This would be subject to annual ceiling of 20% of capital investment or actual tax deposited, whichever is lower, with an overall ceiling of 100% of fixed capital investment in Bundelkhand &amp; Poorvanchal, 90% of fixed capital investment in Madhyanchal &amp; Paschimanchal (except Gautambuddh Nagar &amp; Ghaziabad districts) and 80% of fixed capital investment in Gautambuddh Nagar &amp; Ghaziabad districts.</p> <p>(d). 70% for Mega/ Mega Plus/ Super Mega category Industries for 10 years. This would be subject to annual ceiling of 20% of capital investment reimbursed or actual tax deposited, whichever is lower, with an overall ceiling of 300% of fixed capital investment in Bundelkhand &amp; Poorvanchal, 200% of fixed capital investment in Madhyanchal, 100% in Paschimanchal (except Gautambuddh Nagar &amp; Ghaziabad districts) and</p>	
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		<p>80% of fixed capital investment in Gautambuddh Nagar &amp; Ghaziabad districts.</p> <p><b>4. Capital Interest Subsidy</b> to the extent of 5% per annum for 5 years in the form of reimbursement on loan taken for procurement of plant &amp; machinery, subject to an annual ceiling of Rs. 50 lacs.</p> <p><b>5. Infrastructure Interest Subsidy</b> to the extent of 5% per annum for 5 years in the form of reimbursement on loan taken for development of infrastructural amenities for self-use like roads, sewer, water drainage, erection of power line, transformer and power feeder, subject to an overall ceiling of Rs. 1 Crore.</p> <p><b>6. Interest subsidy</b> to the extent of 5% per annum for 5 years in the form of reimbursement on loan taken for industrial research, quality improvement and development of products by incurring expenditure on procurement of plant, machinery &amp; equipment for setting up testing labs, quality certification labs and tool rooms, subject to an overall ceiling of Rs. 1 Crore.</p> <p><b>7. Exemption from electricity duty</b> to all new industrial units set up in the state for 10 years.</p> <p><b>8. Exemption from electricity duty</b> for 10 years to all new industrial units producing electricity from captive power plants for self-use.</p> <p><b>9. Exemption from Mandi fee</b> for all new food processing units on purchase of raw material for 5 years.</p> <p><b>10. The industries which are disallowed for input tax credit under the GST regime</b>, will be provided reimbursement of that amount of VAT/CST/GST paid on purchase of plant and machinery, building material</p>	
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			<p>and other capital goods during construction and commissioning period and raw materials and other inputs in respect of which input tax credit has not been allowed. In addition to the above, the facility of interest free loan equivalent to the sum of VAT and CST/ state share of GST deposited by industrial units admissible to eligible industrial units under the previous policy will be continued.</p> <p><b>11. Incentivising employment generation Units</b> generating minimum employment of 200 direct workers including skilled and unskilled will be provided 10% additional EPF reimbursement facility on employer's contribution.</p> <p><b>12. All incentives in the form of reimbursement, subsidies, exemptions etc.,</b> will be subject to a maximum of 100% of fixed capital investment made in Poorvanchal and Bundelkhand, 90% of fixed capital investment made in Madhyanchal &amp; Paschimanchal (except Gautambuddh Nagar &amp; Ghaziabad districts) and 80% of fixed capital investment made in Gautambuddh Nagar &amp; Ghaziabad districts.</p> <p><b>13. Promoting Mega Investments: -</b> Mega projects have multiplier effect and are essential for creation of jobs and inclusive growth. Development of large industries in the state also attracts ancillaries in the SME sector leading to a positive domino effect. Recognising the multiple benefits that mega projects provide, the policy intends to offer customised package of incentives to attract such investments. The GoUP will also make a concerted effort to ensure that there is balanced regional dispersal of such investments across the State.</p>	
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The facilitation of mega, mega plus & super mega investments in the state would be applicable under the following framework-

Category	Minimum Eligibility Requirements		
	Gautambuddh Nagar & Ghaziabad districts	Madhyanchal & Paschimanchal (except Gautambuddh Nagar & Ghaziabad districts)	Bundelkhand, & Poorvanchal
<b>Mega</b>	Capital investment of more than Rs.200 cr but less than Rs.500 cr or Providing employment to more than 1000 workers	Capital investment of more than Rs.150 cr but less than Rs.300 cr or Providing employment to more than 750 workers	Capital investment of more than Rs.100 cr but less than Rs.250 cr or Providing employment to more than 500 workers
<b>Mega Plus</b>	Capital investment of more than Rs.500 Cr but less than Rs.1,000 cr or Providing employment to more than 2000 workers	Capital investment of more than Rs.300 Cr but less than Rs.750 cr or Providing employment to more than 1500 workers	Capital investment of more than Rs.250 cr but less than Rs.500 cr or Providing employment to more than 1000 workers
<b>Super Mega</b>	Capital investment of more than Rs.1,000 Cr or Providing employment to more than 4000 workers	Capital investment of more than Rs.750 Cr or Providing employment to more than 3000 workers	Capital investment of more than Rs.500 cr or Providing employment to more than 2000 workers



			<ul style="list-style-type: none"> <li>• The incentives will be applicable for new units as well as projects under expansion/diversification.</li> <li>• Projects in the mega categories (mega, mega plus and super mega) will be processed on a case-to-case basis for finalising the incentive structure.</li> <li>• All incentives for mega investments in the form of reimbursement, subsidies, exemptions etc., will be subject to a maximum of 300% of fixed capital investment made in Poorvanchal and Bundelkhand area of UP, 200% of Fixed Capital Investment made in Madhyanchal, 100% in Paschimanchal (except Gautambuddh Nagar &amp; Ghaziabad districts) and 80% of fixed capital investment made in Gautambuddhnagar &amp; Ghaziabad districts.</li> </ul> <p>Note: 1. Units availing incentives from any other policy or those sanctioned by the departments of the State government, will also be entitled to avail incentives/benefits mentioned in this policy provided the same kind of benefits/incentives are not being availed from any other policy. If a unit avails any incentive under industry specific policies like Agro &amp; Food Processing Policy, IT Policy etc., it will not be provided incentive of similar nature under this policy.</p> <p>2. A negative list of industries will be identified which will be ineligible for any incentives mentioned in this policy. However, if any package of incentives has already been committed by the state government to any such unit before the industry was declared negative, the committed incentives will not be withdrawn, and the unit will continue to remain entitled to the benefits.</p>	
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10.	WEST BENGAL	<p><b>Industrial Policy 2021–2025.</b></p> <p><b>“Banglashree Scheme” for MSMEs.</b></p>	<p>The implementation of a new Incentive Scheme for MSME in West Bengal has been approved with an eye to promoting growth and development of such enterprises in the State. The Scheme is called Banglashree for MSMEs. The object of the Scheme is to extend fiscal incentives to encourage entrepreneurs to set up MSME Enterprises with a view to focusing on balanced development of MSMEs across the State and creating a sustainable ecosystem in the MSME sector which can maximize the utilization of resource, generate new employment, and widen the area of operation to make the State emerge as the MSME leader in the country. The Scheme came into effect from 01.04.2020 and will be in force for 5 years ending on 31.03.2025, if not withdrawn/ amended earlier by a Notification in the official Gazette to that effect.</p> <p><b>Applicability of “Banglashree Scheme” for MSMEs.</b></p> <p>★ Banglashree for MSMEs shall generally be applicable to all MSME units in the manufacturing sector which have started production on or after 01.04.2019. The enterprises may be in the private sector, cooperative sector and joint sector undertaking as also companies/ undertakings owned and managed by the State Government and the Industrial SHGs.</p> <p><b>Eligibility criteria for incentives under Banglashree for MSMEs</b></p> <p>Any MSME unit in the manufacturing sector shall be eligible for incentives under Banglashree for the MSMEs subject to the fulfilment of the conditions specified below:</p> <p>(i) A MSME enterprises shall commence its commercial production from 01.04.2019 to 31.03.2025. and shall submit its first incentive application to the General Manager, District Industries Centre/ Officer-In-Charge Sub-DIC, Siliguri within 12 months from the date of commencement of commercial production or 12 months from the date of this notification, whichever is later.</p>	<p><a href="https://wbmsme.gov.in/site/s/all/themes/anonymous/pdf/SAR_642_MS_MAT_Department_Review_31.07.2020.pdf">https://wbmsme.gov.in/site/s/all/themes/anonymous/pdf/SAR_642_MS_MAT_Department_Review_31.07.2020 .pdf</a></p>
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(ii) Existing enterprises will be eligible for incentive for expansion of the project as per several sub-clauses of this scheme.

**1. State Capital Investment Subsidy**

★ An eligible micro or small enterprise located in Zone C, D & E area will be entitled to State Capital Investment Subsidy for its approved project as follows: -

	<b>Micro Enterprise</b>	<b>Small Enterprise</b>
<b>Zone C</b>	25% of the Fixed Capital Investment	15% of the Fixed Capital Investment
<b>Zone D</b>	40% of the FCI	30% of the FCI
<b>Zone E</b>	60% of the FCI	40% of the FCI

★ An additional subsidy of 20% on State Capital Investment Subsidy normally admissible will be provided to all eligible micro and small enterprises wholly owned (100%) by women, SC/ST, and minority commenterprisey entrepreneurs.

★ An eligible micro or small enterprise wholly owned by women, SC/ST, and minority commenterprisey entrepreneurs and set up in Zone – A and B area will be entitled to State Capital Investment Subsidy as follows:

**Micro Enterprise:** - 15% of the Fixed Capital Investment

**Small Enterprise:** - 10% of the Fixed Capital Investment

			<p>★ The subsidy normally admissible and additional subsidy taken together will not exceed Rs.50 Lakh for a Small Enterprise located in Zone C &amp; D area and will not exceed Rs. 75 Lakh for a Small Enterprise located in Zone E area.</p> <p><b>2. Interest Subsidy on Term Loan</b></p> <p>★ An eligible micro, small or medium enterprise will be entitled to Interest Subsidy on annual interest liability on the Term Loan borrowed from a Commercial Bank/ Cooperative Bank/ Scheduled Banks approved by RBI/ RRBs/ Financial Institution (Central and State) for implementation of the approved project as follows.</p> <p><b><u>Micro &amp; Small Enterprise</u></b>  Zone A &amp; B – 55% of interest liability for 5 years.  Zone C, D &amp; E– 70% of interest liability for 5 years</p> <p><b><u>Medium Enterprise</u></b>  Zone – B, C, D &amp; E: - The interest subsidy will be 25% of total Term Loan interest paid by the enterprise for 5 years subject to a ceiling of Rs. 175 lakh per year.</p> <p>★ The interest subsidy will be payable annually subject to submission of a statement / certificate (in annexureII) by the lending Bank /Financial Institution to substantiate that the enterprise has paid the due interest to the institution on the due dates and has not defaulted in payment of interest at any time during the period.</p> <p>In addition, there are several other incentives provided to eligible MSME units:</p> <p><b>3. Waiver of Electricity Duty</b></p> <p><b>4. Power Subsidy</b></p> <p><b>5. Subsidy for Energy Efficiency:</b></p> <p><b>6. Subsidy on Stamp Duty and Registration Fee:</b></p>	
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			<p>7. Subsidy for State Goods and Services Tax (SGST) paid to the Govt of West Bengal.</p> <p>8. Subsidy for Water Conservation/Environment Compliance.</p> <p>9. Subsidy for Standard quality compliance.</p> <p>10. Work force Welfare Assistance.</p> <p>11. Subsidy for Patent Registration.</p> <p>12. Incentive for approved expansion project of an existing enterprise.</p>																			
11.	PUNJAB	Industrial & Business Development Policy 2018 (Amended).	<p><b>FISCAL INCENTIVES FOR MSME UNITS</b></p> <table border="1"> <thead> <tr> <th>S.N O</th> <th>NATURE OF INCENTIVE</th> <th>EXTENT OF INCENTIVE</th> </tr> </thead> <tbody> <tr> <td>A.</td> <td colspan="2" style="text-align: center;"><b>ACCESS TO FINANCE</b></td> </tr> <tr> <td>1</td> <td>Investment subsidy by way of reimbursement of net SGST on intra-State sale</td> <td>Reimbursement of 100% of net SGST for 7 years from the date of commercial production with a cap of 100% of FCI.</td> </tr> <tr> <td>2</td> <td>Interest Subsidy on term loan in Border Districts and Kandi Area</td> <td>Interest subsidy @ 5% pa only in Border Districts and Kandi Area subject to maximum of Rs. 10 lakh per year for 3 years</td> </tr> <tr> <td>3</td> <td>Interest Subsidy on term loan to SC/Women Entrepreneur</td> <td>Interest Subsidy @ 5% pa only to SC Entrepreneur / Women Entrepreneur subject to maximum of Rs.10 lakh per year for 3 years.</td> </tr> <tr> <td>4</td> <td>Additional State Support of interest subsidy under Credit Linked Capital Subsidy Scheme (CLCSS) of Ministry of MSME, GOI.</td> <td>Interest subsidy of 5% subject to maximum of 5 lakh per year for a period of 3 years and shall not exceed amount of net SGST paid during the relevant year to such units eligible under CLCSS scheme.</td> </tr> </tbody> </table>	S.N O	NATURE OF INCENTIVE	EXTENT OF INCENTIVE	A.	<b>ACCESS TO FINANCE</b>		1	Investment subsidy by way of reimbursement of net SGST on intra-State sale	Reimbursement of 100% of net SGST for 7 years from the date of commercial production with a cap of 100% of FCI.	2	Interest Subsidy on term loan in Border Districts and Kandi Area	Interest subsidy @ 5% pa only in Border Districts and Kandi Area subject to maximum of Rs. 10 lakh per year for 3 years	3	Interest Subsidy on term loan to SC/Women Entrepreneur	Interest Subsidy @ 5% pa only to SC Entrepreneur / Women Entrepreneur subject to maximum of Rs.10 lakh per year for 3 years.	4	Additional State Support of interest subsidy under Credit Linked Capital Subsidy Scheme (CLCSS) of Ministry of MSME, GOI.	Interest subsidy of 5% subject to maximum of 5 lakh per year for a period of 3 years and shall not exceed amount of net SGST paid during the relevant year to such units eligible under CLCSS scheme.	<p><a href="https://pbindustries.gov.in/state/why_punjab;Key=Fiscal Incentives MSME units">https://pbindustries.gov.in/state/why_punjab;Key=Fiscal Incentives MSME units</a></p> <p><a href="https://pbindustries.gov.in/state/why_punjab;Key=Fiscal Incentives Large Units">https://pbindustries.gov.in/state/why_punjab;Key=Fiscal Incentives Large Units</a></p> <p><a href="https://pbindustries.gov.in/state/why_punjab;Key=Fiscal">https://pbindustries.gov.in/state/why_punjab;Key=Fiscal</a></p>
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			5	Additional State Support of reimbursement of guaranteed fee charged under Collateral Free Credit Guarantee Trust for Micro and Small enterprises (CGTMSE) Scheme.	100% of guaranteed fee to be reimbursed to micro and small enterprises subject to maximum of Rs. 1 lac.	<a href="#"><u>Incentives Units Thrust Sectors</u></a>
			6	Financial assistance to SMEs for 'Emerge' exchange platform set up by NSE	To make the SMEs available on the 'Emerge' exchange platform set up by NSE, the State will provide the following incentives: <ul style="list-style-type: none"> <li>i. 10% of the cost of Public Issue expenses, subject to maximum of Rs.2.50 lakh for registration of National Stock Exchange.</li> <li>ii. Direct subscription up to 10% of the Public Issue to be provided out of corpus to be created jointly with SIDBI, Nationalized banks &amp; the State Government subject to a maximum of Rs. 10 lakhs.</li> </ul>	
			<b>B.</b>	<b>ACCESS TO INFRASTRUCTURE</b>		
			7	Exemption from Electricity Duty	100% exemption for 7 years	
			8	Exemption/Reimbursement from Stamp Duty	100% exemption/reimbursement from stamp duty for purchase or lease of land and building	

			<b>C.</b>	<b>ACCESS TO TECHNOLOGY</b>	
			9	Assistance for Technology Acquisition	50% of the cost subject to maximum of Rs. 25 lakhs for adopting technology from a recognized
			10	Additional support to ZED scheme of GOI.	Reimbursement of 50% of expenses subject to maximum of Rs. 5 lakhs incurred on plant and machinery/testing equipment for obtaining at least silver category status under ZED scheme.
			11	Reimbursement of expenses incurred for Energy Audit/ Water Audit/ Safety Audit	75% subject to maximum of Rs. 2 lakhs for energy audit and maximum of Rs. 1 lac each for water audit and Safety Audit.
			12	Assistance for Environmental Compliance	50% financial support subject to max of Rs. 25 lakhs on capital cost for setting up of Chapter 10 - Fiscal Incentives Industrial and Business Development Policy 2017 50 effluent treatment plant and for installation of Air Pollution Control Devices.
			<b>D.</b>	<b>ACCESS TO MARKET</b>	
			13	Reimbursement of expenses incurred for patent registration	75% of the expenses subject to 10 lakhs for domestic patent and 20 lakhs for international patent

			14	Additional Support for Performance and Credit Rating Scheme of Ministry of MSME	Reimbursement of 25% of the fee subject to maximum of 10 thousand
			15	Reimbursement of expenses incurred on quality certifications	100% subject to maximum of Rs.10 lakh
			16	Design Clinic Scheme	Reimbursement of the contribution of industries of Rs. 1 lac per program for design awareness program by National Institute of Design, Ahmedabad
			17	Vendor Development Program	Assistance of INR 5 Cr to MSME Punjab for assisting the industry in organizing Vendor Development Programmes, Buyer – Seller meets, Reverse Buyer-Seller meets.
			18	Marketing Support	Assistance to MSME for showcasing their products at local, national, and international event: <ul style="list-style-type: none"> <li>i. @50% of total rent limiting to Rs.10 lakh for participation of minimum 5 units in Punjab Pavilion in International Trade Fairs abroad</li> <li>ii. @25% of total rent limiting to Rs.3 lakh for Domestic Conferences and Trade Fairs.</li> </ul>



					iii. Nil for Pavilion at Progressive Punjab Events and Conferences
			19	Freight Assistance to Export Oriented Units	1% of FOB value or actual freight paid from the place of Manufacture to the place of shipment, whichever is less subject to maximum of Rs 20 Lac per annum
			20	Annual State Awards to MSME, SC, Women and Exporters	Annual award of Rs. 3 lakh per unit for excellence in productivity, quality, export for each category of enterprise
<b>FISCAL INCENTIVES FOR LARGE UNITS</b>					
			<b>S.NO</b>	<b>NATURE OF INCENTIVE</b>	<b>EXTENT OF INCENTIVE</b>
			1	Investment subsidy by way of reimbursement of net SGST on intra-state sales	75% of net SGST for 7 years with a cap of 100% of FCI.
			2	Exemption from Electricity Duty	100% exemption for 7 years
			3	Exemption/ reimbursement from Stamp Duty	100% exemption/ reimbursement from Stamp Duty for purchase or lease of land and building

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<b>12.</b>	<b>JAMMU &amp; KASHMIR</b>	<b>Industrial Policy 2021-2030.</b>	<p>J&amp;K envisages to attract investment in the manufacturing sector. Since availability of land is a pre-requisite for setting up of the industry, the Government is developing State-of-the-art Industrial Land Bank across the J&amp;K. The Government would be initiating action to develop industrial Estates / Parks on the “ready to occupy” model to attract investments. Government will develop sector specific parks and clusters. The Government will also encourage the development of private industrial</p>	<p><a href="http://ikindustriescommerce.nic.in/Orders%202021/117%20IND%20OF%202021">http://ikindustriescommerce.nic.in/Orders%202021/117%20IND%20OF%202021</a></p>																					

			<p>parks to provide state-of-the-art Industrial infrastructure for the industry by providing a separate incentive package.</p> <p>The following incentives are provided under this scheme</p> <ul style="list-style-type: none"> <li>(i) Capital Investment Incentive (CII)</li> <li>(ii) Capital Interest Subvention (CIS)</li> <li>(iii) Goods &amp; Services Tax Linked Incentive (GSTLI)</li> <li>(iv) Working Capital Interest Subvention (WCIS)</li> </ul> <p><b>Capital Investment Incentive (CII):</b></p> <p>The following units will be eligible to avail this incentive</p> <ul style="list-style-type: none"> <li>(i) New units with investment of not more than Rs.50 Crore in Plant &amp; Machinery (for manufacturing sector) will be eligible to avail this incentive in both Zone A and Zone B.</li> <li>(ii) Existing units undertaking substantial expansion with investment of not more than Rs.50 Crore in Plant &amp; Machinery (for Manufacturing sector) will be eligible to avail benefit under this incentive in both Zone A and Zone B.</li> <li>(iii) A unit will be eligible for this incentive only if it installs new plant &amp; machinery (for manufacturing sector) where purchases have been made based on Arm's Length Pricing.</li> <li>(iv) All eligible units located in Zone A category blocks will be provided CII @ 30% of the investment made in plant &amp; machinery with maximum limit of Rs.5 Crore.</li> <li>(v) All eligible units located in Zone B category blocks will be provided CII @ 50% of the investment made in plant &amp; machinery with maximum limit of Rs.7.50 Crore.</li> <li>(vi) An existing unit can avail this benefit for substantial expansion only once during the validity period of the scheme.</li> </ul>	<p><a href="#">pdf</a></p>
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			<p>(vii) A new unit registered under the scheme will not be eligible to avail the benefit under substantial expansion.</p> <p>(viii) Physical verification of the units is mandatory before availing this incentive. However, under special circumstances, on recommendations by UT, with due justification, Steering Committee may consider electronic modes, or any other method as deemed appropriate in lieu of physical verification.</p> <p>(ix) Detailed procedure for registration and availing this incentive shall be laid down in the guidelines.</p> <p><b>Capital Interest Subvention (CIS):</b></p> <p>i) New units will be eligible for this incentive on the loan availed on investment made in eligible plant and machinery.</p> <p>ii) Existing units undertaking substantial expansion will also be eligible for the incentive.</p> <p>iii) Interest on loan up to the principal amount of Rs. 500 crore for investment in eligible plant and machinery shall be eligible for Capital Interest subvention.</p> <p>iv) The Capital Interest Subvention would be eligible on amount disbursed and not on the principal amount sanctioned for the term loan.</p> <p>v) A unit will be eligible for this incentive only if it installs new plant and machinery where purchases have been made based on Arm's Length Pricing.</p> <p>vi) All eligible units can avail Capital Interest Subvention at the annual rate of interest of 6% for a maximum of 7 consecutive years from any date after the date of application for registration under this scheme. However, disbursement of eligible amount under this incentive shall begin only after commencement of commercial production.</p> <p>vii) In future, if the annual rate of interest falls below 8%, an eligible unit will still be liable to pay a minimum amount of interest at the annual rate of interest of 2%.</p>	
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			<p>viii) This incentive is applicable on the loans availed from a Scheduled Commercial Banks or Financial Institutions registered by RBI.</p> <p>ix) Detailed procedure for registration and availing this incentive shall be laid down in the guidelines.</p> <p><b>Goods &amp; Services Tax Linked Incentive (GSTLI)</b></p> <p>i) New units registered under the scheme irrespective of the value of investment in plant and machinery and having a GST registration will be eligible for benefit under this incentive.</p> <p>ii) Upper limit of incentive under this component shall be 300% of the eligible value of investment made in plant and machinery. The value of Plant and Machinery for manufacturing units will be as per the eligible value determined under Capital Investment Incentive or Capital Interest Subvention, whichever is applicable.</p> <p>iii) All eligible units will be granted GSTLI equal to 100% of Gross payment of GST, i.e. GST paid through cash and input tax credit for a maximum period of 10 years from the date of commencement of commercial production/operation or till the validity of the scheme whichever is earlier. However, GST paid on exported goods or services will not be counted towards eligible incentive amount under this component.</p> <p>iv) The amount of incentive paid in a financial year will not exceed 1/10<sup>th</sup> of the total amount of eligible incentive under this component subject to full payment of GST as per GST return filed for the claim period.</p> <p>v) The quantum of incentive will be the same irrespective of the fact whether the unit is located in Zone A or Zone B in the UT of J&amp;K.</p> <p>vi) In case gross GST paid by any unit in a financial year is more than one-tenth of the total amount of eligible incentive, the balance can be carried forward to the subsequent financial year(s). Further, in case the unit is not able to claim full eligible amount of incentives in the</p>	
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			<p>first 3 year, the same can be carried forward to subsequent years. However, this will not be carried forward beyond the eligible period of 10 years or beyond the validity of scheme, whichever is earlier.</p> <p>vii) In order to avail benefit under this incentive, a unit will be required to have a new registration number for GST. If an applicant has another unit registered within the UT of J&amp;K, existing GST number shall not be used for the new unit which has been registered under this scheme.</p> <p>viii) Detailed procedure for registration and availing this incentive shall be laid down in the guidelines.</p> <p><b>Working Capital Interest Subvention (WCIS)</b></p> <p>(i) All existing units in the UT of J&amp;K registered under GST prior to the date of notification of this scheme will be eligible for this incentive, subject to the registration and other conditions as detailed in the guidelines.</p> <p>(ii) Units located both in Zone A and Zone B in the UT of J&amp;K are eligible for this incentive</p> <p>(iii) All existing eligible units can avail interest subvention @ 5% on working capital loan for a maximum of 5 consecutive years from the date of grant of registration under this scheme. Existing eligible units availing benefits under this component will be eligible for five years period, even when they are undertaking substantial expansion</p> <p>(iv) In case, if the annual rate of interest charged by a bank fall below 6%, a minimum amount @ 1% per annum of interest will still have to be paid by the eligible units.</p> <p>(v) Maximum benefit under this component for manufacturing units is Rs. 1 crore in 5 years.</p> <p>(vi) Detailed procedure for registration and availing this incentive shall be laid down in the guidelines.</p>	
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